shaping
the world
of work

randstad

annual report 2007

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shaping the world of work

As a world leader in the HR services industry, we aim to play an active role in shaping the world of work. It is not just the title of our annual report; it is exactly what we do. Every day, our consultants help to shape the careers of flexworkers and candidates. Every day, our consultants help our clients to shape their workforce. And every day, the Randstad Group is engaged in shaping the right conditions in labor markets around the globe to help strengthen employability.

Another reason for choosing 'shaping the world of work' as the title is that it is an important factor in our branding strategy. The theme of this annual report is *superior brands*, one of our four strategic building blocks. It is a key element in the execution of our growth strategy, as are *best people* and *strong concepts*, which were the themes of our last two annual reports.

Randstad is known for building strong brands in the HR services sector. We believe strongly that branding is not only about advertising, but is also very much about the philosophy and identity of the company behind it. In the theme section of this report, from pages 54 to 61, we highlight what our brands stand for and what we do to ensure that our message is heard.

This year's annual report has the look and feel of our brand family in the search & selection segment. In this segment, recognizable cityscapes are used as backdrops, reflecting places where candidates will be working. In this report we have used the cityscapes of Amsterdam, Atlanta, London, Mumbai, Paris, Shanghai and Warsaw – all of which have been important in the story of Randstad so far. The cover shows three people; reflecting the three-way relationship between our candidates, clients and consultants.


good
to know
you

key data

Randstad matches supply and demand in the labor market and provides hr services

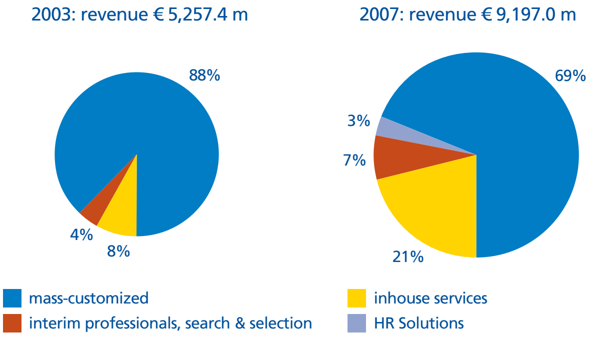
12% organic growth in 2007
active in 20 countries
369,200 flexworkers & interim professionals

adding value for our clients
with five distinctive service concepts:

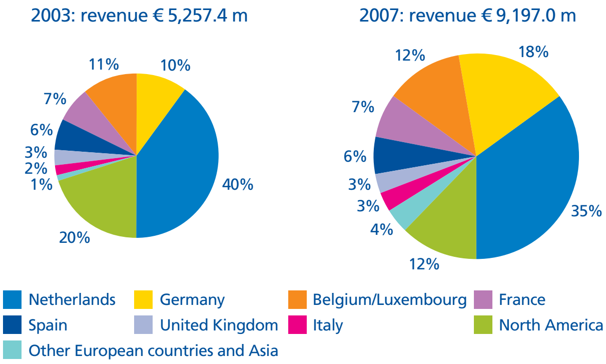
- mass-customized services
- inhouse services
- interim professionals
- search & selection
- hr solutions

	2007	2006	Δ%
Key financials (€ million)			
Revenue	**9,197.0**	8,186.1	12
Gross profit	**2,029.7**	1,730.6	17
EBITA [1]	**554.4**	436.1	27
Net income [2]	**384.9**	360.3	7
Free cash flow	**328.4**	350.0	(6)
(Net debt)/net cash [3]	**(144.2)**	250.3	(158)
Shareholders' equity	**1,021.6**	790.3	29
Ratios (in % of revenue)			
Gross margin	**22.1**	21.1	
EBITA margin	**6.0**	5.3	
Net income margin	**4.2**	4.4	
Effective tax rate (in %)	**28.7**	13.1	
Share data			
Basic earnings per ordinary share (in €)	**3.31**	3.11	6
Diluted earnings per ordinary share before amortization acquisition-related intangible assets and impairment goodwill (in €)	**3.38**	3.17	7
Dividend per ordinary share (in €)	**1.25**	1.25	–
Payout per ordinary share (in %) [4]	**38**	40	
Closing price (in €)	**27.02**	52.40	(48)
Market capitalization, year-end (€ million)	**3,150.7**	6,083.4	(48)
Price/earnings ratio	**8**	17	
Employees/outlets			
Average number of staffing employees	**369,200**	312,300	18
Average number of corporate employees	**17,570**	15,380	14
Number of branches, year-end [5]	**1,889**	1,827	3
Number of inhouse locations, year-end [5]	**997**	843	18

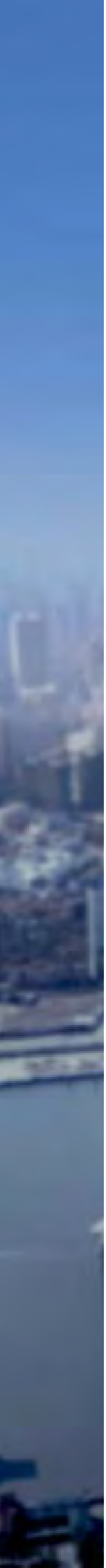
Revenue split by service concept



Revenue split by geographical area



1 EBITA: operating profit before amortization acquisition-related intangible assets and impairment goodwill.
2 Net income: net income for ordinary shareholders.
3 (Net debt)/net cash: cash and cash equivalents minus borrowings.
4 Payout per ordinary share in %: dividend per ordinary share on basic earnings per ordinary share.
5 Branches are outlets from which various clients are served with a number of various services and which are located in residential/commercial areas. Inhouse locations are outlets from which one client is served with a limited number of job profiles and which are located on the client's site.



profile

Corporate mission

The Randstad Group's mission is to be a world leader in matching supply and demand in the labor market and in HR services.

We consistently strive to achieve this by outperforming our markets, while generating an EBITA margin of 5-6% through the cycle and maintaining a sound financial position.

What Randstad does

The Randstad Group is one of the world's largest providers of flexible staffing and other HR services. We are meeting the constantly growing and changing need for these services in the workplace. Randstad offers an extensive portfolio of HR services, from regular temporary staffing and permanent placement (which we call 'mass-customized'), through consultants provided on site (inhouse services), to seconded specialists (interim professionals), the recruitment of middle and senior managers (search & selection) and a comprehensive range of specialized HR services (HR Solutions). A more detailed overview of our services is provided on pages 4 and 5.

Where we work

Randstad was founded in the Netherlands in 1960. Since then we have steadily expanded in 20 countries that represent more than 80% of the global market for our services. Randstad is ranked number three in the world in terms of revenue. We are market leader in the Netherlands, Germany, Belgium, and the southeastern United States, and have a growing presence in Canada, China, Denmark, France, Hungary, India, Italy, Japan, Luxembourg, Poland, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom. We pursue growth in our markets organically and through strategic acquisitions.

good to know you

At Randstad, we believe that creating the best solutions in HR services means always doing more, going further. This starts with continuously deepening our understanding of the environment and marketplace in which we operate. We need to understand the present and future needs of our clients, candidates, shareholders and other stakeholders. Many companies say that their people are their most important asset. As we are in the people business and one of the world's biggest employers, we could not agree more. As success depends largely on the people you employ, it also depends on the people you employ to find them. The better we know our clients and candidates and the better our rapport with them is, the better we are at matching their needs and exceeding their expectations. They experience us as friendly and open as well as professional and driven.

'Good to know you' represents the Randstad culture. We mean it, it is at the heart of everything we do, and it is certainly how we want to be known.

What makes us different

We trust that as you read through this year's Annual Report you will discover the many features that distinguish Randstad as a global leader in shaping the world of work. Here is a brief introduction to our core values, our unit model and our strategic approach.

Our core values

First and foremost, Randstad is known for having adhered to and lived by our core values for the last 47 years: *to know, serve and trust, striving for perfection* and *simultaneous promotion of all interests*.

To know, serve and trust
People working for Randstad must have a genuine desire to provide good quality service. In addition, we must have a high degree of knowledge about the needs of both our clients and our flexworkers, interim professionals and candidates. The same applies to the way in which we interact with our corporate employees and other stakeholders (shareholders, employers' and employees' organizations, suppliers, etc.). Mutual trust is key in all of these relationships and interactions.

Striving for perfection
Randstad aspires to distinguish itself through the high quality of its services. For that reason, striving for perfection is essential to our corporate culture and continuity goals, and is therefore firmly embedded in all of our aims and objectives.

Simultaneous promotion of all interests
The Randstad Group is an integral part of the business and social environment in all its markets. We feel strongly about making a contribution to society. Consequently, we aim to take into account the interests of all of our stakeholders. This thinking extends to acting responsibly towards our living and working environment, and to applying our competencies as a means of alleviating poverty and disadvantage.

Our unit model

A second key factor that makes Randstad different is the unit structure we deploy in the mass-customized segment, which represents about three-quarters of our business. Each unit consists of two consultants who are responsible for both client service and candidate selection. They work as a team, ensuring one is always available to their clients and candidates, and are often dedicated to specific specialties. The client's consultants are the same people who recruit candidates for them and make the match. They are experts in the local labor market, and become experts in their clients' businesses, understanding their needs and the candidate profile that will best meet them.

Our strategic approach

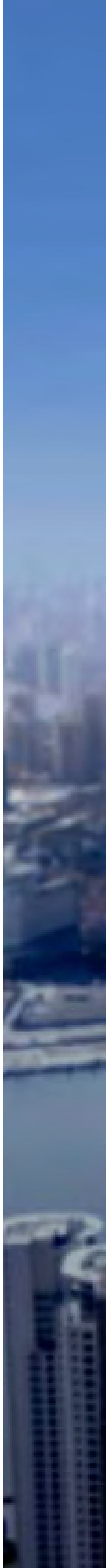
Randstad's strategy is based on four building blocks: *strong concepts*, *best people, excellent execution* and *superior brands*.

Strong concepts
We offer five strong service concepts to our clients and candidates: mass-customized, inhouse services, interim professionals, search & selection and HR Solutions. All are based on best practice and proven procedures, ensuring efficient working methods and excellence in service delivery. They can rapidly be replicated and leveraged in other markets, and are relatively easy to adapt to meet specific needs. The consistency of our service concepts and quality around the world means our international clients know they can trust Randstad to meet their needs anywhere.

Best people
All our corporate employees benefit from the focus on their development and the opportunities we provide to achieve their potential. Our clients benefit from the continuous development of our consultants, who are well educated and have specialized market or sector knowledge. By having the best consultants, we ensure they better understand their clients and their needs. Retention is a priority at Randstad, so we offer a wide variety of training and career development opportunities to all our corporate employees. Our goal is to fill at least 80% of management vacancies through internal promotion. This secures continuity of our corporate culture and strategy.

Excellent execution
Perfection is often in the details, so we take pride in getting them right. All of our activities are supported by selected standardized work processes, stimulating efficiency and delivering a consistently high service quality. Productivity management via the unit steering model and integrated risk management are other components of this building block.

Superior brands
Our focus on a select group of recognizable and superior brands ensures that clients know who we are and that our people act in the knowledge that they represent a world leader in staffing and HR services. These brands are our guarantee to our clients that they will receive the highest quality service and the best employees worldwide. They help us ensure that we attract the best flexworkers, interim professionals, recruitment candidates and corporate employees.



profile

what we do

mass-customized

This is our regular business – staffing, permanent placement and (high-volume) specialties – which is offered through our well-known network of high street and suburban branches. It is structured according to our unique unit approach. Expert consultants in teams of two form the unit. They provide our clients with temporary employees (flexworkers) and permanent employees, making the match based on knowledge of both the client's needs and the candidate's skills, capabilities and requirements. Our units work with an extensive range of general job profiles, but also often have specialized expertise in a specific business sector or job profile.

brands: randstad; randstad work solutions; randstad flexible work solutions; tempo-team; team4U a Randstad company; otter-westelaken

inhouse services

This is a very efficient solution for managing a high-quality workforce with client-specific skill sets, aimed at improving labor flexibility, retention, productivity and efficiency. We work on site exclusively for one client, usually providing a large number of flexworkers with a limited number of well-defined job profiles. We often work with the client to determine specific performance criteria, and we provide total HR management, including recruitment & selection, training, planning, retention and management reporting.

brands: randstad inhouse services; capac inhouse services a Randstad company

interim professionals

We provide flexible capacity to our clients through experienced and well educated interim professionals. These can be specialists in engineering, IT or finance, or professionals from a growing number of other disciplines such as HR, legal and marketing & communications. They are often on our payroll and are seconded to our clients. The roles they fulfill are those of interim managers, project managers or specialist project team members, at middle and senior management level.

brands: randstad interim professionals; YACHT; TECCON

search & selection[1]

For middle and senior management positions, we handle the recruitment of employees with professional qualifications for permanent positions with clients. These services are often based on a fixed fee, and include a number of related recruitment and training programs.

brands: randstad search & selection; 任仕达 randstad; emmayHR a Randstad company; martinwardanderson a Randstad company

HR Solutions[2]

We offer a comprehensive range of HR project management, HR management and HR consultancy services that are based on our extensive experience in this field. The range – from outplacement, career management and payroll management for small and medium-sized enterprises to major HR process-outsourcing services for large corporations – frees up time to allow our client HR managers to concentrate on essential strategic HR issues for their company. These services are usually provided separately from our regular staffing and permanent placement offerings, and are almost always based on a fixed fee.

brands: randstad HR solutions

1 An amount of € 14.9 million (2006: € 12.4 million) of additional search & selection revenue is still reported within the mass-customized segment.
2 HR solutions is part of the mass-customized segment, but is shown here separately for information purposes. Mass-customized figures have not been adjusted.

countries and outlets[3]

statistics

Belgium (123)
Canada (38)
China (6)
Denmark (18)
France (119)
Germany (330)
India (11)
Italy (147)
Japan (1)
Luxembourg (3)
Netherlands (529)
Poland (27)
Portugal (13)
Spain (132)
Sweden (4)
Switzerland (33)
Turkey (2)
United Kingdom (86)
United States (233)

	2007	2006	Δ%
Revenue total (in millions of €)	**6,686.7**	6,478.6	3%
Revenue specialties	**1,840.1**	1,720.6	7%
Flexworkers (average)	**291,000**	257,100	13%
Corporate staff (average)	**13,600**	12,620	8%
Outlets, year-end	**1,855**	1,937	(4)%
Countries	**19**	19	

Belgium (109)
France (59)
Germany (166)
Italy (36)
Netherlands (287)
Poland (18)
Portugal (17)
Spain (27)
Switzerland (4)
United Kingdom (60)
United States (161)

	2007	2006	Δ%
Revenue total (in millions of €)	**1,935.2**	1,221.7	58%
Flexworkers (average)	**72,400**	50,000	45%
Corporate staff (average)	**2,010**	1,310	53%
Outlets, year-end	**944**	666	42%
Countries	**11**	10	

Belgium (9)
France (1)
Germany (27)
Netherlands (13)

	2007	2006	Δ%
Revenue total (in millions of €)	**616.0**	518.0	19%
Interim professionals (average)	**5,800**	5,200	12%
Corporate staff (average)	**1,400**	910	54%
Outlets, year-end	**87**	67	30%
Countries	**10**	8	

Belgium (6)
China (4)
Hungary (2)
India (6)
Luxembourg (1)
Netherlands (5)
Spain (3)
United Kingdom (10)

Belgium (14)[4]
Netherlands (47)

	2007	2006	Δ%
Revenue total (in millions of €)	**313.3**	229.3	37%
Flexworkers (average)	**11,900**	6,100	95%
Corporate staff (average)	**930**	690	35%
Outlets, year-end	**61**	59	3%
Countries	**2**	2	

3 The number between brackets indicates the number of outlets.
4 These outlets are also included in mass-customized.

executive board

Ben Noteboom
(1958), CEO and chairman
of the executive board

Ben Noteboom graduated in law. Following international management positions in the chemical industry, he joined Randstad in 1993. He was initially responsible for integration of acquisitions, such as Werknet into Tempo-Team in the Netherlands and Flex Intérim into Randstad France. He then held a number of other senior management positions, and started inhouse services. From 2000, he was responsible for inhouse services Europe-wide, and joined the executive board in 2001. He has been the CEO and chairman of the executive board of Randstad Holding nv since March 2003. He is responsible for the mass-customized concept, group human resources, business concept development, social & general affairs, group marketing & communications, and for Randstad in the US, Canada and the UK. He is also a supervisory board member of Corporate Express nv, a listed Dutch company.

Robert-Jan van de Kraats
(1960), CFO and vice-chairman
of the executive board

A certified auditor, Robert-Jan van de Kraats began his career with a major accountancy firm. In 1989, he joined an international technology group as director finance and IT for the Netherlands. He held various senior positions, including CFO, with an international credit insurance group from 1994, and was appointed a member of its managing board in 1999. He joined Randstad as CFO and a member of the executive board in 2001. Since then he has also been responsible for Yacht, Randstad in Asia, IT, investor relations, shared service centers, and facilities & purchasing. Robert-Jan van de Kraats was appointed vice-chairman of the executive board of Randstad Holding nv in 2006. He is also a supervisory board member of Ordina nv, a listed IT company, as well as SNS Reaal nv, a listed Dutch banking and insurance company.

Jacques van den Broek
(1960)

Leo Lindelauf
(1951)

Following graduation in law, Jacques van den Broek held a management position with an international trading company until he joined Randstad in 1988 as branch manager. He was later appointed regional director in the Netherlands and, subsequently, marketing director Europe. In 2002 he moved to Capac as managing director, also taking on responsibility for Randstad in Denmark and Switzerland. Jacques van den Broek joined the executive board in 2004. He is now also responsible for Randstad in Belgium, Luxembourg, Sweden, France, Poland, Tempo-Team, innovation, international accounts and the concepts inhouse services and HR Solutions.

Following his studies at an academy for social studies, Leo Lindelauf completed a study in Industrial Engineering and Management Science at a college for higher professional education. He began his career as a community worker. He joined Randstad in 1979, working as district manager and regional manager before being appointed regional director in the Netherlands. He was appointed as managing director of Tempo-Team in 1994. In 1999, he became managing director operations for Randstad Europe, which included the position of general manager Randstad Netherlands. Appointed to the executive board in 2001, he is responsible for Randstad in the Netherlands, Germany, Spain, Italy, Portugal, Hungary and Turkey.

message from the ceo

Dear shareholder,

The year 2007 has been one of contradictions. Our people have set new records in the history of our company in terms of revenue, profit, market share and many other indicators. We put a record 369,200 people to work on average each day. At the same time, the development of our share price has been unfavorable, to say the least.

Our strategy is working well. By focusing on our strategic building blocks and defined growth drivers, as explained in this report, we are growing faster than the markets in which we are active. Last year we reached our medium-term EBITA margin target one year ahead of plan; this year we further improved profitability and we have been working to make sure that we can maintain solid performance through the economic cycles.

The growth of our markets, and our even faster growth in those markets, has not entirely followed the 'classical' pattern of previous economic cycles. Patterns are changing, and old rules are being rewritten. The demographics in Western Europe are shifting, and the sharp rise of economic activity in Asia has added an entirely new element to the mix. We are more than ready to make optimal use of these shifts, and in many ways they greatly enhance demand for HR services. As a major player in our industry, we also feel it is our responsibility to define and set industry standards.

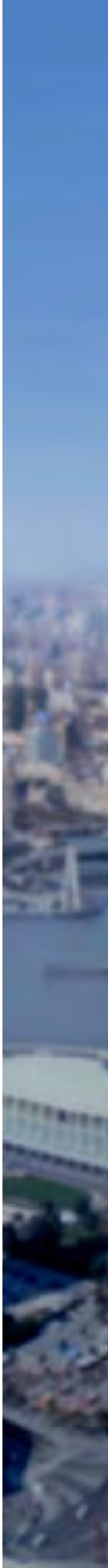
In the summer of 2007, we correctly detected some hesitation in economic growth rates; of the USA in particular. Since then, uncertainty resulting from the subprime mortgage securities crisis has plagued the financial world.

We regret that our shareholders have had to suffer. We work hard to achieve good results, communicate in an open and transparent manner and aim to create value with a long-term view. We will continue to do so. We updated our dividend policy, to be discussed in the next AGM, in order to provide our shareholders with more dividend protection.

In this annual report we aim to give you more insight into how everyone in Randstad has worked to achieve an excellent set of annual results. The past has already been quite successful, and we have every reason to expect that the future will be even more so.

In December we announced our intention, in line with our strategy, to join forces with Vedior. We are convinced that the intended new combination will help to enhance growth, and that building on our combined strengths will create a better and stronger company. Together, we will have the scale, resilience and imagination to play a major role in defining our future markets, in shaping the world of work.

Ben Noteboom
CEO and chairman of the executive board



report from the executive board

We are pleased to report that 2007 has been another record year in the history of our organization.

We established a number of five-year strategic targets in 2002 that had already been achieved by 2006, but as it remains our aim to maintain these goals through the economic cycle, we restate them here:

- EBITA margin of 5-6% on average through the cycle;
- continuous market share gains;
- an increasing share of revenue from outside the Netherlands;
- maintaining a sound financial position (leverage ratio, or net debt divided by EBITDA, of between 0 and 2).

In 2007, continuing the consistent growth over the past five years, the EBITA margin rose again, to 6.0% (2006: 5.3%). The share of non-Dutch revenue increased to 65% (2006: 64%). Through the year, we have consistently achieved strong organic growth in our business. We have been able to improve productivity. We have expanded through some selected acquisitions, by adding specialties and by growing the range of services we deliver to our clients.
Our financial position remained strong. Furthermore, we outperformed and gained market share in most of our markets.

This progress has resulted in:
- total revenue of € 9,197.0 million, an increase of 12% compared to € 8,186.1 million in 2006;
- EBITA of € 554.4 million, an increase of 27% compared to € 436.1 million in 2006;
- net income of € 384.9 million, an increase of 7% compared to € 360.3 million in 2006;
- diluted EPS of € 3.38, an increase of 7% compared to € 3.17 in 2006; and
- a return to shareholders in the form of dividend per ordinary share of € 1.25 (2006: € 1.25).

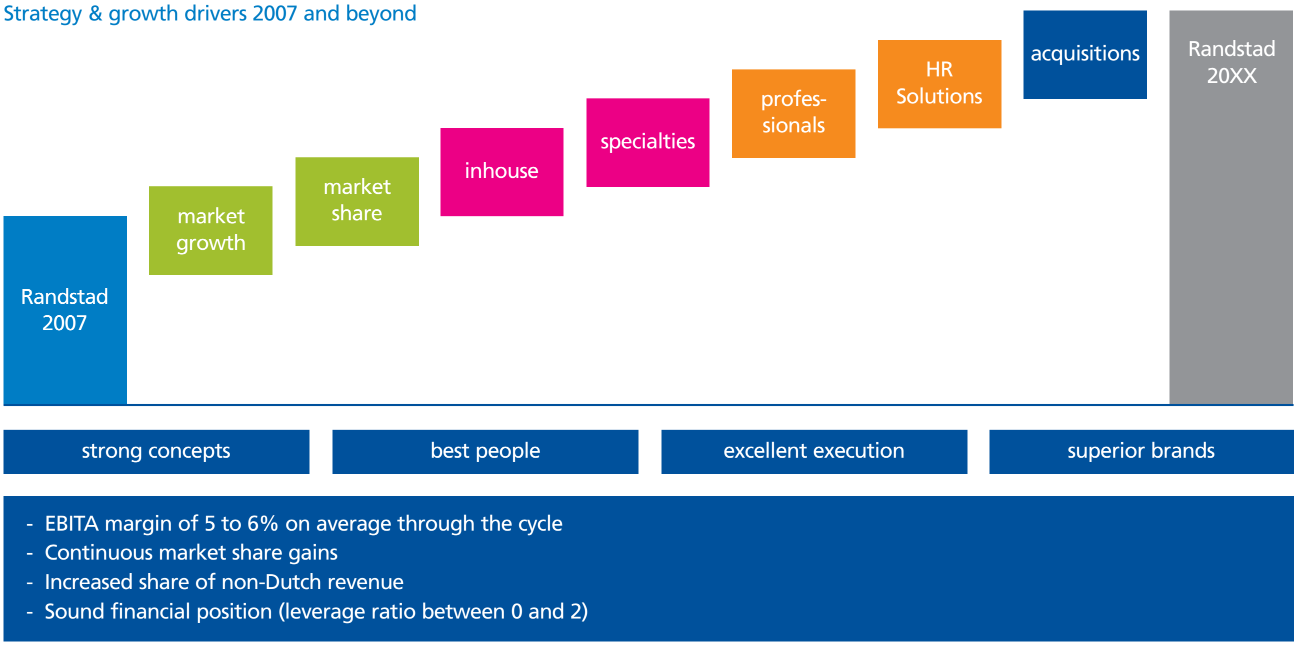
Strategy

Our strong performance in 2007 is thanks to the consistent dedication and motivation of our people around the world. Our strategy of pursuing sustainable growth has a clear, proven track record. However, there can be no complacency in the highly competitive staffing environment. We will continue working on our performance by keeping focus on our strategic goals.

Strategic goals
Our strategic agenda has a number of primary goals, which are visualized in the diagram below.
The overall financial goal is an average EBITA margin of 5-6% through the cycle. This bracket can be exceeded in very good years, while the EBITA margin should not be below 4% during downturns. We believe the average 5-6% range ensures the Group's financial position and enables us to keep investing in growth. The 4% minimum should reduce volatility but still allow us to invest. Continuous focus on market growth and market share gains are intertwined. Taking and maintaining leadership in markets enables us to develop them further still. Increased geographic diversification of revenue both provides additional growth and spreads risks and opportunities more evenly. A sound financial position, commensurate with an investment grade rating, is important for continuity.

Strategy through economic cycles
Underlying our EBITA targets is full awareness of the challenges and opportunities presented by economic cycles. Downturns are challenging but, if well managed, also offer opportunities as, for instance, market share can be gained. Randstad's performance base has improved significantly in recent years. We now have a strong focus on execution throughout the organization. We have implemented the successful unit steering model consistently throughout our mass-customized network and we have implemented

Strategy & growth drivers 2007 and beyond



standardized selected key work processes based on best practice. Furthermore, our cost awareness is greater and our planning, reporting and review processes are stronger. For a detailed overview, please see risk & opportunity management on page 23, which describes Randstad is well equipped to manage less favorable market circumstances. While growth in some markets was slowing during 2007, indicators still point at continued growth overall.

Growth drivers

The key contributors to Randstad's success are: the growing markets in which we operate, our growing share of them, our strong service concepts designed to create organic growth, and strategic acquisitions.

Market growth
Randstad is active in structural growth markets. A number of factors drive growth in our markets. One of the most important is our clients' need for flexibility. A more flexible workforce helps them improve productivity and be more competitive. This is why average penetration rates (the percentage of flexworkers in the total working population) generally increase with each cycle. Another driver of market growth is deregulation, a factor we try to influence as much as possible. New opportunities continue to open up as governments increasingly recognize the need for and value of flexibility in their labor market. A third driver of market growth is economic performance, a more cyclical component. If gross domestic product growth is high, the labor market needs more of the skilled people we provide. In times of slowing economic activity however, demand grows more slowly, as happened in Europe in the second half of 2007, or actually declines, as happened in the US.

Market share
Our consistent pursuit of organic growth increases our market share and further reinforces our position in the countries where we operate. Our ability to gain market share is embedded in our best practice-based service offerings and our working methods. The unit structure, where consultants both sell and recruit while often focusing on specialties, enables them to make a better match. Because key working processes are standardized, consultants have more time to serve clients and candidates. Providing better service, adding value and supporting productivity gains for clients help us to grow faster than the markets where we operate.

Inhouse
The inhouse concept we developed at Randstad is growing rapidly throughout our markets. While clients want flexibility and improved productivity in their workforce, they also need to guarantee continuity. Inhouse services meet the structural needs of clients for large numbers of temporary staff with a limited number of defined job profiles. As the name suggests, we provide these services on site. Although the working processes are standardized, the inhouse solution is always tailored to each individual client. Most of our clients operate in highly competitive sectors, such as logistics, manufacturing and the food industry, but demand for inhouse services is growing in contact centers and back-office administration settings. The productivity improvements we introduce in these labor-intensive industries translate directly into better business results for our clients.

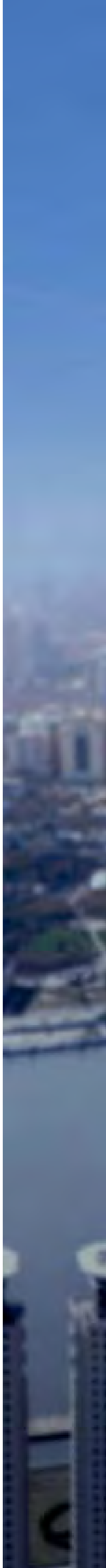
Organic growth Randstad compared to market, 2007

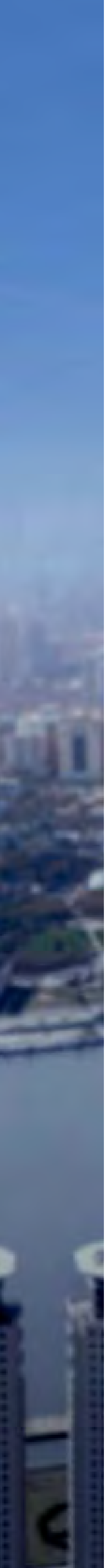
Countries	Growth market	Growth Randstad	Outper-formance
Belgium/Luxembourg	10%	16%	6%
Denmark	5%	19%	14%
France	7%	22%	15%
Germany	19%	23%	4%
Italy	18%	25%	7%
Netherlands	8%	9%	1%
Poland	26%	17%	(9)%
Portugal	5%	4%	(1)%
Spain	7%	7%	0%
Sweden	18%	11%	(7)%
Switzerland	10%	11%	1%
United Kingdom	6%	8%	2%
North America	(1)%	(2)%	(1)%

Specialties
Specialties are the specific market segments on which dedicated units in our mass-customized service focus, such as healthcare, transport, airports and contact centers. The knowledge, experience and expertise we gain by focusing on these specialties translate into added value for clients, flexworkers and candidates. In turn, specialties leverage our extensive branch network, our brands and our front and back-office processes to make an above-average contribution to EBITA. The rollout and international expansion of specialties remains a key part of our operating companies' organic growth planning. Specialties already contribute substantially to revenue in the Netherlands and Belgium for instance, but less so in Germany.

Interim professionals and search & selection
Randstad has two service concepts to meet client needs for graduate professionals and experienced managers. Interim professionals are deployed through secondment or project assignments, and we do search & selection of management professionals for permanent positions. Secondment of interim professionals is currently offered predominantly in the Netherlands, Belgium and Germany, while search & selection is offered in more markets, including the UK and India, for example. These concepts offer significant opportunities for growth and attractive margins.

HR Solutions
While a number of our operating companies provide some of the services provided by our HR Solutions concept, the full range is currently offered only to clients in the Netherlands and Belgium. Growth opportunities are significant, as these services relate to our clients' permanent workforce. Clients are increasingly outsourcing their HR activities so that they can focus on other key corporate issues. HR Solutions adds





a full range of services, including administration, payrolling and process management, to Randstad's traditional strengths in areas such as outplacement, reintegration and assessment. We leverage our experience and expertise to recommend and execute improvements and efficiencies in our clients' HR processes. Ultimately, we offer clients the possibility to outsource the transactional part of their HR activities. HR Solutions also helps to improve the spread of our portfolio. Economic cycles have almost no effect on payrolling, whereas outplacement is actually counter-cyclical.

Acquisitions

Acquisitions can accelerate growth in specific geographic markets and sectors. We are highly selective, and generally aim to make acquisitions based on four selection criteria. First, any potential acquisition must make a strategic fit. Second, there needs to be mutual understanding about how cultural differences can be managed, converted or maintained in order to further improve our business. Third, we require strong management with proven, consistent performance and the ability to handle integration. Fourth, the price must be right. We assess valuation using our own discounted cash flow calculations. Acquisitions are required to generate a return on invested capital above our weighted average cost of capital within three years.

Progress in 2007

At Randstad, all our efforts are aimed at outperforming our markets and maintaining solid profitability. Here follows an overview of how our 2007 growth and performance were achieved by adressing the four building blocks of our strategy.

Strong concepts – growth of our segments

Randstad's primary means of reporting performance is based on the segmentation of our worldwide market, based on the service concepts we offer.

Mass-customized Europe & Asia

Our mass-customized operations in Europe and Asia have had another good year. Growth rates did not reach the record levels of 2006, but we achieved organic revenue growth of 12% and, if transfers to inhouse and net acquisitions are included, total growth was 9%. All countries contributed to growth. Our Dutch operations turned in a strong performance, with decelerating top line growth but very solid profitability. The highest growth levels were achieved in Germany, Italy and France. The positive trend in gross margin that set in from the second quarter of 2006 continued. Gross margin increased from 22.2% to 23.7% as a result of increased management focus, an improved mix, better pricing and rapid growth in fee income. We continued to invest in growth but, in line with our unit steering model, adjusted the investment pace during the year. The EBITA margin improved from 5.9% to 7.0%. In 2007, we added (net of transfers) 60 new regular staffing branches. The larger part of this expansion was in Italy, Germany and France. Our Dutch subsidiary Tempo-Team strengthened its position in the administrative market through the acquisition of Thremen in March, our Swiss operations nearly doubled with the acquisition of Job One in June, while our position in Germany was further reinforced by the acquisition of Team BS in October.

Mass-customized in North America

Our mass-customized operations in the US had a challenging year. Revenue declined by 3% organically and profitability came under pressure. We have been implementing a clear strategy for developing and growing our business in the US since 2005. We first achieve cost savings and efficiencies, and then transfer large-scale mass-customized clients to inhouse services to serve them better. Subsequently, we focus on the middle market to fill the overcapacity in the branches.

Key figures by segment (in millions of €)

	Revenue		Growth		Gross margin		EBITA margin	
	2007	2006	Total	Organic	**2007**	2006	**2007**	2006
Mass-customized Europe & Asia	**5,960.5**	5,455.4	9%	12%	**23.7%**	22.2%	**7.0%**	5.9%
Mass-customized North America	**726.2**	1,023.2	(29)%	(3)%	**20.4%**	19.4%	**0.9%**	3.0%
Inhouse services Europe	**1,528.5**	974.2	57%	24%	**14.5%**	14.3%	**6.0%**	5.5%
Inhouse services North America	**406.7**	247.5	64%	0%	**12.3%**	11.6%	**4.5%**	3.4%
Interim professionals, search & selection	**616.0**	518.0	19%	18%	**32.0%**	29.5%	**8.3%**	9.0%

Geographic spread revenue mass-customized
in % of revenue

Total in millions of €	6,686.7
Netherlands	34.2%
Germany	17.4%
Belgium/Luxembourg	12.3%
North America	10.9%
France	7.4%
Spain	6.9%
Italy	4.2%
United Kingdom	1.5%
Other	5.2%

In 2006 we made good progress on the first two steps and, after transferring another US$ 250 million of revenue to inhouse early in 2007, we now serve the vast majority of our clients with the right concept. Early in 2007 we added 70 units (140 people) in existing branches in regions where we are strong to accelerate our mid-market penetration. This has been a successful effort, as the number of mid-market clients has increased by some 40%. However, revenue per client has been low in general throughout the branch network, as the economic climate has generated some cautiousness amongst our client base. Without impacting our mid-market initiative, we adjusted capacity during the year in line with our unit steering model. We closed 20 offices, either in remote areas or in areas where they could be consolidated with others. Since July headcount has also been reduced by 230 FTE. Gross margin improved from 19.4% to 20.4%, largely by transferring lower margin business to inhouse, but the underlying margin was about flat. Productivity has been low, and the EBITA margin declined from 3.0% to 0.9%. Nevertheless, it improved in the second half of the year as a result of the reduced number of FTEs and as revenue decline bottomed-out in the summer. Our Canadian operations continued to do very well. Organic growth in Canada was 28%, well ahead of the market, and we have taken market share in all the provinces where we operate.

Geographic spread revenue inhouse services
in % of revenue

Total in millions of €	1,935.2
Netherlands	30.9%
North America	21.0%
Germany	17.0%
Belgium	11.0%
France	7.8%
United Kingdom	5.8%
Spain	2.1%
Italy	1.9%
Other	2.5%

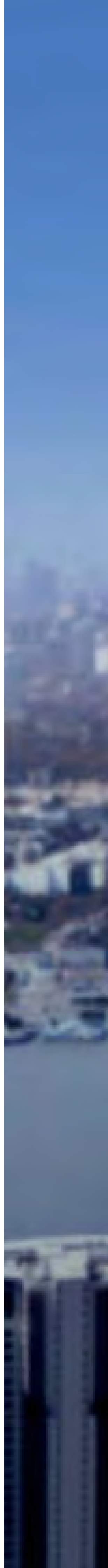
Inhouse services Europe
Organic growth was very strong and amounted to 24%. Growth was well spread across our various geographies. In 2007, we established many new locations. The largest numbers were added in Germany, Italy, and France. We also added 115 locations in the Netherlands as Tempo-Team Werknet was transferred to inhouse, following the changes in its mix in recent years. In total we now operate from 783 locations. Profitability is strong, although gross margin of 14.5%, compared to 14.3% in 2006, is relatively low compared to Group average. Volumes are high however, and as the cost base is lower than that of other segments, the conversion ratio is higher. We achieved an EBITA margin of 6.0%, against 5.5% in 2006.

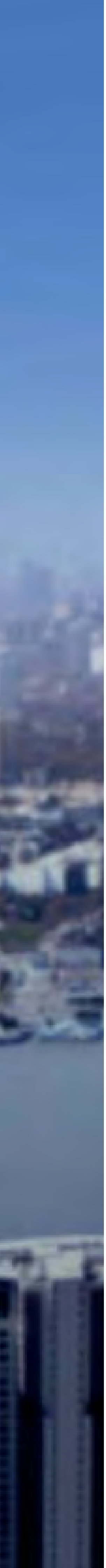
Inhouse services North America
This segment grew very rapidly in North America as we transferred some US$ 250 million of revenue from mass-customized. These transfers include on-sites at large non-industrial clients, which had developed in such a way that they now fit the inhouse concept. On an organic basis, revenue was flat, as market share gains offset reduced staffing volumes at our large clients. As in Europe, gross margin is below Group average, but the EBITA margin, which climbed from 3.4% in 2006 to 4.5% in 2007, is very healthy due to high productivity.

Geographic spread revenue interim professionals, search & selection
in % of revenue

Total in millions of €	616.0
Netherlands	59.6%
Germany	22.4%
United Kingdom	9.3%
Belgium	6.1%
Spain	1.1%
France	0.6%
Asia	0.5%
Other	0.4%

Interim professionals and search & selection
Our operations in the professionals segment performed well. As described earlier, this segment includes both the deployment of interim professionals and the search & selection of professionals for permanent positions. We report on the combination of these offerings. Organic revenue growth was 18% in 2007. Total revenue growth amounted to 19%. The gross margin improved from 29.5% to 32.0%,





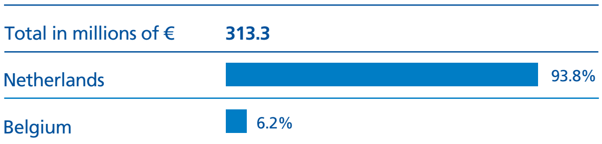
while the EBITA margin reached 8.3% compared to 9.0% in 2006, mainly as a result of investments in the business. Yacht in the Netherlands generated healthy growth in secondment in IT, Finance, Legal and Marketing & Communications. Attracting and retaining talent became more challenging during the year as scarcity rose. In Germany, growth in the engineering segment was held back by reduced growth in the aerospace sector. In search & selection we gained momentum. UK-based Martin Ward Anderson and EmmayHR in India had good growth, while we also significantly strengthened our search & selection activities under the Randstad name across our main geographies.

HR Solutions

The development of HR Solutions, currently available in the Netherlands and Belgium, is an extension of and leverages core HR competences within Randstad. This provides a platform for growth. A breakthrough in 2007 was the signing of a contract with Philips, which will outsource its Dutch payroll administration and payroll processing activities to Randstad for the next eight years. The contract underlines our leading position in HR Solutions in the Netherlands. In 2007, HR Solutions revenue was € 313.3 million, an increase of 37% compared to 2006. In the financial statements, HR Solutions is still reported under mass-customized.

Geographic spread revenue HR Solutions

in % of revenue

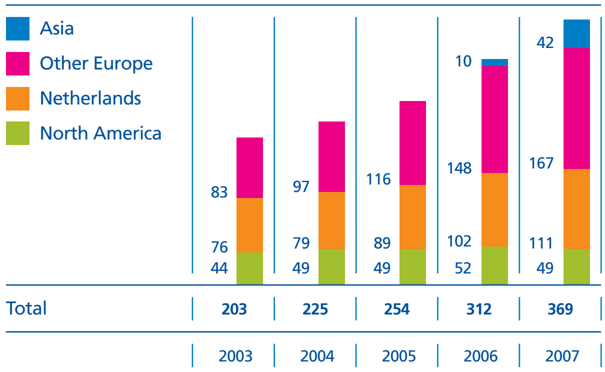


Best people

It goes without saying that people are our greatest asset. As they both reflect and are the main communicators of our unique ‘good to know you’ culture, they are also a key differentiator for Randstad in the global staffing and HR services market. Our people are not only selected for their high levels of education and training, potential to grow within the organization, sales acumen and talent. They are also chosen for their inherent eagerness to serve others. They have the social skills that are essential to interact effectively and build rapport with clients, candidates and colleagues. We expect a high degree of ability in analyzing and understanding local market conditions and needs and a thorough knowledge of specialty sectors. We have developed HR standards and processes aimed at attraction, recruitment, training, development and retention. These are in place in all countries where we operate. For example, all of our new people participate in a comprehensive introduction program, during which they learn and assimilate our culture and core values, our strong concepts and excellent execution. They learn the value of teamwork – Randstad’s unit structure depends on it. So much so, in fact, that our consultants in mass-customized are not rewarded with an individual commission; their financial incentives are team-based.

Average number of staffing employees per day, 2003-2007

based on continuing operations, in 1,000s

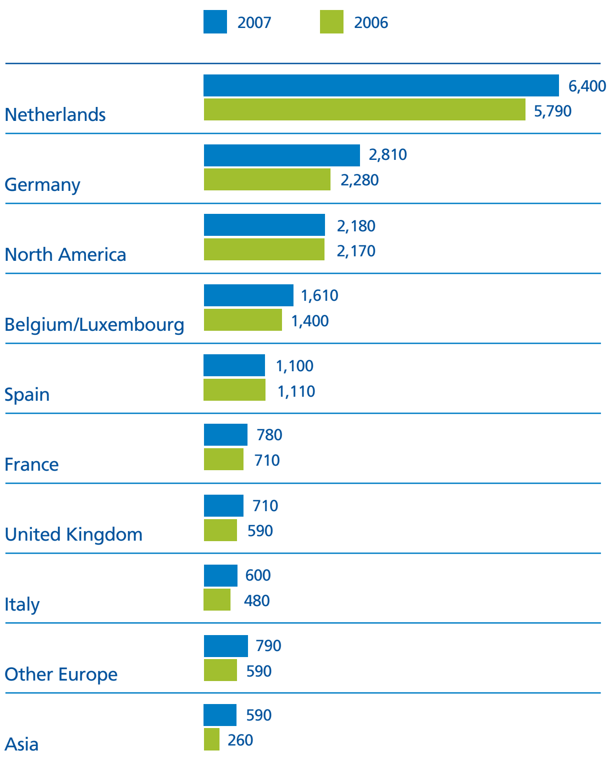


Developing our people

To attract and develop the best candidates for all our services, we must select, develop, retain and promote the best consultants. Most of our new consultants in the staffing business are university graduates in their first or second job. Development is a key motivator, for our consultants and for all our employees. Retention of people is a strategic priority and staff turnover is generally below the industry average. These are the drivers behind our best people goal: to challenge them and ensure that their abilities are matched with career opportunities at Randstad.

Unsurprisingly for an organization whose core business is human resources in all its forms, our career pathing and

Average number of corporate employees



development programs are comprehensive and exhaustive. Through Blue Sky, the Group's management development program, an annual review is carried out by the executive board and country leadership teams, in order to identify those with the potential to be future leaders of the organization. Additionally, individual programs are developed for high calibre consultants and managers with the skills, ambition and ability to further develop their careers.

The review also provides a three-year talent pipeline overview of the organization which serves to proactively track and measure the internal resourcing, mobility and promotion within the Group. It is Group policy to fill 80% of its internal vacancies with the people identified via this pipeline where possible, to ensure continuity. In 2007, 71% (2006: 81%) of all management vacancies throughout Randstad were filled through internal promotions. For more detail please refer to page 32.

Randstad applies performance management systems for target setting, appraisals of performance and rewards, to ensure the balance between the career development aspirations of employees and the achievement of the business goals.

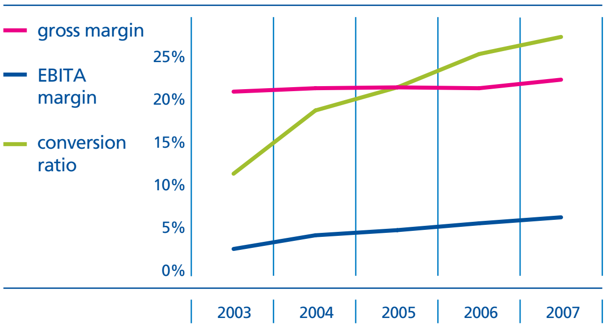
Excellent execution

Key elements of our execution are based on best practice and fully defined processes that stimulate growth and productivity. Front and back-office processes and branding have been standardized where feasible to facilitate excellent execution. We can rapidly copy and paste our concepts, including related specialties, because the processes and execution they require are fully developed and can be replicated with only minor adjustments for local markets. Consistent focus on excellence in execution ensures that processes are transparent and efficient, creating added value for clients. As clients recognize the value of efficiency, excellent execution also supports Randstad's goal of outperforming markets. By continually improving our own productivity and efficiency, we gain client confidence. By ensuring our clients are well serviced, we grow our business and market share, thus increasing our revenue.

Using standardized processes
Our standardized processes are the tools our people need and use to deliver excellent service. They ensure more time can be spent on the market, the clients and the candidates. Our standardized processes facilitate efficiency and productivity, both for clients and for our consultants. We also have standardized items such as marketing, promotional and advertising collateral, office decor and furnishings.

We also have the same, standardized procedure for managing receivables in place in every country where we operate. Our focus on days sales outstanding (DSO) has continued to generate improvement. We were able to further reduce the average DSO in 2007 from 52 to 51 days. The system we introduced in 2006, in which we charge our operating companies 10% for the use of operating working capital, has continued to ensure a clear understanding of the cost of capital and the need to focus on economic profit.

Gross margin, EBITA margin and conversion ratio



Productivity
Randstad continuously invests in growth, but in a controlled way. Stimulating growth while improving productivity go hand in hand at Randstad – it is a mindset. We measure our own productivity through the number of flexworkers, interim professionals or permanent placement candidates deployed and gross profit achieved per corporate employee. We measure progress on a weekly basis using our unit steering model. In 2007 we realized an increase in average gross profit per employee of 3%. As productivity improves, we convert a higher percentage of our gross profit into operating profit. The conversion ratio improved to 27%.

