value at work

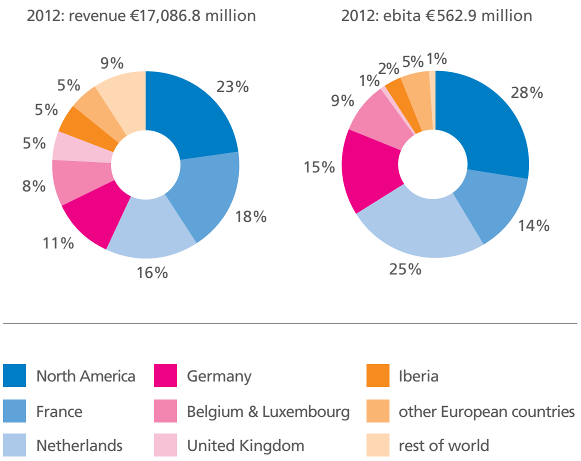
annual report 2012

randstad

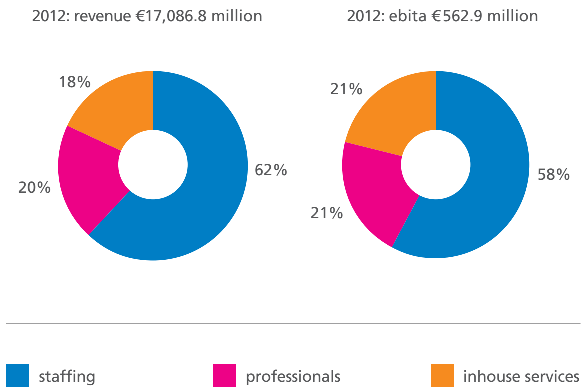
Staffing | Professionals | Search & Selection | HR Solutions | Inhouse Services

key points

split by geography



split by revenue category



Revenue grew by 5% to € 17.1 billion

❯ 9

Strong cost control

❯ 49

Underlying EBITA from € 601 million to € 563 million, EBITA margin of 3.3%

❯ 42

Adjusted net income for holders ordinary shares of € 366 million

❯ 43

Free cash flow up 7% to € 467 million and leverage ratio of 1.7 at end of 2012

❯ 19

Proposed dividend of € 1.25 per ordinary share, payout of 59%; choice between cash and stock

❯ 75

core data

in millions of €, unless otherwise indicated	2012	2011	Δ%
Key financials			
Underlying[1]			
Revenue	17,086.8	16,224.9	5
Gross profit	3,102.0	2,957.1	5
EBITA[2]	562.9	600.6	(6)
Actual			
Revenue	17,086.8	16,224.9	5
Gross profit	3,107.3	2,953.9	5
EBITA[2]	463.6	553.1	(16)
Net income	36.7	179.0	(79)
Free cash flow[3]	466.5	435.2	7
Net debt[4]	1,095.7	1,302.6	(16)
Shareholders' equity	2,724.9	2,898.4	(6)
Ratios (in % of revenue)			
Underlying[1]			
Gross margin	18.2	18.2	
EBITA margin	3.3	3.7	
Actual			
Gross margin	18.2	18.2	
EBITA margin	2.7	3.4	
Net income margin	0.2	1.1	
Share data			
Basic earnings per ordinary share (in €)	0.17	1.00	(83)
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs (in €)	2.11	2.32	(9)
Dividend per ordinary share (in €)	1.25	1.25	-
Payout per ordinary share (in %)[5]	59	53	11
Closing price, year-end (in €)	27.81	22.86	22
Market capitalization, year-end	4,785.3	3,907.9	22
Enterprise value, year-end[6]	5,881.0	5,210.5	13
Employees/outlets			
Average number of staffing employees	581,700	576,800	1
Average number of corporate employees	29,320	28,700	2
Number of branches, year-end[7]	3,191	3,566	(11)
Number of inhouse locations, year-end[7]	1,305	1,145	14

1 Underlying: actual gross profit and EBITA adjusted for one-offs, such as restructuring, integration costs and acquisition-related expenses.

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

3 Free cash flow is the sum of net cash from operating and investing activities, excluding the acquisitions and disposals of subsidiaries and associates.

4 Net debt: cash and cash equivalents minus borrowings.

5 Payout per ordinary share in %: dividend per ordinary share on basic earnings per ordinary share adjusted for the net effect of amortization and impairment acquisition-related intangible assets and goodwill and one-offs.

6 Enterprise value: the total of market capitalization and net debt.

7 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 site of the customer.

safe harbor statement
This document contains forward-looking statements on Randstad Holding nv's future financial performance, results from operations, and goals and strategy. By definition, forward-looking statements generate risk and uncertainty because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forward-looking statements. Such factors can include general economic circumstances, scarcity on the labor market and the ensuing demand for (flex) personnel, changes in labor legislation, personnel costs, future exchange and interest rates, changes in tax rates, future corporate mergers, acquisitions and divestments, and the speed of technical developments. You should not place undue reliance on these forward-looking statements. They are made at the time of publication of the annual financial statements of the company and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, we can offer no assurances that the forward-looking statements published here will prove correct at a future date, and the company assumes no duty to update any such forward-looking statements.

value at work

'We equip employees with the right competencies to face tomorrow's world of work'

The theme of the 2012 annual report is 'value at work'. We have linked this theme with our sustainability framework and focus on the value we add for our main stakeholder groups: our clients, our candidates, our employees and society at large, including our shareholders.

Being a global player in the world of work means we play a crucial role as an intermediary between these stakeholders. Doing our job right means developing careers for our candidates, providing our clients with the right talent and maintaining their agility and competitiveness, paving the road towards modern labor markets in all our geographies, and last but not least, providing a rewarding place to work for our own corporate staff.

Our own employees receive special attention in this annual report. Several of them explain what their added value is to Randstad, their clients and candidates, as well as highlighting what added value Randstad has brought them as an employee. As they are our most important asset and ambassadors, their value is invaluable.

contents

overview & strategy

profile

who we are

Randstad is the world's second-largest provider of HR services

Randstad specializes in solutions in the field of flexible work and HR services. We are taking the lead in shaping the world of work, by matching people with companies that will help them develop their potential, and matching companies with people who will work to develop their business. In addition, we support the creation of modern and flexible labor markets around the world.

Our service portfolio comprises staffing and placement of professionals, including both temporary and permanent placement. We also offer dedicated on-site workforce management with Inhouse Services – which is unique in our industry – as well as other HR solutions, such as payroll services and outplacement. For a more comprehensive overview, see 'our strategy' section. We think globally by introducing best practices and uniform business models across our international network, and act locally through our understanding of local cultures and the recognition that both candidates and clients have local needs.

what makes us different

By finding employees the work they are best suited for, and by finding employers the candidates who best fit into their organization, we create value for society as a whole. The clarity of our strategy and our strategic goals will also help us to achieve our ambition to be an employer of choice, helping us to continue to attract the best people, who will in turn provide our clients with the excellent execution they need.

We continue to adhere to and live by our five core values, established in the company's early days: to know, to serve, to trust, striving for perfection, and simultaneous promotion of all interests. Our values shape our culture, and help us develop, grow, and better serve our clients, candidates and other stakeholders.

Our shared culture, expressed through our behavior, is a clear indicator of the way we live our values. The better we know our clients and candidates and the better our relationship with them is, the better we are at matching their needs and exceeding their expectations.

our service concepts

Staffing

In Staffing, our largest business, we focus on recruiting candidates with a secondary education or equivalent. The concept covers temporary staffing, permanent placement and specialties. The latter involves dedicated units focusing on specific market segments. Our services are offered through our well-known network of high-street and sub-urban branches. We deploy our unique unit structure in many countries, where each unit consists of two consultants, who are responsible for both client service and candidate selection.

HR Solutions

Through HR Solutions, we provide clients with a range of services, including: Recruitment Process Outsourcing (RPO), Managed Service Programs (MSP), payroll services and various other services, such as outplacement, outsourcing and consultancy. As part of RPO we take on primary responsibility for the recruitment and selection of a client's workforce. MSP is one of our key offerings, whereby we take on primary responsibility for the organization and management of a client's contingent workforce. Our payroll services take over clients' administrative burden, so that they can focus on their core business needs.

Professionals

For middle and senior management positions, we recruit supervisors, managers, professionals, interim specialists and consultants with an academic or equivalent qualification from a wide range of disciplines. These include engineering, IT, finance, healthcare and other disciplines, such as HR, education, legal affairs, and marketing & communications. In many countries, we deploy a team structure, with the teams made up of four or five consultants and a team leader, with each team specializing in certain profiles or business lines and having both sales and recruitment roles. Each team deals with either temporary or permanent placements.

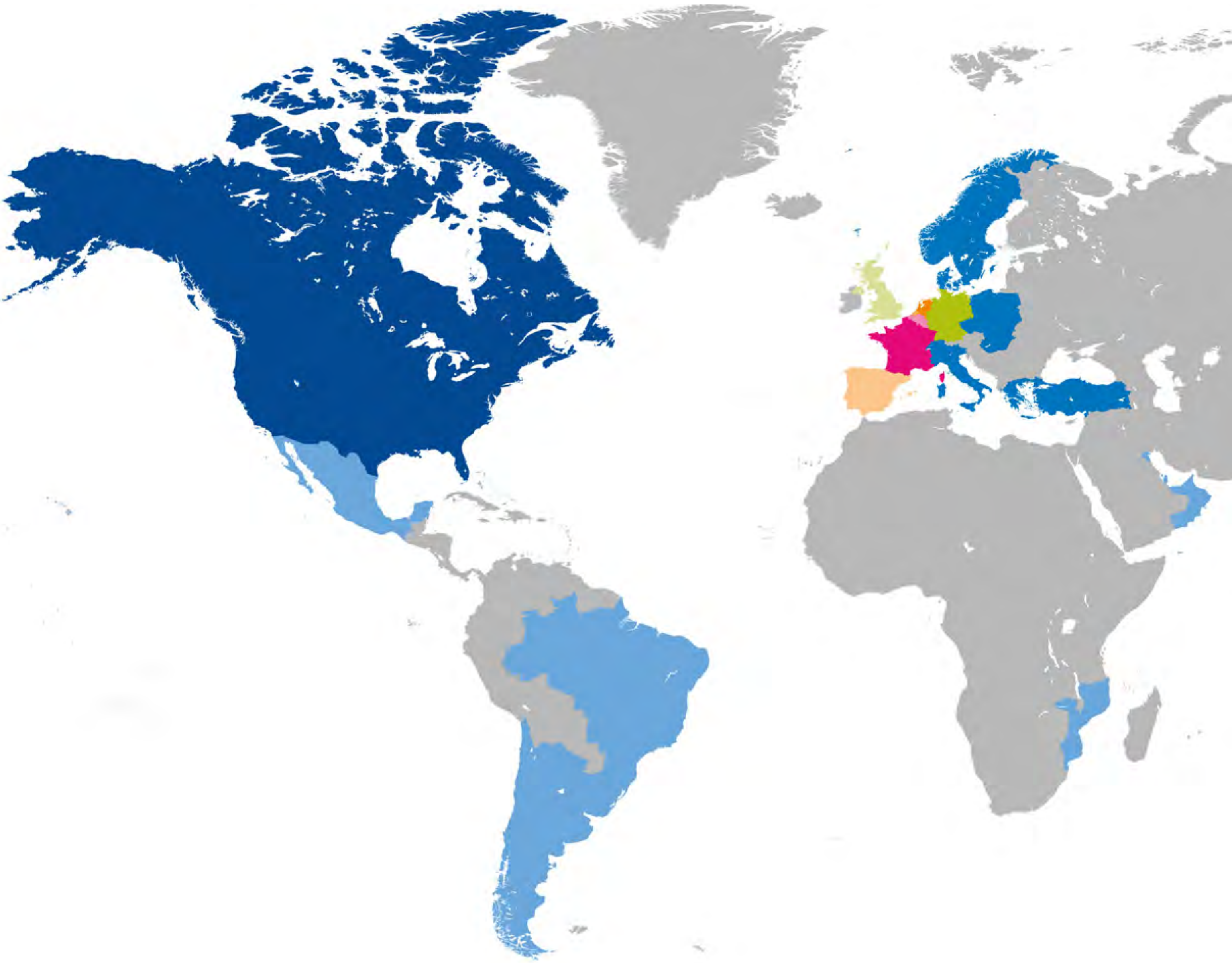
Search & Selection

We have subsidiaries in several countries specializing exclusively in the recruitment of middle and senior managers for permanent positions within client organizations. These services include a number of related recruitment and training programs, which are usually fee-based.