Superior brands

Our philosophy about the role of a brand has always gone far beyond the limited notion of 'advertising'. Starting from our role in 'shaping the world of work' in the economies where we are present, we also apply that logic to our own organization. That means that our identity, our way of working, our internal communications and our interactions with external stakeholders are driven by core values that are the same, inside and outside. In a service industry like ours, the first place where a brand must be alive is in the hearts of our own people.

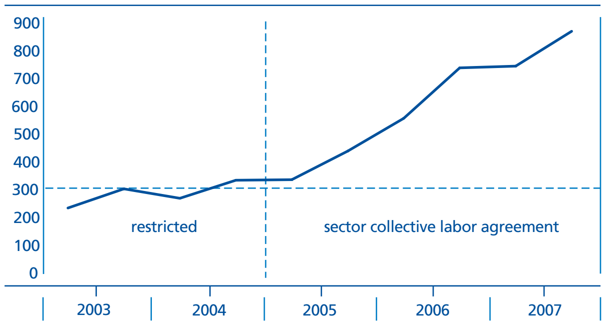
The best possible brands achieve little if the world does not get to know them however. And maintaining, developing and continually renewing a significant brand position requires considerable investments in time and money. We therefore concentrate on building a limited number of brands, maximizing the return on our resources and working towards ensuring that our brand awareness is higher than our market share.
There are significant national and global economies of scale in these activities, and the standardized processes we have developed for supporting our brands have been extended further. The internal knowledge sharing has further benefited the performance of our brands over the year. Finally, the improving alignment between our marketing communications and our communications to other stakeholders has reinforced the efficiency of our efforts in 2007.

As a result, the Randstad main brand has again significantly raised its awareness in the top global markets, and its profile

in the media led the industry in 2007, even if the attention to the announcement of our plans for cooperation with Vedior is excluded. The use of our association with the AT&T Williams Formula One racing team has yielded excellent results in Germany, Spain and elsewhere, also marking an extension of this sponsorship from relationship management into awareness and image building. Randstad has also boosted its presence on the web, by sharing and applying best practices from several markets.
The Yacht and Tempo-Team brands have also both improved their position in their markets through the year. Behind the scenes, the use of common systems and knowledge used in these brands is pooled with the lessons from Randstad's other regions and activities, although the propositions for the clients are positioned to suit their specific segments.

More information on our roots, our identity and our brands can be found in the theme section of this annual report, starting on page 54.

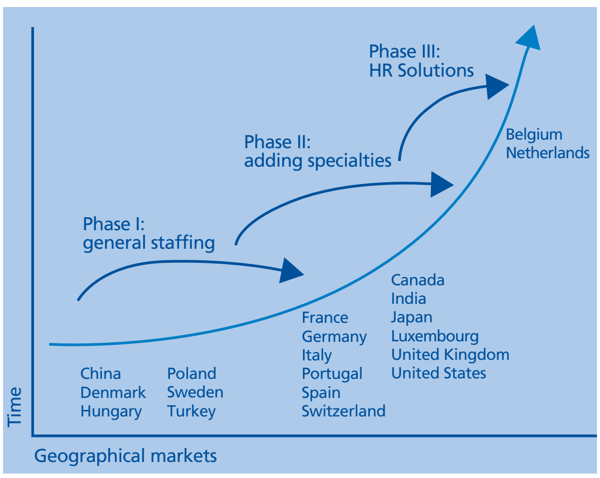
Revenue trend Randstad in Germany, impacted by deregulation (€ million)



Randstad's geographic markets

How we apply our strategy in our markets
Each country in which Randstad operates has its own specific characteristics. Firstly, the staffing markets themselves are in different phases of development. Labor laws differ, penetration rates differ, and markets can be in different stages of the economic cycle. However varied they may be, they all share one similarity. All have opportunities for growth. Randstad is currently ranked number three in the world in terms of revenue, but we have just 4% of the total global market, so our growth opportunities are clear. Together with Vedior we would be the world's number two, with an 8% global market share. Secondly, within our various markets, Randstad itself is in different phases of development. The graph below shows our current position in individual country markets. There are three phases in our growth strategy. In the first, or 'focus' phase, growth is mainly driven by the organic development of the individual market. Often this is through mass-customized, but it can also be driven by establishing a specific specialty that is in demand in that market. Adding the relevant range of specialties is the next step. The third phase sees growth generated by new services, such as HR Solutions. Some factors, such as the regulatory environment and the phase in the economic cycle, are beyond our immediate control. This is why we have a full range of services that can be made available, depending on individual market conditions. However, we can and do influence the regulatory environment by supporting deregulation or more effective regulation where appropriate, working with governments and offering our expertise to ensure the creation of well-regulated, flexible labor market conditions. In turn, this can stimulate economic progress, and Germany has been a clear example in recent years. By supporting solid regulation, we can stimulate our own performance. In those economies where staffing is in its infancy, such as Poland, Hungary, Turkey and China, penetration rates are low. Here, we concentrate on organic growth and building a platform.

'Copy & paste' organic growth strategy: three phases



Countries such as Italy, Spain and Portugal have markets where our services are gaining recognition. Often, this is because we contribute to flexibility in the workplace and open up the labor market for the young or unemployed. Deregulation has usually occurred in the past decade in these markets, and here we add specialties to the mix.

For markets where staffing has long been a reputable solution for flexibility in the workplace, penetration rates are usually higher. Examples are Belgium, the Netherlands, the UK and the US. Market characteristics differ, but the working environment is well and flexibly regulated. The business environment and potential candidates know and value the services Randstad offers. Growth can be achieved in a different way here, as they are ready for new products. Nevertheless, we will only offer these if our organization on the ground is ready. This is why we currently limit the full HR Solutions offering to the Netherlands and Belgium.

Gross margin differentials
A further distinguishing factor between individual markets is gross margin. The level of gross margin we can achieve in each market depends on the level of added value. In general, added value relates to service levels, risk and cost factors. The graph below explains some of the factors that influence gross margin. Several of the differentials are integral so it cannot be assumed

that gross margins will converge to a significant extent. Service levels make a big difference. In the US and the Netherlands, for instance, it is common for Randstad to handle the whole recruitment process and manage several other HR functions as well, which drives gross margin. Outsourcing of these HR functions has been less common in France, but it is developing here also. The level of specialty services available also differs by country. In the US, the UK and the Netherlands, specialties make up a large part of the total market and are a clear gross margin driver for the sector as a whole. In many other markets, specialty services are far less developed.
In continental Europe, labor markets tend to be highly regulated and employee dismissal often requires a severance payment. Our services provide clients with flexibility in these markets and the shift of risk is thus added value. Idle time management is also a risk factor that is reflected in gross margin. This has a positive impact on gross margin in the Netherlands and Germany, but is less of an issue in the US and the UK, for example.

Gross margin differentials explained: added value experienced by clients

	NL	GE	FR	US	BE
Outsourcing HR activities	+	+	+/–	++	+
Level of specialties	++	+/–	+/–	++	+
Flexibility	++	++	++	n.a.	++
Idle time management	+/–	++	n.a.	n.a.	n.a.
Lower total labor cost	+	+	+/–	+/–	n.a.
Social acceptance/quality	++	+/–	–	+/–	++

The combination of improved flexibility, security for flex-workers and competitive total labor cost achieved through a collective labor agreement for the staffing industry is among the key reasons why clients in the Netherlands and Germany work with staffing companies. Through the use of a sector-wide collective labor agreement, processing costs are lower. In general, it is easier to deploy flexworkers, as in a defined period they receive the same pay rate, no matter in what sector they work. Such sector-wide collective labor agreements that help the HR services sector to reduce cost, a reduction that can be passed on to the clients, do not exist in other markets. In France, for example, unit labor cost per hour for staffing is even higher than for permanent employees, due to equal pay with permanent employees being required during the assignment and additional payments being required at the end of an assignment. This indirectly impacts the French gross margin negatively. On balance, staffing is still cheaper for employers in France as they only pay for actual hours worked.

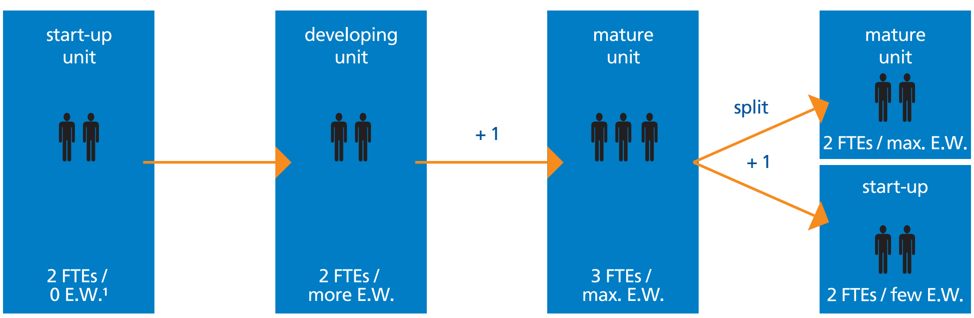
Randstad's new markets
Applying our growth strategy means we are continually looking for opportunities in new markets. Randstad is already present in countries that make up over 80% of the world demand for HR services. But as new markets emerge, we research and explore them very carefully before deciding if, and if so how, we will enter. We will also pursue acquisitions if an appropriate purchase or strategic alliance can accelerate building market share. In recent years, we have entered a number of new markets: China, Hungary, India, Japan, Poland, Sweden and Turkey. These are all markets with exceedingly low staffing penetration rates. However, we believe they will develop rapidly into significant markets for our staffing and other services.

Main market developments, Europe and North America, 2007
in billions in local currency

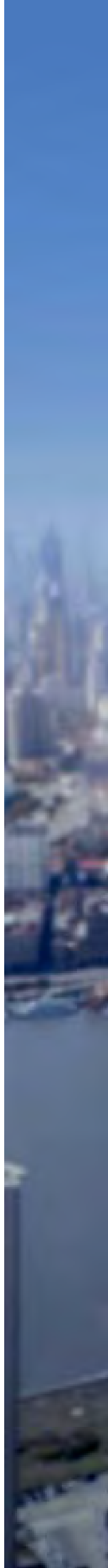
Countries	Market-size[1]	Market-growth in %	Market-share in %	Market position
Belgium/Luxembourg	**5.2**	10	21	1
Denmark	**9.4**	5	3	5
France	**21.9**	7	3	6
Germany	**12.4**	19	13	1
Italy	**6.4**	18	5	5
Netherlands	**14.4**	8	22	1
Poland	**1.4**	26	21	2
Portugal	**0.9**	5	5	3
Spain	**3.4**	7	15	2
Sweden	**14.1**	18	2	10
Switzerland	**2.6**	10	6	4
United Kingdom	**26.2**	6	1	10-15
North America	**76.7**	(1)	2	8

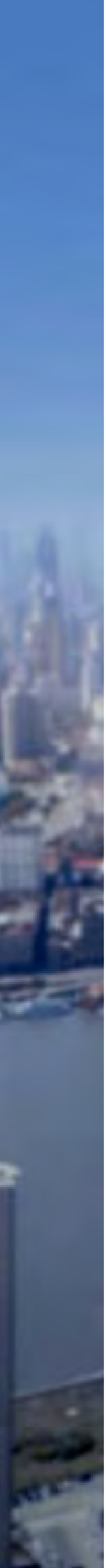
1 based on country data, 2006 figures, and estimated growth rates

Lily-pad model



¹ E.W. = employees working





How we grow our markets
In all our current markets, we work on the basis of our strategic building blocks. Organic growth is pursued and achieved by introducing appropriate strong concepts, driven by best people most usually through our unique unit structure and excellent execution using standardized processes. Our growth model is known as the 'lily-pad', where more lilies grow from a common stem until they cover an entire pond. First, we research the local market thoroughly. Once we have identified an area with sufficient market potential, a team of two consultants starts up a 'unit', the structure we use to grow our business. A third consultant is added when the unit reaches maximum capacity. Then we add a fourth consultant and split the unit into two. As the business grows, more and more units are added, including specialties and new services. Once we have covered a particular area thoroughly, we consider opening a new branch. There are strict criteria for the expansion of our branch networks. As our business and market share in the first location grows, we move into an adjacent area where we repeat the growth model.

Market reviews

Randstad in Belgium and Luxembourg

Randstad is the leader in the highly developed Belgian market, and all our service concepts are provided here. In 2007 solid growth was generated in mass-customized while the success of inhouse, which has been one of the drivers of growth in recent years, continued. Interim professionals, search & selection and HR Solutions have also continued their steady development and all present opportunities for further profitable growth. In the past five years many value added services have been added, contributing significantly to gross profit.

Scarcity of skilled staff has risen in e.g. healthcare, finance & accounting, and construction. Nevertheless, we demonstrated our ability to find the right people with scarce profiles to meet our clients' temporary and permanent staffing needs. A dedicated banking industry team was established in Luxembourg to meet strong demand there and the first results have exceeded our expectations. Overall, Randstad has outperformed market growth by about 6%, and revenue passed the € 1 billion mark for the first time.

Randstad in Canada

Randstad's mass-customized services are the principal focus in Canada, although we opened our first search & selection branch this year. Canada is a highly fragmented market, with around 40% of the revenue in the hands of the top 20 players. The overall market leaders each have around 5% of the market. Despite an increase in the scarcity of skilled staff in 2007, and a challenging year for competitors providing general staffing for large clients, we achieved growth of 25%. Randstad significantly outperformed the market by maintaining its focus on the profitable specialty staffing and permanent placement segments in the more stable

Development main geographic markets Randstad Group, 2007

in millions of €	Revenue	Total growth %	Organic revenue growth %
Belgium/Luxembourg	**1,072.7**	16	16
France	**650.4**	22	22
Germany	**1,627.2**	24	23
Italy	**317.1**	25	25
Netherlands	**3,217.9**	10	9
Spain	**507.9**	2	7
United Kingdom	**268.4**	8	8
Other Europe	**282.1**	26	13
North America	**1,132.9**	(11)	(2)
Asia	**120.4**	–	–
Total	**9,197.0**	12	12

SME sector. We opened eight new locations across our main markets of Quebec, Ontario and Western Canada.

Randstad in China

Randstad has been providing search & selection and pay-rolling services in China since 2005. High economic growth, a shortage of talented people able to work in an international environment and high staff turnover combine to ensure a consistently strong need for recruitment services. A second Shanghai branch was opened to meet growing demand for our finance, sales & marketing and engineering specialties, and we opened our first branch in Beijing. Consultant numbers in search & selection rose from 15 to over 50, and we have professionalized the back office and management, providing a solid platform to support geographical expansion and the introduction of additional services. We have increased our stake in Talent Shanghai to 70%. Legislation to be introduced in 2008 to regulate the labor market will define the playing field for a new and very promising flexible staffing market.

Randstad in Denmark and Sweden

Both mass-customized and inhouse services are provided in Denmark, and although only mass-customized services have been provided in Sweden until now, preparations were made to establish inhouse services there from the start of 2008. Scarcity continued to be a significant issue, especially in Denmark. While this has had some impact on revenue, the replacement of staffing by more recruitment has had a positive effect on gross margins. The strong economic growth of recent years slowed considerably in 2007. Despite this, Randstad Sweden grew 11% and Denmark grew by 19%, outperforming the market by about 14%.

Randstad in France

Randstad France provides a full range of mass-customized and inhouse services, which is still unique here, complemented with a search & selection branch in Paris, and limited exposure in the market for interim professionals. The overall French staffing market grew by around 7% in 2007, and we again exceeded this with growth of more than 20%. Our centers of excellence in niche specialties continued to perform very well this year, and the inhouse business grew by 50%. Permanent placement more than doubled, giving Randstad close to a 5% share of this relatively new market in France. The success of permanent placement is an example of the development of the French market towards more added value services. We opened six new branches and seven inhouse locations. Tax subsidy legislation introduced in 2007 had a very positive effect on margins and operating profit for the year, but this has now been withdrawn.

Randstad in Germany

We have developed a complete portfolio of mass-customized, inhouse and interim professionals services for the German market, in which Randstad has maintained its leadership position with about 13% market share. More than 4,000 staffing agencies compete in this large and fragmented market, but a penetration rate of around 1.3% leaves enormous opportunities for our continued steady growth.

Randstad Germany
Randstad continued to outperform, backed by very strong performance in inhouse services. Skill shortages grew during the year as the economy recovered and the unemployment rate fell. Increased brand awareness and innovations in online recruiting helped us to continue to attract the right people and build long-term strategic partnerships with our clients however. Having stabilized the Bindan business acquired last year, in October we acquired Team BS, a provider in central Germany specialized in the pharmaceutical, chemical and automotive sectors.

Geographic composition gross profit
in millions of €

Countries	2007	2006	Δ%
Belgium/Luxembourg	**213.4**	173.6	23
France	**102.6**	75.5	36
Germany	**391.0**	325.4	20
Italy	**54.1**	42.9	26
Netherlands	**859.4**	708.1	21
Spain	**89.8**	80.3	12
United Kingdom	**60.6**	53.3	14
Other Europe	**54.1**	41.2	31
North America	**197.8**	227.2	(13)
Asia	**6.9**	3.1	–
Total	**2,029.7**	1,730.6	17

Yacht Teccon
The Yacht and Teccon interim professionals and project engineering businesses have become a major player in a € 7 billion German market for contracting, staffing and engineering services. Our main clients are in the automotive, shipbuilding, aerospace and railroad sectors. Growth at Teccon was constrained by low demand in the aerospace sector, where new projects at a large client have been postponed. At Yacht, growth accelerated towards the end of the year, especially in the non-aerospace sectors.

Randstad in Hungary

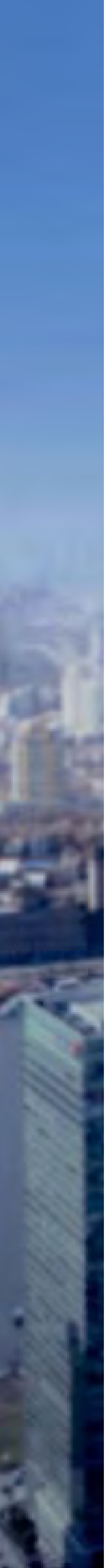
Randstad Hungary provides mass-customized services with a focus on recruitment, and specifically temp to perm. The market is young and fragmented and, with 25 consultants, the team in Budapest represents one of the leading recruitment companies in the capital. With growth of over 50%, the market was outpaced. The country is centrally located, there are many potential candidates with good language skills and salaries are relatively low. International companies therefore often choose Hungary to establish their European shared services operations. Randstad focuses on these as clients, together with some larger domestic companies.

Randstad in India

Randstad offers search & selection, payrolling solutions and mass-customized services in India. The employment services industry is relatively small, but has enormous future potential. We currently rank third, but our ambition is to grow towards market leadership in this highly fragmented market. The Indian HR services market continues to grow by 30 to 40% year on year, and in 2007 Randstad grew the search & selection business by 45%. Staffing and payrolling performed in line with market growth. We entered the market through the acquisition of EmmayHR in 2005 and Team4U in 2006. The two subsidiaries have been carefully integrated during 2007 and will be rebranded as Randstad in 2008.

Randstad in Italy

We focus principally on mass-customized staffing and inhouse services in Italy, together with some recruitment and selection, training and consultancy. Randstad Italy is growing faster than the market. Only around 80 companies are authorized to offer staffing services in Italy. Penetration is sure to grow, but is currently just below 1%. Having had the lowest birthrate in Europe for some time, there is significant scarcity of talented young people. Randstad Italy opened 16 new branches and 17 inhouse locations and contributed revenue of € 317 million in 2007, in line with expectations. This represents an increase of 25% compared to the year before, and means we outperformed the market by around 7%. We plan to increase our focus on specialties in 2008, especially in promising and profitable areas such as healthcare, secretarial and finance, and continue to develop our recruitment and selection business.



Randstad in Japan

Randstad Japan provides mass-customized services, currently focused on the finance and accounting specialty. In 2007, ten more consultants joined the first ten in the Tokyo office established in September 2006, now serving an excellent client base. Japan is a quite fragmented market, with the top five sharing about 35%. In this first full year for some time that Japan has seen solid economic growth, the labor market has seen some scarcity again, salary levels have stopped falling and the permanent placement market is booming. We are therefore planning to launch a permanent placement service offering in 2008, either within mass-customized or as a search & selection business, and an inhouse service in manufacturing staffing.

Randstad Group in the Netherlands

The Randstad Group is the clear overall leader in the supply of HR services in its original and highly developed home market. The full range of service concepts are provided by several operating companies, including Randstad, Tempo-Team, Capac Inhouse Services and Yacht. In mass-customized and inhouse markets we compete against international and local players. In the markets for interim professionals and search & selection there are very many smaller players focused on particular target groups. The HR Solutions market is particularly divers, with many players in sectors such as consultancy, and only a small number in others, such as payrolling. Wage inflation has returned as an issue in 2007 for the first time in some years, there was some scarcity in the technical, financial and secretarial fields, and a distinct shortage in graduate candidates.

Randstad Netherlands and Capac Inhouse Services
Randstad Netherlands is the Group's largest and most developed operating company, providing four service concepts. Having developed the enormously successful inhouse concept, these services are provided through Capac in the Netherlands.

Mass-customized and inhouse
As the acknowledged market leader in these areas, we focused on profitability rather than market share in 2007. Revenue continued to grow and we focused on expanding our position within specialized target groups, positioning secretarial as an independent activity and focusing the Callflex contact center offering on both large-scale and new business. The percentage of applicants applying for jobs via the Internet rose to 50% during the year. As growth has been slowing in the traditional staffing segment, we maintain our focus on improving productivity and client satisfaction.

Search & selection
We are a relatively new player in the field of search & selection and achieved double-digit growth in 2007. We expect rapid further expansion, outperforming the market in our chosen segments of Finance, Sales, Marketing and Communications.

HR Solutions
Launched as an entity three years ago, we have achieved a good position in most of the HR Solutions services we provide and we generated steady growth in 2007. We completed the integration of PinkRoccade HR Services and expanded our payrolling offering through the eight-year outsourcing contract with Philips in the Netherlands.

Tempo-Team
Tempo-Team is itself number two in the Netherlands, and we grew a little faster than the market in 2007. We focus principally on providing mass-customized and inhouse services, but have been successfully developing specialized secondment and outsourcing services. In 2007 we integrated Talent Academy, specialists in financial services secondment, which will be rebranded in 2008. To build on our existing contracting business in logistics and food, we also acquired Thremen in March, a company providing outsourcing for governmental and financial services clients.

Yacht
Yacht provides interim professionals and interim management services. We outperformed the market during the year and expect our share to grow in the next few years. We achieved particularly strong growth in HR, Logistics, Purchasing, Legal and Marketing & Communications in 2007 and managed to increase average bill rates and improve productivity during the year. We successfully implemented a new front and back office system, as used by Randstad and Tempo-Team since 2006.

Randstad in Poland

Poland is another European market where Randstad maintains a leading position, providing mass-customized, inhouse, search & selection and HR Solutions services. Unemployment rates fell in 2007, and flexible staffing demand shifted from large international firms to medium-sized companies, so we adjusted our approach accordingly. This impacted growth in temporary staffing in 2007, but our permanent placement business grew by nearly 80% and we increased our average recruitment fees. We opened two new branches and ten new inhouse locations during the year. We realized 17% revenue growth and an improvement in gross margins.

Randstad in Portugal

Randstad is amongst the top four players, and provides mass-customized, inhouse and some payrolling services. The introduction of a new labor and staffing law in 2007 has added to administrative load and costs, but has also led to many smaller competitors exiting the market. We opened one new branch in the center of the country, but have primarily focused on sustainable profitable growth. The airport specialty grew significantly, and contact center and catering specialties continued to perform well.

Outlets by country, year-end

	Branches		Inhouse locations		Total	
Countries	2007	2006	2007	2006	2007	2006
Belgium/Luxembourg	**142**	141	**109**	104	**251**	245
France	**120**	114	**59**	52	**179**	166
Germany	**348**	328	**175**	110	**523**	438
Italy	**147**	131	**36**	19	**183**	150
Netherlands	**545**	529	**289**	298	**834**	827
Spain	**135**	142	**27**	30	**162**	172
United Kingdom	**67**	69	**89**	57	**156**	126
Other Europe	**91**	68	**47**	27	**138**	95
North America	**266**	284	**166**	146	**432**	430
Asia	**28**	21	**0**	0	**28**	21
Total	**1,889**	1,827	**997**	843	**2,886**	2,670

Randstad in Spain

Randstad is the second largest player in the staffing market in Spain. We provide mass-customized, inhouse, interim professionals and search & selection services, and matched market growth in 2007. Penetration is still less than 1%, offering strong potential for further growth. We had an excellent year in terms of recruitment and search & selection and the airports specialty performed very well. Winning the contract to be the official staffing provider for Expo 2008 in Zaragoza offers considerable new potential for next year.

Randstad in Switzerland

In Switzerland Randstad provides mass-customized and inhouse services, and is one of the top five players sharing about 30% of this staffing market, which we outperformed again this year. Scarcity of qualified personnel and increasing staff turnover led to permanent placement performing stronger than temporary staffing. We managed to increase recruitment fees by around 30%, improving our gross margin, and increased productivity by about 10%. Until 2007, our presence had been concentrated in the German-speaking part of the country. Our acquisition of Job One in June not only doubled our revenue and increased our market share to 6%, it also gave us equal coverage in French-speaking Switzerland and added the watch industry, medical and construction sectors to our specialty portfolio. Job One's offices in the German part were integrated by the end of the year. The integration and rebranding process should be completed by the end of 2008.

Randstad in Turkey

Randstad opened its first office in Turkey in 2006, so 2007 was our first full year providing mass-customized, search & selection and some HR Solutions services. We built up a solid client base, increased the number of consultants to 16 and opened our second branch on the Asian side of Istanbul this year. Strong potential can already be seen for both mass-customized and inhouse services, but the early realization of this will depend somewhat on labor regulations being implemented more effectively. We expect to grow our team, revenue and profitability in 2008.

Randstad in the United Kingdom

Randstad UK

We provide mass-customized, inhouse and HR Solutions services under the Randstad brand, and our key specialties are contact center solutions and airport services. The UK staffing market – recognized as being the world's second largest and worth around € 36 billion – grew by 6% in 2007. It is also one of the most fragmented, with the two leading players sharing less than 10% of the market, and the top five about 17%. Randstad outperformed marginally this year, but still only ranks between 10th and 15th in its markets. We grew volume and increased margins by spinning off business from mass-customized to inhouse, gearing the mass-customized network to SMEs, and focusing on permanent recruitment and our successful contact center specialty. Following the spin-offs to inhouse, we closed 12 branches in Q4 2007. At the same time, we opened a branch in the City of London to address the mid-level clerical / office segment there.

Martin Ward Anderson

Martin Ward Anderson has been part of the Randstad Group for two years, focusing on middle management financial recruitment. Two-thirds of our business is in permanent recruitment, with the remainder focusing on temporary and interim roles. We currently employ 200 people across 12 locations (2006: 10) in the UK and a satellite office in the Netherlands. High quality finance professionals remain in short supply in all of our markets, but our office expansion program in 2007 has enabled us to outperform market growth.

Randstad in the United States

Randstad provides mass-customized and inhouse services in the US. Our inhouse service also includes Randstad Corporate Services, addressing the huge US corporate offices market with a modular offering of temporary, permanent and specialty staffing, recruitment process outsourcing and payrolling from which our clients can choose. The US has the world's largest staffing market, valued at around US$ 77 billion, and like the UK it is extremely fragmented. The commercial staffing market was going through a slowdown in 2007, which bottomed out during the summer. We spun off a large part of our business to inhouse services in 2007, creating Randstad's largest inhouse services organization and a strong development in profitability in our larger client segment. This also created overcapacity in our branch organization, so to manage our costs through the cycle we consolidated a number of units and branches. While we outperformed most of the larger players, our growth in 2007 was a little negative, about in line with the market.

Risk & opportunity management

Risk & opportunity management is firmly embedded in Randstad's strategy. We deliberately address them together here, as we believe that they go hand in hand and are part of everyday business life. On the one hand, we actively stimulate entrepreneurship throughout the organization and encourage our people to identify and seize opportunities. On the other, we recognize that the risks inherent in entrepreneurship must be assessed and controlled.

Seizing opportunities while avoiding mistakes
Effective risk & opportunity management involves knowing when to give full throttle, but also when to apply the brakes. We must seize genuine opportunities, while at the same time avoiding mistakes and undesirable behavior. Risks must be identified and controlled. Our processes and best practices for day-to-day operations incorporate an integrated risk & opportunity management approach. We not only look at potential downsides, but also take the risk of failing to capitalize on corporate strengths and opportunities into account.

Randstad's risk & control framework
Randstad's risk & control framework is part of the 'excellent execution' building block that links our vision, mission and objectives with the execution of strategy by the Group. It sets the standard for the way we manage risks and opportunities, and is comparable to the US COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework.

The Randstad risk & control framework is designed to ensure:
- the monitoring of the effectiveness of our strategy – by regularly reassessing our strategic direction, we fully leverage our strategic strengths while ensuring strategy is consistently executed;
- excellence in execution – we focus on the most efficient and effective way to conduct our business, enabling us to recognize opportunities and avoid mistakes;
- continuity of the company;
- avoidance of material negative financial impact on the Group's profit & loss account and cash position.

Our risk & control framework has four core components, designed to secure Randstad's 'in control' position. These are illustrated and described below.

Securing Randstad's 'in control' position

Tone at the top
Consistently maintaining the correct 'tone at the top' establishes the foundations for effective risk & opportunity management. The attitude and behavior of management should serve as a good example for all Randstad employees to follow. The importance of internal controls to the business is understood, and both our code of conduct and integrity code are implemented throughout the organization. If there are any cases of inappropriate management behavior, they are disclosed in order to increase awareness and prevent reoccurrence.

Risk & opportunity assessment and related key controls
The identification and analysis of risks and opportunities represents an ongoing process that is naturally a critical component of effective internal control. On the basis of these and the Group's risk tolerance analysis, the key controls within Randstad's business processes are registered and their effectiveness continuously monitored. Every six months the managers of all Randstad companies are required to sign off responsibility sheets that explicitly define their responsibilities and how they should be applied and executed. Furthermore, we have designed a risk & opportunity management structure to monitor and control the risks and opportunities at a local level. The local Randstad companies report quarterly on their top risk and opportunity areas, including individual action plans and timeframes to respond to them. The executive board and local management discuss deviations from the standards set in them at quarterly review meetings. In conjunction with the risk tolerance assessment, insurable risks are also periodically assessed in order to determine which should be transferred to the insurance market.

Best practices, policies and processes
Strict corporate procedures govern financial reporting, investment procedures, powers of attorney and authority structures. Randstad's code of conduct and integrity code also apply to this component of the framework. Best practice working processes, including control measures, are also defined in blueprints and are being implemented throughout all our operating companies. We strive to 'copy & paste' these best practices, policies and processes throughout the organization, as we do with all learning.

Planning and performance measurement and management
Randstad's strategy is firmly embedded in its operations. A business planning and reporting cycle is in place to measure how well and consistently we execute our strategy and deliver on our strategic objectives. The business planning cycle is derived from the strategic planning cycle, in which key performance indicators and milestones are defined to measure actual performance versus planning. The company also has a monthly reporting cycle on both financial and non-financial

information that is supported by regular bilateral meetings between a member of the executive board and local management. Some key operational data are reported on a weekly basis. Intensive review meetings between the executive board and local management also take place on a quarterly basis.

Audit and review activities

Internal and external teams periodically review the effectiveness of the risk & control framework. The executive board, supported by Group control, performs quarterly review meetings with local management including in depth discussions on past and expected performance, and local management teams have quarterly review meetings.
The Group's audit committee discusses and monitors risk management and control systems, quality of financial information, compliance with recommendations of auditors and tax planning with the CEO and CFO, corporate accounting, business audit and the external auditor.
The progress of specific issues is discussed and monitored by ad hoc local internal audit committees, consisting of the Group CFO, the local CEO and CFO, corporate accounting and business audit.

The business audit team is responsible for developing, implementing and maintaining policies, procedures and reporting related to our risk & opportunity management and internal controls. Its annual plan includes activities that monitor and report on the effectiveness of key controls in business processes and ensures that identified weaknesses are properly addressed. Results are discussed in review meetings with the business audit team and the local management team involved. While the external auditor performs the external audits, Group control performs the insurable risk audit in close collaboration with an external specialist.

Risk tolerance

The executive board encourages management to take advantage of new opportunities to achieve Group objectives while managing the risks involved. 'Risk tolerance' is defined to ensure that the Group operates within the boundaries of our risk & control framework.
Randstad's risk tolerance, or risk appetite, is based on a number of internal and external factors, including:

- business performance measures: EBITA target 5-6% on average through the cycle, with a minimum of 4%;
- financial strength in the long term: mainly defined through the repayment capacity ratio;
- liquidity in the short term: cash flow from operations and working capital;
- compliance with relevant rules and regulations;
- economic environment;
- reputation.

As an example of how our risk tolerance has a bearing on our approach to risk & opportunity management, we can briefly describe how the Group manages healthy EBITA performance through the cycle. Lessons learned from the previous downturn have influenced both our approach to the business and our risk management. Three factors are of major importance: revenue, direct costs and indirect costs.

Revenue

Maintaining profitability starts at the revenue line. Our geographic spread and business mix continue to expand.
In general, revenue from new services such as secondment and search & selection is more volatile than mass-customized revenue, but at the same time less cyclical services, such as payrolling and HR administration, have been added.
Standardized work processes help us to stay focused.

Direct costs

Due to internal policy changes and new opportunities arising from revised collective labor agreements in the Netherlands and Germany, we have significantly fewer flexworkers under contract than in the last downturn, while idle time management possibilities have increased. This makes us more flexible and reduces idle time risk.

Indirect costs

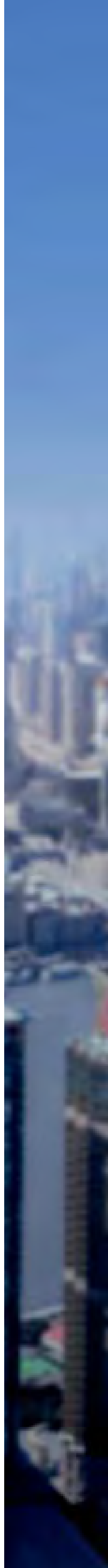
In general, the more flexible the indirect cost base, the lower the risk. Personnel costs are the largest contributor to indirect costs. Through the use of our unit steering model, we know when and where we have to reduce corporate staff numbers. Controlled contraction of corporate staff levels is supported by regular staff turnover, and bonus schemes are equally flexible. Another substantial indirect cost is represented by accommodation costs, which have been made more flexible by divesting real estate and restricting rental contracts.
In principle, these should have a maximum duration of five years. IT costs have also been made flexible by outsourcing many functions so that costs reflect processed volume. We have also standardized our marketing tools, leading to lower fixed costs, while marketing support costs vary with volume. Successful cost control depends on reaction time, and our improved reporting and review process enables us to react faster than in previous cycles.

Risk mapping

At Randstad, we identify and classify risks by mapping risk impact and type of risk, as illustrated in the table below. Within risk impact, we distinguish between torpedo risks and latent risks. Torpedo risks can have an immediate financial impact or immediately threaten the continuity of the Group, while latent risks do not have an immediate impact, but could become torpedo risks if not properly managed. The type of risk includes strategic, operational, legal/compliance, organizational and financial risks. All types of risks could potentially lead to reputation risks.

Risk mapping at Randstad

	Business risks		Legal/ Compliance	Organi- zational	Financial
	Strategic	Operational			
Torpedo risks					
Latent risks					
Reputation risks					



Once a risk is identified, we address it by:
- estimating its significance;
- assessing the likelihood of its occurrence;
- assessing the effectiveness of internal controls;
- developing specific actions needed to reduce it to an acceptable level.

There is no cost-beneficial way to eliminate risk of course. Nevertheless, management must assess how much risk is prudently acceptable and strive to maintain risks within this level. All relevant risks are analyzed and reviewed in a systematic way according to the Randstad risk & control framework. The risk & opportunity management process is an integral part of the business planning and review cycle.

The Randstad Group is exposed to the following risks:

Business risks
The Group's business risks are comprised of both strategic and operational risks.

Strategic risks
Strategic risks generally relate to the business environment. They involve areas such as the attractiveness of markets, regulatory changes, technology developments (e.g. the Internet), competitor behavior and our strategy through economic cycles. Our responsiveness to these changes is crucial in executing our strategy.

Example of strategic risk mitigation:
- Legislative deregulation has had a positive impact on the German staffing industry, and Randstad recognized the opportunities it generated at an early stage. Being the first mover in this consolidating market, deregulation in Germany produced significant benefits for us. Furthermore, we expanded our HR Solutions activities in the Netherlands and Belgium, increasing our presence in these markets. Conversely, due to our focus on other initiatives, Randstad still has a very limited presence in the deregulating Japanese market. Having a broad spread of activities mitigates the effects of these kinds of risks.

Operational risks
These are linked to those areas where the Randstad Group aims to create value on a daily basis. Personnel is naturally our key asset. We therefore carefully monitor and manage unfavorable shifts in the retention rates of corporate personnel, and especially consultants. Operational risks in secondment are idle time and flexworker sick leave. Another operational risk relates to the accounts receivable portfolio, the largest current asset on our balance sheet.

Examples of operational risk mitigation:
- It is vital for a staffing company that hours worked by flexworkers are properly paid to them and correctly invoiced to clients. Our operating companies regularly perform a key control procedure to ensure that the total hours worked and invoiced are the same.
- If the turnover rate of consultants becomes too high, growth opportunities are frustrated. To maintain turnover at an acceptable level, we monitor the turnover rate, conduct employee satisfaction surveys and design and implement training and management development programs. An extensive introduction program with active involvement of local management is also in place.
- Randstad has policies in place to limit credit risk. Blueprints for the accounts receivable procedure are implemented at every operating company to ensure a low level of bad debt expense. Our credit risk exposure to our largest customer is less than 2%.

Legal risks
Legal risks concern compliance with legislation. On the one hand, risks arise from continuously evolving legal environments and the influence of collective labor agreements. On the other, regulatory changes can also generate opportunities, as we have mentioned under strategic risks above. Another type of legal risk is the contractual liability between client, Randstad and flexworker. This risk also includes damage caused by flexworkers and the effects of strikes.

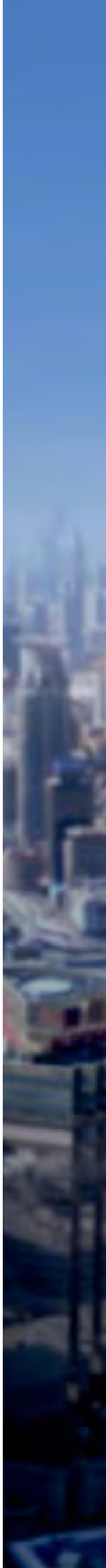
Example of legal risk mitigation:
- Randstad aims to deliver its services according to its standard terms & conditions. In case we agree to deliver on non-standard terms, we specify Randstad's maximum liability and financial exposure as clearly as possible, in close consultation with our local legal department. Pricing levels should be high enough to absorb risk-related costs. Our goal is to limit acceptance of consequential losses and/or product liability.

Organizational risks
These refer to risks originating from the Randstad Group's internal organization. IT is crucial to operational continuity, for example. Organizational risks also cover possible fraud/theft incidents, internal control, policy implementation, the integration processes for acquired companies and the adequacy of fall-back/crisis procedures. Randstad also includes the speed and agility of its response and reaction to issues in its organizational risk category.

Examples of organizational risk mitigation:
- Payrolling and invoicing processes depend on IT systems. Timely payment to the flexworkers is crucial for their retention and, therefore, to the organization. The Group CIO constantly monitors this.
- Randstad strives to have integrated back and front office IT systems in order to benefit from increased efficiencies of scale. Randstad's dependency on and exposure to IT system security issues is constantly increasing, so security needs to be continuously monitored and strengthened.

Financial risks
Randstad's activities expose it to a variety of financial risks, specifically changes in foreign currency exchange rates, interest rates, the liquidity risk, investment risk and external reporting risk. Randstad's risk & control framework includes a focus on minimizing potential negative effects on the company's financial performance. We manage these risks centrally via a corporate treasury department under the direct supervision of the Group CFO.

Foreign currency exchange risks
With respect to transactions, Randstad's exposure to foreign



currency exchange risk is limited, as both income and expenses are generated locally. As a portion of the cash flow is generated in currencies other than the euro however, currency fluctuations can affect consolidated results. Translation effects may impact shareholders' equity.

Example of foreign currency exchange risk mitigation:
- Currencies other than the euro that are currently of primary importance for Randstad are the US dollar and the UK pound sterling. Currency exposures to the net assets of subsidiaries are monitored and controlled when necessary, primarily through borrowings denominated in the relevant foreign currencies.

Interest rate risks
Market interest rates can have an effect on Randstad's income and operating cash flows. The company has no significant interest-bearing assets, and interest on almost all borrowings is variable.

Example of interest rate risk mitigation:
- We choose floating interest rates on our borrowings, because in an economic downturn, when our earnings may be under some pressure, interest rates will tend downwards. Floating interest rates are considered a natural hedge against the development in operational results.

Liquidity risks
In order to minimize liquidity risk, Randstad maintains sufficient cash and has the availability of funding through an adequate amount of committed credit facilities. Randstad neither uses derivative financial instruments nor undertakes hedging activities.

Example of liquidity risk mitigation:
- Randstad maintains flexibility in funding by keeping committed credit lines available.

Investment risks
If Randstad does not possess reliable information about a potential investment, it may not be able to make the right investment decisions about its future value. This could lead to a fluctuation in the value of that investment to the company.

Example of investment risk mitigation:
- Given Randstad's growth strategy, it is particularly important to have a diligent investment process in place. When investing, a merger and acquisition (M&A) team is appointed and made responsible for the acquisition proposal. This proposal includes target profile, strategic rationale, valuation, integration plan, management positions and deal structure. M&A proposals always need executive board approval and, in line with the by-laws of the executive board, need supervisory board approval when above € 25 million. Should the information gathered about an investment not be diligent enough, this could lead to a fluctuation in its future value.

External reporting risks
As a consequence of the development of reporting standards, legislative changes and stricter requirements of the various stakeholders, the complexity of the accounting processes and financial reporting has increased, along with the risks attaching to these processes. During the year under review we established that the key controls included in our financial and external reporting processes had been effective.

Reputation risks
Reputation can be lost gradually, for example as a result of poor service or dubious ethical practice. Also, if the other risks mentioned here are not properly managed, they could become reputation risks, which in turn could harm our relationship with stakeholders and turn into strategic risks. Randstad therefore defines reputation risk as the leverage of other risks.

Example of reputation risk mitigation:
- We manage these risks by executing our core values, as described in our code of conduct, every day in every branch. We are aware of the interests and expectations of our stakeholders, we actively communicate with them and invest in our public relations.

Developments in 2007 and priorities for 2008

Control environment
In 2007, Randstad evaluated the effectiveness of the Group code of conduct and the integrity code that relates to complaints, reports and concerns of employees about possible misconduct (whistleblower procedure). The reported number of complaints in 2007 was low, specifically if benchmarked against other companies in the services industry. This low number is a confirmation of our strong corporate values and ethics. The business audit team measured awareness of both codes among corporate employees in its business audits during the year, and concluded that all means were available for our corporate employees and all procedures were effective in 2007. One of the subjects at our annual CFO meeting was to learn from fraud cases as experienced by an external auditor at other companies.

Controls
Randstad updated its key control register, which contains a standard set of controls in each of our business processes, in 2006. Our operating companies started to implement these updated key controls in their processes in 2007, and will continue to tailor them to their specific local circumstances in 2008.

Monitoring
In 2006, the integrated risk & opportunity management framework described here was fully implemented in the organization. From 2007 onwards, the operating companies report their assessment of top ten risks & opportunities, including actions and deadlines, on a quarterly basis. These assessments are followed up in the quarterly review meetings and in the internal audits.

The business audit team performed risk & opportunity-based reviews of selected operating companies in 2007. For the year 2008, the business audit team will continue with the risk & opportunity-based audits as initiated in 2007. The scope of

these audits is based on each operating company's assessment of risks and opportunities and pre-defined focus areas.
The focus areas for 2008 are:
- implementation of the tailor-made key control register;
- follow-up of integrated risk & opportunity management;
- IT, general and application controls;
- contract liability risks.

Dutch corporate governance code
In accordance with best practice provision II.1.4 of the Dutch corporate governance code and the recommendations of the monitoring committee, Randstad has substantiated its internal risk management and control systems in the paragraphs above.

The assessment of the effective working of internal controls regarding financial reporting, also required by the Dutch corporate governance code, is outlined in the conclusion below.

Conclusion
The executive board is responsible for Randstad's internal risk management and control systems and for reviewing their effectiveness. These systems are designed to manage the risks that may prevent us from achieving our objectives. However, the systems cannot provide absolute assurance that material misstatements, fraud and violations of laws and regulations can be avoided.

The executive board has reviewed and analyzed strategic, operational, legal, organizational and financial risks to which our Group is exposed, and has reviewed the control environment for the financial year 2007. The outcome of this review has been shared with the audit committee and supervisory board, and has been discussed with our external auditor.

Based on the activities performed during 2007, with regard to financial reporting risks, the executive board believes that:
- there is reasonable assurance that the financial reporting does not contain any errors of material importance;
- the risk management and control systems have worked properly in the year under review;
- there are no indications that the risk management and control systems will not work properly in 2008.

Income & financial position analysis

Income statement

Revenue
Group revenue increased by 12.3% to € 9,197.0 million, from € 8,186.1 million in 2006. Organic growth was 12%, somewhat below last year's growth rate, but still double digit. Acquisitions effects contributed 2% to growth, and the impact of currency effects on growth in revenue was a negative 1%. As in the previous two years, we outperformed in most of our markets and gained market share. There was a clear reversal visible in the trend however. The beginning of the year showed strong growth, but growth rates became erratic at the end of Q2 2007, followed by gradual easing of the growth rates in Q3 2007 and Q4 2007. In line with the trends already observed towards the end of 2006, the US was the first market to show a slowdown. Our US operation was no longer delivering growth in Q1, while our continental European companies still showed significant double-digit growth at that time, with growth rates of 40% in Germany, 27% in Italy and 21% in Belgium, for example. We have seen this correlation before, when slowdowns in our market also materialized in the United States before affecting Europe. However, in some European countries such as Germany, growth opportinities are determined less by general economic circumstances, then driven by deregulation and the relatively immature status of the staffing market.
Strong growth continued in our Asian operating companies, China, India and Japan, in our 2005 start-ups Hungary and Turkey and in France, Italy and Canada. The latter operating companies clearly outperformed their respective markets. The overall growth of the Group slowed down from close to 16% in Q1, to 14% in Q2, 11% in Q3 and 9% in Q4.