Inhouse Services

Inhouse Services is a unique solution for managing a highly efficient workforce with specific skill sets for which there is a fluctuating level of demand. It is aimed at improving clients' labor flexibility, retention, productivity and efficiency. We work on-site exclusively for one client, providing a large number of candidates, often in the manufacturing and logistics segments. We frequently work with the client to determine specific performance criteria, and provide total HR management, including recruitment & selection, training, planning, retention, and management reporting.

our global presence



■ North America
- revenue € 3,946.5 million
- 6,370 corporate employees
- 105,900 candidates
- 1,041 outlets, of which 279 inhouse locations

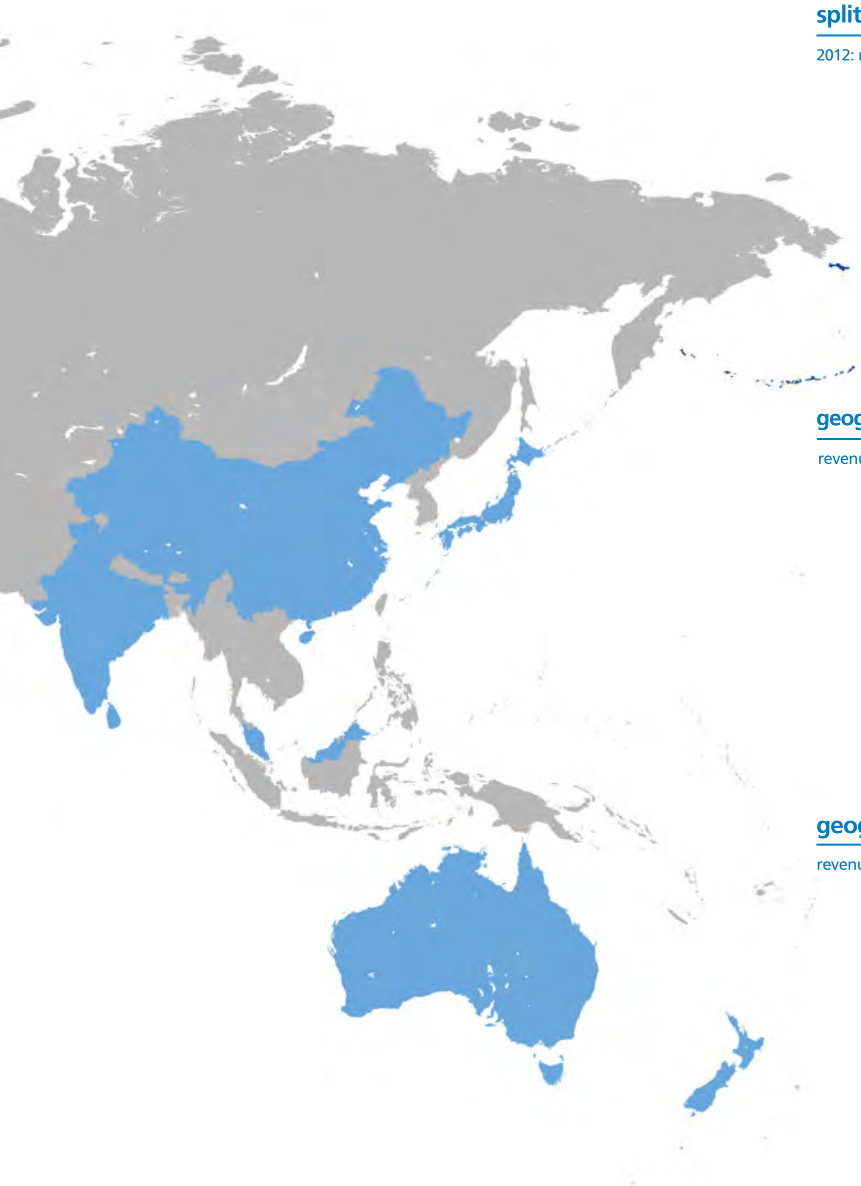
■ France
- revenue € 3,098.6 million
- 3,880 corporate employees
- 83,400 candidates
- 868 outlets, of which 127 inhouse locations

■ Netherlands
- revenue € 2,824.9 million
- 4,730 corporate employees
- 85,400 candidates
- 634 outlets, of which 269 inhouse locations

■ Germany
- revenue € 1,842.6 million
- 2,770 corporate employees
- 50,600 candidates
- 558 outlets, of which 260 inhouse locations

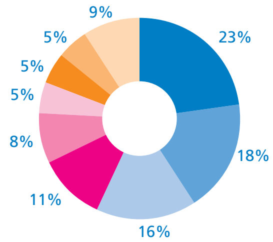
■ Belgium & Luxembourg
- revenue € 1,317.8 million
- 2,020 corporate employees
- 42,300 candidates
- 344 outlets, of which 156 inhouse locations

■ United Kingdom
- revenue € 798.7 million
- 1,750 corporate employees
- 20,400 candidates
- 203 outlets, of which 64 inhouse locations



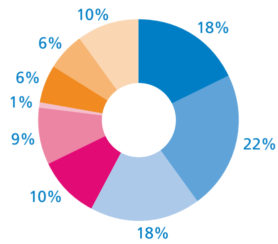
split by geography

2012: revenue € 17,086.8 million



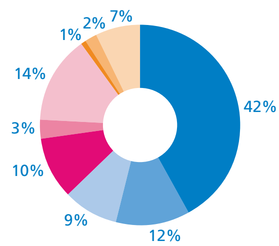
geographic spread revenue staffing (including hr solutions)

revenue Staffing: € 10,556.0 million



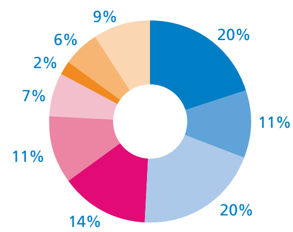
geographic spread revenue professionals

revenue Professionals: € 3,494.1 million



geographic spread revenue inhouse services

revenue Inhouse Services: € 3,026.7 million



■ North America
■ France
■ Netherlands
■ Germany
■ Belgium & Luxembourg
■ United Kingdom
■ Iberia
■ other European countries
■ rest of world