We acquired three companies in 2007: Thremen in the Netherlands, Team BS in Germany and Job One in Switzerland. Team BS will strengthen Randstad Germany in the Rhine-Main area and is more geared towards the chemical, pharmaceutical, consumer goods and automotive industries. Job One is active mostly in the French-speaking part of Switzerland and focuses on the technical and healthcare, commercial staffing and construction sectors, with a business mix more geared towards search & selection. Tempo-Team acquired Thremen, a company specialized in administrative contracting, and this acquisition makes a good fit with Tempo-Team's other specialty companies. In addition to these acquisitions, we expanded our 47% stake in Talent Shanghai in China and now own 70% of the capital, while we increased our stakes in the Indian subsidiaries Team4U and EmmayHR to 100% from 57% and 51% respectively by exercising existing call option arrangements. The acquired companies performed in line with expectations. RNA Communications in the US and Thuiszorg Perfect in the Netherlands were divested during the course of the year, as both operations did not fit with our core competencies and strong concepts.
Furthermore, in line with our ambition to strengthen and expand our service offering in HR Solutions, we signed an outsourcing contract with Philips Electronics Netherlands B.V. for the payroll administration and payroll processing for about 42,000 employees, including those of Philips' Dutch operations.

Consolidated income statement

in millions of €	2007		2006	
Revenue	**9,197.0**		8,186.1	
Cost of services	**7,167.3**		6,455.5	
Gross profit		**2,029.7**		1,730.6
Selling expenses	**1,036.3**		910.6	
General and administrative expenses	**453.8**		396.4	
Total operating expenses		**1,490.1**		1,307.0
Operating profit		**539.6**		423.6
Dividend preferred shares	**(7.2)**		(7.2)	
Financial income and expenses	**5.1**		(2.0)	
Net finance costs		**(2.1)**		(9.2)
Share of profit of associates		**2.0**		0.0
Income before taxes		**539.5**		414.4
Taxes on income		**(154.6)**		(54.1)
Net income		**384.9**		360.3
Earnings per ordinary share (€):				
Basic		**3.31**		3.11
Diluted		**3.30**		3.10
Diluted before amortization acquisition-related intangible assets and impairment goodwill		**3.38**		3.17
EBITA [1]		**554.4**		436.1
EBITDA [2]		**605.6**		484.2
Operating expenses excluding amortization acquisition-related intangible assets and impairment goodwill		**1,475.3**		1,294.5

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

2 EBITDA: operating profit before depreciation, amortization and impairment goodwill.

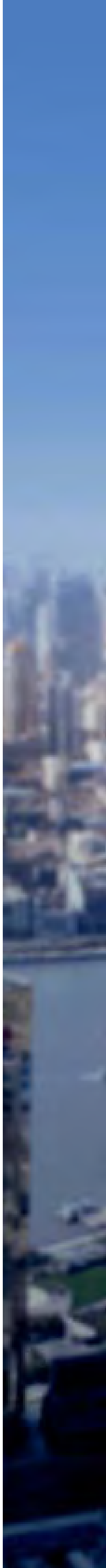
Gross profit and gross margin

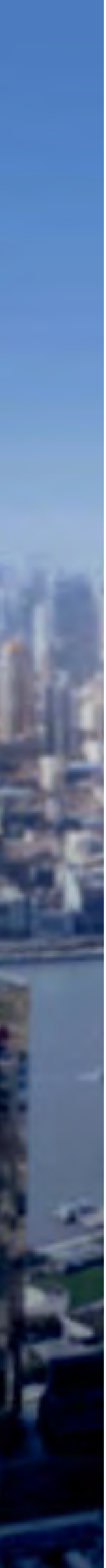
Gross profit increased by 17% in 2007, clearly faster than growth in revenue. There were a number of reasons for this, including fees becoming a larger part of the total business mix and an effective pricing policy, made possible by the increasing scarcity of labor in the market. In total, gross profit increased from € 1,730.6 million in 2006 to € 2,029.7 million. The resulting gross margin of 22.1% was clearly above the 21.1% recorded in 2006. This positive gross margin differential compared to the previous year was achieved consistently throughout the year, and was most noticeable in the Netherlands and Belgium. Fees now amount to 10% of total gross margin (8% in 2006) for the group as a whole. Gross margin in Germany and the United States declined, predominantly because of changes in the business mix. A larger share of the business in both companies was generated in the inhouse segment, which typically has a lower gross margin combined with a higher productivity. Also the growth of revenue at large clients was stronger (or, in the case of the US, it declined less) than the other client segments.

Gross margin as such is not a strategic target, since it is affected by many different elements, of which business mix (segments and geographical) and idle time issues are the most important. We aim to translate a certain percentage of the increase in gross profit into additional operating profit however, in order to realize our EBITA margin targets.

Operating expenses

Total operating expenses were € 1,490.1 million in 2007, compared to € 1,307.0 million in 2006. The impact of currency effects on operating expenses was around 1% negative. Net acquisitions resulted in an increase of operating expenses of approximately € 32 million. Operating expenses excluding the amortization of acquisition-related intangible assets and impairment goodwill increased slightly as a percentage of revenue and amounted to 16.0% in 2007, up from 15.8% in 2006. Restructuring charges for branch closures in the US and the UK and the divestment of an activity in the Netherlands were included in the operating expenses. This amounted to € 9.0 million in total.
Our unit steering model, consistently applied in the organization, makes it possible to react fairly quickly to changes in demand. We measure the productivity in the number of employees placed in work per full-time equivalent (FTE), and in gross profit generated per FTE. The latter ratio improved in 2007. The former ratio stopped improving, which led to a more careful approach in the management of FTEs. Towards the end of the year, the number of FTEs had been gradually adjusted downwards in a number of our operating companies. Given our average staff turnover rate of above 20%, this downward adjustment could be achieved mainly through making use of this attrition and the flexible component in our workforce, temporary contracts. Given the strong demand in our markets and our own strong performance however, we continued to invest in people and branches in many of our other operations, specifically in the first six months of the year. This was particularly true for growth markets like Italy, Canada and Germany.





On an organic basis, 1,900 (+ 12%) extra FTEs were hired and 157 (+ 6%) outlets were opened.

Personnel expenses form the largest part of our operating expenses. Personnel expenses increased by 13.6% compared to 2006 (2007: € 1,021.1 million; 2006: € 898.7 million). The average number of personnel (in FTE terms) increased by approximately 14% compared to last year. In addition to the increase in salaries paid, the other personnel expenses increased accordingly. Training costs are an important component of personnel expenses, as are the recruitment costs we incur. The scarcity in the labor market made it harder for us to attract corporate employees and more had to be invested. In some of our operations, such as Spain and the UK, turnover rates had risen too far, and additional investments were made in training in order to increase retention. Marketing expenditure remained constant as a percentage of revenue. We continued to invest in our brands to improve awareness.

Consolidated balance sheet at December 31

in millions of €	2007		2006	
Assets				
Property, plant and equipment	**135.7**		117.1	
Intangible assets	**433.3**		324.2	
Deferred income tax assets	**282.5**		329.0	
Financial assets	**10.2**		9.2	
Associates	**480.9**		2.7	
Non-current assets		**1,342.6**		782.2
Current receivables	**1,590.5**		1,449.1	
Cash and cash equivalents	**384.1**		346.5	
Current assets		**1,974.6**		1,795.6
Total assets		**3,317.2**		2,577.8
Equity and liabilities				
Shareholders' equity		**1,021.6**		790.3
Minority interests		**0.8**		–
Group equity		**1,022.4**		790.3
Non-current liabilities	**959.8**		514.1	
Current liabilities	**1,335.0**		1,273.4	
Liabilities		**2,294.8**		1,787.5
Total equity and liabilities		**3,317.2**		2,577.8

Balance sheet and cash indicators

	2007	2006
Balance sheet		
Operating working capital[1] in millions of €	**409.5**	354.5
Operating working capital as % of revenue	**4.5%**	4.3%
Days Sales Outstanding (moving average)	**51**	52
(Net debt)/net cash[2] in millions of €	**(144.2)**	250.3
Interest cover (EBITDA on net finance cost less dividend preferred shares)	**(118.7)**	242.1
Cash flow in % of revenue		
Net cash flow from operating activities	**4.4**	5.0
Free cash flow	**3.6**	4.3

1 Operating working capital: trade and other receivables minus trade and other payables plus dividend preferred shares.

2 (Net debt)/net cash: cash and cash equivalents minus borrowings.

The increase in IT expenses was somewhat stronger than the average rate of increase of our operating expenses, mainly due to new business. Our HR Solutions offering is more IT-intensive than our regular staffing business and needed, as planned, additional investments in software. Furthermore, new front and back office systems have been developed in Belgium, and are currently in the process of implementation.

Net finance costs

Net finance costs were significantly lower than in 2006 (and 2005) and decreased from € 9.2 million to € 2.1 million. The main driver behind this was our average net cash position, which until December improved greatly compared to 2006. After the announcement of our intention to acquire Vedior on December 3, 2007, we bought Vedior shares on the open market for € 479.0 million. By the end of the year therefore, our net cash position had become a net debt position amounting to € 144.0 million (net cash end of year 2006: € 250.0 million). The net finance costs in the fourth quarter were therefore € 1.2 million compared to only € 0.3 million on average in the first three quarters of the year.
The dividend on preferred shares remained stable, as the return on these shares is fixed for a seven year period. The total dividend on preferred shares amounted to € 7.2 million.

Taxes on income

In 2007, the effective tax rate amounted to 28.7% compared to 13.1% for the year 2006. There are two reasons for this increase.

First, the underlying effective tax rate increased from 18.5% in 2006 to approximately 26% in 2007, in line with our tax planning. The decrease in a number of nominal tax rates in several countries (the Netherlands, Spain) caused an improvement in the 'weighted average applicable tax rate' from 32.7% in 2006 to 30.4% in 2007, but this improvement was offset by a relatively lower effect from tax-exempt income as well as a negative balance in comparison to 2006 with regard to

Consolidated cash flow statement

in millions of €	2007		2006	
Cash flow from operations before operating working capital		458.4		382.6
Operating working capital		(57.0)		27.0
Net cash flow from operating activities		**401.4**		409.6
Net additions in property, plant and equipment and software	(72.3)		(59.1)	
Net acquisitions of subsidiaries and associates	(587.5)		(215.5)	
Other	(0.7)		(0.5)	
Net cash flow from investing activities		**(660.5)**		(275.1)
Net cash flow from financing activities		**324.1**		(224.3)
Net increase/ (decrease) in cash, cash equivalents and current borrowings		**65.0**		(89.8)
Cash, cash equivalents and current borrowings at January 1		**250.3**		336.5
Net increase/ (decrease) in cash, cash equivalents and current borrowings		65.0		(89.8)
Translation gains/ (losses)		0.5		3.6
Cash, cash equivalents and current borrowings at December 31		**315.8**		250.3
Free cash flow		**328.4**		350.0

the valuation of mainly US related deferred tax assets. Secondly, the effective tax rate has been impacted by one-offs. In 2007 we incurred a (non-cash) charge of approximately € 14 million due to the revaluation of the German deferred tax assets, based upon the decrease in the corporate income and trade tax rates starting January 1, 2008. In the year 2006, we benefited from one-off items, which had a positive effect of approximately € 23 million in total. The latter one-offs included the combined effects of the impact on deferred tax positions from the decrease in Dutch and Spanish corporate income tax rates as well as the impact of the revaluation of some tax assets.

Balance sheet

Non-current assets

Most of the increase in non-current assets to € 1,342.6 million from € 782.2 million in December 2006 relates to the purchase of 15.03% of total outstanding Vedior shares. This is reflected in the participating interests, which increased from € 2.7 million (at that time related to our minority stake in Talent Shanghai, China) at the end of 2006 to € 480.9 million as at December 31, 2007.

Partly as a result of our ongoing acquisition policy and the consequential additions to goodwill in the balance sheet, the amount of goodwill in the balance sheet amounted to € 300.7 million (up from € 213.4 million in 2006). The acquisition-related intangible assets increased accordingly (by € 20.0 million to € 97.3 million), which is a reflection of the value of client portfolios, flexworker databases and the brand names of acquired companies.

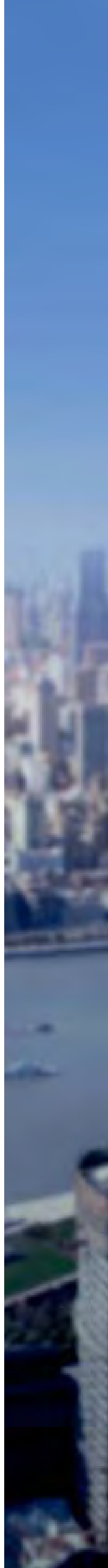
In line with continued revenue growth, we invested € 60.5 million in property, plant and equipment and € 13.9 million in software. This was more than the combined depreciation and amortization of non-current assets of € 51.2 million (consisting of € 39.0 million in the depreciation of property, plant and equipment and € 12.2 million in the amortization of software).

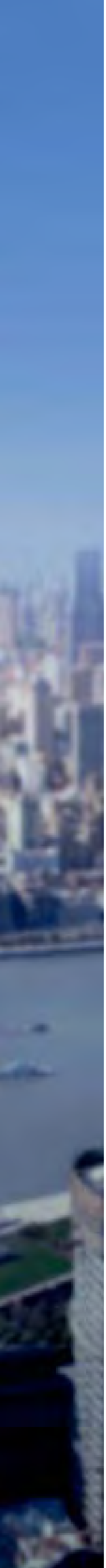
Non-current liabilities

The increase in long-term debt can be explained by the purchase of Vedior shares, which has been financed by drawing under the syndicated facility that has been available as of June 2006.

Operating working capital

Operating working capital increased by € 55.0 million to € 409.5 million at the end of 2007. As a percentage of revenue, operating working capital remained more or less stable at around 4.5%. Given the continued growth of our business volume, specifically in countries where longer payment terms are the norm, such as Belgium, France and Italy, this represents excellent performance. Within the Group there is a strong focus on days sales outstanding (DSO) and working capital, which are even reflected in the bonus targets of the general managers and finance directors of our operating companies. Furthermore, the operating companies are charged for their use of operating working capital to incentivize them further. The trade and other receivables represent the component that is most important for us to





influence in this respect. These increased by only 8.8% to € 1,570.4 million, clearly below the increase in revenue. The moving average of DSO decreased to 51 days, compared to last year's 52 days. All large operating companies decreased their DSO with, as in 2006, an especially notable performance by the Southern European operating companies. The aging of trade receivables was also given considerable attention. Increased complexity in our clients' invoicing demands and the increased number of services provided, especially to larger clients, puts pressure on the invoicing process. If not effectively addressed, this could lead to more invoicing errors and a subsequent increase in aging. The dedicated efforts of our back and front offices greatly facilitate the invoicing process for the large accounts.

Net debt

Net debt amounted to € 144.2 million as at December 31, 2007, compared to a net cash position of € 250.3 million at the end of December 2006. As stated above, available resources have been used to purchase Vedior shares on the open market, which has led to a net debt position. The year-end net debt position was well within our stated financing policy, which aims at a leverage ratio (net debt/EBITDA) of between 0 and 2.

Cash flow statement

Cash flow from operations before operating working capital improved along with operating results, which more than offset planned higher corporate income tax payments. The moving average of DSO improved, while the timing of payments to creditors had a less positive impact than in 2006. In total, net cash from operating activities was therefore solid but slightly below the level of 2006. Full-year capital expenditure amounted to € 74.4 million, compared to € 61.8 million in 2006. As a result, free cash flow amounted to € 328.4 million, compared to € 350.0 million in 2006. Until December 2007, a balance of € 108.6 million was spent from our free cash flow on acquisitions. In December 2007 we spent another € 478.9 million on the acquisition of a 15.03% stake in Vedior, partly financed with long-term debt. Dividend payments increased from € 99.1 million to € 152.5 million.

CSR achievements 2007

- Implementation of company-wide integrity code in new operations in India, Japan and China.
- Internal audits of integrity code in operating companies to ensure proper functioning.
- Compilation of diversity initiatives in operating companies for the purpose of sharing best practices, including the development of a company-wide diversity tool kit.
- Second company-wide employee satisfaction survey.
- Joint publication with SEO Economic Research: 'Mind the Gap', a detailed study of European employment trends, including the effects of migration and aging.

Corporate social responsibility

Each day during 2007, Randstad's 17,570 employees in 20 countries put an average of 369,200 people to work. Serving clients and flexworkers is certainly good business, but for Randstad employees it means more than just that. It means 369,200 unique success stories each day, and knowing that they have helped flexworkers and other candidates find jobs, gain experience, and grow towards a higher level of economic and social well-being.

Randstad's central role in society

Ever since our beginnings in the 1960s, Randstad has been very aware that our success depends on society as a whole benefiting from the positive effects of everyone working together. Randstad is at the heart of a network of many stakeholders, including clients, unions, governments and flexworkers, and we take our responsibility to them seriously. Highlighting our responsibility towards the people and communities we serve worldwide, our founder included 'simultaneous promotion of all interests' as one our core values. We take pride in finding suitable jobs for our flexworkers and ideal candidates for our clients, but our commitment to society does not stop there. We fulfill our role as a labor market authority by shaping the future world of work, sharing our knowledge and experiences with everyone involved in the employment sector.

Two major trends we witnessed in 2007 were increasing scarcity in the professionals segment and further improvement in the employment rate across many countries. Combined with the continuing trends of increasing labor migration and an aging population, the need for a responsible, professional and innovative staffing market has never been more important. More diverse talent pools need to be tapped, and minorities need to be better integrated. As the EU Employment Council announced, following their meeting in December: 'temporary agency work is seen as a key factor in meeting the requirements of the Lisbon Strategy, as it contributes to increasing both employment and competitiveness.'

Reporting indicators
We began reporting on CSR indicators proposed by the Global Reporting Initiative that are of relevance to the HR sector in 2006, and continue to do so this year for consistency and to facilitate comparison. These indicators are:

- labor market relations and stakeholder dialogue, engaging all the players in the employment sector;
- diversity measures and (re)-integration programs, broadening the talent pool for Randstad and our clients while improving access to the labor market for those marginalized in society;
- career advancement and training, for both flexworkers and corporate employees;
- health, safety and security, focusing on our proactive initiatives to promote health and prevent accidents;
- client, flexworker and employee satisfaction;
- code of conduct and integrity code;
- volunteerism;
- environmental measures.

Labor market relations and stakeholder dialogue
Effective ongoing communication with all our stakeholders – including employees, governments, clients, flexworkers, unions, and NGOs – is critical to the success of our business. Proactive engagement with our stakeholders concerning issues of work has resulted in Randstad's free negotiation of collective labor agreements in most of our markets.

Employee participation is encouraged through a network of works councils that bring together managers and employees across the organization regularly to discuss work and HR-related issues. Results of dialogues in the country works councils are fed into an international platform that meets twice a year to discuss social policy issues and general business information relevant to Randstad Group companies. Randstad also actively engages in dialogues with labor unions, at both the national and European levels. UNI-Europa, the representative labor union for services in Europe, are invited to attend the international platform meetings as observers.

At a pan-European level, UNI-Europa and the European Confederation of Private Employment Agencies (Euro-CIETT) meet in the Social Dialogue, a forum allowing representatives of labor unions, governments, employers' federations and private employment agencies to get together to discuss issues of mutual importance. The Social Dialogue committee for temporary agency work has been working since 2000 to further professionalize and gain more societal acceptance for the industry. Moderated by the European Commission's Directorate-General for Employment, Social Affairs & Equal Opportunities, the committee met four times during 2007. Issues discussed included work migration, International Labor Organization conventions, decent work, anti-discrimination, equal treatment, vocational training and health & safety at work.

Diversity measures and (re-)integration programs
Randstad believes that in order to serve the communities in which we operate, we must reflect the diversity of these communities. A diverse workforce, reflecting the demographics of the many different markets in which we operate, also provides a competitive advantage and helps acquire new business. One of Randstad's four strategic building blocks is 'best people'. The only way we discriminate is on the basis of merit. We are continually seeking out talent, regardless of race, gender, age, sexual orientation, creed, political conviction, disability or social background. As stated in Randstad's globally implemented HR standards, 'diversity is recognized as an added value'. Our focus on developing a diverse workforce helps us ensure we continue to recruit and retain the highest quality staff for ourselves and our clients. In the face of changing demographics, characterized by low birth rates, an aging population and a shrinking workforce, this is more important now than ever.

Data from CIETT, the International Confederation of Private Employment Agencies, indicate that 40% of the workers employed through its members belong to the category defined by the OECD as 'outside the labor market' (i.e. long-term unemployed, first-time labor market entrants, women accessing the labor market, older people, etc.). We take pride in the fact that Randstad provides a great many people each year with their first introduction to the labor market. This

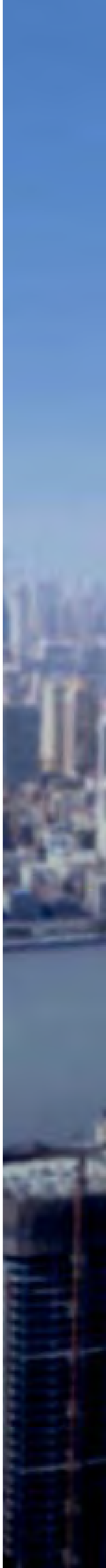
'Mind the Gap'

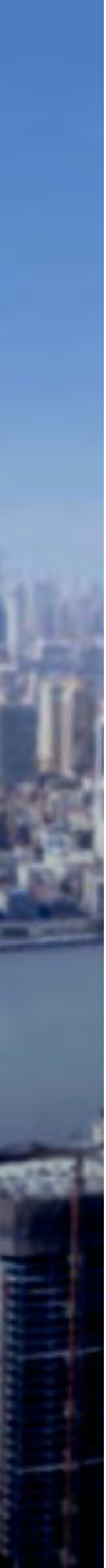
In February 2007, Randstad jointly published the second edition of their research series on employment and adaptable labor with the SEO Economic Research Institute of the University of Amsterdam. Called 'Mind the Gap', as well as providing a detailed overview of the current pan-European labor market, the 130-page report examines the issues of the aging population, the resulting potential employment gap, and how sensible labor migration policies can help narrow it.

A PDF copy of the report can be downloaded from our corporate website.

Randstad Diversity - Belgium

Our diversity measures and (re-)integration programs can be found throughout the Group. Randstad Belgium, for example, was one of our first operating companies to specifically address these issues, introducing diversity projects for clients and flexworkers as early as 1996. Their Randstad Diversity service provides equal opportunity and competency management advice to client companies. Together with local partners (NGOs, non-profit training organizations, the government and other parties), Randstad Belgium helps both businesses and jobseekers alike, and Randstad Diversity is the official 'coaching partner' of Forem, the government skills training agency for disadvantaged people in the French-speaking part of Belgium.





European Alliance on Skills for Employability

Randstad is a founder of the European Alliance on Skills for Employability, together with business partners such as Microsoft, Cisco Systems and State Street. The Alliance aims to help better coordinate industry and community efforts and enhance the positive impact of IT literacy and training on the employability of young unemployed people, those with disabilities, and older workers. It is working to provide technology access and IT training with the goal of helping to train millions of people in Europe with the skills required by employers by 2010.

is important for society as a whole, and particularly so for those who would otherwise be marginalized. Randstad offers a means to learn skills and build experience, which in turn translates into better integration and the sense of self worth that results from gainful and meaningful employment.

In France, we have signed 'la Charte de la Diversité', and are members of IMS, the association responsible for promoting diversity. Randstad France is also an active member of the diversity commission of PRISME, the French Confederation of Private Employment Agencies. We participate in the Diversity Commission of the HR Directors Association (ANDCP) and work with the Halde (High Authority of the Fight against Discrimination) to determine unbiased quality measurement tools. Our informational materials are translated into Arabic in France to facilitate the recruitment of skilled people from its large pool of immigrant workers.

Since 2004, the Randstad Foundation in Spain has provided access to employment for more than 650 disadvantaged people, such as those with disabilities, women at social risk, victims of domestic violence, single parents, those older than 45, and the long-term unemployed. The jobs provided are largely in the administrative, customer service, and catering sectors. In the Netherlands, Randstad Rentree helped around 16,000 people in their search for a job in 2007. The vast majority of candidates were suffering from long-term illnesses, had been unemployed for a long time or had been made redundant. Randstad Germany has also established a Foundation to help the disadvantaged gain work experience.

A key factor in terms of maintaining diversity is ensuring equal opportunities for women. Because of our flexible work environment and Randstad's equal training and career advancement opportunities, we are an attractive employer for women. The proportion of female employees at Randstad is always well above average. The average percentage of women in management positions in the operating companies reached 40%, while the number including branch management is even higher. Participation of women in management is higher in our new operations than in countries where we have been present the longest, such as the Netherlands. We provide women with equal training opportunities and salary grades, maintain flexible work solutions to keep women employees engaged in the company and encourage clients to hire more women.

Women in management

Country	**2007** including branch management	**2007** higher management	2006 higher management
Belgium/Luxembourg	66%	53%	65%
France	46%	38%	42%
Germany	50%	39%	38%
Italy	74%	46%	41%
Netherlands	62%	29%	37%
Poland	71%	42%	73%
Spain	65%	47%	43%
UK	66%	51%	39%
Canada	57%	67%	67%
USA	63%	54%	55%
Group-wide	59%	40%	44%

Career advancement and training

To ensure that our consultants continue to be the best in the business and that we continue to provide the highest qualified flexworkers, providing effective training programs and career advancement opportunities are key to Randstad's success. We have projected how many new managers need to be appointed over the coming years. Of the new recruits at branch level, the assumption is that 15 to 20% will one day become Randstad managers. While Randstad's aim is to fill 80% of all management vacancies by means of promotion from within the Group, in 2007 the figure was only 71% (compared to 81% in 2006 and 2005). The main reasons for this were the tighter labor market, causing higher turnover in some areas, and external hires to expand management where needed, for instance in the UK. While career development is a factor in maintaining employees' motivation and commitment to Randstad, internal promotion also ensures that knowledge is retained and our corporate culture remains strong, so we will do our utmost to reach our target again in 2008.

Total out-of-pocket employee and flexworker training costs, in € millions

	2007	2006
Corporate employees	**16.8**	12.4
Flexworkers	**28.8**	26.7

Training ranges from introduction programs for consultants to courses for top management. Besides introductory training, on average more than 80% of our employees across the organization received training of some sort in 2007. Examples included sales training, team management, account and treasury management and labor law. Ongoing assessments along their career paths enable consultants to define and refine their ambitions. At the Randstad Institute, six programs have been developed – including the senior executive and the development and coaching of people programs – where more than 200 international managers, managing directors and directors are trained every year. Subsequent coaching and in-depth management training helps them further develop their skills in a direction that is both aligned with their goals and beneficial to Randstad's needs. Randstad operating companies set aside a specific budget for training flexworkers. Training is dependent upon the needs of the client and the labor market, and can include courses specific to contact centers, sales, IT, driving skills, restaurant kitchen hygiene, forklift operation, and so on.

Health, safety and security

At Randstad, we believe that the highest standards of health and safety in the workplace are a right. We adhere to all relevant standards and regulations, and where there are few or none, we lobby for their introduction, while continuing to apply our own high standards until sector-wide measures are in place. The Randstad Group strives for an overall lower absenteeism rate (illness) per operating company than the country average. Any operating company whose rate exceeds their country's average must submit a plan to the corporate HR department and deliver a program to reduce it. As we recognize that most work-related accidents can be prevented, we stress the importance of educating both employees and flexworkers on health and safety issues.
Accidents and absenteeism also represent costs, so it makes good business sense to ensure workers are healthy and productive. On a proactive level, Randstad addresses occupational health and safety in a number of ways.
For example, every year Randstad Netherlands carries out a week-long Health at Work program to raise awareness and educate employees and flexworkers. Activities in this week include first aid demonstrations and healthy lifestyle tips. Randstad Germany follows a health and safety program outlined in their policy paper: 'a dynamic strategy for the prevention of occupational accidents'. Health and safety is also a component of the introduction programs for new employees.

Average percentage of absent employees
(% of total number of employees)

	2007	2006
Belgium/Luxembourg	**4.0%**	5.5%
France	**4.6%**	4.4%
Germany	**2.8%**	2.9%
Italy	**6.9%**	6.2%
Netherlands	**6.0%**	6.3%
Spain	**2.2%**	5.9%
Group-wide	**3.7%**	3.9%

Each operating company has a health and safety officer who records information on accidents, usually each quarter, according to local regulations. Targets for reducing workplace accidents and employee absence depend on the frequency of accidents and the duration of absences in each operating company. In the US, the target was to achieve a 10% improvement in accident frequency as measured using the US Occupational Health and Safety Administration rate, which we met by improving our score by 14%, from 9.6 to 8.4. In Spain, the target to reduce workplace accidents by 10% in 2007 was also met. Through various measures, the frequency of work-related accidents at Randstad in Belgium has decreased 40% in the last five years.

We have experienced security risks in recent years, ranging from fires to threats made to employees. In 2006 we introduced a standard, company-wide security policy to manage and respond to these events in a timely manner. Called the Initiative for Randstad's Improved Security (IRIS), the program has now been successfully rolled out across most operating companies, with the establishment of local calamity teams, the translation and activation of the IRIS website and the launch of IRIS communications.

Client, flexworker and employee satisfaction

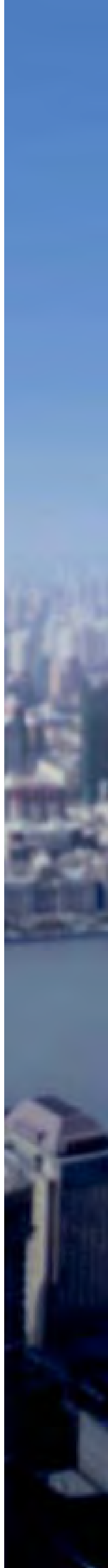
Randstad Holding conducts a Group-wide cultural satisfaction survey amongst all employees each year. Results of the survey are communicated to all employees, with an explanation of how issues needing attention will be addressed. Through the survey this year we learned that our employees take great pride in their work, and that there is a strong belief in 'to know, serve and trust', constituting a strong foundation for our work ethic.

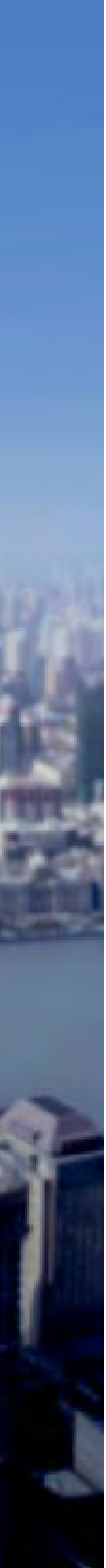
All Randstad operating companies also conduct detailed client, flexworker and employee satisfaction surveys. They are conducted at least once a year, with smaller-scale surveys each month to monitor progress and ensure Randstad processes are in line with our expectations. This monitor system also acts as an early warning system, allowing us to proactively address areas that need attention. These surveys are rolled into key performance indicators used by managers to help us steer policy.

Efforts are being made to align these surveys across the company to collate comparable data, and they will be more fully synchronized in 2008. This process is being coordinated centrally and currently includes the Netherlands, Belgium, Germany, Spain, the US, Portugal and Italy, accounting for almost 85% of the company.

Code of conduct and integrity code

Group-wide, Randstad has a number of systems in place to receive and address concerns on issues of integrity or misconduct. Our code of conduct and provision for reporting misconduct – the integrity code – provide a means to communicate any impropriety that might take place in the company. Both of these documents can be found on our website, and copies are included in the company introduction package received by every new employee. Employees are also given a dial-in number and access to the website of the tip line hosted by a third party, where they can report misconduct anonymously. While misconduct is usually reported through the supervisor, an alternative reporting avenue is open to all employees.





Integrity code complaints

	2007	2006
New complaints	**28**	16
Of which legitimate	**23**	8
Reported closed	**23**	8

Randstad's internal audit team conducted audits at most operating companies over the past year to measure awareness of the code of conduct and integrity code. Based on their findings, it was concluded that awareness was increasing but there was still room for improvement. We believe the increased use of the whistleblower line is encouraging as in our opinion it points at increased awareness of its existence rather than growing misconduct. Communication about the codes will be further intensified throughout the Group in 2008.

Volunteerism
Randstad entered into its partnership with the NGO Voluntary Service Overseas (VSO) in 2004. Like Randstad, VSO are specialists in recruitment and placement, but they recruit skilled volunteers with professional qualifications from around the world to live and work in local communities, sharing skills and changing lives in developing countries. Like Randstad, where demand for workers comes from our local clients, the call for volunteer workers with specific skills comes to VSO from organizations in the developing countries themselves. Randstad leverages our knowledge and networks to help VSO bring about positive change and alleviate poverty.

Our contribution and targets are measured in equal volunteer units (EVU). It costs € 19,000 to train and send a volunteer to a developing country for one year. An EVU is therefore measured in units of € 19,000, whether it is money raised through our VSO fundraising activities, the hours a Randstad employee spends applying for grants on behalf of VSO, the legal advice we provide or the value of the office space we give to VSO 'in kind'. In 2007 we achieved the target set for the fourth year of our partnership of 65 EVUs (compared to just over 50 in 2006).

A total of 38 Randstad employees (16 in 2006) have worked, or are working, in countries such as Indonesia, Vietnam, Uganda, Kenya, and India. Our HR Solutions Namibia joint project has been a great success, involving a number of Randstad volunteers working from the local VSO office and advising NGOs on HR issues. We are also helping VSO to improve their internal processes and competency matching. More Randstad volunteers will be needed next year due to the success of our VSO HR Solutions concept, which enables many development organizations to benefit from one centrally-located HR advice bureau.

Environmental measures
Although the nature of our business means that Randstad is not a resource intensive company, we regard it as our duty to minimize our use of resources and the negative impact our activities have on the environment.

Resource use at Randstad headquarters

	2007	2006
Water (m^3)	**14,000**	9,000
Central heating (gJ)	**5,000**	5,000
Natural gas (m^3)	**9,000**	16,000
Electricity (mln. kWh)	**3.5**	4.0
Paper recycled (kg)	**62,000**	71,000
Cardboard recycled (kg)	**9,000**	15,000

At the headquarters in the Netherlands, less electricity was used in 2007, as the data center was reduced in size. The saving was partly offset by increased usage of electricity during the reconstruction of the restaurants and kitchens, which also led to use of more water.

Randstad is taking steps to address waste stream measurement and reduction. For example, Randstad Netherlands will be rolling out a pilot in a number of agencies in 2008 to do a better job of separating out waste paper, plastics, glass, ink cartridges and organic waste. Through a standard waste collection process, Randstad Netherlands will receive quarterly waste updates from which they can steer policy, while employees will receive communications concerning the positive effect of their actions. We recognize that we will also benefit from the cost savings that come from realizing these efficiencies.

Memberships and the sharing of our core competencies
Randstad shares its knowledge of and expertise in the world of work through its membership of a number of organizations and the roles it plays in a number of initiatives:
- CIETT – through our membership, we strive for well-regulated working conditions for our corporate employees, flexworkers and interim professionals.
- European Alliance on Skills for Employability (see box on page 32) – we are a founding member.
- INSEAD Business School – Randstad is on the steering board of the Business and Society Roundtable, where managers share experiences on advancing the CSR agenda.
- University of Amsterdam – Randstad has a chair that focuses on the effect of demographic trends and migration on the labor market. We also participate in many labor related research initiatives at other universities.
- United Nations Global Compact – we are a signatory.
- CSR Europe – our active participation means we can help stimulate socially responsible business practices.
- Samenleving & Bedrijf (Community & Company) – we participate in this organization that works for corporate social responsibility goals, including diversity.
- New Venture – Randstad provides advice and coaching to budding entrepreneurs.
- Bid Challenge – Randstad employees contributed their knowledge, time, networks and energy to the international Business Plan competition for poverty reduction and profit.
- SA8000 – Randstad Belgium and Italy have Social Accountability 8000 accreditation from Social Accountability International, the global standard-setting human rights organization dedicated to improving workplaces and communities.

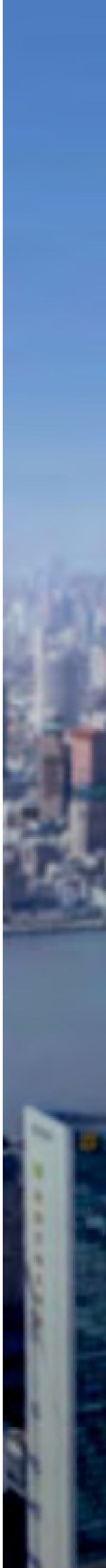
Summary of awards & rankings received by Randstad in 2007

- The prestigious Spanish magazine Actualidad Economica ranked Randstad 20th on its 'Best Places to Work in Spain' list.
- Randstad the Netherlands was listed number 17 on Intermediair's list of the Top 25 Best Employers in the Netherlands.
- Fortune Magazine ranks Randstad Holding 6th of the 10 'Top Companies for Leaders (Europe)'. The European list is part of the 'Global Top Companies for Leaders' study that has been conducted by Hewitt, a global HR services provider.
- I-bridge, the Dutch Group companies' shared service center for ICT, has been named Top ICT Employer 2007.
- Institutional Investor magazine ranked Ben Noteboom top CEO in the business and employment sector. Robert-Jan van de Kraats was voted best CFO. Randstad was also ranked as the company with the best overall investor relations in the business and employment services sector.
- Randstad listed no. 13 in the European Business Week '50 Best Performing Companies' and the highest ranked staffing company. A very good result after previous rankings in 2006 (41), 2005 (38) and 2004.
- Randstad Portugal was voted 'most remembered company' in Outsourcing & Staffing during the Forum Capital Humano, an annual HR event organized by the Portuguese Industrial Association-Business Confederation (AIP-CE).
- Randstad Belgium, Canada, Denmark, France, Germany, Spain, and the Netherlands were nominated as 'Great Places To Work'. Thanks to the continuing high rankings of Randstad Belgium, Germany and the Netherlands, we are also included on the '100 Best Workplaces Europe' list.
- Randstad UK was listed as no. 41 in the top 100 mid-sized companies of the Sunday Times 'Best Companies To Work For'.
- Randstad US was recognized as one of the '20 Great Employers for New Graduates' by Fortune magazine.
- Randstad Canada ranked 14th in the top 50 'Best Workplaces in Canada 2007' list.
- European Alliance on Skills for Employability was awarded as most innovative initiative by CSR Europe and European Council.

Diemen, February 13, 2008

The executive board,

Ben Noteboom
Robert-Jan van de Kraats
Jacques van den Broek
Leo Lindelauf



supervisory board

The supervisory board supervises the policies of the executive board and advises them on the general course of affairs of Randstad. In the two-tier corporate structure under Dutch law, the supervisory board is a separate and independent body from the executive board. The by-laws governing the composition, duties and meetings of the supervisory board, together with further information, are published in full on the corporate website at www.randstad.com.

Fritz Fröhlich
(1942, German)

Fritz Fröhlich was first appointed to the supervisory board in 2003, and his second term expires in 2011. He is the supervisory board's chairman, a member of the audit committee and chairman of the nomination & compensation committee.

Fritz Fröhlich is the former Chief Financial Officer and vice-chairman of the executive board of Akzo Nobel nv, and is the current chairman of the supervisory boards of Draka nv and Altana AG. He is also a member of the supervisory boards of Allianz Nederland Groep nv, ASML Holding nv and Rexel SA.

Giovanna Kampouri Monnas
(1955, Greek)

Giovanna Kampouri Monnas was initially appointed to the supervisory board in 2006, and her first term expires in 2010. She is a member of the nomination & compensation committee.

Giovanna Kampouri Monnas is an independent consultant and the former president of the international division and member of the executive committee of Joh. Benckiser GmbH. She is a member of the supervisory boards of TNT nv and Puig SL, and a member of the International Academy of Management.

Willem Vermeend
(1948, Dutch)

Willem Vermeend was initially appointed to the supervisory board in 2003, and his second term expires in 2011. He is a member of the strategy committee.

Willem Vermeend is the former Dutch Minister of Social Affairs and Employment and the former State Secretary of Finance. He is Professor of European Fiscal Economics at the University of Maastricht and board member of the TSS Cross Media Group. His memberships of other supervisory boards include those of Maison van den Boer bv, Free Record Shop Holding bv, Imtech N.V. and Mitsubishi Motors Europe B.V.

Frits Goldschmeding
(1933, Dutch)

Frits Goldschmeding was first appointed to the supervisory board in 1999, and his third term expires in 2011. He is the supervisory board's vice-chairman, the chairman of the strategy committee and a member of the audit committee.

Frits Goldschmeding is the founder of Randstad and the former president and CEO of Randstad Holding nv. He is chairman of the supervisory board of Instituut SMO bv and a member of the supervisory board of GVB Holding NV. He also occupies the Dr. Jacques Postma chair at the Nyenrode Center for Entrepreneurship.

Jan Hovers
(1943, Dutch)

Jan Hovers was first appointed to the supervisory board in 1995, and his fourth term expires in 2009.[1] *He is chairman of the audit committee.*

Jan Hovers is the former chairman of the boards of Océ N.V. and Stork N.V. and is the current chairman of supervisory boards of GVB Holding NV, Inter Access N.V., Smeva nv, Kusters Engineering nv, MPS nv, NEM Holding nv, Mobilly nv and Schuitema N.V. He is also a member of the supervisory boards of Wolterink bv and Randstad Groep Nederland bv.

1 The by-laws have been revised since Mr Hovers' first appointment to limit board membership to a maximum of three 4-year terms.

Leo van Wijk
(1946, Dutch)

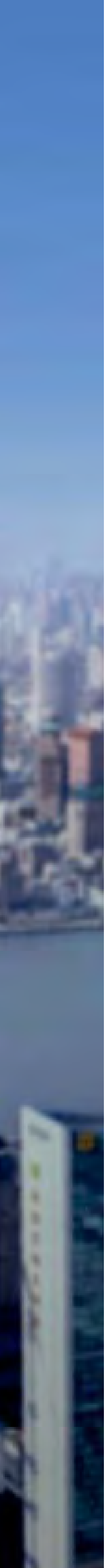
Leo van Wijk was initially appointed to the supervisory board in 2002, and his second term expires in 2010. He is a member of the nomination & compensation committee.

Leo van Wijk is vice chairman of the Board of Directors of Air France-KLM. He is also a member of the supervisory boards of Martinair Holland NV and AEGON N.V.

Rob Zwartendijk
(1939, Dutch)

Rob Zwartendijk was initially appointed to the supervisory board in 1999, and his second term expires in 2008. He is a member of the strategy committee.

Rob Zwartendijk is a former member of the board of Royal Ahold n.v. and the former president and CEO of Ahold USA. He is also chairman of the supervisory boards of Nutreco Holding N.V. and Blokker Holding B.V., and chairman of Stichting Beheer SNS Reaal.



report from the supervisory board

Randstad Holding nv's supervisory board is happy to report that 2007 has been the most successful in the Group's 47-year history. Again, substantial progress was made against all strategic targets, while all the five-year strategic goals, which had been set in 2002, had already been achieved in 2006, one year early.

We are also pleased to report that we have reached conditional agreement with Vedior N.V. to combine Randstad and Vedior to create the second largest HR services company in the world. The combination with Vedior fits very well with all our strategic targets and defined growth drivers. Together we will have enhanced market positions, an improved geographic reach and a wider product offering. Based on realistically anticipated synergies, the transaction is expected to create shareholder value, which can be further enhanced by cross-selling and sharing best practices.

The supervisory board endorses the executive board's proposal to declare a cash dividend on ordinary shares of € 1.25 (2006: € 1.25) and a cash dividend on the cumulative preferred shares of € 0.284 (2006: € 0.284). We also support the executive board's proposal to retain the remaining net income of € 239.1 million and add it to reserves. The board furthermore supports the proposal that the next Annual General Meeting of Shareholders (AGM) should discuss a change to the dividend policy, aiming at dividend protection for our shareholders, as explained on page 50.

The capital structure was reviewed. We target a laverage ratio (net debt/EBITDA) of between 0 and 2. Prolonged net cash positions (held over one year) will in the future be paid back to shareholders. To that end the AGM of May 2008 will be requested to authorize the executive board to have the company acquire its own shares, up to a maximum of 10% of the total number of issued ordinary shares. This authorization will be limited to a maximum of 18 months and the aim is to renew this authorization each year.

Based on Randstad Holding nv's Articles of Association (article 27) we, the supervisory board, submit the financial statements contained in this 2007 annual report to the AGM. The financial statements have been audited and approved by PricewaterhouseCoopers Accountants N.V. (please see the auditors' report on page 107). We recommend that the AGM should adopt the financial statements and the appropriation of net income proposed by the executive board.

In July, the company finalized an agreement with Mr. Frits Goldschmeding, Randstad founder and leading shareholder, and his inheritors on their shareholding. Frits Goldschmeding's objective remains explicitly to continue his position as a long-term shareholder through direct ownership or eventually through his inheritors. The leading ambition for all parties involved is to secure the company's continuity, strategic position and development, now and in the future. Such commitment justifies assigning one seat in the supervisory board. The main points of the agreement are as follows:

- Lock-up: in the event of Mr. Goldschmeding's passing, his inheritors will be bound to a lock-up of at least 12 months, implying that during that year they will carry out no actions concerning their direct or indirect interests in Randstad Holding, nor will any changes take place in the strategy as it is pursued by Randstad Holding.
- Grace period: if the inheritors intend to divest (part of) the shares after the lock-up period, they shall give written notice of this intended divestment to the executive and supervisory boards six months in advance.
- Consultations: after receiving such notice, the boards will enter into consultation with the inheritors, and they can propose candidates or alternative candidates while taking account of the interests of the inheritors and the continuity of Randstad Holding. Such a proposal should be made within four months after receipt of the notification from the inheritors. This ruling only applies as long as the total interest of the inheritors amounts to more than $33\frac{1}{3}$% of all issued and outstanding ordinary shares Randstad Holding nv.
- Supervisory board seat: Randstad Beheer (the investment vehicle through which the majority of family shares is held) has the right to nominate one member of the supervisory board after Mr. Goldschmeding's third term in the supervisory board, or at an earlier stage in case his membership of the supervisory board is terminated before the AGM in 2011. The person to be nominated should fulfill the qualities that are required of a supervisory executive of an international company and the nomination shall be submitted to the AGM. These rights and obligations will cease to be applicable as soon as the interests of the inheritors fall below 25% of the issued and outstanding ordinary shares Randstad Holding nv.

In relation to this agreement and to the envisaged public offer for all Vedior shares, Mr. Goldschmeding and his family decided to combine all their interests in the Randstad Group by a transfer of their holdings of depository receipts and related ordinary shares and preferred shares in Randstad Holding nv from Gaud Holding bv to Randstad Beheer bv as per December 28, 2007.

The board is pleased to report that on his departure as President of KLM on July 2nd, Leo van Wijk was awarded the honor of Commander in the Order of Orange-Nassau by Queen Beatrix. At the beginning of the academic year, Frits Goldschmeding was appointed Professor of Entrepreneurship at the Nyenrode Business University. In the annual Institutional Investor magazine rankings, Ben Noteboom and Robert-Jan van de Kraats were named as 'Europe's Best CEO and CFO' in the Business & Employment Services sector for the second year running.