■ Iberia
- revenue € 781.7 million
- 1,350 corporate employees
- 45,000 candidates
- 266 outlets, of which 43 inhouse locations

■ other European countries
- revenue € 897.6 million
- 1,780 corporate employees
- 36,300 candidates
- 341 outlets, of which 84 inhouse locations

■ rest of world
- revenue € 1,578.4 million
- 4,480 corporate employees
- 112,400 candidates
- 241 outlets, of which 23 inhouse locations

executive board

Robert Jan van de Kraats
(1960, Dutch)
CFO and vice-chairman of the Executive Board

- Joined Randstad in 2001
- Appointed as vice-chairman of the Executive Board in 2006

Background
A certified auditor, Robert Jan van de Kraats began his career with one of the big four accountancy firms. In 1989, he joined an international technology group as finance and IT director for the Netherlands. He held various senior positions with an international credit insurance group from 1994, and in 1999 he was appointed CFO and member of its managing board. He joined Randstad in 2001 as CFO. He is also a Supervisory Board member of SNS Reaal.

Responsibilities
Robert Jan van de Kraats is responsible for Group control, strategy and M&A, accounting, tax, treasury, business risk & audit, IT, investor relations and shared service centers. In addition, he is responsible for Japan and India.

Linda Galipeau
(1963, Canadian)

- Joined Randstad in 1995
- Appointed to the Executive Board in 2012

Background
After receiving an MBA degree in marketing and managerial economics and several years in the staffing industry, Linda Galipeau joined Randstad in 1995 as district manager in the US. In 1997, she started the Canadian operations and in 2008 she was appointed President of Randstad Staffing in the US.

Responsibilities
Linda Galipeau is responsible for North America, Mexico and Professionals coordination.

Ben Noteboom
(1958, Dutch)
CEO and chairman of the Executive Board

- Joined Randstad in 1993
- Appointed as CEO and chairman of the Executive Board in 2003

Background
After graduating in law, Ben Noteboom held international management positions with a major chemical company. After joining Randstad, he was initially responsible for the integration of a number of major acquisitions. He then held a series of senior management positions and started Capac Inhouse Services, for which he had Europe-wide responsibility from 2000. He is also a Supervisory Board member of Royal Ahold.

Responsibilities
In addition to his chairmanship of the Executive Board, Ben Noteboom is responsible for Australia, New Zealand, China, Hong Kong, Singapore, Malaysia and Group HR, marketing & communications, business concept development, innovation, legal afairs and public affairs.

Jacques van den Broek
(1960, Dutch)

- Joined Randstad in 1988
- Appointed to the Executive Board in 2004

Background
After graduating in law, Jacques van den Broek held a management position with an international trading company until he joined Randstad as branch manager. Appointments followed as regional director in the Netherlands and, subsequently, marketing director Randstad Europe. In 2002, he moved to Capac Inhouse Services as managing director, also taking on responsibility for Randstad in Denmark and Switzerland.

Responsibilities
Jacques van den Broek is responsible for the UK, Belgium & Luxembourg, Germany, Italy, Switzerland, Middle East, Yacht, and global client solutions.

Leo Lindelauf
(1951, Dutch)

- Joined Randstad in 1979
- Appointed to the Executive Board in 2001

Background
Following his education at an academy for social studies, Leo Lindelauf completed a study in industrial engineering and management science. He began his career as a community worker. When joining Randstad he worked as district manager and regional manager before being appointed regional director in the Netherlands. He became managing director of Tempo-Team in 1994 and managing director operations for Randstad Europe, including the position of managing director Randstad Netherlands in 1999.

Responsibilities
Leo Lindelauf is responsible for Randstad and Tempo-Team in the Netherlands, Nordics, Eastern Europe, Greece, and Turkey.

François Béharel
(1970, French)

- Joined Randstad in 2008
- Appointed to the Executive Board in 2013

Background
With a Bachelor's degree in distribution management and commercialization techniques, François Béharel joined Vedior in 1999 as a regional manager and, following various promotions, became CEO of Vedior France in May 2007. Following the acquisition by Randstad, he was appointed President and CEO of the new combined Randstad Groupe France and played a key role in the integration of its businesses.

Responsibilities
François Béharel is responsible for France, Spain, Portugal, Brazil, Argentina, Chile, and Uruguay.

message from the CEO

Dear stakeholder,

Although 2012 was a challenging year for Randstad and the HR Services sector as whole, it also saw a number of positive developments in the world of work. Our industry is benefiting from the introduction of modern, sustainable labor policies in several of the markets in which we operate. These policies bring the labor market more in line with the 'flexicurity' model promoted by Randstad, which advocates a good balance between flexibility and security. More flexible employment relationships will drive participation and mobility in the labor market, which will fuel growth in the HR Services sector. The two most notable legislative changes in 2012 were the introduction of equal pay for temporary and permanent workers in Germany and the Netherlands, and labor market reforms in France, Italy and Spain. Naturally, not all these changes will have an immediate effect, but they will ultimately lead to better functioning labor markets, in which companies like Randstad will be able to add value.