The supervisory board deeply regrets that Cleem Farla passed away at age 61. Cleem Farla held several key positions at the Randstad Group since 1973. He was appointed to the executive committee of Randstad Holding in 1990, became a member of the executive board in 2001 and was CEO in 2002 - 2003, until health reasons forced him to step down. He continued to be involved with Randstad as an advisor to the executive board and the supervisory board. His enormous energy in combination with his ability to build and motivate teams will be remembered dearly. We have greatly appreciated Cleem Farla's extensive knowledge of the staffing industry and are very thankful for his long and valuable contribution to our company.

Corporate governance best practice
By-laws and terms of reference for both the supervisory board and its committees have been drawn up in compliance with the Dutch corporate governance code. In the reporting year, they were evaluated and the supervisory board profile was updated. These documents can be reviewed on the corporate website. The supervisory board of Randstad Holding nv takes the view that the code's III.2.1 best practice provision on independence of members has been fulfilled. With the exception of Randstad founder Frits Goldschmeding, all supervisory board members are independent in the sense of the code.

Structure of the supervisory board

In line with Dutch corporate governance requirements, the members of Randstad Holding nv's supervisory board represent a broad range of experience and expertise. Its role is to supervise the ongoing growth and development of the Group, monitor its strategy, progress and performance and provide expert advice and support. The supervisory board comprises seven members. While the board as a whole retains overall responsibility, it assigns some of its tasks to three permanent committees: the audit, strategy and nomination & compensation committees. The full supervisory board appoints committee members from its own membership based on the relevance of their expertise and experience. All supervisory board members are also members of at least one committee, and each committee is composed of three of them. Their work is described below, together with some specific issues they addressed in 2007.

Working method
Randstad Holding nv ensures that there are structured reporting lines to the supervisory board and its committees. Key departments and operating companies work according to reporting frameworks that facilitate monitoring by both the executive and the supervisory boards. The supervisory board meets regularly throughout the year, according to a pre-arranged schedule, both with and without the executive board and senior management. Outside this schedule, its members are available to the executive board at all times, this year even more so because of the intended offer for Vedior. Committees come together at fixed times during the year, according to a pre-determined schedule, and when required. They report directly to the full supervisory board on a regular basis.

Supervision and advisory in 2007

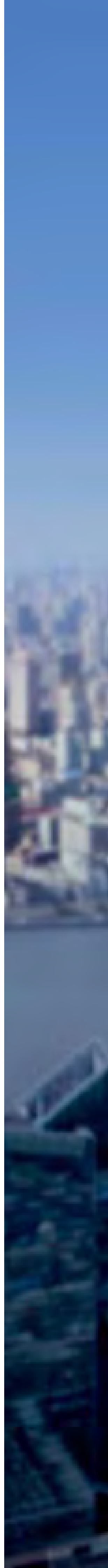
In 2007, the full supervisory board met ten times, of which six jointly with the full executive board and four among themselves, where the CEO participated in some of the items. Two teleconferences were also held, again jointly with the executive board. The external auditors were involved in one full supervisory board meeting. The board also paid a two-day visit to the operations in Germany. Supervisory board committee meetings are scheduled ahead of full meetings to facilitate decision-making. The audit committee met five times, always with auditor participation. The strategy committee came together twice and the nomination & compensation committee met six times. There was negligible absenteeism in 2007. As Randstad Holding nv operates in a competitive environment, it is inappropriate to detail many of the topics discussed and monitored by the supervisory board. However, the following overview is an indication of its supervisory activities – all topics and issues recur throughout the year.

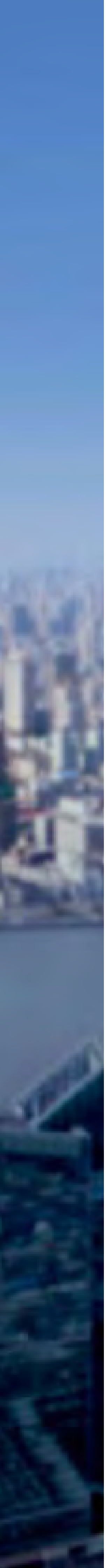
Key issues in 2007:
- strategy and growth, organically and through acquisitions
- corporate planning projects, including potential mergers & acquisitions and strategic alliances
- conditional agreement with Vedior N.V.
- financial performance, of the Group as a whole and concerning key issues per operating company
- managing through the cycle
- assessment of company risks
- external communication of performance
- dividend policy
- update of the capital structure
- management development, both short and long-term programs
- information technology
- corporate social responsibility, including integrity code
- budgets
- evaluation and appraisal of supervisory & executive boards and individual member performance
- composition of supervisory board and its committees, including new appointments
- remuneration.

Strategy is a priority for the supervisory board. Ample time was spent on an in-depth discussion with the executive board on the company's profitability through the cycle i.e. how to continue achieving the EBITA margin strategic objective, also in economic downturns. The boards also looked into early warning signals and management tools for controlling risks.

The realization of strategic targets is monitored on a regular basis and the supervisory board continuously looks, together with the executive board, for avenues to achieve the goals. In parallel to various options to expand organic growth, the board reviewed a number of acquisition possibilities. During the reporting year, the company realized acquisitions in China (stake increase), Switzerland, the Netherlands and Germany. By the end of 2007, extensive discussions on a potential partnership with Vedior N.V. culminated in a conditional agreement with the Vedior board to combine the two companies.

Management development throughout the Randstad Group is another key ongoing issue of strategic importance. The executive board plays a hands-on role in a range of programs aimed at developing the skills and capabilities of Randstad people to prepare them for more senior positions. These programs are essential for Randstad to continue to achieve significant organic growth. To ensure sustainable future growth, continuity and succession planning is a high priority for the supervisory board. From the perspective of familiarizing with senior management, the supervisory board schedules individual presentations by general managers and managing directors at their meetings, throughout the year.





The supervisory board is updated on a regular basis regarding market developments in the countries where the company is established and in potentially interesting markets. This generally includes the latest movements in labor relations, demographics and politics. These updates are provided either by the executive board or directly by local management.

To underline the importance with which they are regarded, the supervisory board shares responsibility for the Randstad code of conduct and integrity code with the executive board. The integrity code is supported by a confidential telephone line and website that can be used by any employee to anonymously report issues or activities that they consider to be illegal, in breach of the Group-wide code of conduct, or other relevant policies and procedures. Operating company integrity officers report periodically to the central integrity officer, who in turn reports quarterly to the audit committee. Should any reported misconduct concern the senior management of an operating company, the Group integrity officer informs the executive board or supervisory board, and either board may involve the audit committee for investigation and follow-up. More information on these codes can be found on page 33.

The two-day visit to the field organization in Germany supported the supervisory board in gaining more insight into the quality of local management and a better understanding of the working processes there.
Incidentally, supervisory board members also visit country managers or participate in country meetings on an individual basis, as the opportunity arises.

Supervisory board committees

While the topics described above are discussed, monitored and supervised by the full board, the supervisory board committees work closely with senior management to generate detailed information and recommendations on the specific areas on which they focus.

Audit committee
The audit committee comprises three members, Jan Hovers (chairman), Frits Goldschmeding and Fritz Fröhlich, who is the designated financial expert in the sense of the Dutch corporate governance code. Each member has specific and extensive relevant expertise in the area of financial management.
The audit committee meets to discuss financial performance and reporting, part of the 'excellent execution' building block, with the CEO, the CFO and his team, and the external auditors, on a regular basis. Through the year, the audit committee is tasked with direct supervision of all matters relating to financial strategy and performance, its reporting, auditing, budgeting, internal audit and control, and recommendations to the supervisory board on the appointment and performance of external auditors. The committee assesses audit strategy, the scope and approach of external auditors, and monitors progress. The relationship with the external auditors is evaluated annually. With the executive board, the audit committee reviews quarterly and full-year financial statements, auditors' reports and management letters. A discussion of the internal risk and control framework is a recurring topic. The committee appraises its own performance each year, and subsequently reports to the full supervisory board. Management development of financial managers was also one of the discussion items.

Each audit committee meeting, of which there were five in 2007, included:
- a comprehensive discussion of the financial performance of the Group and each operating company
- a review of auditors' reports for the past quarter
- the outlook for the next quarter
- a risk management update
- a review of tax and legal developments
- an update of the financial strategy, capital structure and dividend policy
- a review of pensions provision
- a report from the Group compliance officer
- a report from the Group integrity officer.

Strategy committee
Frits Goldschmeding (chairman), Willem Vermeend and Rob Zwartendijk form the strategy committee. The strategy committee acts as sparring partner for the executive board and produces an annual strategy paper for discussion with the full supervisory board. It works with the executive board on updates to strategic targets and monitors and evaluates growth criteria. The executive board provided the strategy committee with an extensive update on the most recent developments and trends in the Randstad operating companies. Guided by the company strategy and growth drivers, the committee listed and assessed a number of options to realize strategic ambitions. Particular attention was paid to acquisition possibilities and their rationales, while these were always weighted against organic growth, as related to the stage of development of a geography or segment. On the basis of their deliberations, the committee presented recommendations to the supervisory board on the avenues available to the Randstad Group in achieving its growth and targeted objectives. Ample time was spent on assessing the strategic merits of a partnership with Vedior and on reviewing the business case, resulting in recommendations to the supervisory board to fully support such a transaction. The committee met twice during the year. In addition, the separate members of the strategy committee have been consulted various times during the year.

Nomination & compensation committee
The nomination & compensation committee is chaired by Fritz Fröhlich and also includes Giovanna Monnas and Leo van Wijk. One of its tasks is to make recommendations with regard to the Randstad remuneration policy for the executive board and the supervisory board, for adoption by the AGM. The approved policy then forms the basis for the fixed and variable remuneration of executive board members. In the reporting year, the committee made an extensive review of executive board remuneration and revisited the share-based performance award for senior management of the Group, based on benchmarks, resulting in an updated and re-aligned remuneration package, which was approved by the AGM of May. A detailed remuneration report is published each year

and is available on the Randstad corporate website. It is also summarized in this annual report below.

The nomination & compensation committee is also tasked with advising on candidates to fill vacancies in the executive board or supervisory board, evaluating the performance of existing members, reviewing the long-term succession planning of senior management and making recommendations on the composition of supervisory board committees. The committee nominated the re-appointment of Fritz Fröhlich, Frits Goldschmeding and Willem Vermeend to the supervisory board early this year, and their re-appointment was adopted by the AGM in May 2007.
The committee met six times in 2007. The CEO and the CFO participated in three of the meetings and the vice-chairman of the supervisory board participated twice.

Remuneration report 2007

This is a summary of Randstad Holding nv's remuneration policy and the main points of the various compensation components, as well as an overview of the actual remuneration of the members of the executive board and the members of the supervisory board in 2007. The full remuneration policy and report of Randstad Holding nv is posted on our corporate website.
In accordance with legal and financial reporting requirements, some of the information is detailed in the financial statements (from page 62).

Introduction
In 2007, the supervisory board extensively evaluated the remuneration policy and the performance-related remuneration in shares or share options of the executive board against the objectives of the policy as well as against developments in the market. Based on their proposals, the AGM of May 8, 2007 adopted Randstad Holding nv's remuneration policy for 2007 and beyond for executive board members and approved revised medium and long-term share-based incentive plans. The AGM also approved a new schedule of fixed annual payments for supervisory board members.

Remuneration levels are determined on the basis of a number of clear, transparent criteria and reflect general as well as specific individual responsibilities in an international context. They are benchmarked against both an international labor market peer group and an international performance peer group:

- The international labor market peer group represents the market in which Randstad competes for senior management talent, and is used to benchmark fixed salary levels. It is composed of twelve international staffing and business outsourcing companies headquartered in five countries, reflecting Randstad's international orientation. They are: Adecco S.A., Rentokil Initial Plc, Cap Gemini S.A., Atos Origin SA, Robert Half International Inc., LogicaCMG Plc, Manpower Inc., Vedior N.V., Kelly Services Inc., Spherion Corporation, True Blue Inc. (formerly called Labor Ready Inc.), and Volt Information Sciences.
In view of the intended acquisition of Vedior N.V. by Randstad Holding nv, Vedior will be replaced by Michael Page Plc as from 2008.

- The international performance peer group is used as a benchmark to establish performance in terms of TSR (Total Shareholder Return, as described below) for the payout of certain variable remuneration components. It reflects the market in which the company competes for shareholder preference. This group is comprised exclusively of staffing companies and can be characterized as 'sector-specific'.
It consists of the following companies: Adecco S.A., Kelly Services Inc., True Blue Inc. (formerly called Labor Ready Inc.), Manpower Inc., Robert Half International Inc., USG People N.V., Spherion Corporation, Vedior N.V. (until December 3, 2007) and Volt Information Sciences.
In view of the intended acquisition of Vedior N.V. by Randstad Holding nv, Vedior will be replaced by Michael Page Plc as from 2008.

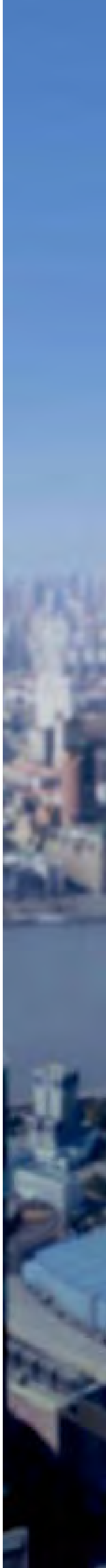
TSR (Total Shareholder Return) reflects the return received by a shareholder and captures both the change in a company's share price and the value of dividend income, assuming dividends are reinvested in the company. The supervisory board considers TSR to be an appropriate measure, as it objectively measures the company's financial performance and assesses its long-term value creation as compared to other companies in the sector. TSR performance for the companies of the international, sector-specific performance peer group is calculated based on their 'home/primary listing'.

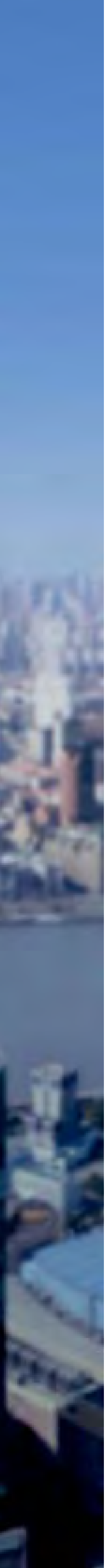
Executive board remuneration in 2007
Based on an extensive review by the supervisory board, supported by benchmarks, and as approved by the AGM of May 2007, remuneration levels for the executive board in 2007 were brought in line with the median of the international peer groups.
The remuneration of the executive board consists of fixed and variable elements, which are explained below.
An overview of the 2007 and 2006 amounts is included in the notes to the financial statements (page 99).
For on-target performance, approximately half of the total compensation of a member of the executive board is performance-linked.

Fixed compensation

Base salary
In executing the last step of an AGM-approved plan, executive board base salaries were increased by 10% in the reporting year, thus bringing them into line with the median of the international labor market peer group, according to policy.

Pension contribution
The pension arrangements for the executive board members are based on defined contribution and are placed with an insurance company. Randstad provides an annual contribution of 27% of base salary to the schemes of executive board members; the board members themselves contribute 8.5%. The company has no specific early retirement arrangements in place for board members.





Variable compensation
The variable portion of the total remuneration package is performance-related. It consists of short and longer-term components. Performance targets and conditions are derived from our strategy and annual business plans. Randstad's strategy is extensively described in the annual report, from page 10.

The supervisory board sets the targets prior to each performance period.

Short-term incentive: annual cash bonus
Total cash bonus opportunity amounts to 70% of base salary for on-target performance and the maximum bonus level is 100% of base salary. If performance is below a pre-defined threshold level, no bonus will be paid out.

This cash bonus depends on the achievement of a number of performance criteria in the previous year. Two criteria apply to all board members, reflecting their joint responsibility towards the Group as a whole: organic revenue growth and earnings per share (EPS) development. Bonus opportunity ranges between 12.5% and 40% for each joint target. The third performance criterion varies per individual board member; half is related to the specific area of responsibility of each board member (bonus opportunity up to 10%), the other half is at the discretion of the supervisory board (also maximum 10%). Actual targets are not disclosed, as these qualify as information that is commercially sensitive and potentially share price sensitive.

With a revenue of € 9.197 billion and a diluted EPS (before amortization of acquisition-related intangible assets and impairment goodwill) of € 3.38 in 2007, the company outperformed on the two joint criteria; the individual targets per executive board member were not realized in all cases. Given the extraordinary operational performance in 2007, the supervisory board decided to use its discretionary space to arrive at bonus percentages varying from 86% to 89% of the annual base salary per executive board member.

Long-term performance-related remuneration in shares and stock options

a **Medium/long-term incentive until 2007**
Until 2007, Randstad applied a longer-term incentive scheme with two components.
The economic value of these incentive plans amounts to approximately 80-90% of base salary for on-target performance.

- Medium-term incentive: 3-year performance share plan
This plan was introduced in 2004 and expired mid-2007. Each year, one-third of the performance shares awarded could vest, based on the company's TSR performance as compared to the international sector-specific peer group, measured – on a rolling basis – over the previous three years. The last of three equal tranches of performance shares vested on July 1, 2007. The performance shares awarded shall be retained for at least two years after the vesting date.

At the start of the period July 1, 2004 – July 1, 2007, numbers of shares awarded for on-target performance were determined for this three-year period.
Allocation per July 1, 2007: based on the performance of Randstad over the period July 1, 2004 – June 30, 2007, Randstad again ranked 2nd in the peer group; the second position results in a bonus percentage of 200% of base salary. The number of performance shares vested is calculated as follows: base salary per January 1, 2007 times 200% times 1/3, divided by the share price at the start of the plan period (July 1, 2004: € 22.30).

The resulting individual awards per executive board member are specified below:

	Number of performance shares 2007	Number of 2007 shares sold for tax purposes	Number of 2007 shares to be retained for 2 years	Total number of shares in possession[1]
B.J. Noteboom	22,675	10,753	11,922	31,767
R.J. van de Kraats	16,100	7,635	8,465	23,066
L.J.M.V. Lindelauf	14,144	6,708	7,436	20,516
J.W. van den Broek	14,143	6,707	7,436	20,516
Total	67,062	31,803	35,259	95,865

1 In addition, Leo Lindelauf has 123 share depository receipts and Jacques van den Broek has 26 share depository receipts.

- Long-term incentive: performance stock options
The allocation was based on face value (face value implies the number of stock options times the exercise price) as a percentage of base salary, ranging from 1% to 100%. Allocation was linked to the achievement of targets measured in terms of relative TSR over the previous year. In case, however, certain pre-determined EPS targets related to budget were achieved, the executive board would be rewarded with the maximum grant of options: 170% of base salary for members and 175% for the CEO.

Based on the performance in 2006 (realized EPS of € 2.98 excluding one-off tax gain, compared to a target of € 2.51), the maximum number of stock options was allocated:

	2007 Number of options	2006 Number of options
B.J. Noteboom	23,124	22,471
R.J. v.d. Kraats	15,950	15,500
L.J.M.V. Lindelauf	14,012	13,616
J.W. van den Broek	14,012	13,616
Total	67,098	65,203

The allocation and the exercise price are based on the opening price on the first day ex-dividend (May 10, 2007): € 57.40

per share. The fair value of the options, calculated using a binomial valuation model, amounts to € 17.55 per option.

The plan rules of the previous years still apply to this allocation: vesting in three tranches of 25%, 25% and 50% each, the options are exercisable after 3 years without any performance conditions or other restrictions, and the life of the options is 7 years.

b **Long-term incentive as from 2007**
In the context of the expiration of the 3-year performance share plan in the course of the year and with an eye to developments in market practice, the long-term incentive plan was reviewed by the supervisory board and presented for adjustment to the AGM of May 2007. The AGM adopted the proposals to conditionally grant performance shares and performance options on an annual basis, as from 2007.

Shares and options granted under the new plans (based on cliff vesting, i.e. 100% after 3 years) can become unconditional (i.e. might vest) depending – solely – on Randstad's TSR performance compared to the performance peer group, measured over a 3-year period starting from January 1 of the year they are granted.

Vesting is related to the company's ranking within the peer group, as follows:

position 1	250%	(of the number of shares and options initially granted)
position 2	200%	
position 3	150%	
position 4	125%	
position 5 (on-target)	100%	
position 6	75%	
position 7	50%	
position 8 (threshold)	25%	
position 9	0%	
position 10	0%	

At the moment they are granted, the fair value[2] of the shares assuming on-target performance will be equal to an amount of 40% of base salary for all executive board members, while a similar amount of 40% of base salary will be granted in options, also based on the fair value. Hence, the total medium and long-term consideration amounts to 80% of base salary – for all executive board members alike – which is in line with the median levels of the international labor market peer group.

On May 10, 2007, a conditional grant of performance shares for on-target performance was effected, based on 40% of the annual base salary per executive board member as per January 1, 2007 and the fair value of the performance shares as per January 1, 2007 (€ 50.74 per share).

The on-target award is composed as follows:

	Number of shares
B.J. Noteboom	5,979
R.J. v.d. Kraats	4,246
L.J.M.V. Lindelauf	3,730
J.W. van den Broek	3,730
Total	17,685

On the same date, a conditional grant of performance stock options for 'on-target' performance was effected, based on 40% of the annual base salary per executive board member as per January 1, 2007 and the fair value of the performance options per May 10, 2007 of € 18.71. The options may vest and can be exercised three years after they are granted; the exercise price is the opening price on May 10, 2007: € 57.40 per share.

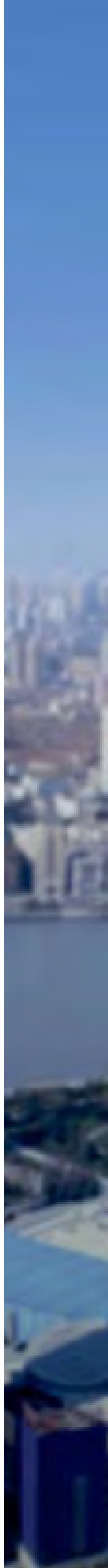
The on-target award is as follows:

	Number of options
B.J. Noteboom	16,215
R.J. v.d. Kraats	11,514
L.J.M.V. Lindelauf	10,115
J.W. van den Broek	10,115
Total	47,959

c **one-off grant of performance shares in 2007**
To eliminate negative effects of the transition from the previous to the current schemes (such as the fair value of grants, cliff vesting instead of tranched vesting and potential discontinuation of shareholdings by executive board members), and to support retention and plan effectiveness, in 2007 a one-time additional grant equal to a one-year allocation was made, in conditional shares only.
The one-time additional conditional grant of shares in 2007 is equal to the on-target allocation in 2007 of performance shares and stock options (80% of base salary), but was provided solely in shares:

	Number of shares
B.J. Noteboom	11,959
R.J. v.d. Kraats	8,491
L.J.M.V. Lindelauf	7,459
J.W. van den Broek	7,459
Total	35,368

2 Until 2007, the determination of the number of options to be granted was based on face value (number of stock options times exercise price). The fair value approach (or expected value) is currently the most generally observed method used in the market regarding the presentation of share-based payments. Fair value reflects the time value and performance of a specific share compared to the market and peer companies. The fair value is determined using valuation models.



To secure continued share ownership, these shares will vest in 3 tranches of 1/3 each, after the 1st, 2nd and 3rd year respectively. Vested shares have to be held for an additional 2 years from the moment of vesting, with the exception of the sale of shares to cover income taxes due in relation to the award.

Conditions:
The option term is seven years. Options can only be exercised after the moment of vesting, taking into account the applicable regulations for transactions in securities. If employment ends before vesting date, the options will lapse. The company offers no financing arrangements at grant or exercise of the options.

Up to and including 2007, the shares and options were granted on the first business day following the AGM on which the share was quoted ex-dividend. As from 2008, performance shares and performance options will be granted in the so-called open period following the publication of the Group's 4th quarter financial results in February. From then on, the exercise price of performance options will be determined on the average prices of the Randstad shares over the three business days following the fifth business day after publication of the 4th quarter results. The number of shares and options will be calculated based on the fair value of the Randstad share as per January 1.

Other benefits
Additional arrangements include: expense and relocation allowances, company car and accident insurance.

Loans
The company has issued no loans or guarantees to executive board members.

Executive board remuneration in 2008
In line with general market developments in the Netherlands, fixed salaries will be increased by 5% as per January 1, 2008. In the course of 2008, executive board remuneration may be reviewed against the background of the combination with Vedior.

Supervisory board remuneration in 2007
The AGM determines the remuneration of the supervisory board members, and it may be reviewed annually. The remuneration of the members of the supervisory board consists of one component only: a fixed annual payment. It is not linked to the financial results of the company. Members of the supervisory board do not receive any performance or equity-related compensation and do not accrue any pension rights with the company; the company does not grant stock options or shares to members of the supervisory board.

Members of the supervisory board who hold shares or derivatives of shares in the company are only allowed to hold such shares as long-term investments. They have adhered to the company regulation on insider information. The company does not grant loans or guarantees to supervisory board members.

Based on a recent update of the benchmark against a similar international labor market peer group as used for the executive board, the AGM in 2007 approved the adjustment of the annual allowances for the supervisory board to current median levels, as follows.

in €		**2007**	2006
supervisory board			
chairman	F. Fröhlich	90,000	62,500
all members		60,000	46,250
audit committee			
chairman	J. Hovers	9,000	8,500
member	F. Fröhlich	6,000	5,500
member	F. Goldschmeding	6,000	5,500
nomination & compensation committee			
chairman	F. Fröhlich	7,000	6,500
member	G. Monnas	5,000	4,500
member	L. van Wijk	5,000	4,500
strategy committee			
chairman	F. Goldschmeding	7,000	6,500
member	W. Vermeend	5,000	4,500
member	R. Zwartendijk	5,000	4,500

The total remuneration in 2007 amounted to € 505,000 (2006: € 369,354). The details per board member are specified in the notes to the financial statements, page 100.

The supervisory board receives a fixed cost allowance related to supervisory board meetings: € 2,000 net for members and € 3,000 for the chairman.

Jan Hovers is also a member of the supervisory board of the sub holding of the Dutch operating companies, Randstad Groep Nederland bv. In this position he receives an annual allowance of € 12,000.

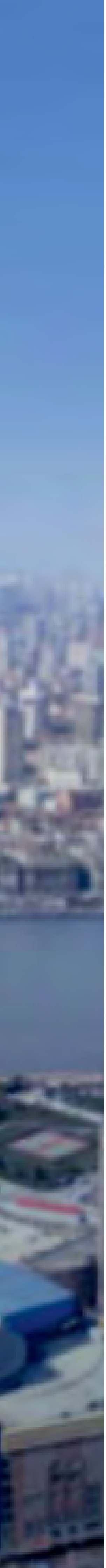
Supervisory board remuneration in 2008
The supervisory board has decided not to propose any adjustments in their remuneration at the start of 2008 but they may review the levels after completion of the Vedior transaction.

The impressive performance of the past year is the result of the commitment and endeavors of all involved in Randstad and its Group companies and the supervisory board would like to thank them all for this most valuable contribution.

Diemen, February 13, 2008

The supervisory board,

Fritz Fröhlich (chairman)
Frits Goldschmeding (vice-chairman)
Jan Hovers
Giovanna Kampouri Monnas
Willem Vermeend
Leo van Wijk
Rob Zwartendijk



corporate governance

Principles

At Randstad, sound corporate governance has always been a key component of our culture and behavior, long before the increased external focus on corporate systems and structures. Our business processes throughout the organization incorporate transparency for both external reporting and the sound management of our activities around the world. This transparency has been achieved through the consistent application of our core values, described in detail on page 2. This culture has been actively developed for many years, and this process continues today. Randstad therefore has a strong focus on integrity and transparency.

We welcomed the formalization of the Dutch corporate governance code in 2005 and later recommendations on further best practice. It helps us to monitor our own corporate governance against accepted best practice, and we adjusted our Articles of Association so that they were fully in line with the code.

Best practice

The code is based on the 'comply or explain' principle. Randstad's corporate governance structure was discussed at the AGM of May 2005, when we explained a number of so-called 'deviations' to shareholders, noted below. No changes to the corporate governance structure have occurred since that date. Any material changes will be discussed with the shareholders at the AGM. Corporate regulations and charters can be reviewed on our corporate website.

Our governance in practice

Executive board
Tasked with the management of Randstad Holding nv and its subsidiaries, the executive board is accountable for developing, driving, executing and achieving the approved Group strategy and strategic targets. The executive board is also responsible for sound business and financial controls, while respecting policies that have been set and always taking into consideration the interests of all the Group's stakeholders. The executive board reports to the supervisory board and to the AGM. Its members' biographies can be found on pages 6-7.

Supervisory board
The supervisory board is charged with the supervision of the executive board and the general development of the company, including its financial policies and corporate structure. It evaluates the strategy, development of results, operating model and internal control mechanisms established under the executive board's management. Randstad's supervisory board provides advice to the executive board, as a group and through its three dedicated committees. The well-grounded advice and recommendations of its audit, strategy and nomination & compensation committees support the full supervisory board's decision-making.
Biographies of the supervisory board members can be found on pages 36-37.

Annual General Meeting of Shareholders
Randstad's AGM is organized annually in May (as of 2009, it will be brought forward to the end of March or early April). The AGM appoints the members of the supervisory and executive boards based on non-binding recommendations from the supervisory board. Important matters on which the AGM has approval authority are:
- adoption of the annual accounts
- adoption of profit appropriation
- additions to reserves
- dividends
- remuneration policy and discharge of the executive board
- appointment of the external auditor
- appointment, suspension and dismissal of the members of the executive and supervisory boards
- remuneration of the supervisory board
- authorization to purchase, issue or sell shares in Group capital
- adoption of amendments to the Articles of Association.

Within three months after the AGM, Randstad makes the meeting report available on the corporate website.

Voting rights
The share capital of Randstad Holding nv consists of 116.6 million ordinary shares and 25.2 million type-B preferred financing shares. As per December 31, 2007, the holders of approximately 93% of ordinary shares may make unrestricted use of their voting rights at the AGM. The other 7% of ordinary shares have been converted into depository receipts. A foundation, Stichting Administratiekantoor Randstad Optiefonds, holds those shares to which the attached voting rights are vested. The depository receipts issued by Stichting Administratiekantoor Randstad Optiefonds are fully exchangeable into ordinary shares, and are held by Stichting Randstad Optiefonds and by employees who have obtained depository receipts by exercising options. F.J.D. Goldschmeding, the company's founder, is sole board member of Stichting Administratiekantoor Randstad Optiefonds.

The foundation Stichting Administratiekantoor Preferente Aandelen Randstad Holding holds type-B preferred financing shares. The voting rights attached to these shares are vested in this foundation. The board comprises S.C.J.J. Kortmann, A.A. Anbeek van der Meijden and A.H.J. Risseeuw. The board members are fully independent of both the company's management and other shareholders. The foundation's Articles of Association were compiled in accordance with Annex X, Euronext Amsterdam Rule Book, Book II. Depository receipts issued by the foundation are held by ING Groep N.V., Fortis N.V. and Randstad Beheer bv.

Transparent communication to stakeholders
Randstad attaches great importance to its communication with the investment community and all stakeholders. The CFO has direct responsibility for investor relations and the dedicated department, while the CEO and the other members of the executive board are actively involved. Our strategy and results are presented and explained frequently through the year. We consistently provide all external shareholders and other parties in the financial

markets simultaneously with equal and fact-based information about matters that may influence the share price. Briefings on quarterly results are given at Group meetings and teleconferences that can be accessed by telephone or via our website. We also communicate with our shareholders at analyst & investor days, through the AGM, and on our website. Meetings with analysts are accessible via our website and can be reviewed at all times by shareholders and other interested parties. Analyst meetings, investor presentations and discussions with investors do not take place during the 'closed period'. The closed period runs from the end of the financial quarter until publication of a quarterly report. The company does not assess, comment upon or correct any analysts' reports or valuations in advance other than on facts.
On 7 and 8 November, the company hosted a two-day conference for analysts and investors. The participants were presented with an overview of our Dutch operations and made a site visit to a branch. In addition, a representative of a large client discussed the reasons for doing business with Randstad.

Auditor
PricewaterhouseCoopers Accountants N.V. was appointed by the AGM to audit and express an opinion on the financial statements for 2007.

Internal risk management and control systems
You will find a detailed description of Randstad's risk & control framework on pages 22-26. This section also includes specific actions taken in this area in 2007, including the effective working of control systems and compliance with relevant regulatory environments.

Deviations from the Dutch corporate governance code

Randstad applies all relevant provisions of the Dutch corporate governance code, with some exceptions. The deviations below were discussed by the AGM in 2005. When important changes occur, these will be put on the agenda of the AGM for discussion.

II.1.1 A management board member is appointed for a maximum period of four years.

The current members of the executive board have been appointed for an indefinite period. This policy may be reconsidered in case of new appointments.

II.2.3 Shares granted to management board members without financial consideration shall be retained for a period of at least five years [...].

Since 2005, the three-year medium-term bonus has been paid out in performance shares. These shares vest after three years and are retained for at least two years. We believe this five-year term sufficiently enhances shareholder alignment and is in line with the medium-term nature of the bonus plan.

II.2.7 The maximum remuneration in the event of dismissal is one year's salary.

Given Randstad's shareholder structure, with its strong concentration of shares within the shareholder group, and to do justice to the seniority of board members, severance for members of the executive board is fixed at two annual base salaries plus one-twelfth of the same annual salary per year of service to a maximum of three annual salaries. This severance arrangement applies only to early termination of the employment contract when the cause of termination does not lie with the board member concerned, or in the case of a change of control.

III.5.11 The remuneration committee shall not be chaired by the chairman of the supervisory board [...].

Randstad's success depends on the quality of its employees, and we value management development as a strategic issue. Therefore, we feel that the nomination & compensation committee should be chaired by the chairman of the supervisory board.

Legal transparency obligations

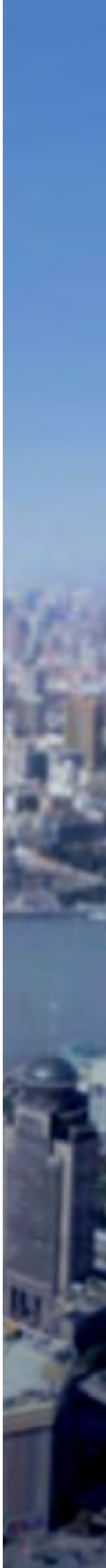
Most of the information that needs to be disclosed under the Article 10 Takeover Directive Decree and section 391 subsection 5 book 2 of the Dutch Civil Code, is available in various sections of our annual report. In this particular section, we provide additional information or indicate where the information can be found.

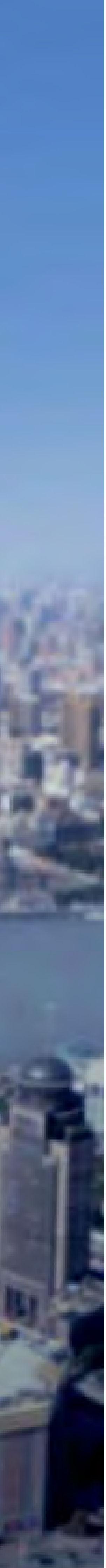
a *Capital structure and attached rights and duties*
Authorized capital is € 50 million and consists of 200 million ordinary shares with a nominal value of € 0.10, 50,000 type-A preferred shares with a nominal value of € 500.00 and 50 million type-B preferred shares with a nominal value of € 0.10. As per December 31, 2007, issued share capital consists of 141,806,865 shares, with an equal number of voting rights and a nominal value of € 0.10.

The issued share capital is divided over 116,606,865 ordinary shares and 25,200,000 type-B preferred shares.

The usual property rights, such as dividend rights, voting rights and related rights, are attached to the shares. Details can be found on page 46 under voting rights. Each share has one vote attached.

Historically Randstad's dividend policy has been to pay out approximately 40% of net income to holders of ordinary shares annually in the form of a cash dividend. In November we announced a change to our dividend policy, to be discussed at the next AGM, aiming at more dividend protection for our shareholders. For more detail please refer to page 50. The dividend on preferred shares amounts to € 0.284 per share (or 4.32% of the amount paid in). The dividend on the preferred shares is reviewed every seven years. The next review is scheduled for November 2012.





b *Statutory or contractual restrictions on share transfers*
About 23% of the total share capital (5% ordinary shares and 18% type-B preferred shares) is converted into depository receipts (see voting rights on page 46).

c *Major shareholders*
Four shareholders have disclosed a stake of more than 5% in our issued share capital. The list of major shareholders can be found in the section on major shareholders on page 49.

d *Special rights of control*
The company has not issued special rights of control to specific shares or shareholders.

e *Control mechanisms relating to option plans and share purchase plans*
Within the Group, the following share-based payment arrangements are effective: a performance stock option plan for the executive board, two performance share plans (one for the executive board members and one for senior management) and a share purchase plan for all corporate employees. The relevant characteristics of these plans can be found in the remuneration section on page 41 and notes to share-based payments on page 97.

The maximum number of options and shares to be granted is fixed; the actual granted number is linked to predetermined performance targets. The number of options and shares to be granted may not lead to a dilution per year of more than 1% of issued ordinary shares. The share purchase plan for all corporate employees does not affect the share capital of the company.

f *Voting limitations*
Holders of ordinary share depository receipts and type-B preferred share depository receipts have no voting rights.

g *Agreements with shareholders that can limit the transfer of shares or voting rights*
In the reporting year, the company finalized an agreement with its leading shareholder Mr. Goldschmeding. The objective of this agreement is to secure the company's continuity, strategic position and development in the short and long run; its main characteristics are outlined in the report of the supervisory board, on page 38.

As far as the company is aware, this is the sole arrangement with a shareholder that can limit the transfer of (certificates of) shares or of voting rights.

h *Regulations concerning appointment and dismissal of executive board members and supervisory board members and the amendment of the Articles of Association*
Members of the executive board are appointed by the AGM and they may at any time be suspended or dismissed by the AGM. Supervisory board members are appointed by, and may be suspended or dismissed by, the AGM. A supervisory board member is eligible for reappointment twice. Resolutions with respect to appointment and dismissal are passed by an absolute majority of the votes cast.

When a proposal for the amendment of the Articles of Association is made to the AGM, this is always stated in the convening notice for that meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, is simultaneously deposited at the office of the company, for perusal by every shareholder and holder of depository receipts, until the end of the meeting. Copies are made available free of charge. Amendments to the Articles of Association involving changes to the special rights accruing to the holders of preference shares require the approval of the holders of preference shares concerned at the meeting.

i *Authority of the executive board, especially issue of shares in the company and the acquisition of company shares by the company.*
The executive board is authorized, subject to the approval of the supervisory board, to issue shares, grant subscription rights and restrict or exclude pre-emptive rights for holders of common shares until May 8, 2008 (subject to any extension approved by the AGM) for an annual maximum of 1% of the issued ordinary share capital of the company. Authorization will be requested from the AGM of May 2008 for the executive board to have the company acquire its own shares, also subject to the approval of the supervisory board, for a maximum of 10% of the total number of issued ordinary shares. This authorization will be limited to a maximum of 18 months and the aim is to renew it each year.

j *Change of control arrangements*
The company has no contracts that come into force, change or cease to exist in case a public offer is made, other than those mentioned under item k.

k *Agreements with board members or employees*
In the event that a board member's employment contract is terminated because of a public offer, they will receive severance pay of two annual base salaries plus one-twelfth of the same annual salary per year of service to a maximum of three annual salaries.

investor relations & Randstad shares

Investor relations goals
Randstad's investor relations goals are to enhance the understanding of the Group's profile, strategy and performance, ensuring an accurate valuation for the shares. We aim to continuously improve Randstad's reputation among financial target groups and build leadership in external communication to the financial community. This applies to Randstad-specific issues, but we also aim to be recognized as a worldwide labor market authority.

Communications policy
We communicate with our existing and potential shareholders, analysts and the press through a broad range of dedicated activities. Our style of communications is fact-based and in all our activities we adhere to the legal obligations relating to confidentiality. We undertake an active approach to maintain a dialogue with existing and potential shareholders. We take the lead in setting up roadshows and try to accommodate meeting requests where feasible. We regret that more and more investors adopt a no-broker policy during roadshows. We believe excluding brokers from investor conversations does not support our open and transparent communications style.

Communications activities
Each quarter Randstad organizes analyst meetings or conference calls to elaborate on and discuss results, supplemented by press conferences twice a year. Webcasts of analyst meetings and conference calls are available on our corporate website.
Furthermore, in November 2007, Randstad organized a two-day analyst & investor conference at our headquarters in the Netherlands. Topics discussed at this conference were the strategy, capital structure, dividend policy, IT strategy, international account management, and developments in several countries such as the Netherlands, Germany and the US. We also provided in-depth insight into our interim professionals business through a site visit to the Amsterdam branch of our subsidiary Yacht. Conferences like this help investors and analysts to gain a better understanding of the way we work. The executive board as well as several key managers and directors are present – an excellent opportunity to meet each other. We aim to organize such conferences on an annual basis.
Roadshows for institutional investors were organized in the Netherlands, the US, the UK, Belgium, Germany, Switzerland, Scandinavia, Italy, Ireland and Austria. A large number of one-on-one investor meetings were conducted at our head office in the Netherlands. In addition, Randstad participated in several international conferences on the business services sector, on the Benelux, and in general conferences in the Netherlands, the UK, the US and France. We also held several presentations for private investors.

Randstad shares
Randstad Holding ordinary shares are listed on Euronext in Amsterdam (ticker symbol RAND). Options on Randstad shares are also traded on Euronext Amsterdam.

Share capital
At year-end 2007, the issued share capital of Randstad Holding nv consisted of:

	Number	Nominal value
Ordinary shares	116.6 million	€ 0.10
Type-B preferred financing shares	25.2 million	€ 0.10
Total number of shares	**141.8 million**	**€ 0.10**

Major shareholders
Under the Dutch Disclosure of Major Holdings in Listed Companies Act, shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM). Almost all the holdings listed below are a combination of (depositary receipts of) ordinary shares and (depositary receipts of) type B preferred financing shares. In order to simplify family holdings, following the agreement reached between Randstad's founder Mr. Frits Goldschmeding, his eventual inheritors, and Randstad about the continuity of his long-term position, and following the intended acquisition of Vedior, Gaud Holding transferred its stake to Randstad Beheer.

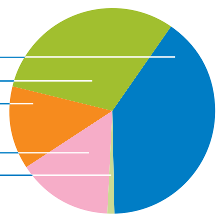
	2007	2006
F.J.D. Goldschmeding/ Randstad Beheer bv	**40-50%**	30-40%
ING Groep N.V.	**10-15%**	10-15%
Fortis N.V.	**5-10%**	5-10%
Gaud Holding bv	**0%**	5-10%
Stichting Randstad Optiefonds	**5-10%**	5-10%

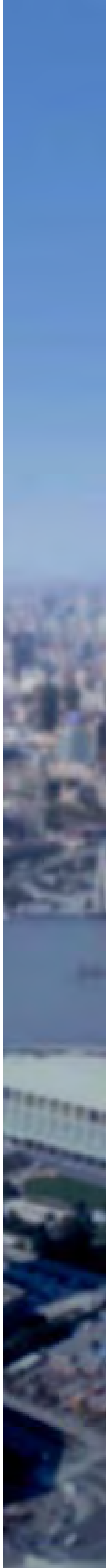
Randstad's free float is estimated at approximately 40%-45%.

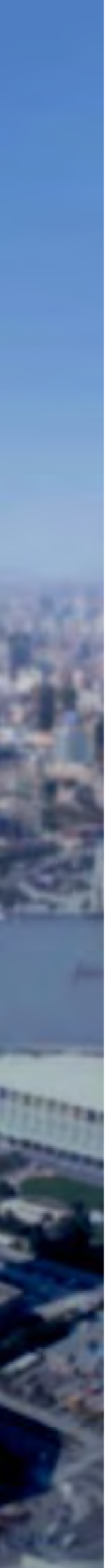
Indicative free float spread
The majority of the free float of ordinary shares is held outside the Netherlands. We actively pursue an international spread. We estimate that approximately 8% of our ordinary shares is held by private investors.

Indicative geographical spread ordinary shares (free float)

Netherlands	40%
United Kingdom	31%
North America	13%
Continental Europe excluding the Netherlands	15%
Other	1%



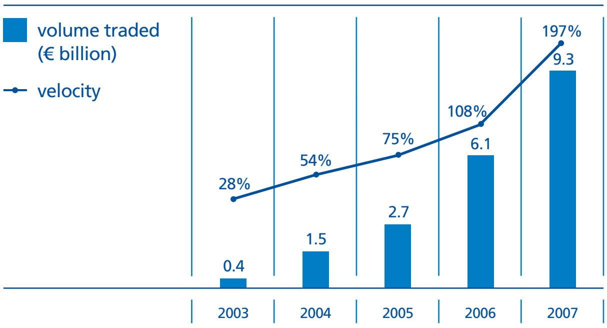




Liquidity

Liquidity has improved over the past few years. The volume traded has risen substantially, from about € 0.4 billion in 2003 to over € 9 billion in 2007. Movements in the share price have played a role in recent years, while velocity has risen as well. Velocity is measured as the total number of shares traded divided by the number of shares outstanding. Velocity increased from 28% in 2003 to around 200% in 2007, implying a shorter average holding period.

Share volumes traded and velocity



Indices

In March 2007, the Randstad Holding ordinary share was promoted from the Euronext Midkap Index (AMX) to the leading AEX Index of 25 most traded stocks on Euronext Amsterdam. At year-end 2007, other indices in which the Randstad Holding ordinary share is included are Euronext 100, Dow Jones Stoxx TMI, MSCI Europe, Dow Jones World Sustainability Index and the Dow Jones Stoxx Sustainability Index. Inclusion in large indices is important; in part because it improves visibility and liquidity.

Earnings per share reporting

Randstad reports earnings per share on a fully diluted basis. We focus on earnings per share before amortization of acquisition-related intangible assets and goodwill impairment as, in our view, this gives the best reflection of underlying business performance.

	Q1	Q2	Q3	Q4	Full Year
2007	**€ 0.63**	**€ 0.85**	**€ 0.86**[1]	**€ 1.04**	**€ 3.38**[1]
2006	€ 0.43	€ 0.64	€ 0.92	€ 1.18[2]	€ 3.17
2005	€ 0.24	€ 0.47	€ 0.65	€ 0.79[2]	€ 2.15
2004	€ 0.12	€ 0.31	€ 0.43	€ 0.82[2]	€ 1.68
2003[3]	€ (0.04)	€ 0.10	€ 0.24	€ 0.32	€ 0.62

1 Including a one-off tax charge of € 0.11 in 2007.
2 Including one-off tax gains of € 0.38 in 2004, € 0.09 in 2005 and € 0.19 in 2006.
3 2003 based on Dutch GAAP.

Dividend policy

Historically, Randstad's dividend policy has been to pay out approximately 40% of net income to holders of ordinary shares annually in the form of a cash dividend.

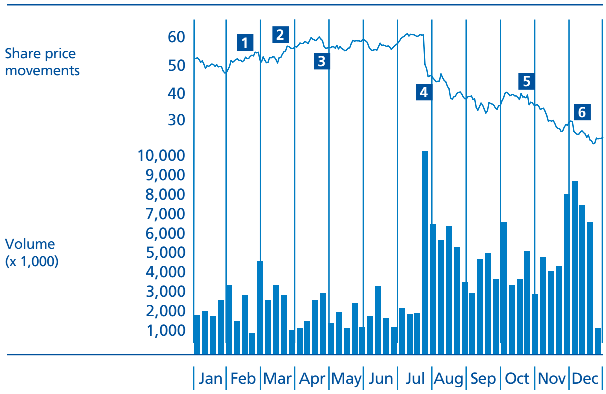
In November 2007 we announced a change to our dividend policy, to be discussed at the next AGM. As from 2007 we aim for enhanced dividend protection for our shareholders, putting a floor of € 1.25 in the dividend, instead of a constant 40% payout. The new policy should not lead to a lower average dividend stream than would be achieved under the old policy. We pursue consistent dividend growth through the cycle, while we aim not to lower the absolute dividend level in any given year. We want to achieve this with a minimum payout of 30% and a maximum payout of 60%. The updated policy is more in line with the cash flow trends, which usually show a more gradual development than earnings trends. For the coming years this means that dividend per share will grow from € 1.25 once the payout reaches 30%, and that it could only fall below € 1.25 if this would imply a payout higher than 60%.

per share data	2003	2004	2005	2006	**2007**
Dividend	€ 0.25	€ 0.66	€ 0.84	€ 1.25	**€ 1.25**
Payout	42%	39%	40%	40%	**38%**
EPS	€ 0.62	€ 1.68	€ 2.15	€ 3.17	**€ 3.38**
Free Cash flow	€ 2.01	€ 2.00	€ 1.56	€ 3.02	**€ 2.82**
Equity	€ 3.07	€ 4.40	€ 4.65	€ 6.82	**€ 8.78**
EBITA	€ 1.05	€ 1.96	€ 2.59	€ 3.77	**€ 4.76**

Share price development Randstad Holding ordinary shares

The share price did not perform well in 2007, ending the year at € 27.02, 48% below the 2006 closing price of € 52.40. Including the dividend of € 1.25 that was paid out in May, total shareholder return (TSR) was -46%. The share performed well until the summer, reaching a high of € 63.18 in mid-July.

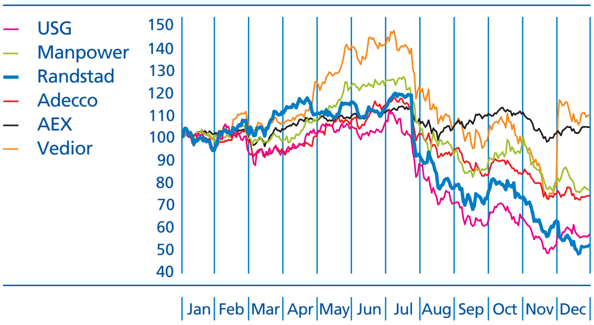
Share price development Randstad Holding ordinary shares



1 February 15th: Full year results 2006
2 March 15th: Q1 EPS outlook raised
3 April 25th: Q1 results
4 July 25th: Q2 results
5 October 24th: Q3 results
6 December 3rd: Randstad and Vedior to create an HR services industry leader

With the Q2 2007 results we communicated that revenue growth was slowing, which had a clear negative impact on the share price. This was followed by a broader market setback prompted by the turmoil in the US mortgage market and volatility after the announcement of the intended offer for Vedior. Market capitalization of ordinary Randstad shares amounted to € 3,150.7 million on December 31, 2007, compared to € 6,083.4 million on December 31, 2006.

Share price development Randstad ordinary shares compared versus Euronext AEX Index and peers



	2003	2004	2005	2006	**2007**
Closing price (€)	19.23	28.95	36.69	52.40	**27.02**
TSR (%)	127	52	29	45	**(46)**
High (€)	19.70	29.90	36.80	57.55	**63.18**
Low (€)	7.15	18.90	26.73	36.35	**24.72**

Financial calendar*

Publication Q1 2008 results (pre-market)
April 23, 2008

Analyst conference call Q1 2008 results
April 23, 2008

Annual General Meeting of Shareholders
May 7, 2008

Fixing ex-dividend
May 9, 2008

Dividend available for payment
May 28, 2008

Publication Q2 2008 results (pre-market)
July 30, 2008

Press conference and analyst presentation Q2 2008 results
July 30, 2008

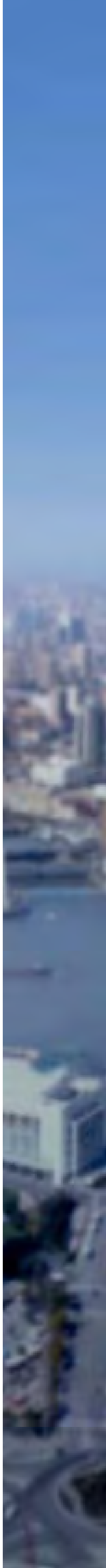
Publication Q3 2008 results (pre-market)
October 29, 2008

Analyst conference call Q3 2008 results
October 29, 2008

Publication Q4 2008 and annual results 2008 (pre-market)
February 19, 2009

Press conference and analyst presentation annual results 2008
February 19, 2009

Annual General Meeting of Shareholders
March 31, 2009



* Results publication dates can be influenced by the timing of the Vedior transaction

Randstad & Vedior

On December 3, 2007, Randstad and Vedior announced that they had reached conditional agreement to combine their businesses. The combination will be achieved by Randstad making a public offer for all of the issued and outstanding share capital of Vedior.

Trends

The clear rationale for both companies stems from the following trends:

- Market: the global HR services sector is relatively young, and represents an attractive growth market. Many national markets are very fragmented, and consolidation helps to create leaders able to develop them and stimulate employment. The professionals segment demonstrates the highest growth rate, given the continued growth in white-collar jobs and demographic trends. At the same time there are significant opportunities in traditional (light industrial/clerical) segments, especially as markets continue to deregulate and emerging markets gain in relative importance.
- Clients: the large account segment is globalizing and demanding a broader range of services to be offered by a smaller number of vendors. Productivity, demographic trends and skill shortages are the main future challenges for our clients.
- Candidates: jobs for life no longer exist. More and more candidates opt for flexibility to strike a balance between their career and quality of life.

Capitalizing on the trends

The combination of Randstad and Vedior will have the scale and scope to capitalize on these trends.

- The second-largest HR services company worldwide: providing excellent work and career opportunities to candidates all over the world and providing work to over 700,000 people every day, we will be a leader in employment creation, able to help define the direction of the markets.
- Active in 51 countries: with leading positions in key markets across the world, including number one positions in Germany, the Netherlands, Belgium, Portugal, Canada and India, a number two position in Spain and Poland, and number three positions in France, Switzerland and Australia, we will be able to serve both the SME segment and global clients more effectively.
- The global leader in the professionals segment: offering a broader range of services than any competitor, we will be well placed to help clients cope with demographic trends.
- The global leader in the inhouse segment: our unique service offering for large industrial and logistics clients will enable them to improve productivity.
- Strengthened platform in new markets: our increased exposure to attractive growth markets with low staffing penetration rates, such as India, Japan, Eastern/Central Europe and South America, will provide significant growth opportunities.
- A truly diversified mix: with no single country contributing more than 23% of revenue and a balanced business mix (21% professionals, 11% inhouse, 66% mass-customized and 2% HR solutions) we can benefit from all the opportunities offered by the HR services market.

Ben Noteboom (CEO Randstad) and Tex Gunning (CEO Vedior)

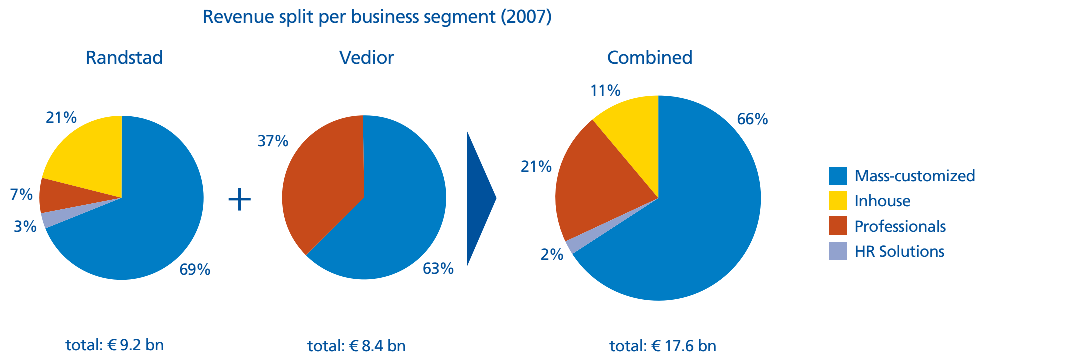
Close fit with our strategy

The two companies are complementary in many respects, and we can build on the strength of both. The proposed transaction is fully in line with our long-term strategy as presented on page 10, makes a good match with our defined growth drivers and accelerates progression against the strategic objectives.

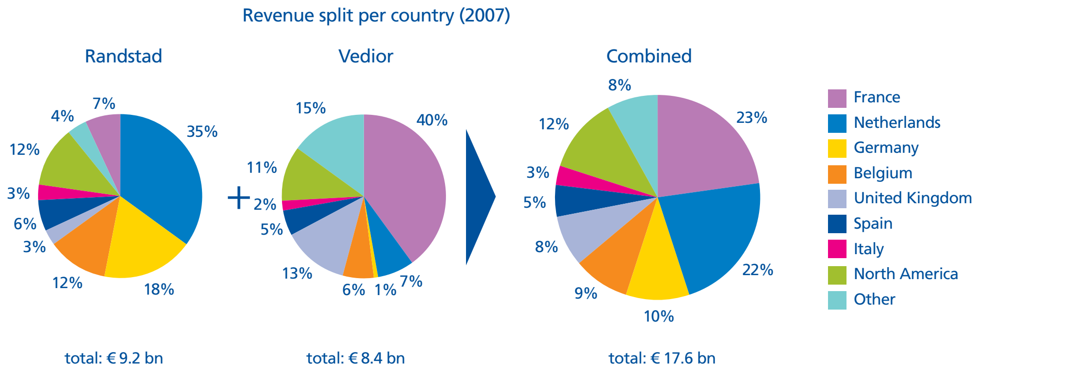
Growth drivers
- Market growth: Vedior provides us access to many new markets and growing segments.
- Market share: the transaction provides us with a significantly improved position in two of the world's largest markets: the UK and France.
- Inhouse: we envisage a large up-sell potential by introducing the Randstad inhouse concept to Vedior's client base.
- Specialties: the specialties business (e.g. contact centers, healthcare) is strengthened.
- Professionals: our position in the professionals segment receives an enormous boost, both in secondment and search & selection, providing cross-selling possibilities by introducing Vedior's professionals business across Randstad's client base.

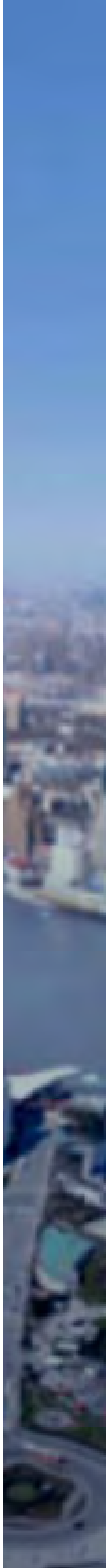
Strategic targets
- Continuous market share gains: the transaction propels global market share from 4% to 8%.
- Increased share of non-Dutch revenue: the dependency on the Dutch market reduces, as Dutch revenue would be 22% of combined 2007 revenue (35% for Randstad stand-alone).
- Sound financial position: the transaction puts the balance sheet to work, while maintaining our long term and conservative financial policy. Randstad's leverage ratio is expected to be below 2 within 12 months of the deal closing.

Scale in key market segments



More balanced geographic portfolio





Synergies and returns

There is significant potential for synergies. We expect to realize:

- annual tax savings amounting to € 20 million
- annual pre-tax cost savings of € 80 million, from:
  - combining (holding and country) head offices
  - rationalizing distribution network
  - efficiency improvements.

75% of the cost savings should be realized within 18 months after closing. On this basis the transaction should benefit our shareholders as it is expected to immediately enhance Randstad's earnings per share, excluding one-off integration charges (of up to € 60 million) and acquisition-related amortization, while return on invested capital is expected to surpass Randstad's weighted average cost of capital (9%) as of 2010.
Returns can be enhanced further, as the following have not been taken into account in calculating expected returns:

- the up-sell potential of inhouse
- the cross-sell potential of professionals
- the accelerated roll-out of best practices across the combined group.

Even better prospects for our employees

As a combined group we will employ over 34,000 employees. This means that more than 8,000 internal vacancies will need to be filled each year, even if we do not grow. We are therefore certain that we can realize the synergies without compulsory redundancies. Moreover, the enhanced portfolio and positioning will lead to even better career prospects for our employees.

Process and financing

The combination will be achieved by means of a public offer for all of the issued and outstanding share capital of Vedior in a mixed cash and share exchange offer, comprising € 9.50 in cash and 0.32759 Randstad share for each Vedior share, and is subject to regulatory and shareholder approval. The cash part of the offer amounts to € 1.7 bn. To finance this, and to refinance all long and short-term debt of both companies, fully committed debt financing (five year term) had been arranged prior to announcement. Depending on the required approvals, we aim to close the deal in Q2 2008.

shaping the world of work

The roots

The story of Randstad is also the story of the continuing evolution in the world of work. Back in 1960, the European economies were still recovering from the Second World War. Ideas about how the European labor markets should function in the future were unclear. Most ideas still revolved around the collectivist thinking that had its roots in the late 19th century.

In Amstelveen, a suburb of Amsterdam in the Netherlands, young economics graduate Frits Goldschmeding was working on his Master's thesis. Frits saw a future where much greater flexibility in labor markets would be needed in order to foster economic growth. He also proposed that there should be private firms intermediating between supply and demand in the European labor markets of the future.

Although there were a few examples, principally in the USA, of commercial staffing firms beginning to provide industrial personnel, these two ideas were not common at all in those days. Frits was challenged by some of his fellow students, who did not believe his vision was realistic. Nevertheless, together with a close friend, Frits decided to start such a firm himself, in their student dorms.

The story about the first order they received is still told in our company: Frits managed to get an assignment for an experienced multilingual secretary who could also write shorthand – almost at the same time as when his partner was interviewing a candidate with exactly those qualifications. Legend has it that Frits immediately took the candidate to the offices of the prospective employer – on the back of his bicycle.

Initially named 'Uitzendbureau Amstelveen' (staffing agency Amstelveen), the new firm soon outgrew the suburb it was named after, quickly covering the Amsterdam metropolitan area. That was when the name was changed to Randstad – the Dutch name for the conurbation of cities in the west of the Netherlands, a first demonstration of the company's great ambition.

Frits' example was widely followed, and the Netherlands became one of the primary countries responsible for developing the HR services industry as we know it today. Apart from Randstad, and later Tempo-Team, there were firms such as ASB that would later merge to form the Vedior group. Today's global top 6 HR service companies still contains three major Dutch groups.

Frits Goldschmeding and Gerrit Daleboudt on a tandem

'Jane' was a well known symbol for Randstad in TV commercials in the 1980s

Creating the right conditions

The first HR service form to develop quickly in Europe was what we know today as ‘staffing’. But to be able to offer this service, many obstacles had to be overcome. It became clear during the seventies that for each country to realize its full economic potential, its regulatory and social systems would need to be adapted.

This meant that there had to be a serious dialogue with many other stakeholders, including the unions and governments. This is where one of Randstad’s core values was formed.

Randstad’s business model, and the mentality of our people, had to be based on ‘the simultaneous promotion of all interests’. So over the years, Randstad has played an important role in creating regulatory and social frameworks that allow for optimal flexibility. We have a long-standing tradition of engagement in constructive dialogue with unions and authorities in all countries where we work.

Over time, the number of people with a flexible work contract has increased in the Netherlands to some 2.5% of the working population. The Dutch unemployment rate has become one of the lowest in the western world.

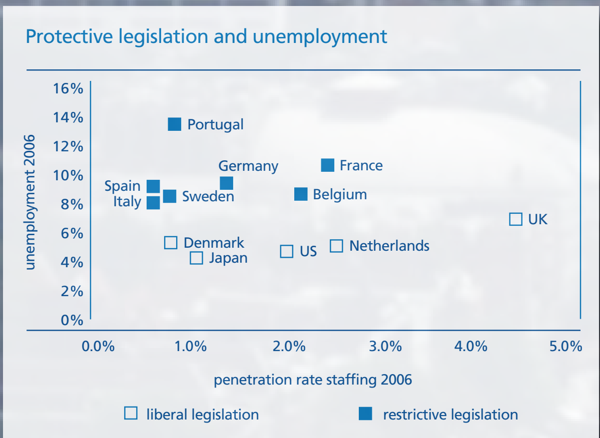
Randstad has been present in Germany since 1968, but for a long time its regulations were very inflexible. Randstad played an active role in drafting more flexible regulation, and we achieved a breakthrough collective agreement with one of the major unions. As a result, we have been able to create tens of thousands of new jobs in Germany. The penetration of flexible contracts in Germany has rapidly crossed the 1% threshold and is rising steadily. And it is no coincidence that Randstad is the German market leader.

In parallel with these developments, the variety of HR services offered by private firms has multiplied. The inhouse concept has proved successful in countering the pressure presented by the large supply of low-cost labor in Asia and Eastern Europe.

Our recruitment solutions also leverage our expertise in managing the hiring of employees for permanent jobs, including those with higher education profiles. We offer highly specialized financial, IT and engineering consultants on loan to companies and we offer HR management.

We believe that the HR industry will continue to broaden, diversify and become increasingly sophisticated in the years ahead, and we look forward to continuing to play a key role in shaping the world of work.

This graph shows that unemployment is generally lower in countries with well-developed HR services markets.
Source: CIETT, Randstad



A campaign that helped Randstad to become the largest creator of jobs in Germany

shaping the world of work

Labor markets and the economy

Key work-related, social and demographic trends in our society are shifting. In Europe, the average age of the working population is rapidly increasing. The majority of larger corporations no longer offer ‘a job and a career for life’.

With a clear focus on productivity, both US and European companies in many industries are moving their production base to lower-cost areas in Eastern Europe, Latin America and Asia. This is driving a shift towards service and knowledge-based economies in the US and Europe.

Governments tend to be unable to redistribute jobs and skills efficiently in their domestic economies. Employees now want individual freedom in their choice of work, not collectivism or paternalism. The result is that flexibility in the labor market is now a key factor in creating a healthy, agile economy, and its importance will continue to grow.

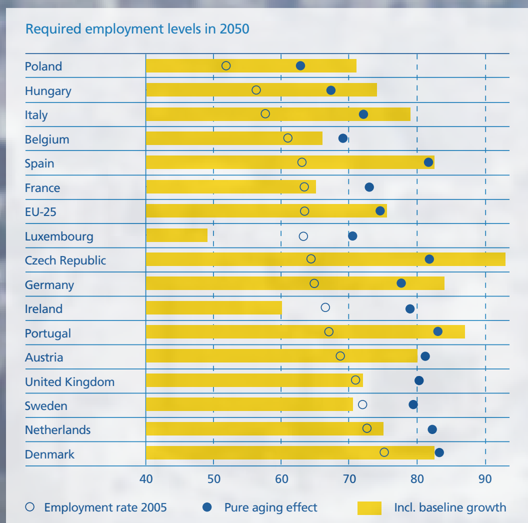
This is also reflected in international initiatives like the Lisbon targets and progress reports instigated by the European Union, and in related initiatives by the United Nations.

Our initiatives

In February 2007, Randstad and SEO Economic Research published a study called ‘Mind the Gap’ on the challenge of an aging population and the need for labor migration and greater participation in the European labor market.

Despite the emotions that surround the migration of employees between countries, this study demonstrates that it is one of the key developments on which Europe’s future economic performance depends. Combined with actively stimulating people who can work to participate in the labor market, it will help to bridge the gap that is opening up between our demand for employees and the supply. Without migration, the participation rate in the EU-25 would have to rise from the current 63% to over 75% by 2050.

Cross border movements will have to become increasingly common, not only of the proverbial Eastern European painter, but more and more also of highly educated knowledge workers. These can come from Eastern Europe, but also increasingly from Asia. Randstad therefore supports the proposed introduction of a ‘blue card’ that would help nationals of other countries seeking jobs in the EU.



This graph shows to which level employment rates are required to rise in Europe in 2050 in order to maintain an equal size workforce.
Source: SEO Economic Research

The global HR services markets

As a result of the trends in the global economy, the markets for HR services grow rapidly, as evidenced by Randstad's 14% compound average growth since being listed in 1990.

Deregulation plays an important role, as governments recognize the stimulating effect our industry has on employment levels. Flexible labor markets keep economies competitive, which is certainly an issue in many European countries. The labor markets that have been deregulated in the past decade, such as those of Italy, Spain and Germany, have enjoyed above average growth.

Still, the US market remains the world's largest. The recruitment and outsourcing functions of agencies in the US represent the prevailing argument to do business with them. This also explains the success of inhouse services in the US.

In Asia, where the supply of personnel is large enough to meet the demand in many sectors, recruitment and payrolling services comprise the largest part of the market as, with the exception of Japan, flexibility is not an overriding issue.

Other key global trends include rising education levels and increasing scarcity. These trends offer significant opportunities for our interim professionals and search & selection businesses.

Overall, it is not surprising that penetration rates improve each cycle and that each market offers significant opportunities from the current level.

The role of our people

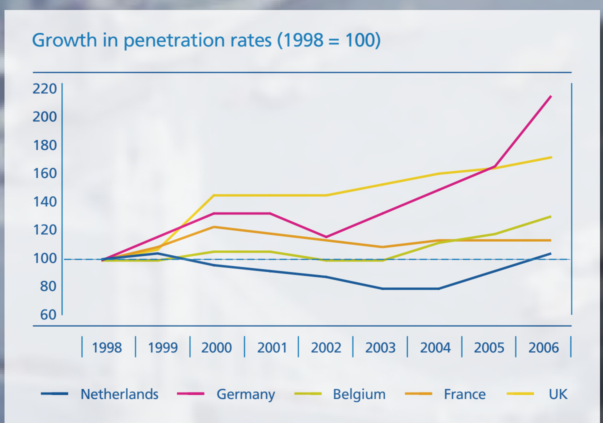
The global trends we have described become a lot less abstract when you visit one of our more than 2,800 offices around the world. There you will experience the foundation of our identity and reputation; in other words, our brand in action.

The vast majority of our employees work at the heart of their local HR services market. They find jobs for people, and candidates for clients, on the basis of a good match – with the skills required, with the team to be joined, and with the culture of the client company. They also help companies to make better use of their own capacity, by increasing efficiency in many ways. The range of services offered varies from payroll management to assessments.

Perhaps the best demonstration of their role in putting our brand into action is that you will find entrepreneurial Randstad people – many still in their twenties – who can run a business where they shape the world of work of scores, often hundreds, of people in the course of a year. Men and women of all races, creeds, levels of ability and education, all over the world.

Knowing that we fulfill such a visible and vital role in the communities around us is a daily inspiration to all Randstad employees. It is this inspiration that continues to be the source of our success.

Source: Eurociett & SEO Economic Research



Scenes from the internal promotional film 'A day in the life of ...'

the story of our brands

Smart collaboration

Randstad is known for building strong brands in the HR services sector. We believe strongly that branding is not just about advertising. It is also very much about the philosophy and identity of the company behind it, as described earlier.

Behind the Randstad brand portfolio are a number of sophisticated systems that enable smart and efficient collaboration between marketing managers worldwide, without constraining creativity.

All appearances of the Randstad brand, and the endorsed brands that have the same family characteristics, benefit from the support of a global, web-based marketing operations management system, incorporating state-of-the-art digital asset management.

In short, this means that the marketing materials that are developed in one country are also available for the others, and that various marketing disciplines are spearheaded by experts from different countries, working together on a marketing intranet.

Over the past four years, the use of this system has lowered the non-visible part of our marketing costs considerably, freeing up resources for investments in a wider reach.

Other benefits are increased speed to market, enhanced learning and more time to focus on local actions and adaptations where these make the difference.

Search & selection

Search & selection is the youngest service concept and market segment in which we are building a brand family. The objective is to serve the need for the recruitment of higher qualified employees, usually graduates, for permanent positions with our clients.

It is the look of this new brand family that has been used as a visual theme for this annual report. It was developed with much input from our search & selection organizations Martin Ward Anderson in the UK and EmmayHR in India.

In Belgium, France, Spain, Portugal, Poland and China, these activities are executed under the Randstad brand itself; in China under Randstad 任仕达 and in the Netherlands under three brands, Randstad search & selection, Yacht and Martin Ward Anderson.

With the exception of Yacht, which has its own branding, these companies all use the recognizable cityscape background, reflecting the places where our candidates will usually be working.

Search & selection is now offered in ten major cities around the globe

Yacht and Teccon

The same idea, although on a more modest scale, is visible in the interim professionals segment.

Yacht and Teccon are designed to support the recruitment and secondment of high-level specialists in a variety of sectors, such as the engineering, IT, finance, marketing and legal professions. These professionals cannot always be served through the Randstad mass-customized branch network.

Over the past few years, the Yacht branding has increased its appeal in the Netherlands and Germany significantly. Successful activities have included the sponsoring of a large number of skating athletes, including Daniela Anschutz and Martina Sablikova, memorable national TV and radio campaigns in the Netherlands, and of course the two sailing yachts 'Yin' and 'Yang'.

In Belgium, the same segment is served with a specific version of the Randstad brand, called Randstad Professionals.

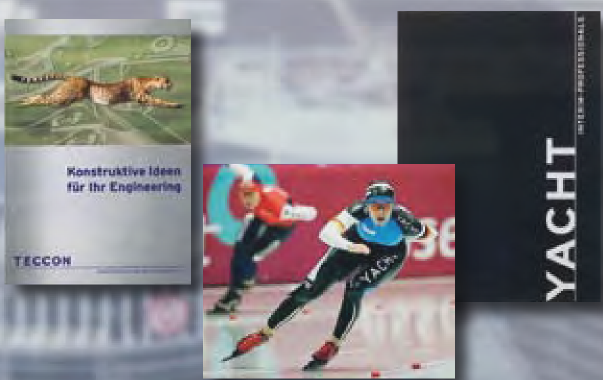
Randstad Inhouse Services and Randstad HR Solutions

These two concepts are usually marketed to the decision-making units of larger companies, so most people do not encounter them in their daily lives.

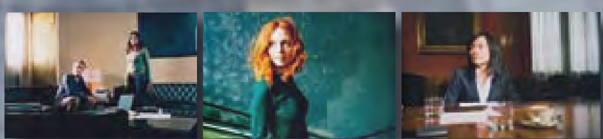
The inhouse concept uses the same methods to recruit candidates as the rest of Randstad, but they are applied according to a set of rules that are specific to this concept.

In the Netherlands, the inhouse concept is called Capac, but it is very much a part of the Randstad family in look and feel, as well as in support and execution.

The key characteristic of the HR Solutions concept is that it offers our services independently from the supply of candidates. Specific marketing materials are therefore used that are custom-designed for their purpose, but still very much part of the family.



Ice skating sponsorship gave Yacht's brand awareness a boost



Brochure lines for inhouse and HR Solutions

the story of our brands

Tempo-Team

Tempo-Team is our second brand in the Netherlands. Tempo-Team is a broad HR services provider, very similar to Randstad, but it is positioned to appeal to another emotional segment than Randstad, allowing us to have a higher total market share.

This brand has been part of the Randstad family since 1983, and it has developed into the second best performing brand in the Netherlands as a whole.

Its mission is to be a stand-alone brand, with its own commercial policies and its own organization. It therefore looks very different from the Randstad brand itself. Nevertheless it benefits from many of the same collaboration systems that the Randstad brand uses.

Tempo-Team's popular and humorous TV campaigns have won many prizes over the years, such as the SAN-Accent award (awarded by advertisers) and a third prize in the Gouden Loeki contest on the basis of votes from the Dutch public.

Randstad

The Randstad brand is one of the oldest, but at the same time one of the most modern brands in the global HR services industry.

It was the first in the industry to use TV commercials in the early seventies, including characteristic rock guitar themes that have become very well known in the Netherlands, up to the introduction of the *Good to Know You* song, a version of which made it into the Dutch charts in 2005. Over the years, the use of TV commercials has proved to be a key factor in our commercial success.

The brand's high local awareness coupled with an excellent image results in a high sales efficiency, and ensures a fair price can be charged for high quality service. Another important factor is that it is as strong an internal brand as it is an external one.

Since the introduction of the Good to Know You brand platform, awareness of the Randstad brand in the ten major global markets for our services has increased dramatically.

Snapshots
tv commercials
Tempo-Team

* rebased to 100 in 2004 at competitor 1

Source: TNS

Key marketing activities

There have been several other highlights in building the Randstad brand to date. The massive and visible effort in staffing the 1996 Atlanta Olympics for instance, an event still reflected today in the support being provided for the Dutch Olympic Teams in Beijing in 2008. Other highlights, also in sports, are the support of tennis champions like Justine Henin and Michaëlla Krajicek, and Formula 1 motor racing.

Or the building of the Clipper *Stad Amsterdam* in 2000 together with the City of Amsterdam, in a project employing many hundreds of jobless craftsmen in the Amsterdam harbor area, preserving their skills for the upturn that was soon to come in local harbor business.

The Clipper, now also supported by several other sponsors, is still the mainstay of our relationship management program, and sails around the world, receiving guests and dignitaries in its bars, luxury cabins and conference facility. In 2007, for the first time the Clipper was the base for the AT&T Williams Formula 1 team during the Monaco Grand Prix.

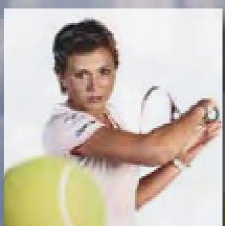
The Formula 1 sponsorship has been used extensively and with good results in Germany, Spain, Italy, the UK, India and China, and more modestly in Belgium and the Netherlands.

In Germany, the Formula 1 team and a national newspaper campaign featuring Nico Rosberg, combined with a 'job tour', produced excellent awareness and image results.

Another key image booster, but also a way to get in touch with a candidate community that is hard to reach by conventional methods, was our staffing industry first in launching a presence in the virtual community 'Second Life'.

The strongest feature of the Randstad brand is our integrated communications approach. Our media relations, labor market communications, investor relations and marketing communications, with both internal and external audiences, are tightly linked to our core values and our strategic building blocks.

In all our communications we summarize this as:
'Good to know you!'

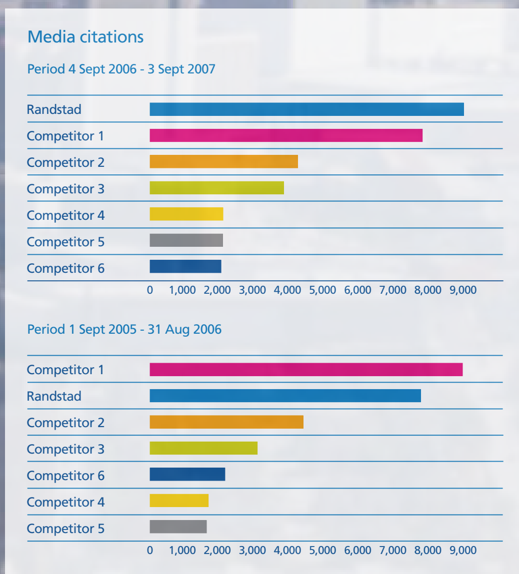



Young tennis players Michaëlla Krajicek and Justine Henin (r)

Olympic Games Atlanta, 1996

Clipper *Stad Amsterdam*

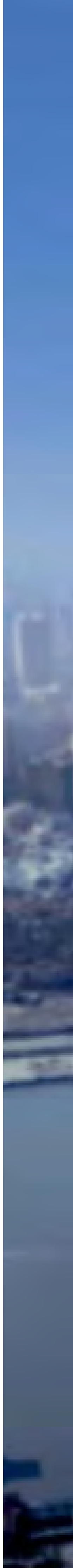

Nico Rosberg preparing for an F1-race

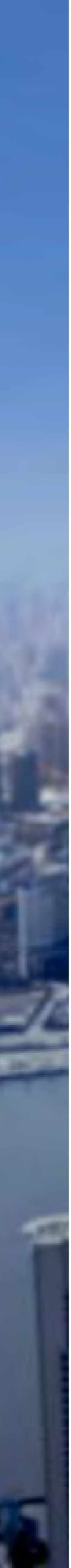


Source: Factiva

consolidated income statement

in millions of €	Note	2007		2006	
Revenue	6	**9,197.0**		8,186.1	
Cost of services	7	**7,167.3**		6,455.5	
Gross profit	8		**2,029.7**		1,730.6
Selling expenses	9	**1,036.3**		910.6	
General and administrative expenses	10	**453.8**		396.4	
Total operating expenses	11		**1,490.1**		1,307.0
Operating profit	12		**539.6**		423.6
Financial income	13	**13.9**		11.3	
Financial expenses	13	**(16.0)**		(20.5)	
Net finance costs	13		**(2.1)**		(9.2)
Share of profit of associates	21		**2.0**		0.0
Income before taxes			**539.5**		414.4
Taxes on income	14		**(154.6)**		(54.1)
Net income	15		**384.9**		360.3
Net income attributable to ordinary shareholders			**384.9**		360.3
Earnings per share attributable to the ordinary shareholders of Randstad Holding nv (expressed in € per ordinary share)					
Basic earnings per ordinary share (€)	16		**3.31**		3.11
Diluted earnings per ordinary share (€)	16		**3.30**		3.10



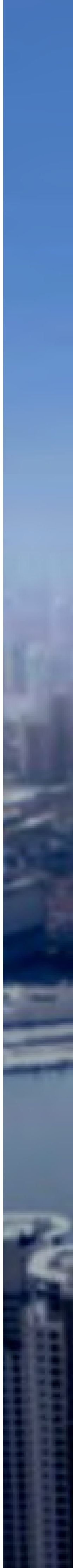


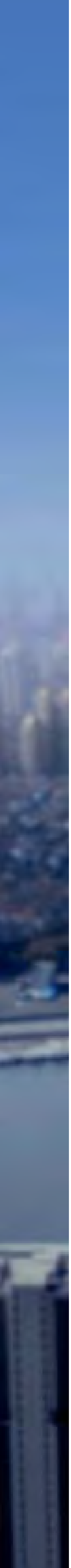
consolidated balance sheet at December 31

in millions of €	Note	2007	2007	2006	2006
Assets					
Property, plant and equipment	17	**135.7**		117.1	
Intangible assets	18	**433.3**		324.2	
Deferred income tax assets	19	**282.5**		329.0	
Financial assets	20	**10.2**		9.2	
Associates	21	**480.9**		2.7	
Non-current assets			**1,342.6**		782.2
Trade and other receivables	22	**1,570.4**		1,443.0	
Income tax receivables	19	**20.1**		6.1	
Cash and cash equivalents	23	**384.1**		346.5	
Current assets			**1,974.6**		1,795.6
Total assets	24		**3,317.2**		2,577.8
Equity and liabilities					
Issued capital	25	**11.7**		11.6	
Share premium	25	**432.6**		404.6	
Reserves	25	**577.3**		374.1	
Shareholders' equity		**1,021.6**		790.3	
Minority interests		**0.8**		–	
Group equity			**1,022.4**		790.3
Preferred shares	26	**165.8**		165.8	
Borrowings	27	**460.0**		–	
Deferred income tax liabilities	19	**287.3**		298.9	
Provisions	28	**46.7**		49.4	
Non-current liabilities		**959.8**		514.1	
Trade and other payables	29	**1,168.1**		1,095.7	
Income tax liabilities	19	**57.5**		48.4	
Borrowings	27	**68.3**		96.2	
Provisions	28	**41.1**		33.1	
Current liabilities		**1,335.0**		1,273.4	
Liabilities	30		**2,294.8**		1,787.5
Total equity and liabilities			**3,317.2**		2,577.8

consolidated cash flow statement

in millions of €	Note	2007	2007	2006	2006
Net income		**384.9**		360.3	
Taxes on income	14	**154.6**		54.1	
Share of profit of associates	21	**(2.0)**		0.0	
Net finance costs	13	**2.1**		9.2	
Operating profit		**539.6**		423.6	
Depreciation property, plant and equipment	12	**39.0**		32.3	
Amortization software	12	**12.2**		15.8	
Amortization acquisition-related intangible assets	12	**14.8**		11.5	
Impairment goodwill	12	**–**		1.0	
Share-based payments	36	**11.2**		4.6	
Provisions	35	**(5.4)**		(0.6)	
Income taxes paid	19	**(153.0)**		(105.6)	
Cash flow from operations before operating working capital			**458.4**		382.6
Trade and other receivables	35	**(120.0)**		(130.2)	
Trade and other payables	35	**63.0**		157.2	
Operating working capital			**(57.0)**		27.0
Net cash flow from operating activities			**401.4**		409.6
Additions in property, plant and equipment	17	**(60.5)**		(50.8)	
Additions in software	18	**(13.9)**		(11.0)	
Acquisition of subsidiaries	18	**(108.6)**		(216.5)	
Acquisition of associates	21	**(478.9)**		(2.7)	
Held-to-maturity investments	20	**(0.5)**		(0.5)	
Loans and receivables	20	**(0.2)**		–	
Disposals of property, plant and equipment	17	**2.1**		2.7	
Disposal of subsidiaries	18	**–**		3.7	
Net cash flow from investing activities			**(660.5)**		(275.1)
Re-issue of purchased ordinary shares	25	**0.6**		1.0	
Issue of new ordinary shares	25	**7.8**		3.9	
Drawings on non-current borrowings	27	**460.0**		–	
Repayments of non-current borrowings	27	**–**		(130.5)	
Financing		**468.4**		(125.6)	
Financial income received	13	**13.6**		11.0	
Financial expenses paid	13	**(5.4)**		(10.6)	
Dividend paid on ordinary shares	25	**(145.3)**		(90.7)	
Dividend paid on preferred shares B	25	**(7.2)**		(8.4)	
Reimbursement to financiers		**(144.3)**		(98.7)	
Net cash flow from financing activities			**324.1**		(224.3)
Net increase/(decrease) in cash, cash equivalents and current borrowings			**65.0**		(89.8)
Cash, cash equivalents and current borrowings at January 1	35		**250.3**		336.5
Net increase/(decrease) in cash, cash equivalents and current borrowings			**65.0**		(89.8)
Translation gains			**0.5**		3.6
Cash, cash equivalents and current borrowings at December 31	35		**315.8**		250.3
Free cash flow	35		**328.4**		350.0





consolidated statement of changes in Group equity

		Issued capital	Share premium	Reserves				Share-holders' equity	Minority interests	Group equity
in millions of €	Note	Ordinary		Translation	Share-based payments	Treasury shares	Retained earnings			
Value at January 1, 2006		11.6	384.7	15.4	5.0	(1.4)	120.9	536.2	–	536.2
Net income 2006		–	–	–	–	–	360.3	360.3	–	360.3
Translation differences	25	–	–	(25.0)	–	–	–	(25.0)	–	(25.0)
Total recognized income 2006		–	–	(25.0)	–	–	360.3	335.3	–	335.3
Dividend 2005 on ordinary shares paid		–	–	–	–	–	(90.7)	(90.7)	–	(90.7)
Share-based payments:										
- fair value of vested rights	25	–	–	–	4.6	–	–	4.6	–	4.6
- exercised stock options (on new issued shares)	25	0.0	17.3	–	(0.6)	–	(12.8)	3.9	–	3.9
- exercised stock options (on treasury shares)	25	–	–	–	–	1.0	–	1.0	–	1.0
- issued performance shares	25	0.0	2.6	–	(0.8)	–	(1.8)	0.0	–	0.0
Value at December 31, 2006		11.6	404.6	(9.6)	8.2	(0.4)	375.9	790.3	–	790.3
Net income 2007		–	–	–	–	–	384.9	384.9	0.0	384.9
Translation differences	25	–	–	(27.9)	–	–	–	(27.9)	0.0	(27.9)
Total recognized income 2007		–	–	(27.9)	–	–	384.9	357.0	0.0	357.0
Dividend 2006 on ordinary shares paid		–	–	–	–	–	(145.3)	(145.3)	–	(145.3)
Share-based payments:										
- fair value of vested rights	25	–	–	–	11.2	–	–	11.2	–	11.2
- exercised stock options (on new issued shares)	25	0.1	20.8	–	(1.8)	–	(11.3)	7.8	–	7.8
- exercised stock options (on treasury shares)	25	–	–	–	–	0.4	0.2	0.6	–	0.6
- issued performance shares	25	0.0	7.2	–	(0.7)	–	(6.5)	0.0	–	0.0
Other:										
- minority interests upon first consolidation		–	–	–	–	–	–	–	0.8	0.8
Value at December 31, 2007		11.7	432.6	(37.5)	16.9	–	597.9	1,021.6	0.8	1,022.4

The sum of the various items included under reserves within shareholders' equity per December 31, 2007, amounts to € 577.3 million (December 31, 2006 € 374.1 million).

notes to the consolidated financial statements

1. General information

Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on the Euronext Amsterdam. The registered office of the company is in Amsterdam. The address of the company is: Diemermere 25, 1112 TC Diemen, The Netherlands

The consolidated financial statements of Randstad Holding nv include the company and its Group companies (together called the 'Group').

Activities
The main activity of the Group is temporary and contract staffing, including search and selection activities.

Date of authorization of issue
The financial statements were signed and authorized for issue by the executive board and supervisory board on February 13, 2008. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders in the Annual General Meeting of Shareholders (AGM) on May 7, 2008.

2. Summary of significant accounting policies

2.1 Basis of preparation
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented. The consolidated 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).

New standards, amendments and interpretations to existing IFRS standards became effective in 2007. IFRS 7 'Financial Instruments: Disclosures' is considered a new standard that is relevant to the Group. It introduces new disclosures relating to financial instruments but does not have any impact on the classification and valuation of the Group's financial assets and financial liabilities. Neither do other new standards, amendments and interpretations, as far as these are relevant to the Group, have an impact on the valuation and classification of assets and liabilities of the Group.
New standards, amendments and interpretations to existing IFRS standards have been published, that must be applied in accounting periods beginning on or after January 1, 2008. As far as these standards, amendments and interpretations are applicable to the Group, the Group has not opted for early adoption. These new standards are expected to have no impact on the valuation and classification of assets and liabilities of the Group.

The financial statements are prepared under the historical cost convention, unless otherwise stated in this summary of significant accounting policies.

For both current (expected to be recovered or settled within 1 year) and non-current (expected to be recovered or settled after 1 year) assets and liabilities, the corresponding presentation is used on the face of the balance sheet. Current assets and liabilities are not discounted.

The preparation of 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, revenue and expenses. The actual outcome may differ from these judgments, estimates and assumptions.

Judgments made by management that could have a significant effect on the financial statements and estimates with a significant risk of material adjustments are disclosed in note 4.

The presentation currency of these financial statements is the euro; this currency is the functional currency of Randstad Holding nv. All amounts, unless otherwise stated, are presented in millions of euros.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

2.2 Consolidation principles
The consolidated financial statements comprise the financial data of Randstad Holding nv and its subsidiaries.

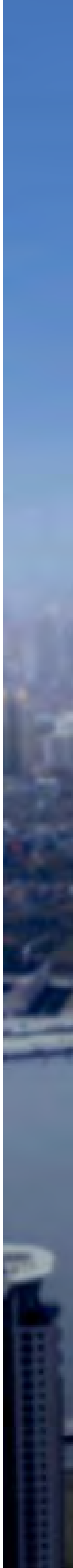
Subsidiaries
Subsidiaries are companies where Randstad Holding nv has the power, directly or indirectly, to govern the financial and operational policies, generally accompanying a shareholding of more than 50% of the voting power. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

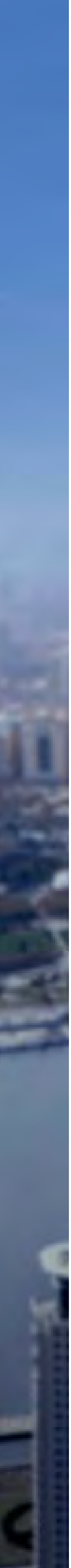
The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The consideration of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of acquisition, including directly attributable acquisition costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their estimated fair value at the date of acquisition. The excess of the consideration of an acquisition over the fair value of the Group's share of the net assets acquired is recorded as goodwill. If the consideration of an acquisition is less than the fair value of the net assets acquired, the difference ('negative goodwill') is recognized directly in the income statement.

Intragroup balances and intragroup transactions are eliminated, as well as any unrealized gains from these transactions. Unrealized losses from intragroup transactions are also eliminated unless there is evidence of impairment of the assets transferred.

See note 40 for an overview of the major subsidiaries.

Minority interests
Minority interests represent the position of net result and





net assets not held by the Group and are presented separately in the income statement and within Group equity in the consolidated balance sheet, separately from share-holders' equity. To the extent that a position of assets not held by the Group represents a negative net asset value, the Group does not recognize losses on minority interests. Upon acquisitions of minority interests, the difference between the consideration and the book value of the share of the net assets acquired is recognized in goodwill.

Associates
Associates are companies where Randstad Holding nv has significant influence, but not control, over the financial and operational policies, generally accompanying a shareholding of between 20% and 50% of the voting rights.
Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill on acquisition, net of any accumulated impairment losses.

The Group's share of the post-acquisition profits and losses of the associates is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.
Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Results and other movements are based upon the accounting policies adopted by the Group.

2.3 Foreign currencies

Functional and presentation currency
The Group operates in countries with different currencies. All companies have, as their functional currency, the local currency of the country in which they operate, which is their primary economic environment. The functional currency of the parent company, as well as of a major portion of its subsidiaries, is the euro. The presentation currency is the euro.

Transactions and balances in currencies other than the functional currency
Transactions in currencies other than the functional currency of the related company are converted at the foreign exchange rate at the date of the transaction.

Monetary balance sheet items in currencies other than the functional currency of the related company are converted at year-end exchange rates.
Exchange differences resulting from the settlement of such transactions, as well as from the conversion of monetary balance sheet items, are included in the income statement. Exchange differences on cash and cash equivalents and borrowings are included in net finance costs. Exchange differences on other monetary balance sheet items are included in operating expenses.

Non-monetary balance sheet items that are measured in terms of historical cost in currencies other than the functional currency of the related company are converted at the foreign exchange rates at the date of transaction.
Non-monetary balance sheet items that are measured at fair value in currencies other than the functional currency of the related company are converted at the foreign exchange rates at the dates the fair values were determined.

Financial statements of Group companies
Upon translation of foreign activities, the assets and liabilities of operations in currencies other than the euro, including goodwill and fair value adjustments arising on consolidation, are translated to euros at the foreign exchange rates ruling as of the balance sheet date. The income statements of these operations in currencies other than the euro are translated to euros at average exchange rates.
Upon acquisition of a subsidiary that has a currency other than the euro, balance sheet items are translated to euros at the foreign exchange rates ruling at the acquisition date.