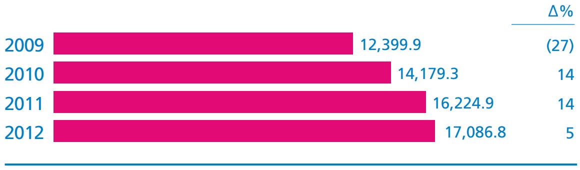
In 2012, our revenue grew by 5% to € 17.1 billion, partly attributable to the acquisition of SFN in late 2011. The year started optimistically, but as 2012 progressed, markets became increasingly volatile. In the first six months, organic revenue remained in line with 2011. However, revenue gradually contracted in the second half of the year. Growth continued in North America, Asia and Latin America, and we continued to invest in these regions, while revenue came under pressure in Europe. This required us to set an ambitious cost-savings target of € 70-100 million. This was in a large part accomplished by using natural attrition to reduce the number of employees. Unfortunately, some restructuring was inevitable. I therefore wish to express my gratitude to those employees who have had to leave us, and thank them for the contribution they have made to Randstad, in some cases over many years.

Besides focusing on stringent cost control, we also set several strategic priorities to capture opportunities for profitable growth. First, we aim to improve our business mix by accelerating growth in Professionals, permanent placements and small and medium-sized enterprises (SMEs). Second, we are pursuing new opportunities arising from growing demand for Recruitment Process Outsourcing (RPO) and Managed Services Programs (MSP). Third, we aim to improve the quality of service to our clients by matching the right delivery model to each client in order to achieve greater efficiency and higher added value for the client. Finally, to enhance profitability, we are reassessing the value of our contracts, terminating the least profitable ones, particularly in North America and across Europe.

We maintained our solid financial position by reinforcing our focus on working capital management and by completing a refinancing process, which included the issue of preference shares C. We also secured financing for the next four to five years. Our leverage ratio was well within our target range of between 0 and 2. For 2012, we maintained our dividend policy

revenue

in millions of €



ebita, underlying

in millions of €

net debt

in millions of €

and propose a dividend of € 1.25 per ordinary share. Shareholders will have a choice between shares and cash.

Our annual People Survey confirmed that employee engagement at Randstad continued to improve in 2012. Talent management remains one of our key priorities. Specifically, we aim to fill 80% of our management positions internally, a target we met in 2012. The appointments of François Béharel and Linda Galipeau to the Executive Board are excellent examples of our talent-management process, actively promoting internal candidates for senior management positions. Another example of making the most of our talent at Randstad is the introduction of an internal advisory board comprising managing directors from various geographies. This advisory board focuses on accelerating identified strategic projects.

In November 2012, Brian Wilkinson left Randstad after four years as a member of the Executive Board. We thank Brian for his dedication and contribution to Randstad and its predecessors over the years, and wish him all the best in his future endeavors.

Of course, we would be unable to perform without the support of our stakeholders. I would therefore like to thank our employees for their hard work and dedication, and our clients, candidates and investors for their continued trust, commitment and involvement. I look forward to a successful 2013.

Ben Noteboom

our strategy

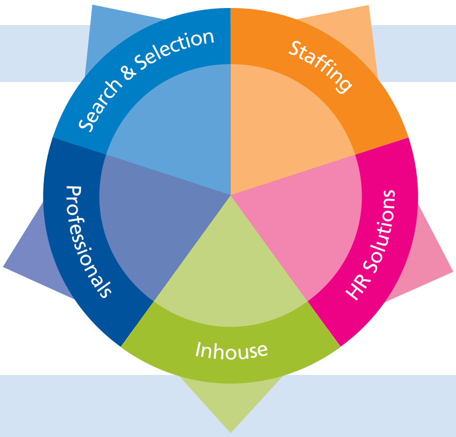
introduction

We operate in cyclical markets with structural growth. Since the countries in which we are active represent over 90% of the global HR services market, our strategy has been designed to capitalize on the structural growth in the markets in which we operate. Our strategy is illustrated below, and is composed of a number of primary components. Our strategic building blocks – strong concepts, best people, excellent execution and superior brands – represent our response to the external growth drivers and market trends we have identified in our industry. By combining these building blocks, we create value for all our stakeholders, which enables us to continue to expand our business in all five of our service concepts and achieve our strategic targets. More information about how we create value can be found in the section 'value proposition'. Our growth drivers are explained in the section 'our business environment & markets'.

growth drivers & strategy

building blocks

- strong concepts
- best people
- excellent execution
- superior brands



growth drivers

- need for flexibility
- demographics
- deregulation
- clients looking for a total offering

targets

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
- continuous profitable market share gains
- sound financial position with leverage ratio of between 0 and 2

growth drivers

- **Need for flexibility:** A workforce with the right degree of flexibility increases the productivity and competitiveness of our clients. By gaining more diversified experience, candidates become more competitive in the labor market and more attractive to employers. In addition they benefit through new work arrangements, such as flexible working hours, part-time work, and temporary work.
- **Demographics:** Populations are changing. Scientific research clearly indicates that quantitative and qualitative skill shortages will become more acute in the future, led by an aging population and declining population growth in many Western countries. This will lead to higher mobility in the employment market and will drive future growth of our industry. Understanding and responding to changing demographics is vital to our future success.
- **Deregulation:** Deregulation is a key market growth driver. We advocate the lifting of unjustified restrictions in overregulated markets, while pushing for a fair and effective regulatory environment in markets where this has yet to be introduced. We believe that the removal of restrictions will accelerate growth.
- **Clients looking for a total offering:** Clients are increasingly looking for total service offerings with fewer suppliers. As a global leader, we are ideally positioned to provide clients with the right candidates and solutions.

building blocks

- **Strong concepts:** Our service concepts reflect the needs of our clients and candidates. They are the foundation of our business.
- **Best people:** This buiding block acknowledges the importance of our corporate staff in maintaining and building on our success and position in the market.
- **Excellent execution:** We use best practices across our businesses, which gives us an edge in the market place.
- **Superior brands:** Our brands are instantly recognizable to clients and candidates, and by focusing on brand awareness, we strengthen our global offering.

building block: strong concepts

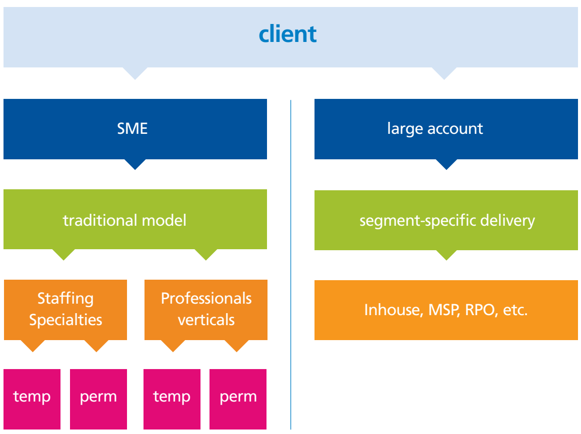
Our service concepts are based on best practices and proven procedures. This ensures efficient working methods and a first-class service delivery. The concepts can be rapidly replicated and leveraged in other markets, and are relatively easy to adapt to meet specific needs. Our service concepts are well-known for their consistency and quality of delivery. As a result, all of our clients know they can trust Randstad to meet their needs throughout the world.

We offer five distinct service concepts: Staffing, HR Solutions, Professionals, Search & Selection and Inhouse Services. Within each service concept, we have multiple ways of delivering our services to our clients.

We want to make the best jobs available to as many people as possible, giving them the opportunity to gain experience and to develop themselves. By finding candidates with the exact talents and skills our clients need – exactly when they need them – we provide our clients with the flexibility and agility they require to improve their productivity and competitiveness.

In 2012, we reinforced our focus on implementing the right delivery models for clients and client profitability.
For small and medium-sized clients we offer Staffing and Professionals services through our branch network. Our units or teams each focus on a specific market segment and/or job profile, offering temporary staffing or permanent placement. For larger clients, requiring higher volumes, we have developed segment-specific delivery models. As the profile of our clients continues to change, we need to adapt our service offering accordingly. Good examples of how we are doing this are our unique Inhouse Services offering and Randstad Sourceright. The latter focuses on Recruitment Process Outsourcing (RPO) and Managed Services (MSP), which will be explained in more detail in this section.

client strategy



adaptability client-delivery model

Across the Randstad Group, our companies periodically analyze our clients. We assess whether the existing delivery model is the most effective and efficient for handling the type of orders or job profiles. In addition, we analyze whether the existing contract and delivery models generate the desired profitability. Based on this assessment, clients may be transferred to a new delivery model. For example, we might transfer a large Professionals client, serviced through our office network, to Recruitment Process Outsourcing (RPO), so that we can handle recruitment at the client's premises. Such a dedicated delivery model increases the fill rate of the orders and hence leads to greater client satisfaction. What is more, by transferring a larger client from the branch network to a segment-specific delivery model, we also ensure that the units and teams at the branches are better able to focus on their market segments and job profiles.

A detailed explanation of our service offering and the structure we deploy to render these services, is given in this section. In the section 'performance', we have included an overview of our performance by revenue category in 2012.

Staffing

In Staffing, our largest business, we focus on recruiting candidates whose highest level of schooling is secondary education or equivalent. The concept covers temporary staffing, permanent placement and specialties.

Our Staffing service offering includes a range of specialties, with dedicated units that focus on staffing for specific market segments that require certain skills or experience, such as logistics, airports and call centers. Our specialties leverage our extensive branch network, our brands and front-office processes and, as such, they are an important part of our value proposition.

Clients with the right balance in their workforce between permanent and flexible employees are better equipped to breathe with the tides of the economy, accelerate growth when opportunities arise and stay ahead of the competition. Our Staffing concept offers clients in-depth knowledge of their business and provides the right talent at the right time. Addressing the need of our clients for increased flexibility is what we do every day.

In the majority of our markets, we operate a unit structure in the Staffing segment. Once we have thoroughly researched the local market, we identify an area with sufficient market potential and a team of two consultants sets up a 'unit'. This is the base structure that we use to grow our business. A third consultant is added when the unit reaches a certain productivity threshold. We then add a fourth consultant when needed, and split the unit into two. As the business grows, more units are added, including specialties and new services. We then move into an adjacent area, where we repeat the growth model. Because we focus on recruiting professionals who are university graduates, our consultants are known for their very high competence.

Each unit typically consists of two consultants who work within a given geographical area or segment, and are jointly responsible for client service, candidate selection and the matching of clients and candidates. The consultants work as a team, ensuring that one of them is available at all times to assist clients and candidates. All consultants are experts in their local labor market, and become experts in their clients' businesses, understanding clients' needs and the candidate profiles that will best meet their requirements. Because consultants are dedicated to clients and know what to expect – which enables them to predict what clients will need and when they will need it – they achieve maximum fill rates for vacancies. This in-built ability to anticipate our clients' needs is one of Randstad's greatest differentiators, and provides a major boost to the performance of our teams. The structure enables our consultants to dynamically address changing client demands as they arise. This also sets us apart from many competitors, which operate separate sales and recruitment forces. Our structure clearly helps us to make better client/candidate matches.

Because consultants have a dual role – making the match by both servicing clients and recruiting candidates – we can fully address the needs of both our clients and our candidates. All our units are managed based on our field steering model. More information about this model can be found in the section on 'excellent execution'.

HR Solutions

HR Solutions frees up the time of our clients' HR managers by taking over many of their HR tasks, enabling them to concentrate on their company's core strategic HR issues. These services, which are developed out of our extensive experience in this field, are typically complementary to Staffing and Professionals, especially with long-standing client relationships. In addition, our HR Solutions offering provides an ideal opportunity to establish and deepen new client relationships. Sometimes we start a client relationship by providing payroll services, and we also have many examples where we first provided outsourcing or other HR services. By sharing our expertise and added value, we are then able to expand our service offering to Staffing and Professionals.

We provide clients with a number of key HR Solutions:

Recruitment Process Outsourcing (RPO)

RPO is designed to increase the quality of a client's process of hiring permanent employees and to reduce their administrative burden and costs. Our RPO services take control of a client's entire recruitment and talent acquisition process. We provide tailor-made, own-branded and on-site HR services to deal with:

- management of all vacancies;
- response screening and assessment;
- selection and management of external agencies;
- cross-border services.

RPO is used by large, multinational organizations seeking strategic, operational and financial benefits. RPO was a well-established service offering provided by SFN Group, a US-based company we acquired in 2011. In line with our copy & paste strategy, we have started to implement this concept in other countries outside the US.