Net investment in subsidiaries that have a currency other than the euro
The net investment in subsidiaries that have a currency other than the euro includes the participation in the net assets of these subsidiaries, and, if applicable, loans to these subsidiaries, of which settlement is neither planned nor expected to occur in the foreseeable future.

Translation differences that occur upon consolidation, relating to the translation of the net investment in subsidiaries that have a currency other than the euro, are included in a separate component within shareholders' equity. These translation differences are released or charged to the income statement as part of the gain or loss on disposal, whenever a foreign operation is disposed of.

The following exchange rates apply for 2007 and 2006:

	2007		2006	
	Average	At year-end	Average	At year-end
Canadian dollar	**0.68**	**0.69**	0.70	0.66
Chinese yuan renminbi	**0.10**	**0.09**	0.10	0.10
Czech koruna	**0.04**	**0.04**	0.04	0.04
Danish krone	**0.13**	**0.13**	0.13	0.13
Hong Kong dollar	**0.09**	**0.09**	0.10	0.10
Hungarian forint	**0.004**	**0.004**	0.004	0.004
Indian rupee	**0.018**	**0.017**	0.018	0.017
Japanese yen	**0.006**	**0.006**	0.007	0.006
Polish zloty	**0.26**	**0.28**	0.26	0.26
Swedish krona	**0.11**	**0.11**	0.11	0.11
Swiss franc	**0.61**	**0.60**	0.64	0.62
Turkish lira (new)	**0.56**	**0.58**	0.56	0.54
UK pound sterling	**1.46**	**1.36**	1.47	1.49
US dollar	**0.73**	**0.68**	0.80	0.76

2.4 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing similar services (business segment), or in providing services within a particular economic environment (geographical segment), that is subject to risks and rewards different from those of other segments.
The information per business segment (primary reporting format) and the information per geographical area (secondary reporting format) are included in the notes to which the information relates.

Business segments
The Group is organized, on a worldwide basis, into three different service concepts ('business segments'):
- Mass-customized; this service concept provides our regular business – staffing, permanent placement and (high-volume) specialties. This service concept also includes HR Solutions.
- Inhouse services; this service concept provides a total solution for managing a high-quality workforce with client-specific skill sets. This service is provided on site, exclusively for one client.
- Interim professionals, search & selection; this service concept provides search services for middle and more senior management positions, either for permanent positions or on a secondment, interim or project basis with clients.

The mass-customized and inhouse business segments have activities in Europe, Asia and North America. The business segment interim professionals, search & selection is represented in Europe by Yacht, Teccon and Martin Ward Anderson. Search and selection activities are also performed in Asia. In addition to the three business segments mentioned, 'corporate' and 'facilities' are also included in this report. Corporate comprises holding activities. Facilities include centralized service companies.

Geographical areas
The Group's business segments operate in a number of geographical areas, although they are managed on a world-wide basis. The Netherlands is the home country of the parent company. There are no sales or other transactions between the geographical areas.

2.5 Impairment of assets

Non-financial assets
The carrying amounts of the Group's non-financial assets, with the exception of deferred tax assets and the plan assets in relation to defined benefit pension plans, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assets that have an indefinite life, such as goodwill, testing for impairment is performed at least annually.

If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. For purposes of impairment testing, assets, including goodwill, are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units); these cash-generating units are generally operating entities of the Group.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.
The resulting impairment loss is recognized in the income statement immediately.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined by means of the present value of estimated cash flow projections. The discount rates used in discounting the projected cash flows are based on actual interest rates, which align with the terms of the projections, and the specific risks of the asset or business, respectively.

Impairment losses recognized relating to a cash-generating unit are first allocated to reduce the carrying amount of the goodwill of the related cash-generating unit, and then to reduce the carrying amount of the other assets of that cash-generating unit on a pro rata basis.

Financial assets
The carrying amounts of the financial assets (held-to-maturity investments and loans and receivables) of the Group are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is impaired.
If objective evidence exists that a financial asset or group of financial assets is impaired, the amount of the impairment loss is calculated as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). The resulting impairment loss is recognized in the income statement immediately.

Reversals of impairment losses
An impairment loss with respect to goodwill is not reversed.

With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An impairment loss with respect to financial assets (held-to-maturity investments and loans and receivables) is reversed if, in a subsequent period, the amount of the impairment loss decreases and this decrease can be related objectively to an event occurring after the impairment loss was recognized.

2.6 Revenue

Revenue comprises the fair value of the consideration received or receivable for services rendered during the year to third parties. Revenue from rendered services is recognized in the income statement in proportion to the stage of completion of the contract as of the balance sheet date. Stage of completion is measured by reference to costs (mainly hours) incurred to date as a percentage of total estimated costs for each contract. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered.

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration.
An expected loss on a contract is recognized immediately in the income statement.

2.7 Expenses

Cost of services comprises expenses directly attributable to revenue. These costs include mainly expenses related to staffing employees, such as wages, salaries and social charges.

Operating expenses are classified based on the functional model and are recognized in the year to which they relate.

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the outlets, advertising and marketing and other selling expenses.

General and administrative expenses comprise personnel and accommodation expenses in relation to the activities at the various head offices, IT and other general and administrative expenses.

2.8 Leasing

Lease contracts of which the majority of risks and rewards inherent to ownership do not lie with the Group are classified as operating leases. Expenses related to operating leases are included in the income statement on a straight-line basis over the term of the lease.

Lease contracts of which the majority of risks and rewards inherent to ownership lie with the Group are classified as finance leases. Upon initial recognition, the related assets are valued at the lower of fair value of the asset and discounted value of the minimum lease payments. These assets are depreciated based upon the same term of depreciation for similar assets of the Group or the lease term, if lower.
The lease terms to be paid are split up between a repayment and an interest portion, so as to achieve a constant rate on the finance balance outstanding. The liabilities arising from finance leases are included under non-current liabilities at an amount exclusive of the interest charges. The interest portion included in the periodic lease payments is included as interest expense in the income statement over the lease period.

2.9 Grants

An unconditional grant is recognized in the income statement when the grant becomes receivable. Any other grant is recognized when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it.
Grants that compensate for expenses incurred are credited to the income statement on a systematic basis in the same period in which the expenses are incurred.
Grants that compensate for the cost of an asset are deducted from the capitalized value of the related asset and recognized in the income statement as part of the depreciation and/or amortization charges.

2.10 Net finance costs

Net finance costs comprise interest expenses and interest income (including similar items), dividend on preferred shares and exchange differences on cash, cash equivalents and borrowings. Interest expenses and income are recognized on a time-proportion basis in the income statement, using the effective interest method. Interest due to the passage of time of held-to-maturity investments and loans and receivables, as well as in relation to the valuation of certain provisions, are also included in net finance costs.

2.11 Income taxes, deferred tax assets and liabilities

Taxes on income

Taxes on income for the year comprise current taxes and the realization of deferred taxes. Income taxes are recognized in the income statement, except to the extent that these taxes relate to items recognized directly in equity, in which case these taxes are also directly recognized in equity.

Current taxes on income are the sum of taxes levied on the results before taxes, in the countries where those results were generated, based on local tax regulations and against tax rates enacted or substantially enacted at year-end. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating taxes on income.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized, using the balance sheet liability method, to provide for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.
Deferred tax assets, including those resulting from tax losses carry-forward, are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences, including tax losses carry-forward, can be utilized.

Deferred tax assets and liabilities are stated at nominal value and are valued against tax rates enacted or substantially enacted at year-end, that are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled.

No deferred tax liability is created for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of goodwill that is deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences in relation to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

2.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the assets, as well as, if relevant, an estimate of the expected restoration costs in relation to leased premises.

Subsequent expenditures are capitalized as a separate asset or in the asset's carrying amount, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized.
All other expenditures are charged directly to the income statement

Land is not depreciated. Depreciation on other property, plant and equipment is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.
The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

Gains and losses arising upon disposal are included in the income statement.

The estimated useful lives for each category of property, plant and equipment are on average:

	Term
Buildings	33 years
Computer hardware	4 years
Leasehold improvements	5 years
Furniture and fixtures	4-5 years

Leasehold improvements are depreciated over the term of the initial lease, in the event that this term is shorter than 5 years.

2.13 Intangible assets

Goodwill
Goodwill is the excess of the consideration of an acquisition over the fair value of the Group's share in the net assets acquired at the date of acquisition.
Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of associates is included in investments in associates.

Goodwill upon acquisitions represents payments made by the Group in anticipation of future economic benefits from assets that cannot be identified individually and cannot be separately recognized. These relate, for example, to synergies expected from the combination and the workforce of the acquired companies.

Goodwill is stated at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition-related intangible assets
Acquisition-related intangible assets (customer relationships, brand names and flexworker databases) that are acquired by the Group and have definite useful lives are stated at cost less accumulated amortization and impairment losses.

When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects the estimated amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognized as a separate intangible asset, but is included in goodwill.

Amortization of acquisition-related intangible assets is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful lives for each category of acquisition-related intangible assets are:

	Term
Customer relationships	4-8 years
Brand names	1-5 years
Flexworker databases	2-5 years

Software
Acquired software (licenses) and developed software are stated at cost less accumulated amortization and impairment losses.

Expenditures in relation to the development of identifiable and unique software products used by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets and amortized over their estimated useful lives. Capitalized costs include employee costs of software development and an appropriate portion of relevant overheads.
Expenditures associated with maintaining computer software programs are recognized as an expense when incurred.

Amortization of software applications is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful life for software is 3 to 5 years. Acquired computer software licenses are amortized, using the straight-line method, over their useful lives of 3 to 5 years or, if the license period is shorter than 3 years, over this shorter period.

2.14 Financial assets
Investments in liability and equity instruments are divided into various categories. Classification of these investments depends on the purposes for which the investments have been acquired. Management determines the classification at the time of the purchase and re-evaluates such designation at each subsequent balance sheet date.

Purchases and sales of all financial instruments are recognized on the settlement date, which is the date an asset is delivered to or by the Group. The cost of financial instruments includes transaction costs.

Held-to-maturity investments
Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that an entity has the positive intent and ability to hold to maturity. This category excludes originated loans.
These financial assets are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

Loans and receivables
Loans and receivables (originated loans) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These financial assets are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

2.15 Trade and other receivables
Trade and other receivables are initially stated at fair value. Subsequent measurement is at amortized cost using the effective interest method less provision for impairment.
A provision for impairments of trade and other receivables is established when it is more likely than not that the Group will not be able to collect the amounts receivable. The provision for impairment trade receivables is based on the trade receivable portfolio experience of the various subsidiaries, as well as on individual assessments of expected non-recoverable receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization and serious default or delinquency in payments, are considered indicators that the trade receivable is impaired. The amount of the provision is equal to the difference between the assets' carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance.
Losses are charged to the income statement within 'selling expenses'.

2.16 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and in banks, as well as time deposits and other short-term highly liquid investments with original maturities of 3 months or less.

2.17 Equity
Ordinary shares are classified as equity. The distribution of the dividend on ordinary shares is recognized as a liability in the period in which the dividend is adopted by the company's shareholders.

At the issue of new shares, the proceeds less directly attributable costs are recognized in shareholders' equity within issued capital and, if applicable, within share premium.

At the purchase of own ordinary shares that are included in shareholders' equity, the consideration paid, including directly attributable costs, is recorded as a change in shareholders' equity. Purchased ordinary shares are classified as treasury shares and presented as a deduction from shareholders' equity under reserves.

At the sale (re-issue) of treasury shares, the proceeds less directly attributable costs are recognized under treasury shares for the original consideration paid; the remainder is recognized under retained earnings.

2.18 Share-based payments
The company has various share-based payment arrangements that are settled in ordinary shares. The fair value of these share-based payments, calculated on grant date, is based on valuation models. The fair value is included in personnel expenses in the vesting period during which the expected employee services are received. The same amount is credited to shareholders' equity.

At each balance sheet date, the company revises its estimates of the vesting of these share-based payment arrangements. The impact of the revision on original estimates in respect of the past vesting period, if any, is recognized in the income statement immediately, with a corresponding adjustment to shareholders' equity.

2.19 Preferred shares
Preferred shares are classified as non-current liabilities.
The preferred shares are valued at amortized cost using the effective interest rate method. Dividend on these preferred shares is included under net finance costs.
At the issuance of preferred shares or at the extension of the term of preferred shares outstanding, the proceeds, net of transaction costs, are classified as non-current liabilities.

2.20 Borrowings
Borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.21 Provisions
Provisions are recognized for legally enforceable or constructive obligations as a result of a past event and for which the settlement is likely to require an outflow of resources and the extent of which can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time

value of money and, where appropriate, the risks specific to the obligation.

Provisions for restructuring are recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise lease termination penalties for branches and severance payments for personnel. For future operating losses, no provision is created.

Provisions for workers' compensation are based on claims for compensation (of both staffing and corporate employees) in relation to accidents during working hours, for which the Group can be held liable. These provisions relate to the operations of the Group in North America. The North American operations are self-insured for workers' compensation claims up to a certain maximum amount (stop-loss insurance), where possible under applicable local laws. An independent actuary calculates the amount of the provision.

Within other provisions, the Group has provided for obligations, if and as far as necessary, in relation to:
- Onerous contracts if the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract;
- Estimated future costs of site restoration of leased premises in accordance with applicable legal or contractual requirements;
- Estimated amounts of claims from third parties;
- Estimated earnout obligations arising from acquisitions.

2.22 Pensions and other employee benefits

The Group has various pension schemes, in accordance with local conditions and practices in the countries in which it operates. Most of the pension schemes are defined contribution plans, which are funded through payments to independent entities. The Group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods.
The regular contributions constitute net periodic costs for the year in which they are due and are included within personnel expenses and/or costs of services.

A few pension plans are defined benefit plans. The liability recognized in the balance sheet with respect to defined benefit pension plans is the present value of the defined benefit obligation of the estimated amount of future benefits that employees have earned in return for their service in the current and prior years less the fair value of plan assets. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service and compensation (projected unit credit method).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

In calculating the Group's obligation with respect to defined benefit plans, that portion of actuarial gains and losses that arise subsequent to January 1, 2004, is recognized in the income statement over the expected average remaining service years of the employees participating in the plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation or the fair value of plan assets. Otherwise, the actuarial gain or loss is not recognized (corridor approach).

Past service costs are recognized immediately in the income statement, unless changes to the pension plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

In accordance with applicable legal requirements, the Group recognizes liabilities for several termination indemnity plans. These liabilities are based on calculations made by independent actuaries based on factors such as age, years of service and compensation (projected unit credit method). Actuarial gains and losses related to these termination indemnity plans are recognized in the income statement in the year they occur.

2.23 Operating working capital

Operating working capital includes current assets, excluding cash and cash equivalents and current income tax receivables, minus current liabilities, excluding current borrowings, current income tax liabilities and the current part of provisions.

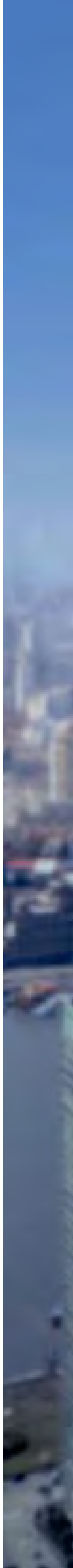
2.24 Net cash/debt

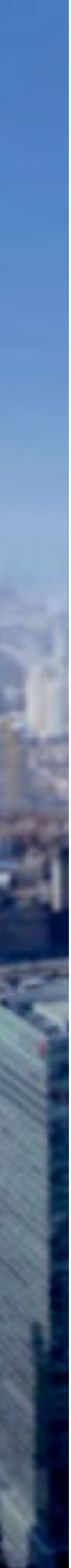
The net cash or net debt includes the balance of cash, cash equivalents and borrowings (both current and non-current).

3. Consolidated cash flow statement

The cash flow statement has been prepared applying the indirect method. Cash in the cash flow statement comprises the balance sheet items cash and cash equivalents as well as current borrowings, because current borrowings form an integral part of the Group's cash management. Cash flows in foreign currencies have been translated at average exchange rates. Exchange differences concerning cash items are shown separately in the cash flow statement. Income taxes paid/received are included in the cash flow from operating activities. Interest income and expenses and dividends paid are included in the cash flow from financing activities.

The purchase price of acquisitions paid, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. This purchase price paid, as well as the selling price received, is included in the consolidated cash flow statement net of cash acquired or disposed of, respectively.
Changes in assets and liabilities, which are the result of the acquisition and disposal of subsidiaries, are taken into account in the calculation of the consolidated cash flows.





4. Critical accounting estimates and judgments

In the preparation of financial statements, the Group makes certain critical accounting estimates and assumptions concerning the future. The resulting reported amounts will, by definition, rarely equal the related actual outcome. Estimates and judgments are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

The following estimates and assumptions have an inherent significant risk of potentially causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

4.1 Impairment of intangible assets

The Group tests whether intangible assets have suffered any impairment, in case of triggering events and at least annually. The recoverable amounts of cash-generating units have been determined using, amongst other instruments, value-in-use calculations. These calculations require the use of estimates. Based on these performed impairment tests, impairment losses are considered to be detected. However, should the actual performance of these cash-generating units become materially worse compared to the performance based upon the estimates, possible impairment losses could arise, or could deviate from the detected impairment losses. This impairment loss or deviation could have a material effect on the carrying amounts of the intangible assets.
For the accounting policies of intangible assets, refer to note 2.13.

4.2 Provisions

Due to the nature of provisions, a considerable part of their determination is based upon estimates and/or judgments, including assumptions concerning the future.
The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved.
The timing of outflow of resources to settle these obligations is subject to the same uncertain factors.

With respect to provisions the provision for workers' compensation is sensitive to changes in the interest rate. Should the interest rate deviate by 1%-point, with all other variables held constant, the amount of the provision would deviate in a range of € 1 – 2 million. Changes in the assumptions for the provision for pension and employee benefits are believed to have no material effects on the consolidated figures.

4.3 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the world-wide, deferred tax asset on, amongst other items, tax losses carry-forward and deferred tax liabilities. There are many uncertain factors that influence the amount of the tax losses carry-forward. The Group recognizes deferred tax assets on tax losses carry-forward based on their best estimates. When the actual results are different from the amounts that were initially estimated, such differences will impact the income tax in the income statement and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur.

5. Capital and financial risk management

5.1 Capital Management

Randstad Holding's policy is to maintain a strong capital base. We aim to be perceived as investment grade at all times. We believe this is important in order to maintain candidate, client, creditor and investor confidence and to sustain the future development of our business.
We aim to safeguard the Group's ability to continue as a going concern in order to provide returns for our shareholders and maintain an optimal capital structure to reduce the cost of capital.

Capital includes equity attributable to shareholders and preferred shares:

	2007	2006
Shareholders' equity	**1,021.6**	790.3
Preferred shares	**165.8**	165.8
Total capital	**1,187.4**	956.1

We monitor the geographic spread of shareholders as well as the concentration of shareholdings, including stakes in the share capital of above 5%. We aim to maintain a good balance between stability and liquidity of the shares.
The contract Randstad signed with its leading shareholder (for details please refer to page 38 of this annual report) is in line with the aim of achieving continuity. To ensure a good geographic spread we include many different countries in our roadshow programs, while we aim to include all investor types in these schedules as well as to ensure liquidity.

In 2007 we reviewed our capital structure. Randstad maintains its long term and conservative view on its balance sheet. We target a leverage ratio (net debt/EBITDA) of between 0 and 2, independent of the size of the company. This range is in line with our aim to be perceived as investment grade.

The leverage ratio is leading and if maintained within the boundaries the interest cover ratio would only provide an opinion on maximum interest rates. We no longer regard that as a necessity, as we deem floating interest rates to be a natural hedge in our operations. In fact, we no longer strive for an interest cover ratio (EBITDA/net interest) of at least 8.

Prolonged net cash positions (held over 1 year) will in the future be paid back to shareholders, preferably through share buy backs. We plan to request authorization at the next AGM (May 7, 2008) for the executive board to have the company acquire its own shares, up to a maximum of 10% of the total number of issued ordinary shares. The authorization will be limited to a maximum of 18 months and the aim is to renew the authorization each year. We intend to create long-term flexibility. Acquired shares will be put in treasury and can be used for future acquisitions or to offset dilution from management share plans.

Randstad has updated its dividend policy. As from 2007 we aim to achieve enhanced dividend protection for our shareholders, putting a floor of € 1.25 in the dividend, instead of a constant 40% payout. The new policy should not lead to a lower average dividend stream than would have been achieved under the old policy. We pursue consistent dividend growth through the cycle, while we aim not to lower the absolute dividend level in any given year. We want to achieve this with a minimum payout of 30% and a maximum payout of 60%. The updated policy is more in line with the cash flow trends, which usually show a more gradual development than earnings trends. For the coming years this means that dividend per share will grow from € 1.25 once the payout reaches 30%, and that it could only fall below € 1.25 if this would imply a payout higher than 60%.

5.2 Financial risk management

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign currency exchange risk and interest rate risk. The Group's overall risk management program is aimed at minimizing potential adverse effects on the financial performance of the Group.

Risk management procedures are carried out under policies, which have been approved by the executive board. Risk management procedures as well as the actual financial risks are also the subject of discussion in the audit committee of the supervisory board. Our risk & control framework is in place to ensure that risks are detected, measured and reported properly.

5.2.1 Credit risk

Credit risk within the Group arises from the possibility that customers and other counterparties may not be able to settle their obligation towards the Group as agreed.

Credit control departments of the operating companies manage the credit risk arising from operations. Credit control policies are included in our blueprints. To manage this risk, credit checks are performed upfront for new customers. For high-risk customers credit limits are put in place based on internal and/or external ratings. The risks included in trade receivables are strictly monitored on a day-to-day basis. The Group has no significant concentrations of credit risk, as the Group has very many customers in a large number of industries and countries.
The Group has established an allowance account for impairment of trade receivables.

The Group's (excess) cash positions are invested with its preferred financial partners, which are high quality financial institutions with sound credit ratings or in high rated liquidity funds. The Group has policies in place that limit the amount of credit exposure to any one financial institution.

5.2.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity risk is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities when due, under both normal and stressed conditions. This risk is managed by having sufficient availability of cash and committed and uncommitted credit lines, both at Group and local level, while optimizing the short term interest results and other related expenses. Cash flow forecasts, manual and automated cash concentration techniques are used in this respect.

5.2.3 Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk because it operates businesses in Asia, Europe and the United States. The Group uses the euro as its reporting currency. Currencies other than the euro that are of primary importance for the Group are the US dollar and the UK pound sterling.

The foreign currency exchange risk of the Group in respect of transactions is limited, because for the biggest part operating companies generate both revenues and expenses locally and therefore in the same currency.
All other foreign exchange transactions that mostly consist of intercompany financial flows (equity increases, dividends, intercompany loans and interests) are executed on a more or less spot basis. To limit the effect of volatility on the net debt to EBITDA ratio (which is a covenant in the financing arrangement) the Group has a policy to match the currencies in the net debt positions with the mix in the cash flow generation of the major currencies, but only if the expected cash flow in a certain currency is at least 10% of the total EBITDA of the Group. The currency mix of the debt can be easily adjusted, as the € 650 million syndicated revolving credit facility is a multi-currency facility. Therefore the use of derivatives is in principle not necessary.

Currency fluctuations can however affect the consolidated results, due to the translation of local results into the Group reporting currency.
Translation effects from consolidation may also impact shareholders' equity. The Group has a number of net investments in foreign subsidiaries, whose assets and liabilities are exposed to currency translation risk that is accounted for in equity. Currency exposures arising from the net assets of the Group's foreign operations are monitored and, when considered necessary, primarily controlled through borrowings denominated in the relevant foreign currencies.

If during the year 2007 the euro had weakened 10% on average against the currencies in North America (including the US dollar) and against the UK pound sterling, with all other variables held constant, operating profit for the year would have been € 2.5 million higher, due to the conversion of the North American results; the effects from the UK pound sterling on operating profit are negligible.

5.2.4 Interest rate risk

As the staffing industry has a natural hedge to interest rate changes (EBITDA levels usually more or less move up and down with interest rate levels) and since the Group is cash generating, the general policy towards interest rate risk is to keep interest rates on net debt floating as much as possible. We also believe this adds value for the shareholders in the long term as over time the short interest rates are on average significantly lower than the longer interest rates.

Group Treasury also manages the interest risk by assessing the risk of interest rates being able to cause a breach in any financing covenant.

If the interest rate had been 1%-point higher on average, with all other variables held constant, net interest income for the year 2007 would have been € 2.6 million higher due to the net effect of the increase of interest income on cash positions and interest expenses on floating rate borrowings.

notes to the consolidated income statement

(amounts in millions of €, unless otherwise indicated)

6. Revenue

Revenue by business segment:

	2007	2006
Mass-customized Europe and Asia	**5,960.5**	5,455.4
Mass-customized North America	**726.2**	1,023.2
Inhouse services Europe	**1,528.5**	974.2
Inhouse services North America	**406.7**	247.5
Interim professionals, search & selection	**616.0**	518.0
Eliminations	**(40.9)**	(32.2)
	9,197.0	8,186.1

Intragroup revenue:

	2007	2006
Mass-customized Europe and Asia	**23.0**	28.2
Inhouse services Europe	**7.5**	–
Interim professionals, search & selection	**10.4**	4.0
	40.9	32.2

Revenue by geographical area:

	2007	2006
Netherlands	**3,217.9**	2,912.2
Germany	**1,627.2**	1,307.4
Belgium/Luxembourg	**1,072.7**	923.6
France	**650.4**	532.2
Spain	**507.9**	498.0
United Kingdom	**268.4**	249.0
Italy	**317.1**	253.2
Other European countries	**282.1**	223.4
North America	**1,132.9**	1,270.7
Asia	**120.4**	16.4
	9,197.0	8,186.1

7. Cost of services

	2007	2006
Wages, salaries, social security and pension charges	**6,870.1**	6,182.2
Depreciation property, plant and equipment	**1.8**	1.4
Amortization software	**0.8**	0.5
Other cost of services	**294.6**	271.4
	7,167.3	6,455.5

For further information on wages, salaries, social security and pension charges included in cost of services, refer to note 36.

8. Gross profit

Gross profit by business segment:

	2007	2006
Mass-customized Europe and Asia	**1,413.6**	1,213.7
Mass-customized North America	**147.9**	198.4
Inhouse services Europe	**222.1**	138.9
Inhouse services North America	**49.9**	28.8
Interim professionals, search & selection	**197.2**	152.7
Eliminations	**(1.0)**	(1.9)
	2,029.7	1,730.6

Gross profit by geographical area:

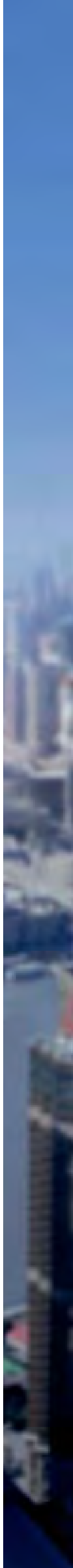
	2007	2006
Netherlands	**859.4**	708.1
Germany	**391.0**	325.4
Belgium/Luxembourg	**213.4**	173.6
France	**102.6**	75.5
Spain	**89.8**	80.3
United Kingdom	**60.6**	53.3
Italy	**54.1**	42.9
Other European countries	**54.1**	41.2
North America	**197.8**	227.2
Asia	**6.9**	3.1
	2,029.7	1,730.6

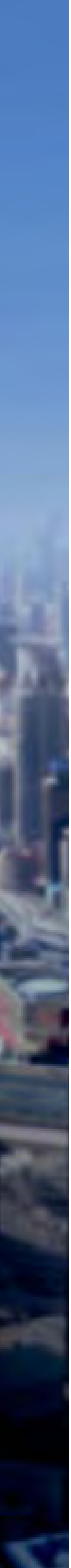
9. Selling expenses

Selling expenses include an amount of € 9.5 million (2006: € 8.0 million) related to impairment losses on trade receivables as well as other debt collection costs.

10. General and administrative expenses

General and administrative expenses include:
- foreign exchange losses in the amount of € 0.5 million (2006: € 0.1 million);
- book profit on sale of property, plant and equipment in the amount of € 0.2 million (2006: € 0.1 million).





11. Total operating expenses

Total operating expenses by nature:

	2007	2006
Personnel expenses	**1,021.1**	898.7
Depreciation property, plant and equipment	**37.2**	30.9
Amortization software	**11.4**	15.3
Advertising and marketing	**104.7**	91.6
Accommodation	**113.9**	106.0
Other	**187.0**	152.0
Operating expenses	**1,475.3**	1,294.5
Amortization acquisition-related intangible assets	**14.8**	11.5
Impairment goodwill	**–**	1.0
Total operating expenses	**1,490.1**	1,307.0

For further information on personnel expenses, refer to note 36.

12. Operating profit

Operating profit by business segment:

	2007	2006
Mass-customized Europe and Asia	**406.5**	313.6
Mass-customized North America	**6.2**	30.9
Inhouse services Europe	**91.5**	54.0
Inhouse services North America	**18.4**	8.5
Interim professionals, search & selection	**47.2**	42.5
Corporate	**(30.2)**	(25.9)
	539.6	423.6

12.1 Depreciation

	2007	2006
Depreciation buildings	**0.7**	0.7
Depreciation computer hardware	**13.0**	10.2
Depreciation leasehold improvements and furniture and fixtures	**25.3**	21.4
	39.0	32.3

Depreciation is included in cost of services in the amount of € 1.8 million (2006: € 1.4 million), in selling expenses in the amount of € 18.2 million (2006: € 15.4 million) and in general and administrative expenses in the amount of € 19.0 million (2006: € 15.5 million).

Depreciation by business segment:

	2007	2006
Mass-customized Europe and Asia	**22.5**	18.6
Mass-customized North America	**4.6**	3.7
Inhouse services Europe	**0.6**	0.5
Inhouse services North America	**0.1**	0.0
Interim professionals, search & selection	**3.3**	2.2
Facilities	**7.9**	7.3
	39.0	32.3

Depreciation by geographical area:

	2007	2006
Netherlands	**15.0**	13.0
Germany	**4.3**	3.1
Belgium/Luxembourg	**5.6**	4.6
France	**1.8**	1.3
Spain	**3.1**	3.3
United Kingdom	**1.7**	1.5
Italy	**1.3**	1.0
Other European countries	**0.9**	0.6
North America	**4.7**	3.7
Asia	**0.6**	0.2
	39.0	32.3

12.2 Amortization and impairment

	2007	2006
Amortization software	**12.2**	15.8
Amortization acquisition-related intangible assets	**14.8**	11.5
Impairment goodwill	**–**	1.0
	27.0	28.3

Amortization and impairment are included in cost of services in the amount of € 0.8 million (2006: € 0.5 million) and in general and administrative expenses in the amount of € 26.2 million (2006: € 27.8 million).

Amortization and impairment by business segment:

	2007	2006
Mass-customized Europe and Asia	**15.6**	15.7
Mass-customized North America	**1.2**	1.3
Inhouse services Europe	**0.0**	–
Interim professionals, search & selection	**5.0**	4.7
Facilities	**5.2**	6.6
	27.0	28.3

Amortization and impairment by geographical area:

	2007	2006
Netherlands	**11.2**	9.7
Germany	**9.1**	10.4
Belgium/Luxembourg	**1.0**	1.2
France	**0.0**	0.1
Spain	**0.3**	2.3
United Kingdom	**1.6**	1.4
Italy	**0.5**	0.5
Other European countries	**2.0**	1.4
North America	**1.2**	1.3
Asia	**0.1**	0.0
	27.0	28.3

12.3 Operating leases

In operating profit, an amount of € 160.0 million (2006: € 132.7 million) is included for operating leases.

12.4 Grants

Grants included in operating profit amount to € 15.8 million (2006: € 17.7 million), of which € 14.0 million (2006: € 14.9 million) is reported under cost of services.

13. Net finance costs

	2007	2006
Financial income		
Interest and similar income	**13.6**	11.0
Interest income due to passage of time:		
- held-to-maturity investments and loans and receivables	**0.3**	0.3
	13.9	11.3
Financial expenses		
Interest and similar expenses on current borrowings	**2.9**	3.7
Interest and similar expenses on non-current borrowings	**2.2**	6.7
Foreign exchange losses	**0.3**	0.2
Interest expenses due to passage of time:		
- defined benefit pension plans and other employee benefits	**1.5**	1.2
- workers' compensation and other provisions	**1.9**	1.5
	8.8	13.3
Dividend preferred shares	**7.2**	7.2
	16.0	20.5
Net finance costs	**2.1**	9.2

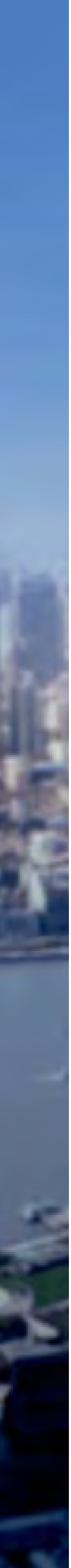
14. Taxes on income

	2007	2006
Current tax expense	**136.8**	136.3
Deferred tax expense/(income)	**17.8**	(82.2)
	154.6	54.1

In 2007, the average effective tax rate on income before taxes is 28.7% (2006: 13.1%). The reconciliation between the income tax rate of the company's country of domicile and the weighted average applicable tax rate (weighted average of the statutory applicable tax rates on the income before taxes of the companies in the Group), and the average effective tax rate, respectively, is as follows:

	2007	2006
Income tax rate of the company's country of domicile	**25.5%**	29.6%
Effect of income tax rates in other (non-domestic) jurisdictions	**4.9%**	3.1%
Weighted average applicable tax rate	**30.4%**	32.7%
Tax-exempt income	**(1.9%)**	(3.1%)
Changes in statutory applicable tax rates and effects prior years	**2.5%**	(8.6%)
Change in provisions on deferred tax assets and other	**(2.3%)**	(7.9%)
Average effective tax rate	**28.7%**	13.1%

The change in the weighted average applicable tax rate in 2007 compared to 2006 is caused by a changed mix of results of subsidiaries in countries with different tax rates. The item 'changes in statutory applicable tax rates and effects prior years' includes the effects on the valuation of deferred taxes due to the change in the statutory applicable tax rates, mainly in Germany (2007) and in the Netherlands and Spain (2006).



15. Net income

Net income includes:
- foreign exchange losses of € 0.8 million (2006: € 0.3 million).
- negative contribution (€ 4 million) to operating profit of the activities disposed of during 2007.

15.1 Net income, EBITA and EBITDA

	2007	2006
Net income	**384.9**	360.3
Taxes on income	**154.6**	54.1
Share of profit of associates	**(2.0)**	0.0
Net finance costs	**2.1**	9.2
Operating profit	**539.6**	423.6
Amortization acquisition-related intangible assets	**14.8**	11.5
Impairment goodwill	**–**	1.0
Operating profit before amortization acquisition-related intangible assets and impairment goodwill (EBITA)	**554.4**	436.1
Depreciation	**39.0**	32.3
Amortization software	**12.2**	15.8
Operating profit before depreciation, amortization and impairment goodwill (EBITDA)	**605.6**	484.2

EBITA by business segment:

	2007	2006
Mass-customized Europe and Asia	**417.2**	322.0
Mass-customized North America	**6.2**	30.9
Inhouse services Europe	**91.5**	54.0
Inhouse services North America	**18.4**	8.5
Interim professionals, search & selection	**51.3**	46.6
Corporate	**(30.2)**	(25.9)
	554.4	436.1

16. Earnings per ordinary share

	2007	2006
Net income attributable to ordinary shareholders	**384.9**	360.3
Amortization acquisition-related intangible assets and impairment goodwill (after taxes)	**10.1**	8.6
Net income attributable to ordinary shareholders before amortization acquisition-related intangible assets and impairment goodwill	**395.0**	368.9
Average number of ordinary shares outstanding (in millions)	**116.4**	115.8
Basic earnings per ordinary share (€)	**3.31**	3.11
Average number of diluted ordinary shares outstanding (in millions)	**116.8**	116.3
Diluted earnings per ordinary share (€)	**3.30**	3.10
Diluted earnings per ordinary share before amortization acquisition-related intangible assets and impairment goodwill (€)	**3.38**	3.17

Basic earnings per ordinary share are calculated by dividing the net income attributable to the ordinary shareholders of Randstad Holding nv by the weighted average number of ordinary shares outstanding during the year, being issued ordinary share capital, adjusted for ordinary shares purchased by Randstad Holding nv and held as treasury shares.

Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based payment arrangements.

Weighted average number of ordinary shares outstanding

(in millions of shares)	2007	2006
Weighted average number of ordinary shares outstanding	**116.4**	115.8
Dilutive effect of share-based payments	**0.4**	0.5
Weighted average number of diluted ordinary shares outstanding	**116.8**	116.3

notes to the consolidated balance sheet

(amounts in millions of €, unless otherwise indicated)

17. Property, plant and equipment

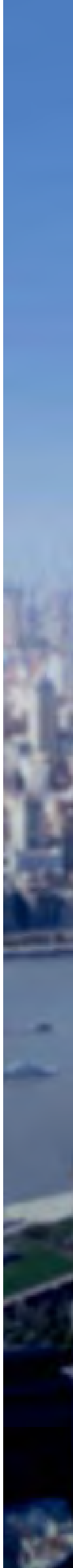
Property, plant and equipment by business segment:

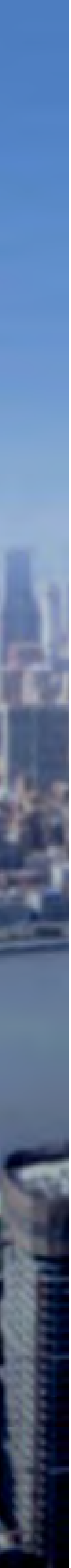
	2007	2006
Mass-customized Europe and Asia	**66.3**	55.9
Mass-customized North America	**12.0**	13.1
Inhouse services Europe	**1.7**	1.1
Inhouse services North America	**0.3**	0.3
Interim professionals, search & selection	**11.9**	6.7
Facilities	**43.5**	40.0
	135.7	117.1

Changes in property, plant and equipment are:

	Buildings and land	Computer hardware	Leasehold improvements, furniture and fixtures	Total
Cost	43.8	98.8	220.2	362.8
Accumulated depreciation	19.7	74.8	169.0	263.5
Book value at January 1, 2006	**24.1**	**24.0**	**51.2**	**99.3**
Book value at January 1, 2006	**24.1**	**24.0**	**51.2**	**99.3**
Acquisition of subsidiaries	–	2.1	1.1	3.2
Additions	–	11.4	39.4	50.8
Disposals	–	(1.0)	(1.7)	(2.7)
Depreciation	(0.7)	(10.2)	(21.4)	(32.3)
Translation differences	–	(0.4)	(0.8)	(1.2)
Book value at December 31, 2006	**23.4**	**25.9**	**67.8**	**117.1**
Cost	43.8	96.6	243.3	383.7
Accumulated depreciation	20.4	70.7	175.5	266.6
Book value at December 31, 2006	**23.4**	**25.9**	**67.8**	**117.1**
Book value at January 1, 2007	**23.4**	**25.9**	**67.8**	**117.1**
Acquisition of subsidiaries	–	0.3	0.3	0.6
Additions	–	19.5	41.0	60.5
Disposals	–	(0.2)	(1.9)	(2.1)
Depreciation	(0.7)	(13.0)	(25.3)	(39.0)
Translation differences	–	(0.4)	(1.0)	(1.4)
Book value at December 31, 2007	**22.7**	**32.1**	**80.9**	**135.7**
Cost	43.8	117.0	273.9	434.7
Accumulated depreciation	21.1	84.9	193.0	299.0
Book value at December 31, 2007	**22.7**	**32.1**	**80.9**	**135.7**

Leasehold improvements include expected site restoration costs.





Based on appraisals made by independent and expert appraisers, the estimated fair value of buildings and land is € 20 to € 25 million higher than book value.

Additions property, plant and equipment by business segment:

	2007	2006
Mass-customized Europe and Asia	**34.5**	28.2
Mass-customized North America	**5.3**	11.3
Inhouse services Europe	**0.9**	0.3
Inhouse services North America	**0.2**	0.3
Interim professionals, search & selection	**8.3**	4.8
Facilities	**11.3**	5.9
	60.5	50.8

Additions property, plant and equipment by geographical area:

	2007	2006
Netherlands	**23.3**	15.8
Germany	**10.3**	5.5
Belgium/Luxembourg	**8.1**	7.5
France	**3.8**	2.9
Spain	**1.8**	2.1
United Kingdom	**2.6**	1.8
Italy	**3.0**	1.2
Other European countries	**1.3**	1.1
North America	**5.5**	11.6
Asia	**0.8**	1.3
	60.5	50.8

18. Intangible assets

	2007	2006
Software	**35.3**	33.5
Goodwill and acquisition-related intangible assets	**398.0**	290.7
	433.3	324.2

Intangible assets by business segment:

	2007	2006
Mass-customized Europe and Asia	**340.0**	222.9
Mass-customized North America	**1.7**	2.3
Interim professionals, search & selection	**78.5**	81.9
Facilities	**13.1**	17.1
	433.3	324.2

18.1 Software

Changes in software are:

	Developed software	Other software	Total
Cost	34.1	59.0	93.1
Accumulated amortization	12.3	48.5	60.8
Book value at January 1, 2006	**21.8**	**10.5**	32.3
Book value at January 1, 2006	21.8	10.5	32.3
Acquisition of subsidiaries	5.7	0.5	6.2
Additions	4.7	6.3	11.0
Amortization	(7.9)	(7.9)	(15.8)
Translation differences	–	(0.2)	(0.2)
Book value at December 31, 2006	**24.3**	**9.2**	**33.5**
Cost	43.9	59.8	103.7
Accumulated amortization	19.6	50.6	70.2
Book value at December 31, 2006	**24.3**	**9.2**	**33.5**
Book value at January 1, 2007	24.3	9.2	33.5
Acquisition of subsidiaries	–	0.2	0.2
Additions	6.2	7.7	13.9
Disposals	0.0	0.0	0.0
Amortization	(5.5)	(6.7)	(12.2)
Translation differences	(0.1)	–	(0.1)
Book value at December 31, 2007	**24.9**	**10.4**	**35.3**
Cost	49.8	64.9	114.7
Accumulated amortization	24.9	54.5	79.4
Book value at December 31, 2007	**24.9**	**10.4**	**35.3**

Additions software by business segment:

	2007	2006
Mass-customized Europe and Asia	**10.1**	5.9
Mass-customized North America	**0.6**	1.8
Inhouse services Europe	**0.1**	–
Interim professionals, search & selection	**1.4**	1.4
Facilities	**1.7**	1.9
	13.9	11.0

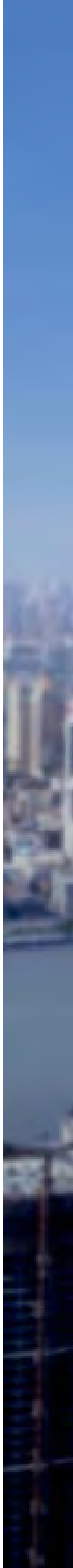
Additions software by geographical area:

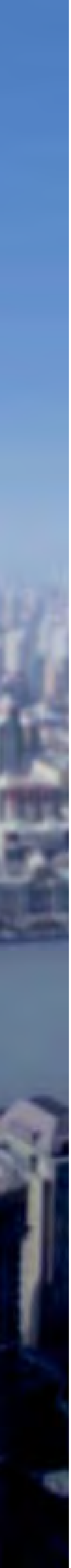
	2007	2006
Netherlands	**6.6**	3.8
Germany	**3.3**	2.5
Belgium/Luxembourg	**1.6**	0.0
France	**0.1**	0.1
Spain	**0.7**	0.6
United Kingdom	**0.3**	1.6
Italy	**0.2**	0.2
Other European countries	**0.3**	0.4
North America	**0.6**	1.8
Asia	**0.2**	0.0
	13.9	11.0

18.2 Goodwill and acquisition-related intangible assets

Changes in goodwill and acquisition-related intangible assets are:

	Goodwill	Acquisition-related intangible assets		Total
		Customer relationships	Brand names and flexworker databases	
Cost	58.1	19.4	6.0	83.5
Accumulated amortization	–	2.3	2.2	4.5
Book value at January 1, 2006	**58.1**	**17.1**	**3.8**	**79.0**
Book value at January 1, 2006	58.1	17.1	3.8	79.0
Acquisition of subsidiaries	156.4	66.0	1.5	223.9
Adjustments to goodwill	(0.2)	–	–	(0.2)
Amortization	–	(9.4)	(2.1)	(11.5)
Impairment	(1.0)	–	–	(1.0)
Translation differences	0.1	0.2	0.2	0.5
Book value at December 31, 2006	**213.4**	**73.9**	**3.4**	**290.7**
Cost	213.4	85.7	7.6	306.7
Accumulated amortization	–	11.8	4.2	16.0
Book value at December 31, 2006	**213.4**	**73.9**	**3.4**	**290.7**
Book value at January 1, 2007	213.4	73.9	3.4	290.7
Acquisition of subsidiaries	82.8	33.5	1.6	117.9
Goodwill from prior associates	1.7	–	–	1.7
Adjustments to goodwill	3.9	–	–	3.9
Amortization	–	(13.1)	(1.7)	(14.8)
Translation differences	(1.1)	(0.1)	(0.2)	(1.4)
Book value at December 31, 2007	**300.7**	**94.2**	**3.1**	**398.0**
Cost	300.7	119.2	9.0	428.9
Accumulated amortization	–	25.0	5.9	30.9
Book value at December 31, 2007	**300.7**	**94.2**	**3.1**	**398.0**





Goodwill
The value at cost for goodwill includes the accumulated impairment.
The majority of the adjustments to goodwill (€ 3.9 million) relates to adjustments in the provisional accounting of acquired companies.

Impairment testing for cash-generating units
The realizable value of the various cash-generating units for which goodwill is capitalized, is based upon value in use. The value in use is determined by means of cash flow projections based on the actual operating results and the expected future performance based upon management's estimates and assumptions of revenue growth and developments of operating margins, assessed with external data, covering a period of, in principle, five years. Cash flow projections after this period are extrapolated by means of a growth percentage of 2% throughout the Group. For the cash-generating units in Asia, a 10-year period is used instead of 5 years, because the countries in which these cash-generating units are located are considered emerging-markets with long-term growth perspectives.

The discount rate used in the post-tax cash flow projections for the determination of the value in use is in general 10% and is post-tax, with upward adjustments, in the range of 0% - 4%, for country-specific circumstances when considered necessary. A post-tax discount percentage is used, since these are readily available in the financial markets.
The values assigned to the key assumptions – such as revenue growth rates and operating margins – represent management's assessment of short and long-term trends in the economic environments of the cash-generating units and are based on both external and internal data.

For 2007 and 2006, the calculated value in use of the various cash-generating units is higher than the carrying amount, with the exception of one cash-generating unit in 2006. As a consequence, no impairments are recognized in 2007, while in 2006 an impairment of € 1.0 million was recognized.