Managed Services Programs (MSP)

In our Managed Services Programs, we take on primary responsibility for the organization and management of a client's contingent workforce. This gives clients greater control of their recruitment activities and transparency regarding their spending. These services are particularly useful for companies wanting a single point of contact in order to ensure transparency and compliance to manage large volumes of professional skills from several different suppliers. We regularly tender in more than one country. We have experience with most vendor management system (VMS) technologies used to automate the hiring process flow and to provide the client with statistical management information.

Since our acquisition of SFN Group, both RPO and MSP are offered under the global Randstad Sourceright brand.

Payroll Services

Our Payroll Services take over our clients' administrative burden so that they can focus on their core business needs. We provide a broad range of services, including:

- taking care of the entire personnel administration, payroll accounting and contract management;
- monitoring and addressing absenteeism;

- providing a 24/7 service portal, which enables clients to register new employees, make changes, or consult specific management information.

Outplacement
Within Outplacement we counsel and support organizations in situations when a contract between an employer and an employee has to be ended because of a strategic decision or other reasons. We help employees to find suitable new employment and try to make the transition as smooth as possible. In this segment, we are market leader in the Netherlands and Belgium.

Outsourcing
In Outsourcing we take over several client activities with output responsibility in both production/logistics and administrative environments, while we also have a large outsourcing business in IT.

Consultancy
Through our Consultancy services, we support clients by providing expert advice on organizational development and personal improvement, which includes:
- personal employee development and coaching;
- optimization of HR processes and policies;
- strategic workforce planning.

Professionals
We offer a wide range of candidates with a university education or equivalent on a temporary or interim basis, as well as on a permanent placement basis through Search & Selection.

Finding and retaining top talent is an ongoing challenge for many of our clients. Even in volatile times with increased unemployment, there are already many scarce profiles, for example in IT and Engineering. We know where to find the talent with the right skills and competencies, and are able to train and support our professionals to gain additional skills if required. Our professionals, both those placed on temporary projects and those added as permanent staff, will add value from the moment they start the job and help achieve our clients' business goals.

Within Professionals, we use teams of at least two consultants, who concentrate on a specific segment or a number of job profiles. Our experienced consultants are experts in their own specific fields, and have well-developed networks of contacts. We source professionals and executives across a range of sectors, including engineering, IT, finance and accounting, healthcare, and other disciplines, such as HR, education, legal affairs, and marketing.

In the Professionals segment, we always start with a small team of at least two consultants, who initially focus on a number of job profiles in one specific segment or business line. As the business grows and targets are met, we add consultants until the team consists of four to five consultants and a team leader. When growth allows, a team is split into two, each focusing on a limited number of profiles, a specific business line and/or temporary or permanent placements. This way, we can offer our clients and candidates greater specialization, while also increasing our market share. Further expansion is based on strict criteria, which range from specialization to expansion of geographical coverage.

Our consultants identify, assess and refer candidates whose skills, experience and career objectives are ideally suited to clients' specific requirements. They share a single client and candidate database, while branch management provides overall direction to stimulate an integrated market approach. Our performance-oriented teams are driven by individual

I use my energy to inspire colleagues and clients, innovate on a conceptual level and support management teams with a practical approach. My core competence is to understand and align our concepts to the strategic goals of our stakeholders in the current dynamic market.

Wilbert Mulders
International Concept Manager - Randstad Holding

key figures by revenue category

in millions of €

	revenue		growth%	
	2012	2011	total	organic
Staffing	10,566.0	10,550.2	0	(7)
Professionals	3,494.1	3,089.4	13	(1)
Inhouse Services	3,026.7	2,585.3	17	15
Total	**17,086.8**	**16,224.9**	**5**	**(3)**

accountability, recognizing both team and personal achievements.

Inhouse Services

Randstad has developed Inhouse Services to meet the structural needs of companies requiring large-volume workforces with client-specific skill sets. We work on-site, tailoring our processes to our clients' specific needs, improving workforce flexibility, productivity and efficiency. Our dedicated consultants and process managers provide just-in-time staffing, focusing mainly on the following segments: fast-moving consumer goods (FMCG), call centers, manufacturing and logistics. By providing a flexible work solution that is designed exclusively for each client, we optimize the workforce and drive cost effectiveness. This results in a number of notable client benefits, including:

- improved labor flexibility and efficiency;
- increased employee retention;
- stronger employee engagement.

Being on-site is as close to a client as we can get and provides the unique opportunity to get a thorough understanding of how their business operates and what they need to become more agile, efficient and successful. Hidden needs are easier to discover and relationships are often long-lasting, providing a level of trust, leaving clients confident to focus on core strategic issues in the knowledge that their staffing needs are being met.

Having gained experience in providing Inhouse Services in the Staffing segment of our markets, we are now making good progress in developing Inhouse Services for the Professionals segment.

building block: best people

Making strong concepts work

'Best people' acknowledges the importance of our corporate staff in maintaining and building on our success and position in the market.

Recruiting, developing and retaining the best people is key to making our strong concepts work in practice. Randstad needs the best people to continue to grow and anticipate changing customer needs, and to meet the increased demand for new services such as Recruitment Process Outsourcing and Managed Services. Having the best people makes it possible for us to continue to deliver the best and most innovative services to our clients.

Randstad needs agile and adaptable people, capable of effectively dealing with and responding to ever and rapidly changing circumstances.

A strong and contemporary human resources function throughout the company is key to this ambition, and drives quality and discipline with regard to processes like performance management, talent & leadership development, organization design & development, employer & employee branding, and employee engagement.