Impairment testing also includes an assessment of whether a reasonable change in the key assumptions would cause the value in use to fall below the carrying amount.
A decrease of 1%-point in the growth percentages for revenue or an increase of 1%-point in the discount percentage, with all other factors held constant, also indicate that no impairment was needed in 2007.

The carrying amount of goodwill per cash-generating unit:

	2007	2006
Randstad Deutschland GmbH & Co KG (Germany)	**74.4**	63.6
Randstad Nederland bv (The Netherlands)	**55.9**	47.7
Team BS Management Holding GmbH (Germany)	**43.3**	–
Teccon GmbH & Co KG (Germany)	**26.4**	26.4
Martin Ward Anderson Ltd (United Kingdom)	**15.0**	16.2
Other	**85.7**	59.5
	300.7	213.4

Other information goodwill and acquisition-related intangible assets
Additions goodwill and other intangible assets due to acquisitions by business segment:

	2007	2006
Mass-customized Europe and Asia	**117.6**	175.3
Mass-customized North America	**0.2**	–
Interim professionals, search & selection	**0.1**	48.6
	117.9	223.9

Additions goodwill and acquisition-related intangible assets due to acquisitions by geographical area:

	2007	2006
Netherlands	**21.8**	78.0
Germany	**75.7**	133.5
Belgium/Luxembourg	**0.7**	6.0
United Kingdom	**0.1**	–
Other European countries	**18.5**	–
North America	**0.2**	–
Asia	**0.9**	6.4
	117.9	223.9

18.3 Business combinations

During 2007 and 2006 the following companies were acquired:

Company	Acquired % of shares	Acquisitions date	Earnout arrangements
OK Consulting gcv (Belgium)	100	January 5, 2007	Yes
Thremen BV (The Netherlands)	100	March 29, 2007	No
Talent Shanghai Co., Ltd (China)	23	April 2, 2007	No
Job One SA (Switzerland)	100	June 26, 2007	Yes
Pacific Team Ltd. (Hong Kong)	100	August 20, 2007	No
Team BS Management Holding GmbH (Germany)	100	October 1, 2007	Yes
Centrale Inkomensadministratie Nederland 'CIAN' BV (The Netherlands)	100	October 1, 2007	No
Gamma Dienstverlening B.V. (The Netherlands)	100	January 2, 2006	No
Galilei nv (Belgium)	100	January 16, 2006	Yes
Bindan GmbH & Co KG (Germany)	100	January 19, 2006	No
Teccon GmbH & Co KG (Germany)	100	January 19, 2006	No
Team HR Limited (India)	100	April 12, 2006	No
Worktoday (activities; The Netherlands)	100	May 22, 2006	No
Pink Roccade Public Sector bv (The Netherlands)	100	October 4, 2006	No
Talent Academy BV (The Netherlands)	100	December 22, 2006	Yes

The main activities of these companies are temporary and contract staffing; including HR Solutions.
The earnout arrangements generally comprise agreements for the former shareholder(s)/manager(s) to stay for a number of years after acquisition, supplemented with certain financial parameters in respect of the acquired business.

Information about acquisitions
The assets and liabilities arising from acquisitions, as well as the breakdown of the total amount of goodwill are:

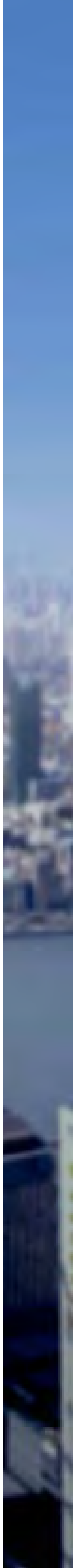
	2007		2006
	Total		Total
	Carrying amount	Fair value	Fair value
Property, plant and equipment	0.5	0.6	3.2
Software	0.2	0.2	6.2
Acquisition-related intangible assets	–	35.1	67.5
Deferred tax assets	0.1	0.3	1.8
Loans and receivables	–	–	3.7
Working capital [1]	(11.6)	(11.6)	12.8
Provisions	–	(0.9)	(14.1)
Deferred tax liabilities	(0.1)	(9.9)	(5.1)
Net assets acquired (100%)	(10.9)	13.8	76.0
Less: net value already included in associate and minority interest		1.6	
Sub-total		12.2	
Goodwill		82.8	156.4
Total consideration		95.0	232.4

1 including € 0.2 million minority interest

Goodwill is mainly attributable to the synergies expected to arise after the Group's acquisition of these companies and to the workforce of the acquired businesses.

Goodwill is based upon the expected costs of these acquisitions amounting to € 95.0 million (2006: € 232.4 million), of which € 91.5 million is paid during 2007 (2006: € 225.7 million) and the remaining part is included under liabilities as at December 31 of the year of acquisition.
The expected costs of all acquisitions are (to be) paid in cash.

In 2007, the acquired businesses contributed € 148.9 million to the Group's revenue (for acquisitions in 2006: € 241.8 million) and € 1.9 million to the Group's operating profit (for acquisitions in 2006: € 8.4 million). If these acquisitions had occurred on January 1, 2007, Group revenue and operating profit would have been higher (on an annual basis) by approximately € 240 million and € 4 million respectively (for acquisitions in 2006: approximately € 280 million and € 14 million respectively).



The reconciliation of the amount of acquisition of subsidiaries in the cash flow statement is as follows:

	2007	2006
Total consideration	95.0	232.4
Deferred compensations	(3.5)	(6.7)
Consideration paid	91.5	225.7
Net debt/(net cash) of subsidiaries acquired, included in working capital	12.7	(16.8)
Consideration paid, adjusted for net debt/(net cash) acquired for acquisitions during the year	104.2	208.9
Consideration paid in respect of acquisitions in preceding years	4.4	7.6
Acquisition of subsidiaries, cash flow statement	108.6	216.5

Information about the disposal of subsidiaries and activities
During the year, the Group disposed of relatively small activities – in the mass-customized segment in both the United States and the Netherlands –, with a cash consideration of € 1 million; the disposed activities represented a net value of current assets and liabilities of € 5 million (2006: € 49 million and € 47 million respectively for disposals in mainly the mass-customized segment and in the United States).

19. Deferred and current income taxes

19.1 Deferred income tax assets

Deferred tax assets are attributable to the following:

	2007	2006
Goodwill	113.3	140.3
Tax losses carry-forward	69.6	67.0
Temporary differences	99.6	121.7
Total deferred income tax assets	282.5	329.0

Deferred tax assets in relation to goodwill comprise the tax effects arising from goodwill that has been directly charged to shareholders' equity at acquisition date, based on (Dutch) accounting principles prevalent at that time and in accordance with the exemptions offered by IFRS 1 at the transition date to IFRS (January 1, 2004).
Deferred tax assets in relation to tax losses carry-forward comprise an amount of € 62 million (2006: € 55 million) in receivables originating from subsidiaries that showed (tax) losses in the current or preceding year. At balance sheet date, the net valuation of these deferred tax assets is determined based upon the probable recoverability, which is based upon management's expectations.
Deferred tax assets in relation to temporary differences originate from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The composition of deferred tax assets in relation to temporary differences is as follows:

	2007	2006
Property, plant, equipment and software	10.0	6.8
Other receivables/other payables	68.8	95.3
Provisions	20.8	19.6
	99.6	121.7

The recoverability of deferred tax assets resulting from net operating losses and timing differences is reviewed annually, based upon management's estimates and assumptions of revenue growth and development of operating margins of the Group companies concerned, assessed with external data. Significant judgment is required. Deviations from these estimates and assumptions can affect the value of deferred tax assets and may, in that case, have a material impact on the effective tax rate. The actual outcome may differ significantly from the outcome estimated by management.

In the assessment of the recoverability of deferred tax assets, forecasts are used that are based on the actual operating results and the expected future performance based upon management's estimates and assumptions of revenue growth and developments of operating margins, assessed with external data. The first five years – in principle – are based on internal projections and strategic plans; projections after this period are extrapolated. These projections are assessed with a number of scenarios to cover reasonable changes in the assumptions of the projections. These changes mainly relate to this five-year period and to variations in revenue growth percentages and operating margin percentages. The number of years taken into account is assessed using the estimated risk premium.
The several scenarios give potential outcomes that deviate from the carrying amount within a range of up to € 50 million, upwards or downwards.

Certain deferred tax assets, the recoverability of which is considered not probable, are valued at nil. These comprise deferred tax assets relating to goodwill of approximately € 4 million (2006: approximately € 16 million), deferred tax assets in relation to tax losses carry-forward of approximately € 92 million (2006: approximately € 105 million) and deferred tax assets relating to other temporary differences of approximately € 26 million (2006: approximately € 22 million). The majority of the unrecognized tax losses will expire between 2022 and 2027.

The part of deferred tax assets that is expected to be recovered within one year is estimated at € 11 million (2006: € 12 million).

19.2 Deferred income tax liabilities

Deferred income tax liabilities are attributable to the following:

	2007	2006
Recapture obligations	**266.3**	288.5
Temporary differences	**21.0**	10.4
Total deferred income tax liabilities	**287.3**	298.9

The deferred tax liability with respect to recapture obligations ensues from incorporation in the Netherlands of tax losses incurred in the United States and Germany.
The deferred tax liability for temporary differences originates from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The part of deferred tax liabilities that is expected to be settled within one year is estimated at € 38 million (2006: € 36 million).

19.3 Movements in total position taxes on income

Changes in the total position of taxes on income are:

	2007	2006
Assets / (liabilities) taxes on income		
Deferred tax assets	**329.0**	339.7
Current income tax receivables	**6.1**	3.2
Deferred tax liabilities	**(298.9)**	(357.4)
Current income tax payables	**(48.4)**	(27.9)
Value at January 1	**(12.2)**	(42.4)
Movements during the year		
Charged to income statement	**(154.6)**	(54.1)
Net payments	**153.0**	105.6
Acquisition of subsidiaries' deferred taxes	**(9.6)**	(3.3)
Acquisition of subsidiaries' income taxes	**(0.6)**	0.1
Effect on deferred taxes from adjustments to acquisitions in prior years	**1.1**	–
Recognized in shareholders' equity	**1.9**	3.0
Translation losses	**(21.2)**	(21.1)
Total movements	**(30.0)**	30.2
Assets/(liabilities) taxes on income		
Deferred tax assets	**282.5**	329.0
Current income tax receivables	**20.1**	6.1
Deferred tax liabilities	**(287.3)**	(298.9)
Current income tax payables	**(57.5)**	(48.4)
Value at December 31	**(42.2)**	(12.2)

20. Financial assets

	2007	2006
Held-to-maturity investments	**5.9**	5.0
Loans and receivables	**4.3**	4.2
	10.2	9.2

The held-to-maturity investments, loans and receivables are neither past due nor impaired. These financial assets have counterparties such as (semi-) governmental bodies or insurance companies.

The Group does not hold any collateral as security.

Changes in held-to-maturity investments are:

	2007	2006
Value at January 1	**5.4**	4.6
Additions	**0.5**	0.5
Interest due to passage of time	**0.3**	0.3
Value at December 31	**6.2**	5.4
Non-current portion	**5.9**	5.0
Current portion	**0.3**	0.4
Total held-to-maturity investments	**6.2**	5.4

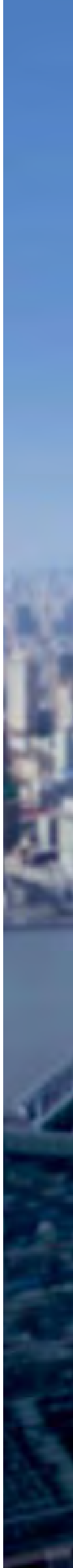
Held-to-maturity investments relate to loans with an average remaining term of 13 years (2006: 13 years) and an effective interest rate of 5.5% (2006: 5.5%). The nominal value of held-to-maturity investments amounts to € 11.0 million (2006: € 9.8 million) and represents best the maximum exposure to credit risk. The book value of held-to-maturity investments approximates the fair value as of January 1 and December 31, 2007.

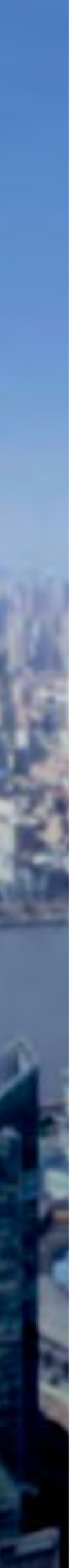
Changes in loans and receivables are:

	2007	2006
Value at January 1	**4.2**	0.6
Acquisitions of subsidiaries	**–**	3.7
Additions	**0.2**	–
Translation differences	**(0.1)**	(0.1)
Value at December 31	**4.3**	4.2

The loans and receivables are considered to be non-current in full.

The loans and receivables do not have a fixed maturity date; the average effective interest rate is 4.0% (2006: 4.0%).





The book value of the loans and receivables approximates the fair value as of January 1 and December 31, 2007, and represents best the maximum exposure to credit risk.

21. Associates

Changes in associates are:

	2007	2006
Value at January 1	**2.7**	–
Acquisitions	**478.9**	2.7
Share of profit	**2.0**	0.0
Translation differences	**0.0**	0.0
Accounted for as a consolidated subsidiary	**(2.7)**	–
Value at December 31	**480.9**	2.7

As per April 2, 2007 the Group acquired an additional 23% of the shares of the associate Talent Shanghai Co., Ltd, China, resulting in a 70% interest. As of that date this company was consolidated as a subsidiary.
In the first quarter of 2007, the fair value of the net assets of Talent Shanghai Co., Ltd as of the moment the Group acquired 47% of the shares, has been adjusted, leading to a total goodwill of € 1.7 million. The goodwill included in the carrying amount of associates is reclassified to goodwill.

Following the company's announcement of the public offer for the shares of Vedior N.V., the company acquired 15.03% of the shares of Vedior N.V. during December 2007.

The carrying amount of associates at December 31, 2007 includes goodwill of € 0.4 billion (2006: € 0.9 million); total assets amount to € 3.3 billion and liabilities to € 2.4 billion as at December 31, 2007 (2006: € 9.7 million and € 5.9 million respectively), total revenue in 2007 amounts to € 8.4 billion (2006: € 55 million) and our share in net income 2007 is € 2.0 million (2006: approximately nil).

The 15.03% shareholding in Vedior N.V. is classified as an associate, because following the merger agreement between Randstad Holding nv and Vedior N.V. important financial and operational decisions by Vedior require the approval of the executive board of Randstad Holding nv. Randstad Holding nv is therefore considered to have significant influence over the financial and operational policies of Vedior.

The level of transactions between the Group and Vedior companies during 2007 is approximately € 4 million.

The fair value of the shares amounts to € 450 million.

22. Trade and other receivables

	2007	2006
Trade receivables	**1,419.0**	1,352.9
Less: provision for impairment	**25.4**	25.3
Trade receivables, net of provision for impairment	**1,393.6**	1,327.6
Other receivables	**144.5**	90.3
Prepayments	**32.0**	24.7
Held-to-maturity investments	**0.3**	0.4
	1,570.4	1,443.0

The book value of these receivables equals the fair value.

The Group does not hold any collateral as security.

Movements in the provision for impairment of trade receivables are:

	2007	2006
Value at January 1	**25.3**	27.9
Charged to income statement	**6.4**	4.9
Receivables written off as uncollectible	**(6.1)**	(7.9)
Acquisition of subsidiaries	**0.2**	0.6
Translation differences	**(0.4)**	(0.2)
Value at December 31	**25.4**	25.3

In the provision for impairment of trade receivables an amount of € 19.7 million (2006: € 18.3 million) is included for individually-impaired receivables.

The charge to the income statement has been included in selling expenses.

Amounts charged to the provision for impairment of trade receivables are generally written off when there is no expectation of recovering additional cash.

There is no concentration of credit risk with respect to trade receivables, as the Group has a high number of customers in a large number of industries and countries.

The aging of trade receivables, based upon invoice date, is:

Categories	2007		2006	
	amount	%	amount	%
0-4 weeks	**898.3**	63.3	892.9	66.0
5-16 weeks	**470.1**	33.1	410.6	30.3
17-26 weeks	**21.3**	1.5	19.9	1.5
Not impaired	**1,389.7**		1,323.4	
Impaired	**29.3**	2.1	29.5	2.2
	1,419.0	100.0	1,352.9	100.0

The trade receivables that are neither past due nor impaired amount to € 1,019 million (2006: € 974 million); an amount of € 371 million (2006: € 349 million) is past due, but not impaired.

The information with regard to aging categories is – in line with internal management reporting and credit control procedures – based upon invoice date, since management considers that as from this date the risk of non-payment starts.

The impaired trade receivables are provided for excluding value-added taxes.

23. Cash and cash equivalents

	2007	2006
Time deposits	**221.0**	65.1
Cash on hand and in banks	**163.1**	281.4
	384.1	346.5

The time deposits fall due within a one-month average. The average interest rate for the time deposits is 4.1% (2006: 3.5%). All cash and cash equivalents are available on demand.

24. Total assets

Assets by business segment and geographical area include all assets with the exception of deferred tax assets, current income tax receivables and cash and cash equivalents.

	2007	2006
Total assets	**3,317.2**	2,577.8
Less:		
- deferred tax assets	**282.5**	329.0
- current income tax receivables	**20.1**	6.1
- cash and cash equivalents	**384.1**	346.5
Assets by business segment and geographical area	**2,630.5**	1,896.2

Assets by business segment:

	2007	2006
Mass-customized Europe and Asia	**1,492.3**	1,345.3
Mass-customized North America	**96.8**	135.0
Inhouse services Europe	**302.3**	151.7
Inhouse services North America	**39.2**	28.3
Interim professionals, search & selection	**224.2**	173.0
Facilities	**53.1**	66.8
Corporate	**527.6**	31.8
Eliminations	**(105.0)**	(35.7)
	2,630.5	1,896.2

Assets by geographical area are:

	2007	2006
Netherlands	**1,209.7**	675.7
Germany	**469.5**	364.6
Belgium/Luxembourg	**242.8**	212.8
France	**192.9**	168.0
Spain	**123.8**	127.2
United Kingdom	**79.2**	78.1
Italy	**74.2**	53.5
Other European countries	**94.1**	64.3
North America	**136.0**	163.3
Asia	**23.4**	9.2
Eliminations	**(15.1)**	(20.5)
	2,630.5	1,896.2

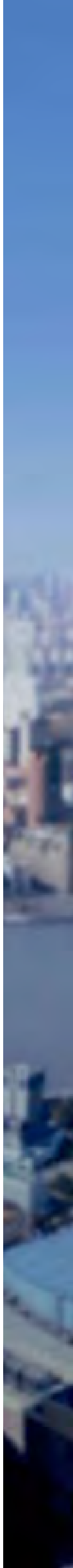
25. Shareholders' equity and dividends per share

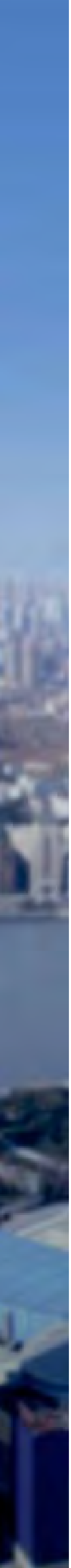
25.1 Shareholders' equity

Additional information about shareholders' equity is included in the consolidated statement of changes in Group equity.

Authorized capital is € 50 million and consists of 200,000,000 ordinary shares with a nominal value of € 0.10, 50,000 type-A preferred shares with a nominal value of € 500 and 50,000,000 type-B preferred shares with a nominal value of € 0.10. Issued share capital consists of 116,606,865 ordinary shares (2006: 116,096,328) and 25,200,000 type-B preferred shares (2006: 25,200,000) at year-end. The increase in the number of outstanding ordinary shares is solely caused by the issue of these shares from share-based payment arrangements.

The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the euro starting January 1, 2004. Such translation differences are recognized initially in this separate component of shareholders' equity and recognized in the income statement on disposal of the net investment.





Refer to note 7 of the company financial statements for the restrictions on the distribution of dividends and the repayment of capital.

The company has various share-based payment arrangements. Additional information with regard to these arrangements is included in note 38. Included in the income statement is an amount of € 11.2 million (2006: € 4.6 million) for share-based payments.
At year-end 2007, 1,512,000 stock options (2006: 1,458,000 stock options) are outstanding, which upon exercise will lead to the issuance of the same number of new ordinary shares.

At December 31, 2007, the company held no treasury shares (2006: 36,000 shares, with a value of € 0.4 million relating to 36,000 stock options outstanding, which were granted to members of the executive board in 2002).

25.2 Dividends on ordinary and preferred shares

Dividends paid in 2007 and 2006 on ordinary shares amounted to € 145.3 million (€ 1.25 per share) and € 90.7 million (€ 0.84 per share), respectively. Dividends paid in 2007 on preferred shares amounted to € 7.2 million (2006: € 8.4 million) or € 0.284 per preferred share (2006: € 0.33 per preferred share). For 2007, a dividend of € 1.25 per ordinary share, amounting to a total dividend of € 145.8 million, will be proposed at the Annual General Meeting of Shareholders to be held on May 7, 2008. These financial statements do not reflect this proposal. The dividend on preferred shares is reported under net finance costs.

Dividends on ordinary and preferred shares during recent years are:

	Dividend related to:		
	2007	2006	2005
Ordinary shares:			
- dividend paid during 2006			90.7
- dividend paid during 2007		145.3	
- dividend 2007 proposed	**145.8**		
Preferred shares:			
- dividend paid during 2006			8.4
- dividend paid during 2007		7.2	
- dividend payable at end of 2007	**7.2**		

26. Preferred shares

	2007	2006
Issued preferred shares	**2.5**	2.5
Share premium	**163.3**	163.3
	165.8	165.8

The dividend on preferred shares is reviewed every seven years. The last review took place in November 2005 and the dividend has been set at € 0.284 per preferred share. The next review of the dividend will take place in November 2012. Only the company can propose to the Annual General Meeting of Shareholders to decide to repay the preferred shares.
The estimated fair value of the preferred shares at December 31, 2007 amounts to € 137 million (2006: the estimated fair value approximated the carrying amount).

27. Borrowings

	2007	2006
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	**460.0**	–
Current borrowings	**68.3**	96.2
Total borrowings	**528.3**	96.2

Changes in non-current borrowings are:

	2007	2006
Non-current borrowings January 1	–	130.5
Drawings	**460.0**	–
Repayments	–	(130.5)
Non-current borrowings December 31	**460.0**	–

The company has a € 650 million multi-currency syndicated revolving credit facility at its disposal, of which € 29 million will mature in June 2011 and € 621 million will mature in June 2012. The company, however, had the opportunity in June 2007, and will again have in June 2008, to request the banks to extend the maturity date by one year at each date (so-called '5+1+1 facility'). The company made use of this opportunity in June 2007. There is no repayment schedule.

The credit facility has an interest rate that is based each time on the term of the drawings, increased with a margin above the applicable Euribor or Libor rates. This margin is variable and depends on the (senior) net debt leverage ratio. At the end of 2007, the drawings under this facility amount to € 460 million. The average interest rate at year-end is 5.05% for a term shorter than one month and is also the effective interest rate because the interest rate on the credit facility fluctuates with market trends. At the end of 2006, there were no drawings under this facility.

The non-current borrowings are fully denominated in euros. The majority of current borrowings are denominated in euros. An amount of € 4 million is denominated in US dollars (2006:

€ 11 million) and an amount of € 16 million is denominated in UK pounds sterling (2006: € 14 million).

Negative pledges have been issued for the purposes of bank overdraft facilities and 'pari passu' clauses apply.
At year-end, the Group has no outstanding interest rate or currency derivatives.

The amount of committed credit facilities is € 650 million (2006: € 650 million).

28. Provisions

	2007	2006
Provisions for pensions and employee benefits	**15.6**	14.7
Provisions for restructuring, workers' compensation and other	**72.2**	67.8
	87.8	82.5
Non-current provisions	**46.7**	49.4
Current provisions	**41.1**	33.1
	87.8	82.5

28.1 Provisions for pensions and employee benefits

The provisions for pension and employee benefits relate to the following items:

	2007	2006
Defined benefit plan, corporate employees Belgium	**(1.8)**	(1.0)
Defined benefit plan, staffing and corporate employees Switzerland	**1.2**	0.7
Defined benefit plan, corporate employees Germany	**8.9**	8.6
Defined benefit plan, corporate employees the Netherlands	**2.1**	1.3
Termination indemnity plans	**5.2**	5.1
	15.6	14.7

The breakdown of the provisions for the defined benefit pension plans and other employee benefits is:

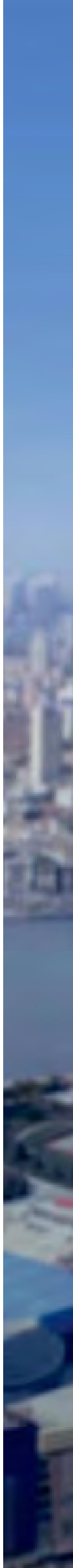
	2007	2006
Present value of funded obligations	**41.0**	33.9
Present value of unfunded obligations	**7.3**	6.4
Total present value of obligations	**48.3**	40.3
Fair value of plan assets	**(30.6)**	(22.9)
	17.7	17.4
Unrecognized actuarial losses	**(2.1)**	(2.7)
Liability in the balance sheet	**15.6**	14.7

The amounts recognized in the income statement are:

	2007	2006
Current service costs, employer	**14.1**	11.6
Amortization of gains and losses	**0.0**	0.1
Expected return on plan assets	**(1.4)**	(1.1)
Charged to operating result	**12.7**	10.6
Interest expenses due to passage of time	**1.5**	1.2
Charged to income statement	**14.2**	11.8

The changes in the present value of the defined benefit pension plans and other employee benefit obligations are:

	2007	2006
Value at January 1	**40.3**	22.0
Acquisitions of subsidiaries	**3.7**	9.5
Effects from adjustments to acquisitions in prior years	**0.7**	–
Current service costs, total	**15.6**	12.7
Interest expenses due to passage of time	**1.5**	1.2
Benefits paid	**(12.7)**	(9.2)
Unrecognized actuarial results, net	**(0.5)**	4.4
Translation differences	**(0.3)**	(0.3)
Value at December 31	**48.3**	40.3



The changes in the fair value of the plan assets with respect to defined benefit pension plans are:

	2007	2006
Value at January 1	**22.9**	17.1
Acquisitions of subsidiaries	**2.9**	–
Expected return on plan assets	**1.4**	1.1
Contributions, employees	**1.5**	1.1
Contributions, employers	**3.6**	2.9
Benefits paid	**(1.5)**	(1.1)
Unrecognized actuarial results, net	**0.1**	2.1
Translation differences	**(0.3)**	(0.3)
Value at December 31	**30.6**	22.9

The major categories of plan assets as a percentage of the fair value of total plan assets are:

	2007	2006
Cash	**0.6%**	0.5%
Bonds	**45.0%**	43.5%
Equity instruments	**45.2%**	47.5%
Real estate	**6.0%**	4.9%
Other	**3.2%**	3.6%
Total	**100.0%**	100.0%

The overall expected rate of return on plan assets is determined by considering the expected market returns available on the assets underlying the current investment policy, supported by rates of returns experienced in the respective markets.

The actual return on plan assets was € 1.6 million (2006: € 2.0 million).

The principal actuarial assumptions used for defined benefit plans are:

	2007	2006
Discount rate	**2.9-5.6%**	2.7-5.5%
Expected return on plan assets	**4.0-6.3%**	3.6-6.3%
Expected salary increases	**1.5-6.5%**	1.8-5.3%
Expected pension increases	**0.5-1.5%**	0.5-1.5%

The average life expectancy in years of an individual retiring at the age of 65 on the balance sheet date is:

	2007	2006
Male	**17.9-18.6**	17.9-18.6
Female	**21.2-22.7**	21.2-22.7

The assumptions regarding future mortality are based on published statistics and mortality tables in each territory.

The average effective interest rate used in the calculation of the provision for legal arrangements for termination indemnity payments amounts to 5.3% (2006: 4.3%).

An overview for the current and prior periods is:

	2007	2006	2005	2004
Present value of defined benefit obligation	**48.3**	40.3	22.0	17.2
Fair value of plan assets	**30.6**	22.9	17.1	13.7
Deficit	**17.7**	17.4	4.9	3.5

28.2 Provisions for restructuring, workers' compensation and other

Changes in provisions are:

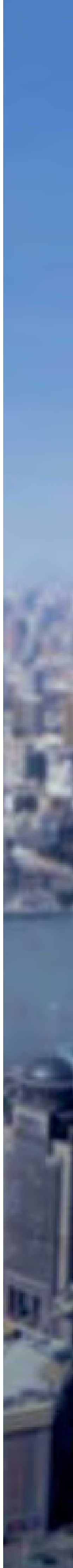
	Restructuring	Workers' compensation	Other	Total
Non-current provisions	1.6	20.5	9.8	31.9
Current provisions	2.8	9.4	18.9	31.1
Value at January 1, 2006	**4.4**	**29.9**	**28.7**	**63.0**
Acquisition of subsidiaries	–	–	6.1	6.1
Disposal of subsidiaries	–	–	0.9	0.9
Charged to income statement	2.7	25.6	3.5	31.8
Interest due to passage of time	–	1.2	0.3	1.5
Released to income statement	(0.7)	–	(1.5)	(2.2)
Withdrawals	(3.9)	(24.5)	(1.4)	(29.8)
Translation differences	(0.2)	(3.1)	(0.2)	(3.5)
Value at December 31, 2006	**2.3**	**29.1**	**36.4**	**67.8**
Non-current provisions	0.6	17.7	18.8	37.1
Current provisions	1.7	11.4	17.6	30.7
Value at December 31, 2006	**2.3**	**29.1**	**36.4**	**67.8**
Acquisition of subsidiaries	–	–	3.7	3.7
Effects from adjustments to acquisitions in prior years	–	–	5.6	5.6
Charged to income statement	6.6	23.1	2.7	32.4
Interest due to passage of time	–	1.3	0.6	1.9
Released to income statement	(0.1)	–	(7.6)	(7.7)
Withdrawals	(3.7)	(20.4)	(3.9)	(28.0)
Translation differences	(0.2)	(3.2)	(0.1)	(3.5)
Value at December 31, 2007	**4.9**	**29.9**	**37.4**	**72.2**
Non-current provisions	0.9	17.6	15.4	33.9
Current provisions	4.0	12.3	22.0	38.3
Value at December 31, 2007	**4.9**	**29.9**	**37.4**	**72.2**

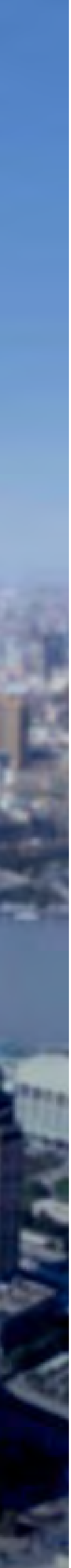
The restructuring provision comprises the costs of restructuring measures taken at several subsidiaries.

The effective interest rate that is used in the calculation of the provision for workers' compensation amounts to 5.0% (2006: 5.0%).

Other provisions consist primarily of provisions for claims of third parties; also included is € 11.0 million (2006: € 5.1 million) for earn-out arrangements from acquisitions and € 6.1 million (2006: € 5.7 million) for provisions for site restoration.

The non-current part of these provisions is for the major part expected to be settled within three years after the balance sheet date.





29. Trade and other payables

	2007	2006
Trade payables	**68.5**	70.9
Other taxes and social security premiums	**422.9**	418.8
Pension contributions	**20.5**	15.8
Dividend on type-B preferred shares	**7.2**	7.2
Wages, salaries and other personnel costs	**519.9**	462.2
Other accruals	**120.4**	113.2
Deferred income	**8.7**	7.6
	1,168.1	1,095.7

30. Total liabilities

Liabilities by business segment consist of provisions and trade and other payables.

	2007	2006
Liabilities	**2,294.8**	1,787.5
Less:		
- preferred shares	**165.8**	165.8
- borrowings	**528.3**	96.2
- deferred income tax liabilities	**287.3**	298.9
- current income tax liabilities	**57.5**	48.4
Liabilities by business segment	**1,255.9**	1,178.2

Liabilities by business segment:

	2007	2006
Mass-customized Europe and Asia	**944.1**	871.6
Mass-customized North America	**48.4**	54.4
Inhouse services Europe	**210.1**	117.9
Inhouse services North America	**22.0**	25.0
Interim professionals, search & selection	**94.0**	96.3
Facilities	**13.8**	16.7
Corporate	**28.5**	32.0
Eliminations	**(105.0)**	(35.7)
	1,255.9	1,178.2

31. Maturities of financial liabilities

The contractual maturities of financial liabilities, including interest payments and dividend on preferred shares, are:

December 31, 2007	carrying amount	0-90 days	91-365 days	2-5 years	more than 5 years
Preferred shares[1]	165.8	–	7.2	28.8	7.2 p.a
Non-current borrowings[2]	460.0	462.1	–	–	–
Current borrowings[3]	68.3	68.3	–	–	–
Trade and other payables[4]	1,152.2	901.2	251.0	–	–
	1,846.3	1,431.6	258.2	28.8	–

December 31, 2006	carrying amount	0-90 days	91-365 days	2-5 years	more than 5 years
Preferred shares[1]	165.8	–	7.2	28.8	7.2 p.a
Current borrowings[3]	96.2	96.2	–	–	–
Trade and other payables[4]	1,080.9	848.0	232.9	–	–
	1,342.9	944.2	240.1	28.8	–

1 As per note 26 only to be repaid upon proposal of the company to the Annual General Meeting of Shareholders. In this scheme, no repayment is considered. Dividend is stated based on the current annual amount.
2 Drawings on the syndicated loan contractually mature in January 2008 (see note 27); most likely to be extended by new drawings.
3 No interest included, since current borrowings are considered repayable upon demand.
4 Excluding deferred income and dividend preferred shares.

32. Operating working capital

	2007	2006
Working capital	**639.6**	522.2
Adjusted for:		
- cash and cash equivalents	**(384.1)**	(346.5)
- current income tax receivables	**(20.1)**	(6.1)
- current income tax liabilities	**57.5**	48.4
- dividend on type-B preferred shares	**7.2**	7.2
- current borrowings	**68.3**	96.2
- current provisions	**41.1**	33.1
Operating working capital	**409.5**	354.5

Operating working capital by business segment:

	2007	2006
Mass-customized Europe and Asia	**179.0**	180.6
Mass-customized North America	**54.7**	87.7
Inhouse services Europe	**93.9**	35.3
Inhouse services North America	**28.1**	11.2
Interim professionals, search & selection	**41.9**	32.4
Facilities	**(5.6)**	(6.6)
Corporate	**17.5**	13.9
	409.5	354.5

33. Net cash and borrowings

	2007	2006
Non-current borrowings	**(460.0)**	–
Current borrowings	**(68.3)**	(96.2)
Total borrowings	**(528.3)**	(96.2)
Cash and cash equivalents	**384.1**	346.5
(Net debt)/net cash	**(144.2)**	250.3

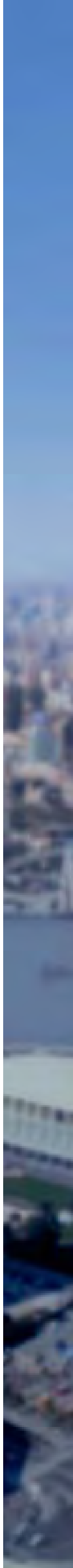
34. Commitments

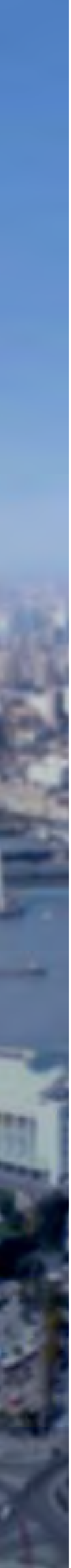
	2007	2006
Commitments, less than 1 year	**150**	130
Commitments, more than 1 year, less than 5 years	**240**	214
Commitments, more than 5 years	**60**	55
	450	399

Commitments comprise, almost exclusively, lease contracts for branches and lease contracts for IT equipment and automobiles.

No guarantees have been issued other than those in relation to commitments from rent and leases, and those in relation to liabilities that are included in the balance sheet.

Randstad Holding nv and Vedior N.V. have included arrangements for material compensation in the merger agreement in case the agreement is – under certain circumstances – terminated by either party.
For further details in respect of the valuation of Vedior N.V. see note 21 and pages 52-53 of this annual report.





notes to the consolidated cash flow statement

(amounts in millions of €, unless otherwise indicated)

35. Notes to the consolidated cash flow statement

The majority of the items in the consolidated cash flow statement are cross-referenced to the relevant notes to the consolidated income statement and balance sheet on an individual basis. For the remainder of the material items, the reconciliation between amounts as included in the consolidated cash flow statement and related amounts in the income statement and balance sheet is shown below.

35.1 Cash

Cash includes cash, cash equivalents and current borrowings, for the purposes of the cash flow statement:

	2007	2006
Cash and cash equivalents	**384.1**	346.5
Current borrowings	**(68.3)**	(96.2)
	315.8	250.3

35.2 Trade and other receivables (excluding short-term part held-to-maturity investments)

	2007	2006
Balance as of January 1	**1,442.6**	1,289.0
Acquisition of subsidiaries	**24.2**	51.5
Disposal of subsidiaries	**–**	(9.2)
Translation losses and other	**(16.7)**	(18.9)
Cash flow statement	**120.0**	130.2
Balance as of December 31	**1,570.1**	1,442.6

35.3 Trade and other payables (excluding dividend preferred shares)

	2007	2006
Balance as of January 1	**1,088.5**	890.6
Acquisition of subsidiaries	**17.8**	53.0
Effects from adjustments to acquisitions in prior years	**(1.3)**	–
Disposal of subsidiaries	**–**	(6.4)
Translation gains and other	**(7.1)**	(5.9)
Cash flow statement	**63.0**	157.2
Balance as of December 31	**1,160.9**	1,088.5

35.4 Provisions

	2007	2006
Balance as of January 1	**82.5**	67.4
Acquisition of subsidiaries	**4.5**	15.6
Effects from adjustments to acquisitions in prior years	**6.3**	–
Disposal of subsidiaries	**–**	0.9
Interest due to passage of time	**3.4**	2.7
Translation gains and other	**(3.5)**	(3.5)
Cash flow statement	**(5.4)**	(0.6)
Balance as of December 31	**87.8**	82.5

35.5 Free cash flow

Free cash flow comprises net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries and associates:

	2007	2006
Net cash flow from operating activities	**401.4**	409.6
Net cash flow from investing activities	**(660.5)**	(275.1)
	(259.1)	134.5
Acquisition of subsidiaries and associates	**587.5**	219.2
Disposal of subsidiaries and associates	**–**	(3.7)
Free cash flow	**328.4**	350.0

notes to personnel expenses and employee numbers

(amounts in millions of €, unless otherwise indicated)

36. Wages and salaries, social security and pension charges

Wages, salaries, social security charges and pension charges are included in cost of services for staffing employees and in personnel expenses for corporate employees. Details for cost of services and personnel expenses, as well as totals for wages, salaries, social security charges and pension charges are:

36.1 Cost of services

Cost of services include the expenses of staffing employees:

	2007	2006
Wages and salaries	**5,695.3**	5,086.2
Social security charges	**1,112.0**	1,052.6
Pension charges – defined contribution plans	**62.2**	42.6
Pension charges – defined benefit plans	**0.6**	0.8
Wages, salaries, social security and pension charges	**6,870.1**	6,182.2
Other cost of services	**297.2**	273.3
	7,167.3	6,455.5

36.2 Personnel expenses

Personnel expenses of corporate employees are included in total operating expenses and amount to:

	2007	2006
Wages and salaries	**737.0**	662.8
Social security charges	**107.2**	92.6
Pension charges – defined contribution plans	**21.4**	18.2
Pension charges – defined benefit plans	**1.3**	1.1
Share-based payments	**11.2**	4.6
Wages, salaries, social security and pension charges	**878.1**	779.3
Other personnel expenses	**143.0**	119.4
	1,021.1	898.7

36.3 Wages and salaries, social security and pension charges

Total wages and salaries, social security charges and pension charges included in operating profit are:

	2007	2006
Wages and salaries	**6,432.3**	5,749.0
Social security charges	**1,219.2**	1,145.2
Pension charges – defined contribution plans	**83.6**	60.8
Pension charges – defined benefit plans	**1.9**	1.9
Share-based payments	**11.2**	4.6
	7,748.2	6,961.5

37. Employee numbers (average)

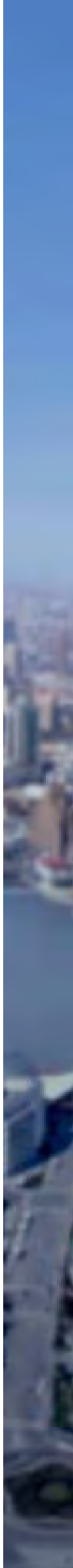
	2007	2006
Staffing employees	**369,200**	312,300
Corporate employees	**17,570**	15,380
	386,770	327,680

Employee numbers by business segments:

	Staffing		Corporate	
	2007	2006	2007	2006
Mass-customized Europe and Asia	**258,300**	216,500	**11,790**	10,680
Mass-customized North America	**32,700**	40,600	**1,810**	1,940
Inhouse services Europe	**56,100**	38,200	**1,640**	1,080
Inhouse services North America	**16,300**	11,800	**370**	230
Interim professionals, search & selection	**5,800**	5,200	**1,400**	910
Facilities	**–**	–	**450**	430
Corporate	**–**	–	**110**	110
	369,200	312,300	**17,570**	15,380

Employee numbers by geographical area:

	Staffing		Corporate	
	2007	2006	2007	2006
Netherlands	**111,500**	102,400	**6,400**	5,790
Germany	**50,900**	41,400	**2,810**	2,280
Belgium/ Luxembourg	**35,400**	31,000	**1,610**	1,400
France	**19,400**	16,400	**780**	710
Spain	**24,000**	24,300	**1,100**	1,110
United Kingdom	**9,100**	9,000	**710**	590
Italy	**10,400**	8,800	**600**	480
Other European countries	**17,600**	16,200	**790**	590
North America	**49,000**	52,400	**2,180**	2,170
Asia	**41,900**	10,400	**590**	260
	369,200	312,300	**17,570**	15,380



notes to share-based payments

(amounts in millions of €, unless otherwise indicated)

38. Share-based payments

Within the Group a number of share-based payment arrangements are in effect: stock option plans and performance share plans for executive board members and senior management, and a share purchase plan for all corporate employees.
The number of options and shares to be granted under the plans for the executive board and senior management may not lead to a dilution per year of more than 1% of issued ordinary shares.
For more details, please refer to pages 42-43 of the remuneration report in this annual report.

38.1 Stock option plans

Executive board stock option plan
The executive board stock option plan was implemented in 2001; the options have an exercise price that is not lower than the share price at granting date. The options granted until 2003 have a term of five full years, while the options granted as from 2004 have a term of seven years. The options are exercisable as from three years after granting, without performance conditions or other restrictions. If a board member resigns from the Group within three years after granting, a reduction mechanism on potential profits on options is in place.

Senior management stock option plan
From 2003, options have been granted to a limited group of senior management. The exercise price, term and other conditions are identical to the executive board stock option plan.

Executive board performance stock option plan
From 2007, conditional performance stock options are granted to the executive board members; the options have an exercise price that is not lower than the share price at granting date. The options have a term of seven years, and are exercisable as from three years after granting. The number of options that will vest depends on the company's 'total shareholder return' (TSR) performance compared to a peer group of ten companies measured over a three-year period starting on January 1, 2007. If a board member resigns from the Group within the three-year vesting period, the options will be forfeited.

The plans are equity-settled. The fair value of share-based payments has been determined for share-based payments granted after November 7, 2002 and which had not yet vested per January 1, 2005. The fair value is determined per the date of each grant and is for stock options based on a binomial valuation model, and for performance stock options based on a combination of a Monte Carlo simulation model and a Black & Scholes valuation model. The following parameters are used:

- share price at grant date (May 2007: € 57.40, May 2006: € 53.70);
- average exercise price 2007: € 57.40 (2006: € 53.70);
- option life of seven years (2006: seven years);
- expected volatility is measured at the standard deviation of expected share price returns of daily share prices; 2007: 30% (2006: 30%);
- dividend yield: 2%;
- risk-free interest rate is 4.2% (2006: 3.9%);
- vesting of stock options: 25% after year one, 25% after year two and 50% after year three;
- vesting of performance stock options: per December 31, 2009, based on the company's relative TSR performance
- options are exercisable as from three years after grant date;
- exercise multiple is two (2006: two);
- attrition rates are 2.5% in year one and 3.5% in the following years.

The fair value of the stock options and the performance stock options is charged to the income statement over the vesting period.
At each balance sheet date the assumed attrition is reassessed; any adjustment is charged to the income statement.
On exercise of options, the company issues new shares.

38.2 Performance share plans

Executive board performance share plans
According to the performance share plan 2004-2007, the executive board could earn a bonus, paid in shares. The plan had three plan years: first is mid-2004 – mid-2005, the second mid-2005 – mid-2006, and the last mid-2006 – mid-2007.
The number of shares was based on the Group's relative TSR performance compared to a peer group of ten companies. Performance was measured annually on a three-year rolling basis, with one-third of the shares being vested based on this performance per plan year. The last tranche of this plan was vested in mid-2007.

As from 2007, conditional performance shares are granted to the members of the executive board. The plan has a term

The details are:

			Number of options (x 1,000)									Expenses (x € 1,000)	
Year of grant	Life in years	Number of participants	January 1, 2007	Granted	Lapsed	Exercised	December 31, 2007	Exercisable	Share price (in €)	Exercise price (in €)	Fair value (x € 1,000)	2007	2006
2003	5	98	180	–	–	139	41	41	9.10	9.51	1,420	–	105
2004	7	114	429	–	–	243	186	186	20.90	22.64	3,018	150	681
2005	7	145	479	–	–	1	478	–	28.70	28.87	3,878	780	1,462
2006	7	201	370	–	8	1	361	–	53.70	53.70	5,961	2,240	1,930
2007	7	200	–	447	1	–	446	–	57.40	57.40	7,882	2,546	–
Total			1,458	447	9	384	1,512	227				5,716	4,178

of three years. The number of shares that will vest depends on the company's TSR performance compared to a peer group of ten companies measured over a three-year period starting on January 1, 2007.
In 2007 a one-time additional grant was made; these shares will vest in three tranches (33.3% after one year, 33.3% after two years and the remaining 33.3% after three years).
The number of shares to vest per tranche depends on the company's TSR performance. If a board member resigns from the Group within the three-year vesting period, the shares yet to be vested will be forfeited.

Senior management performance share plan
As from 2007 conditional performance shares are granted to a limited group of senior managers. The terms and conditions are identical to the executive board conditional performance share plan, with the addition that the number of shares that will vest not only depends on the company's TSR performance, but also on the personal performance of each participating manager during the vesting periods.

The plans are equity-settled. The fair value of the performance shares is based on a Monte Carlo simulation model; the following parameters are used:

Parameters	performance share plan 2007	performance share plan 2004-2007
- share price at grant reference date	January 1, 2007: € 52.40	July 1, 2004: € 22.30
- expected volatility based on historical prices over the three-year period to the valuation date	30%	50%
- expected dividends	2%	2%
- risk-free interest rate (yield on Dutch Government bonds)	4.2%	3.1%
- expected forfeiture	2.5% – 3.5%	0%

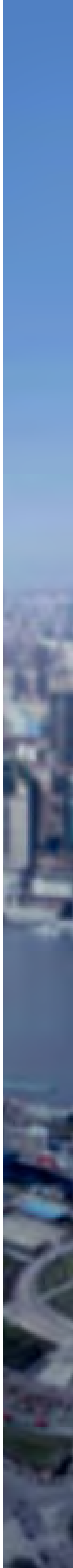
- volatility of the shares of the peer companies as well as the pair-wise correlation between all 10 shares, estimated on the basis of historical daily prices over three years
- estimated dividends of the other peer companies, based on current and past dividends

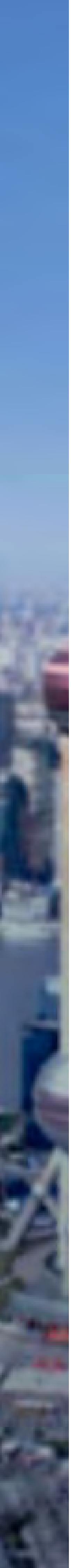
At each balance sheet date the non-market conditions (attrition and personal performance) are reassessed; any adjustment is charged to the income statement. On final allocation, the company issues new shares.

The details are:

			Number of shares (x 1,000) at target						Expenses (x € 1,000)	
Year of grant	Life in years	Number of participants	January 1, 2007	Granted	Forfeited	Final allocation	December 31, 2007	Fair value (x € 1,000)	**2007**	2006
2004	3	4	25	–	–	25	–	2,340	110	430
2007	3	270	–	252	1	–	251	13,538	5,374	–
Total			25	252	1	25	251		5,484	430

38.3 Share purchase plan corporate employees
Under the share purchase plan, participating corporate employees may purchase shares from Stichting Randstad Optiefonds twice a year. The maximum amount to be spent within the plan is set annually at 5% of the participant's fixed annual salary. If employees retain the purchased shares for a period of six months (under the condition that they are still an employee of the Group), they receive a bonus equal to a fixed percentage of the number of shares purchased. The bonus is expensed by the company per granting date (2007: € 1.6 million; 2006: € 2.0 million).
Due to the short vesting period of six months, the fair value of the bonus shares granted to participating employees is fixed at the share price at balance sheet date or date of award, respectively.





related-party transactions

39. Related-party transactions

39.1 Remuneration of the members of the executive board and supervisory board

The totals of the remuneration of the members of the executive board included in the income statement are as follows:

	B.J. Noteboom		R.J. v.d. Kraats		L.J.M.V. Lindelauf		J.W. v.d. Broek		**Total**	
in € x 1,000	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
Fixed compensation:										
- Base salary	**758**	690	**539**	490	**473**	430	**473**	430	**2,243**	2,040
- Pension charges	**202**	183	**142**	129	**125**	113	**125**	113	**594**	538
Variable remuneration:										
- Short-term cash bonus	**652**	500	**463**	367	**416**	323	**421**	312	**1,952**	1,502
- Share-based payments	**1,061**	420	**754**	313	**665**	287	**662**	265	**3,142**	1,285
Other benefits	**11**	24	**36**	31	**13**	9	**25**	20	**85**	84
Total	**2,684**	1,817	**1,934**	1,330	**1,692**	1,162	**1,706**	1,140	**8,016**	5,449

In the income statement 2007, no expenses have been included for former members of the executive board. The expenses for performance shares and stock options refer to the fair value of share-based payments charged to the income statement for the year 2007 and 2006, respectively.

The numbers of stock options and performance shares outstanding in the financial year are as follows:

Stock options	Year of granting	Option price (in €)	January 1, 2007	Granted in 2007	Exercised in 2007	Share price at exercise	December 31, 2007	Exercise period ends in
B.J. Noteboom	2004	23.75	34,200		34,200	57.11	–	
	2005	28.70	32,320				32,320	May 2012
	2006	53.70	22,471				22,471	May 2013
	2007	57.40	–	23,124			23,124	May 2014
L.J.M.V. Lindelauf	2004	26.75	27,700		27,700	57.11	–	
	2005	28.70	22,155				22,155	May 2012
	2006	53.70	13,616				13,616	May 2013
	2007	57.40	–	14,012			14,012	May 2014
R.J. van de Kraats	2004	26.75	27,700		27,700	57.11	–	
	2005	28.70	24,170				24,170	May 2012
	2006	53.70	15,500				15,500	May 2013
	2007	57.40	–	15,950			15,950	May 2014
J.W. van den Broek	2004	30.00	22,000		22,000	57.11	–	
	2005	28.70	22,155				22,155	May 2012
	2006	53.70	13,616				13,616	May 2013
	2007	57.40	–	14,012			14,012	May 2014
Performance stock options (adjusted plan from 2007 and onward):								
B.J. Noteboom	2007	57.40	–	16,215			16,215	May 2014
L.J.M.V. Lindelauf	2007	57.40	–	10,115			10,115	May 2014
R.J. van de Kraats	2007	57.40	–	11,514			11,514	May 2014
J.W. van den Broek	2007	57.40	–	10,115			10,115	May 2014
Total			**277,603**	**115,057**	**111,600**		**281,060**	

Performance shares	Year of award		January 1, 2007	On-target award in 2007	December 31, 2007	Final allocation in
B.J. Noteboom	2007		–	5,979	5,979	February 2010
	2007	additional	–	11,959	11,959	February 2008-2010
L.J.M.V. Lindelauf	2007		–	3,730	3,730	February 2010
	2007	additional	–	7,459	7,459	February 2008-2010
R.J. van de Kraats	2007		–	4,246	4,246	February 2010
	2007	additional	–	8,491	8,491	February 2008-2010
J.W. van den Broek	2007		–	3,730	3,730	February 2010
	2007	additional	–	7,459	7,459	February 2008-2010
Total			–	**53,053**	**53,053**	

For the conditions and criteria on the granting and exercise of stock options and performance shares please refer to note 38. As per December 31, 2007, no stock options granted to former members of the executive board are outstanding. During 2007, the late Cleem Farla exercised 36,000 2002 stock options (exercise price € 17.50) and 1,570 2003 stock options (exercise price € 9.10), and Jim Reese exercised 27,700 2004 stock options (exercise price € 20.90).
The average share price amounted to € 56.12.

The amounts of the remuneration of the members of the supervisory board included in the income statement are as follows:

in €	2007	2006
F.W. Fröhlich	**103,000**	74,500
F.J.D. Goldschmeding	**73,000**	58,250
J.C.M. Hovers	**69,000**	54,750
G. Kampouri Monnas	**65,000**	29,604
W.A.F.G. Vermeend	**65,000**	50,750
L.M. van Wijk	**65,000**	50,750
R. Zwartendijk	**65,000**	50,750
Total	**505,000**	369,354

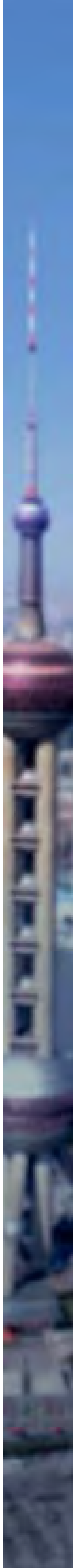
In addition Jan Hovers receives a remuneration of € 12,000 annually as member of the supervisory board of the Dutch sub holding Randstad Groep Nederland bv.

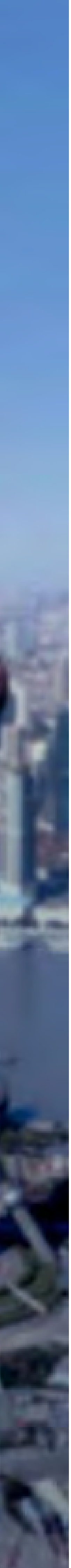
39.2 Other related party transactions

One member of the supervisory board has an interest in a legal entity, which, based on the *'Wet melding zeggenschap 2006'* ('Major Holdings in Listed Companies Act 2006'), is registered as a shareholder in Randstad Holding nv in the 40-50% category, and is the sole member of the board of management of a foundation that reports an interest in Randstad Holding nv in the 5-10% category. The foundation holds shares in the company to which shares the voting right is attached; the beneficial ownership is separated from the legal ownership of the shares by the issue of depository receipts. The same member is a member of the board of management of Stichting Randstad Optiefonds.

There were no transactions with this related party, other than the rental of a ship, Clipper *Stad Amsterdam*, for promotional activities at approximately € 1.6 million rent annually (2006: € 1.6 million).

In 1988, the founder of Randstad established Stichting Randstad Optiefonds to provide options to corporate employees of the Group. Up to 2003, options were granted to these employees. The options were granted on (depository receipts for) ordinary shares, available in the foundation; exercise does not affect the number of shares issued by the company, nor has the company any obligation in relation to these options. Per December 31, 2007, 4,000 options are still outstanding with an average exercise price of € 16.80 and an average remaining life of 1 year; in total, employees of the Randstad Group hold 0.6 million depository receipts for shares. The board of management of the foundation consists of three members, of which two are fully independent from the Group; the chairman of the foundation is the founder of Randstad.





overview of major subsidiaries

40. Overview of major subsidiaries

Mass-customized Europe

Randstad Nederland bv	Amsterdam
Randstad Uitzendbureau bv	Amsterdam
Tempo-Team Group bv	Amsterdam
Tempo-Team Uitzendbureau bv	Amsterdam
Tempo-Team Werknet bv	Amsterdam
Otter-Westelaken Groep bv	Veghel
Randstad Belgium nv	Brussels
Randstad Interim sa	Luxembourg
Randstad AS	Copenhagen
Randstad Deutschland GmbH & Co KG	Eschborn
Randstad Intérim SASU	Paris
Randstad Schweiz AG	Zürich
Randstad Empleo, Empresa De Trabajo Temporal S.A. Sociedad Unipersonal	Madrid
Randstad Consultores S.A. Sociedad Unipersonal	Madrid
Randstad Empresa de Trabalho Temporario Unipessoal LdA	Lisbon
Randstad Employment Bureau Ltd	Newbury
Randstad Italia SPA	Milan
Randstad Polska Sp. z o.o.	Warsaw
Randstad AB	Stockholm
Randstad Hungary Kft	Budapest
Randstad Work Solutions Istihdam ve Insan Kaynaldary ltd Sirketi	Istanbul
Bindan GmbH & Co KG	Bremen
Randstad Japan Ltd	Tokyo
Team HR Limited	Delhi
Talent Shanghai Co., Ltd (70%)	Shanghai

Mass-customized North America

Randstad North America LP	Atlanta
Randstad Intérim Inc.	Montreal

Inhouse services Europe

Capac Beheer bv	Amsterdam
Capac Inhouse Services bv	Amsterdam
Randstad Inhouse Services SASU	Paris
Randstad Inhouse Services S.A. Sociedad Unipersonal	Madrid

Inhouse services North America

Randstad Inhouse Services LP	Atlanta

Interim professionals, search & selection

Yacht Group Nederland bv	Amsterdam
Yacht bv	Amsterdam
Randstad Professionals nv	Brussels
Yacht France sa	Paris
Yacht Deutschland GmbH	Düsseldorf
Martin Ward Anderson Ltd	Windsor
Emmay HR Services Pvt. Ltd	Mumbai
Teccon GmbH & Co KG	Bremen
Randstad Consulting Shanghai Company Ltd	Shanghai

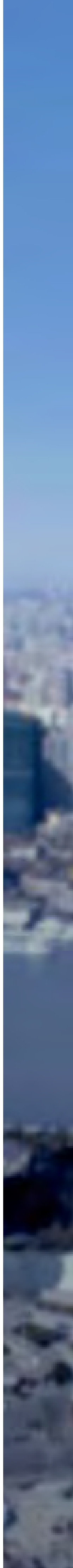
Other subsidiaries

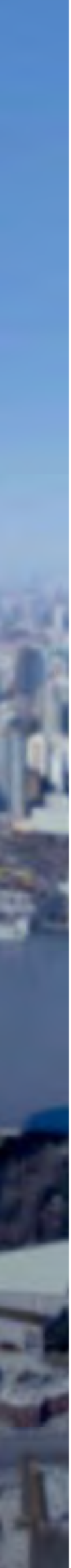
Randstad Holding Nederland bv	Amsterdam
Randstad Groep Nederland bv	Amsterdam
E-bridge bv	Amsterdam
I-bridge bv	Amsterdam
Diemermere Beheer bv	Amsterdam
Randstad Group Belgium nv	Brussels
Randstad Financial Services nv	Brussels

A list of all subsidiaries has been filed at the Chamber of Commerce in Amsterdam (Kamer van Koophandel, Amsterdam).
Randstad Holding nv has, directly or indirectly, a 100% interest in all subsidiaries, unless otherwise stated.

company income statement

in millions of €	Note	2007	2006
Income from subsidiaries after taxes	2	**401.2**	370.6
Other income after taxes		**(16.3)**	(10.3)
Net income		**384.9**	360.3





company balance sheet at December 31

before profit appropriation for ordinary shares

in millions of €	Note	2007		2006	
Assets					
Subsidiaries	2	**1,030.8**		891.5	
Associates	3	**480.9**		–	
Loans and receivables	4	**–**		–	
Non-current assets			**1,511.7**		891.5
Trade and other receivables	5	**170.7**		91.3	
Income tax receivables		**31.7**		20.1	
Cash and cash equivalents	6	**3.7**		0.8	
Current assets			**206.1**		112.2
Total assets			**1,717.8**		1,003.7
Equity and liabilities					
Issued capital	7	**11.7**		11.6	
Share premium	7	**432.6**		404.6	
Reserves	7	**577.3**		374.1	
Shareholders' equity			**1,021.6**		790.3
Preferred shares	8	**165.8**		165.8	
Deferred tax liabilities		**2.5**		–	
Borrowings	9	**460.0**		–	
Non-current liabilities		**628.3**		165.8	
Trade and other payables	10	**22.6**		18.6	
Borrowings	9	**45.3**		29.0	
Current liabilities		**67.9**		47.6	
Total liabilities			**696.2**		213.4
Total equity and liabilities			**1,717.8**		1,003.7

notes to the company financial statements

(amounts in millions of €, unless otherwise indicated)

1. Accounting policies for the company financial statements

The company financial statements of Randstad Holding nv are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. The company made use of the possibility based on article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code, to prepare company financial statements based on the accounting policies used for the consolidated financial statements.
The subsidiaries are stated at net value of assets and liabilities, based upon accounting policies used in the consolidated financial statements.
A summary of the significant accounting policies, as well as a summary of the critical accounting estimates and judgments are included in notes 2 and 4 of the notes to the consolidated financial statements.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

2. Subsidiaries

The net value of assets and liabilities of subsidiaries is presented in the balance sheet as follows:

	2007	2006
Net asset value of subsidiaries	**1,030.8**	891.5

In 2006 and 2007, no provisions are included in the net value of subsidiaries. Provisions on subsidiaries would have represented the sum of equities of subsidiaries that show a negative equity, determined in accordance with the accounting policies of the Group.

Changes in the net value of assets and liabilities of subsidiaries are:

	2007	2006
Value at January 1	**891.5**	93.3
Capital payments	**7.4**	1,142.1
Net income	**401.2**	370.6
Dividend	**(238.5)**	(218.1)
Disposals	**–**	(467.7)
Share-based payments, subsidiaries	**(1.2)**	(1.5)
Translation differences	**(29.6)**	(27.2)
Value at December 31	**1,030.8**	891.5

The capital payments amounting to € 1,142.1 million as well as the disposals amounting to € 467.7 million in 2006, were the result of (legal) restructurings in the Group, including the transfer of the Group's treasury activities to a Belgian subsidiary as at January 1, 2006.
See note 40 of the notes to the consolidated financial statements for an overview of major subsidiaries.

3. Associates

Changes in associates are:

	2007	2006
Value at January 1	**–**	–
Acquisitions	**478.9**	–
Share of profit	**2.0**	–
Value at December 31	**480.9**	–

See note 21 of the notes to the consolidated financial statements.

4. Loans and receivables

Changes in loans and receivables are:

	2007	2006
Value at January 1	**–**	268.2
Repayments	**–**	(268.1)
Translation differences	**–**	(0.1)
Value at December 31	**–**	–

Loans and receivables included only loans to and receivables from subsidiaries.

5. Trade and other receivables

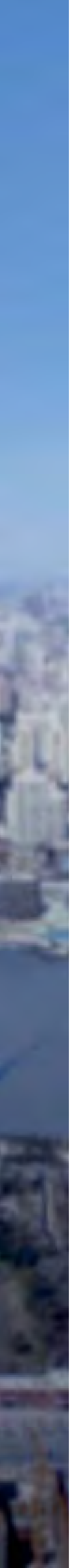
	2007	2006
Receivables from subsidiaries	**155.6**	86.1
Other receivables	**15.1**	5.2
	170.7	91.3

6. Cash and cash equivalents

Cash includes bank balances of € 3.7 million (2006: € 0.8 million).

7. Shareholders' equity

Additional information in respect of shareholders' equity is included in the consolidated statement of changes in Group equity and in note 25 of the notes to the consolidated balance sheet.
Equity includes an amount of € 37.5 million negative in respect of a legal reserve for currency translations (2006: € 9.6 million negative) and includes further a legal reserve of € 24.9 million (2006: € 24.3 million) for the capitalized costs of development of software of subsidiaries as well as a legal reserve of € 2.0 million for the share in profit of associates.



8. Preferred shares

See note 26 of the notes on the consolidated balance sheet.

9. Borrowings

	2007	2006
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	**460.0**	–
Current borrowings	**45.3**	29.0
Total borrowings	**505.3**	29.0

Changes in non-current borrowings are:

	2007	2006
Value at January 1	**–**	–
Drawings	**460.0**	–
Value at December 31	**460.0**	–

Additional information in respect of non-current borrowings is included in note 27 of the consolidated balance sheet.

10. Trade and other payables

	2007	2006
Trade payables	**0.5**	0.2
Payables to subsidiaries	**1.7**	2.3
Other taxes and social security premiums	**1.1**	1.2
Pension contributions	**–**	0.1
Dividend on type-B preferred shares	**7.2**	7.2
Wages, salaries and other personnel costs	**4.6**	4.0
Accruals and deferred income	**7.5**	3.6
	22.6	18.6

11. Employee numbers (average)

In 2007, the company employed an average of 110 employees (2006: 110).

12. Remuneration

Refer to note 39 of the notes on the consolidated financial statements.

13. Related parties

All companies within the Group are considered to be related parties. See also note 39 of the notes on the consolidated financial statements.

14. Guarantees and commitments not included in the balance sheet

	2007	2006
Guarantees on behalf of subsidiaries	**3.0**	3.8

The company bears joint and several liability for drawings by subsidiaries under the multi-currency syndicated revolving credit facility and under bank overdraft and guarantees facilities, in the amount of € 157 million (2006: € 189 million).

The company's commitments for the period shorter than one year amount to € 0.8 million (2006: € 0.7 million) and for the period between one to five years € 0.8 million (2006: € 1.0 million) in respect of lease contracts for automobiles.

Randstad Holding nv and Vedior N.V. have included arrangements for material compensation in the merger agreement in case the agreement is – under certain circumstances – terminated by either party. For further details in respect of the valuation of Vedior N.V. see note 21 and pages 52-53 of this annual report.

The company is part of fiscal unities for corporate income taxes, as well as for value-added taxes. As a consequence, the company bears joint and several liability for the debts in respect of corporate income taxes and value-added taxes of the fiscal unities. The company settles corporate income taxes, based on the results before taxes of the subsidiaries belonging to the fiscal unity.

The company has declared itself jointly and severally liable for a limited number of its Dutch subsidiary companies, serving as sub-holding companies.

Diemen, February 13, 2008

The executive board,

B.J. Noteboom (chairman)
R.J. van de Kraats (vice-chairman)
J.W. van den Broek
L.J.M.V. Lindelauf

The supervisory board,

F.W. Fröhlich (chairman)
F.J.D. Goldschmeding (vice-chairman)
J.C.M. Hovers
G. Kampouri Monnas
W.A.F.G. Vermeend
L.M. van Wijk
R. Zwartendijk

other information

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.

Provisions of the articles of association concerning profit appropriation

The following is a summary of the most important stipulations of article 28 of the Articles of Association concerning profit appropriation.

Subsection 1. Any such amounts from the profits as will be fixed by the executive board with the approval of the supervisory board will be allocated to reserves. As far as possible, from the remaining profits (hereinafter also called the total profits):

a. A dividend will first be distributed to the holders of preference A shares on the amount paid on said shares, of which the percentage will be equal to the average of the statutory interest – in the event of a change in the meantime to the respective percentages – during the financial year for which the distribution is made. This percentage will be increased by a surcharge fixed by the executive board subject to the approval of the supervisory board amounting to a maximum of three percent (3%). If, in any year, the profit distribution on preference A shares cannot be made or can only be made partially, the overdue dividend on the shares will be distributed in the subsequent years before any other dividend distribution is made.

b.1 A dividend will subsequently be distributed per series to holders of preference B shares (equal to the basic percentage to be mentioned under b.2) of the sum of the nominal amount and the amount in share premium which was paid upon the first issue of the shares of said series, which percentage will be increased upon said issue by a surcharge, fixed by the executive board subject to approval of the supervisory board, of a maximum of one hundred and thirty-five base points.

b.2 The basic percentage referred to under b.1 will be the arithmetic average of the effective yield on the government bonds issued by the Kingdom of the Netherlands with a (remaining) term of six to seven years. For the first time on the date that the preference B shares (of a series) have been outstanding for seven years, and subsequently each period of seven years after this, the basic percentage of the preference B shares (of the series concerned) will be adjusted to the yield then effective of the state loans referred to in the above-mentioned provisions.

b.3 If and insofar as the profit is not sufficient to fully make the distribution referred to hereinbefore on preference B shares, the deficit will be distributed from the freely distributable reserves, with the exception of the share premium reserves referred to in Article 4, paragraph 4 under b.

If and insofar as the distribution referred to here also cannot be made as stated hereinbefore from the reserves referred to in the preceding sentence, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the above provisions, such distribution will first be made to the holders of preference B shares that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied.

b.6 If preference B shares have been issued in the course of any financial year, the dividend on the shares concerned for said financial year will be reduced proportionately until the first day of issue.

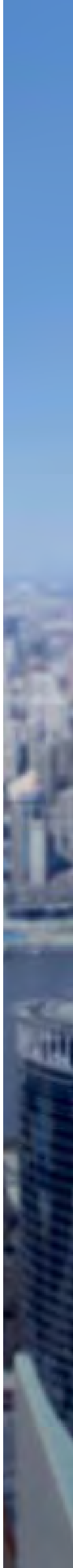
Subsection 2. The balance then remaining will be available to the General Meeting, subject to the proviso that no further distribution will be made on preference shares, nor will any amounts be reserved for this purpose.

Subsection 4. Subject to the approval of the supervisory board, the executive board may pass a resolution for distribution of an interim dividend, to be deducted from the dividend expected for the financial year concerned. A resolution for distribution of an interim dividend may be limited to a distribution of an interim dividend exclusively to shareholders of a particular class, without prejudice to the rights of shareholders of other classes.

Subsection 5. Subject to the approval of the supervisory board, the General Meeting may pass a resolution that the distribution of dividend will not be made, or will not entirely be made, in cash, but entirely or partly in the form of shares in the company.

Proposed profit appropriation

Pursuant to Article 28 of the Articles of Association, it is proposed that a dividend of € 145.8 million be paid on the ordinary shares out of net income for 2007 amounting to € 384.9 million and € 239.1 million be added to retained earnings.
Furthermore, it is proposed that a dividend of € 7.2 million be paid on the type-B preferred shares.



Auditors' report

To the General Meeting of Shareholders of Randstad Holding nv

Report on the financial statements

We have audited the accompanying financial statements 2007 of Randstad Holding nv, Amsterdam as set out on pages 62 to 105. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated income statement 2007, the consolidated balance sheet at December 31, 2007, the consolidated statement of changes in Group equity 2007 and the consolidated cash flow statement 2007, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company income statement 2007, the company balance sheet at December 31, 2007 and the notes.

The executive board's responsibility
The executive board of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report from the executive board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Randstad Holding nv as at December 31, 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Randstad Holding nv as at December 31, 2007, and of its result in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the report from the executive board is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

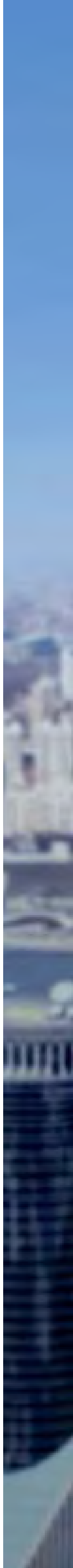
Amsterdam, February 13, 2008
PricewaterhouseCoopers Accountants N.V.

P.R. Baart RA

quarterly summary income statement 2007

unaudited

amounts in millions of €, unless otherwise indicated	first quarter	second quarter	third quarter	fourth quarter	**year 2007**
Revenue	**2,102.4**	**2,253.7**	**2,407.8**	**2,433.1**	**9,197.0**
Cost of services	1,648.0	1,753.2	1,878.9	1,887.2	7,167.3
Gross profit	**454.4**	**500.5**	**528.9**	**545.9**	**2,029.7**
Selling expenses	247.1	258.6	260.2	270.4	1,036.3
General and administrative expenses	111.0	110.2	117.5	115.1	453.8
Total operating expenses	358.1	368.8	377.7	385.5	1,490.1
Operating profit	**96.3**	**131.7**	**151.2**	**160.4**	**539.6**
Dividend preferred shares	(1.8)	(1.8)	(1.8)	(1.8)	(7.2)
Financial income	2.1	1.3	1.1	0.6	5.1
Net finance income/(costs)	0.3	(0.5)	(0.7)	(1.2)	(2.1)
Share of profit of associates	0.0	–	–	2.0	2.0
Income before taxes	96.6	131.2	150.5	161.2	539.5
Taxes on income	(25.1)	(34.1)	(52.7)	(42.7)	(154.6)
Net income	**71.5**	**97.1**	**97.8**	**118.5**	**384.9**
Calculation earnings per share					
Net income for ordinary shareholders	71.5	97.1	97.8	118.5	384.9
Amortization of acquisition-related intangible assets and impairment goodwill (after taxes)	2.1	2.3	2.6	3.1	10.1
Net income for ordinary shareholders before amortization acquisition-related intangible assets and impairment goodwill	73.6	99.4	100.4	121.6	395.0
Basic earnings per ordinary share (€)	0.62	0.83	0.84	1.02	3.31
Diluted earnings per ordinary share (€)	0.61	0.83	0.84	1.02	3.30
Diluted earnings per ordinary share before amortization acquisition-related intangible assets and impairment goodwill (€)	0.63	0.85	0.86	1.04	3.38
Average number of ordinary shares outstanding (in millions)	116.1	116.3	116.6	116.6	116.4
Average number of diluted ordinary shares outstanding (in millions)	116.6	116.7	116.9	116.8	116.8



quarterly summary cash flow statement 2007

unaudited

amounts in millions of €, unless otherwise indicated	first quarter	second quarter	third quarter	fourth quarter	**year 2007**
Net income	71.5	97.1	97.8	118.5	384.9
Taxes on income	25.1	34.1	52.7	42.7	154.6
Share of profit of associates	0.0	–	–	(2.0)	(2.0)
Net finance (income)/costs	(0.3)	0.5	0.7	1.2	2.1
Operating profit	**96.3**	**131.7**	**151.2**	**160.4**	**539.6**
Depreciation, amortization and impairment	16.0	14.5	16.9	18.6	66.0
Share-based payments	1.4	3.5	3.4	2.9	11.2
Provisions	(0.7)	0.0	0.9	(5.6)	(5.4)
Income taxes paid	(18.0)	(34.9)	(35.9)	(64.2)	(153.0)
Cash flow from operations before operating working capital	**95.0**	**114.8**	**136.5**	**112.1**	**458.4**
Operating working capital	8.6	(159.3)	45.2	48.5	(57.0)
Net cash flow from operating activities	**103.6**	**(44.5)**	**181.7**	**160.6**	**401.4**
Net additions in property, plant, equipment and software	(11.9)	(18.5)	(20.7)	(21.2)	(72.3)
Acquisition and disposal of subsidiaries and associates	(23.2)	(13.3)	(2.1)	(548.9)	(587.5)
Other	–	–	0.2	(0.9)	(0.7)
Net cash flow from investing activities	**(35.1)**	**(31.8)**	**(22.6)**	**(571.0)**	**(660.5)**
Net cash flow from financing activities	**4.1**	**(143.4)**	**2.0**	**461.4**	**324.1**
Net increase/(decrease) in cash, cash equivalents and current borrowings	**72.6**	**(219.7)**	**161.1**	**51.0**	**65.0**
Cash, cash equivalents and current borrowings at beginning of period	**250.3**	**322.8**	**103.2**	**263.8**	**250.3**
Net increase/(decrease) in cash, cash equivalents and current borrowings	72.6	(219.7)	161.1	51.0	65.0
Translation (losses)/gains	(0.1)	0.1	(0.5)	1.0	0.5
Cash, cash equivalents and current borrowings at end of period	**322.8**	**103.2**	**263.8**	**315.8**	**315.8**
Free cash flow	**91.7**	**(63.0)**	**161.2**	**138.5**	**328.4**

ten years of Randstad

The figures are based upon IFRS since 2004. Comparative figures for other years are not adjusted.

	IFRS		
amounts in millions of €, unless otherwise indicated	**2007**	2006	2005
Revenue	**9,197.0**	8,186.1	6,638.5
As % of previous year	**112.3%**	123.3%	115.2%
Gross profit	**2,029.7**	1,730.6	1,405.2
EBITDA	**605.6**	484.2	339.2
EBITA	**554.4**	436.1	299.1
Operating profit	**539.6**	423.6	290.9
Net income before amortization acquisition-related intangible assets and amortization/impairment goodwill (after taxes)[1]	**395.0**	368.9	249.1
As % of previous year	**107.1%**	148.1%	122.5%
Net income[2]	**384.9**	360.3	241.9
As % of previous year	**106.8%**	148.9%	119.3%
Net cash flow from operations	**401.4**	409.6	238.2
Free cash flow	**328.4**	350.0	180.3
Depreciation property, plant and equipment and amortization software	**51.2**	48.1	40.1
Investments in property, plant and equipment and software	**74.4**	61.8	62.0
Amortization acquisition-related intangible assets and amortization/impairment goodwill	**14.8**	12.5	8.2
Shareholders' equity	**1,021.6**	790.3	536.2
(Net debt)/net cash	**(144.2)**	250.3	206.0
Operating working capital	**409.5**	354.5	398.7
Interest cover[3]	**(118.7)**	242.1	424.0
Average number of staffing employees	**369,200**	312,300	254,400
Average number of corporate employees	**17,570**	15,380	13,430
Number of branches, year-end	**1,889**	1,827	1,708
Number of inhouse locations, year-end	**997**	843	703
Market capitalization, year-end	**3,150.7**	6,083.4	4,243.9
Price/earnings ratio[1]	**8**	17	18
Number of ordinary shares outstanding (average in millions)	**116.4**	115.8	115.4
Closing price (in €)	**27.02**	52.40	36.69
Ratios in % of revenue			
Gross profit	**22.1%**	21.1%	21.2%
EBITDA	**6.6%**	5.9%	5.1%
EBITA	**6.0%**	5.3%	4.5%
Operating profit	**5.9%**	5.2%	4.4%
Net income before amortization acquisition-related intangibles and amortization/impairment goodwill (after taxes)	**4.3%**	4.5%	3.8%
Net income	**4.2%**	4.4%	3.6%
Basic earnings per ordinary share (€)	**3.31**	3.11	2.10
Diluted earnings per ordinary share (€)[1]	**3.30**	3.10	2.09
Diluted earnings per ordinary share before amortization acquisition-related intangible assets and amortization/impairment goodwill (€)[1]	**3.38**	3.17	2.15
Dividend per ordinary share (€)	**1.25**	1.25	0.84
Payout per ordinary share in %[1]	**38**	40	40

1 For the years 2000 and 2001 excluding extraordinary income after taxes (2000: € 55.4 million, 2001: € 13.0 million).

2004	2003	2002	2001	2000	1999	1998
5,764.2	5,257.4	5,443.8	5,818.4	6,168.1	5,565.4	4,223.8
109.6%	96.6%	93.6%	94.3%	110.8%	131.8%	131.6%
1,218.2	1,088.9	1,193.4	1,339.4	1,482.8	1,308.7	948.9
267.8	174.2	166.2	175.7	304.5	350.0	264.7
226.4	120.8	100.1	103.8	250.6	304.3	232.6
225.6	118.2	98.3	102.6	250.6	304.3	232.6
203.3	79.6	58.6	48.3	151.8	207.0	152.2
255.4%	135.8%	121.3%	31.8%	73.3%	136.0%	130.1%
202.7	77.1	56.8	60.1	207.2	207.0	152.2
262.9%	135.7%	94.5%	29.0%	100.1%	136.0%	130.1%
264.7	223.6	196.4	197.5	116.0	293.2	–
230.3	231.4	224.4	107.4	13.5	226.6	–
41.4	53.4	66.1	62.8	53.9	45.7	32.1
43.8	34.7	30.0	113.4	113.3	58.2	57.7
0.8	2.6	1.8	1.2	–	–	–
507.1	353.8	334.5	350.0	359.2	410.8	430.3
149.0	(18.3)	(207.5)	(405.3)	(538.2)	(159.8)	(48.4)
303.0	248.0	311.8	381.0	464.0	273.7	220.0
121.7	20.5	10.5	6.8	14.9	33.0	–
224,600	202,500	207,800	217,800	244,500	241,000	204,200
12,260	12,280	13,040	14,500	15,570	12,900	9,800
1,633	1,600	1,685	1,769	2,042	1,755	1,616
687	642	582	489	–	–	–
3,347.2	2,223.4	988.5	1,727.3	1,809.4	5,526.6	5,298.8
17	33	20	44	13	28	33
115.3	115.3	115.4	115.6	115.6	115.6	108.9
28.95	19.23	8.55	14.94	15.65	47.80	45.83
21.1%	20.7%	21.9%	23.0%	24.0%	23.5%	22.5%
4.6%	3.3%	3.1%	3.0%	4.9%	6.3%	6.3%
3.9%	2.3%	1.8%	1.8%	4.1%	5.5%	5.5%
3.9%	2.2%	1.8%	1.8%	4.1%	5.5%	5.5%
3.5%	1.5%	1.1%	0.8%	2.5%	3.7%	3.6%
3.5%	1.5%	1.0%	1.0%	3.4%	3.7%	3.6%
1.68	0.59	0.42	0.45	1.72	1.72	1.39
1.68	0.59	0.42	0.34	1.24	1.72	1.39
1.68	0.62	0.43	0.34	1.24	–	–
0.66	0.25	0.17	0.14	0.50	0.69	0.54
39	42	40	41	40	40	41

2 From 2005 onwards, net income includes dividend on preferred shares as financial expenses under net finance costs.

3 Interest cover: EBITDA on net finance costs less dividend on preferred shares.

boards

(situation as of January 1, 2008)

supervisory board

Fritz Fröhlich, chairman
Frits Goldschmeding, vice-chairman
Jan Hovers
Giovanni Kampouri Monnas
Willem Vermeend
Leo van Wijk
Rob Zwartendijk

executive board

Ben Noteboom, CEO and chairman of the executive board, also responsible for the United States, Canada and the United Kingdom, group human resources, business concept development, social & general affairs, group marketing & communications and the mass-customized concept

Robert-Jan van de Kraats, CFO and vice-chairman of the executive board, also responsible for Yacht, Martin Ward Anderson and Teccon, Randstad in Asia, IT, investor relations, shared service centers, facilities & purchasing and the concepts interim professionals and search & selection

Jacques van den Broek, responsible for Randstad in Belgium, Poland, France, Switzerland, Denmark, Luxembourg and Sweden, Tempo-Team, innovation, international accounts, and the concepts inhouse services and HR Solutions

Leo Lindelauf, responsible for Randstad in the Netherlands, Spain, Germany, Italy, Portugal, Hungary and Turkey

executive vice presidents

David van Gelder, Hungary & Turkey
Fred van Haasteren, social & general affairs and chairman of the board of Randstad Groep Nederland

managing directors holding

Lucile de Godoy, group human resources
Frans Cornelis, group marketing & communications
Jos Huijbregts, planning, control & strategy
Cor Versteeg, business concept development
Margriet Koldijk, international accounts
Sieto de Leeuw, social & legal affairs Randstad Groep Nederland
John van de Luijtgaarden, corporate accounting & tax affairs
Hans Wanders, chief information officer

shared service centers

I-bridge
Hans Wanders, managing director

E-bridge
Claudia Höltzel, managing director

Belgium and Luxembourg

Randstad
Herman Nijns, managing director
Management team
Joost Gietelink, finance
Raf Gerard, human resources
Eddy Annys, Randstad Inhouse Services & marketing
Sophie Bertholet, operations
Dominique Hermans, operations
Frank Vervaeke, operations

Canada

Randstad
Linda Galipeau, managing director
Management team
Nadine Stamboulieh, human resources
Daniel Plante, finance

China

Randstad
Paul van de Kerkhof, managing director

Denmark and Sweden

Randstad
Jeroen Tiel, managing director

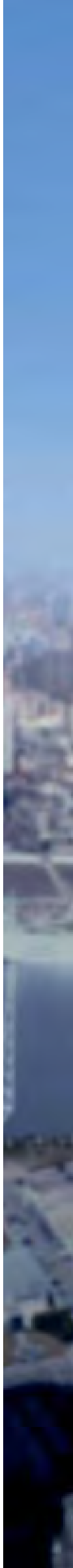
France

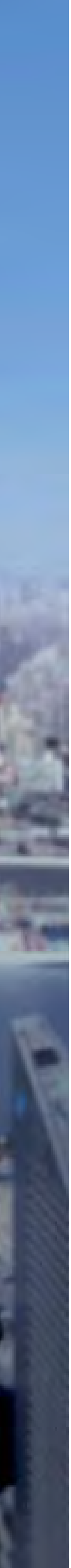
Randstad
Frédéric Noyer, managing director
Management team
Pierre d'Arbonneau, finance
Philippe Cafiero, human resources
Aline Crépin, marketing
Rémy Bailly, IT & quality
Patrick Monbrun, Randstad Inhouse Services
Didier Gaillard, operations
Alain Giraud, operations
Edith Martin-Genet, operations

Germany

Randstad
Eckard Gatzke, managing director
Management team
Heide Franken, corporate affairs & market innovations
Heide-Lore Knoff, human resources & social affairs
Stephanie Vonden, managing director Bindan

Yacht/Teccon
Victor van den Hoff, managing director
Klaus Kurzke, operations
Sven Scholz, operations





Hungary

Randstad
Pedro Lacerda, director of operations

India

Monisha Advani, chairperson steering committee EmmayHR and Team4U
Anuj Tiwari, chief financial officer

EmmayHR
Madhu Bhojwani, managing director

Team4u
Abhinav Dhawan, managing director

Italy

Randstad
Marco Ceresa, managing director
Management team
Hervé Billoud, finance & IT
Alessandra Rizzi, human recources
Daniella Carassiti, Randstad Inhouse Services
Stefano Manfredi, operations
Elena Parpaiola, operations
Silvia Testa, operations
Massimo Tolomelli, operations
Haro Kits, operations

Japan

Randstad
Marcel Wiggers, managing director
Akimasa Koizumi, executive vice-president

The Netherlands

Randstad
Jan Vermeulen, managing director
Management team
Hans van Slooten, finance, facilities & IT
Roland Berendsen, operations
Chris Heutink, operations
Hans Hoogeveen, operations
Andy Verstelle, operations

Tempo-Team
Peter Hulsbos, managing director
Management team
Matthew Fite, finance
Jelle de Jong, human resources & marketing
Louis Breukelman, operations
Erik de Jong, operations
Alex Meingast, operations
Albert van der Meulen, operations

Otter-Westelaken
Gerard de Kock, managing director

Yacht
Jan Hendrik Ockels, managing director
Management team
David Eddes, finance
Nini Feringa, human resources
Martin Delwel, operations

Poland

Randstad
Kees Stroomer, managing director
Management team
Elzbieta Sokolowska, human resources
Pawel Borowy, finance
Agnieszka Bulik, social & legal affairs
Marzena Milinkiewicz, Randstad Inhouse Services
Witold Krajewski, operations
Iwona Wodkiewicz, operations

Portugal

Randstad
Frank Weermeijer, director of operations

Spain

Randstad
Jan Hein Bax, managing director
Management team
Rodrigo Martin, finance
Guillermo Madamé, public affairs
Joaquin Soler, marketing
Oscar Gutierrez, Randstad Inhouse Services
Jesus Echevarría, operations
Daniel Lorenzo, operations
Christina Mallol, operations
Jordi Rius, operations

Switzerland

Randstad
Simone Nijsen, managing director
Management team
Tanja Dostert, finance
Micheal Tewlin, human resources
Denise Sonderegger, marketing

Turkey

Randstad
Altug Yaka, managing director

boards

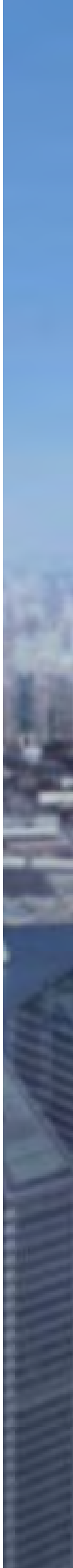
United Kingdom

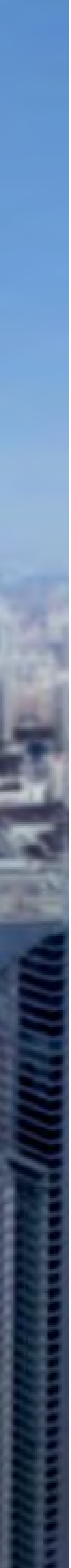
Randstad
Fred van der Tang, managing director
Management team
Adrian Sargent, finance
Hala Collins, human recources
Jaeson Middleton, marketing
Lisa Gainsford, Randstad Inhouse Services
Patrick Maloney, operations
Linda Harlow, operations

Martin Ward Anderson
Richard Wright, managing director
Management team
Helen Jones, finance
Johannes Pastoor, performance
Fiona Desmond, operations
David McDowell, operations
Lucy Wood, operations

United States

Randstad
Stef Witteveen, managing director
Management team
Ben Elliot, chief financial officer
Genia Spencer, human resources & operations
Larry Clark, chief information officer
Javier Ayuso, Randstad Inhouse Services
Jilko Andringa, operations
Eric Buntin, operations & marketing
Jeanne Pardo, operations
Steve Whitehead, operations & general counsel





history of Randstad

1960	Uitzendbureau Amstelveen founded; first year's net income is NLG 9.53 (€ 4.32)
1964	The company takes a new name: Randstad Uitzendbureau
1965	First move towards internationalization: Interlabor Interim is launched in Belgium
1967	The United Kingdom becomes the next international market
1968	Staffing activities launched in Germany
1970	Randstad starts the 1970s with 32 branches in four countries; revenues exceed NLG 47 million (€ 20 million)
1971	Net income passes the NLG 1 million (€ 453.000)
1973	Randstad enters the French market; revenues top NLG 100 million (€ 45 million)
1974	Cleaning activities start in Germany
1975	The acquisition of Belglas provides access to the Belgian cleaning market
1976	Cleaning activities launched in the Netherlands following Korrekt takeover
1978	Company name changes to Randstad Holding nv
1979	Opening of 100th branch; net income exceeds NLG 10 million (€ 4.5 million)
1980	Randstad founds Randon in the Netherlands to launch entry into the security sector; Group revenue exceeds NLG 500 million (€ 226 million)
1981	Staffing activities in the UK end
1983	Uitzendbureau Tempo-Team and cleaning company Lavold acquired
1985	Silver jubilee celebrations; 257 branches in four countries with 1,600 corporate and 35,000 staffing employees working via Randstad daily; revenue tops NLG 1 billion (€ 453 million)
1988	Start of automation services; Randstad Options Fund Foundation (Stichting Randstad Optiefonds) for corporate employees is established
1989	Randstad reenters the UK staffing market; revenues exceed NLG 2 billion (€ 907 million)
1990	Randstad shares listed on the Amsterdam Stock Exchange; net income over NLG 90 million (€ 40 million); new headquarters open in Diemen (Amsterdam)
1991	500th branch opens
1992	Largest acquisition to date: the Flex Group; expansion of automation services through HCS Group acquisition; revenue passes NLG 3 billion (€ 1.3 billion)
1993	Entry into the United States staffing market with the acquisitions of staffing organizations Temp Force and Jane Jones; start of staffing activities in Spain
1994	Acquisitions of Inter Techniek and Polydesign
1995	Staffing organization Optiman in Switzerland acquired; start of staffing activities in Luxembourg
1996	Randstad Staffing Services deploys 16,000 staffing employees at the Olympic Games in Atlanta (US); revenue reaches NLG 6 billion (€ 2.7 billion)
1997	1,000th branch opens; acquisitions of staffing organization SejersenGruppen in Denmark and LTI Bourgogne in France; start of staffing activities in Canada
1998	Founder and President and Chief Executive Officer Frits Goldschmeding is succeeded by Hans Zwarts; acquisitions of Strategix Solutions in the United States and of Life and Work in Switzerland; first share offering since initial public offering in 1990; revenue exceeds NLG 9 billion (€ 4 billion)
1999	Acquisitions of Tempo Grup in Spain and Time Power in Germany; staffing activities launched in Italy
2000	Fortieth anniversary Randstad; acquisitions of Mobile in France, Temps & Co in the US and Umano in Spain; Hedson and newmonday.com are launched; Lavold is sold to ISS; start of staffing activities in Portugal; christening ceremony of the Clipper *Stad Amsterdam*; revenue exceeds NLG 13 billion (€ 5.8 billion)
2001	Randon is sold to Securicor; acquisition of Securicor Recruitment Services in the UK; installation executive board
2002	Cleem Farla appointed CEO; Tempo-Team acquires JMW Horeca Uitzendbureau
2003	Ben Noteboom appointed CEO; Randstad invests in homecare
2004	Acquisition of Arvako in Sweden and Take Air staffing in France, start of staffing activities in Poland and Hungary; Randstad among leaders in Poland after acquisition of Intersource and Job Net
2005	Forty-fifth anniversary Randstad; start up in China; Randstad enters Indian market; acquisition of Galilei in Belgium; acquisition of Gamma Dienstverlening in the Netherlands; acquisition of Martin Ward Anderson in the UK
2006	Acquisition of Bindan & Teccon in Germany, Team4U in India, Talent Shanghai in China and the HR services division of Getronics; first branch opens in Tokyo, Japan
2007	Acquisition of JobOne in Switzerland; Thremen in the Netherlands and Team BS in Germany; Randstad promoted to AEX index; Randstad to handle Dutch payroll administration and payroll processing for Philips CIAN and conditional agreement with Vedior N.V. to join forces.

colophon

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good
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