Recruiting the best people

Who we look for

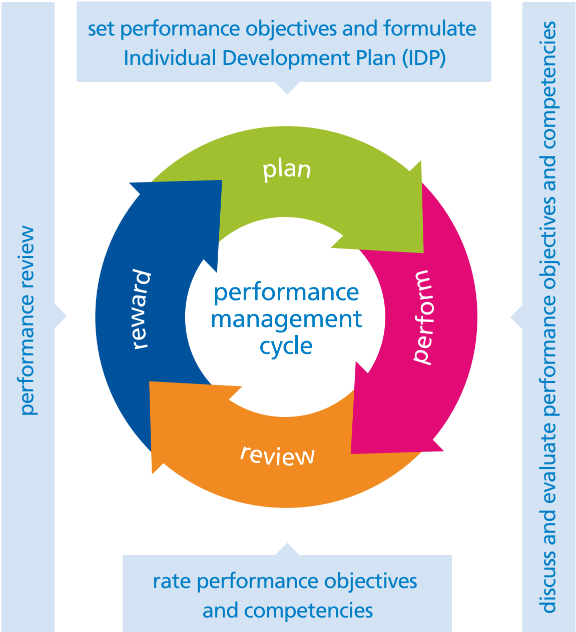
Successful recruitment at Randstad means recruiting people who have both the right skills and competences for the job, and who fit within our culture and values. Our ambition is to hire people not just for a job but for a career. In order to be able to attract the best and the brightest in all our markets, we are continuously working on and investing in our employer brand. As a result, we received 'Great Place To Work' awards in Canada, Spain and Belgium and were listed among Fortune's 2012 world's most admired companies in the US.

Developing the best people

Induction program

Engaged employees perform significantly better and are more likely to stay. Helping both new and existing employees understand the strategy and culture of the organization as well as their individual job requirements is crucial in driving their individual effectiveness and satisfaction. This is why all new employees, as well as employees starting in a new role, follow a formal induction program within the first few months of starting in their new position. The program covers our ambitions, strategy, values, culture, history, and corporate policies, as well as targeted and relevant job-related information designed to help employees become effective in their new role as quickly as possible.

performance management cycle



It is important that my job is meaningful so I can perform to my fullest extent. My willingness and ability to learn and to work under pressure help me to accomplish the challenge of finding the perfect match between clients and candidates.

Marina Schamne
Consultant Professionals - Switzerland

Performance management

Each Randstad employee is subject to our performance management process, according to the performance management cycle.

This cycle, which is a fully standardized process across the Group, enables us to effectively manage and calibrate the performance of our global leadership talent pool. The cycle starts with a rigorous goal-setting process, which specifies expected business results and competency development. Relevant competencies are defined for each role and level.

Towards the end of the cycle, results are assessed through a performance appraisal, both on business results and competency development, resulting in performance rewards and individual development plans. The individual performance appraisal serves as a basis for our talent review process, which focuses on leadership and talent management.

Leadership and talent management

The talent review process forms the foundation of Randstad's leadership and talent management. This process runs annually in every operating company, from the lowest organizational level up to senior management. The process concludes with an in-depth talent review by the Executive Board and Group HR.

The talent review process serves several purposes, including:

- identification of strengths and developmental needs of our senior leadership;
- succession plans and pipeline development for key leadership roles in the organization;
- early identification of future leadership talent and insights as to how to accelerate high potentials' development;
- retention risk analysis and personalized action plans for key roles in the organization;
- identification of current and future organizational strengths and development needs, and action plans to address them.

Individual learning and development needs are addressed through our philosophy of blended learning. We firmly believe that effective learning and development comes not only from traditional training, but also from individual coaching, receiving and giving constructive feedback, as well as participating in or leading large or small projects. In addition, we find that 'stretch' and/or global assignments are a highly effective way to further develop our global leadership pipeline.

Frits Goldschmeding Academy

The Frits Goldschmeding Academy is Randstad's in-house academy. It offers state-of-the-art leadership programs, designed to support our future leaders in developing their skills and strategic management capabilities, ensuring their success within Randstad.

corporate staff[1]

	average 2012	average 2011	Δ%
North America	6,370	4,210	51
France	3,880	3,950	(2)
Netherlands	4,730	5,180	(9)
Germany	2,770	2,970	(7)
Belgium & Luxembourg	2,020	2,120	(5)
United Kingdom	1,750	1,950	(10)
Iberia	1,350	1,470	(8)
Other European countries	1,780	1,800	(1)
Rest of the world	4,480	4,880	(8)
Corporate	190	170	12
	29,320	**28,700**	**2**

1 Corporate staff = corporate employees + temporary staff own use

Besides leadership programs, the academy offers a selection of functional and practical courses, including finance for non-financials and effective presentation skills.

Our programs are created in association with several leading institutes, such as TiasNimbas Business School, INSEAD, and IMD. Our Executive Board and senior management are strongly involved in the development of the programs.
In 2012, some 375 global talents participated in 12 different talent development programs at the Academy.

World League Programs
World League Programs are designed to develop our functional communities (finance, legal affairs, HR, marketing & communications and IT) in the areas of people and organization. They provide a shared vision, mission and language for key behaviors, skills and knowledge within each function, supported by specific tools and developmental actions. World League Programs enable the global functional communities to deal with performance and development needs in an aligned and constructive way.

With World League Finance rolled out in 2011, World League Counsel (legal affairs), World League Marcom (marketing & communications) and World League HR are on track to be rolled out in 2013. World League Programs for other functions are scheduled for 2014.

Retaining the best people

The best people, in the right place, at the right time
We believe strongly in developing talent in the company, and we therefore aim to fill 80% of our leadership roles internally. We have succeeded in reaching this target every year since 2009, and in 2012 we managed to fill 80.4% of our leadership roles through internal promotion, of which 47.1% were filled by 'diverse' candidates.

This success is largely due to our robust talent & leadership development process. In 2012, developing talent through global assignments led to a record number of 34 employees moving to a new role outside their home country.

What our people say
Our people are our biggest asset and we therefore aim for maximum engagement of all our staff. To monitor our progress in this regard, we measure the level of engagement annually through our People Survey. This survey gives us a snapshot of the main drivers of engagement: satisfaction, pride, intention to stay, likelihood to recommend Randstad as an employer, and 17 other related drivers.

The People Survey is conducted globally. All our employees receive the same questionnaire, offered in their local language. This enables us to analyze and compare results across all our operating companies.

In 2012, more than 80% of our employees responded to the survey, resulting in an engagement level of 7.5 on a scale of 1-10 across all our operating companies. This qualifies as a best-in-class result in the industry. Since 2009, the overall result has risen steadily from 7.1 (2009) to 7.4 (2010 and 2011) to 7.5 (2012).

Overall, at Randstad Group level, the highest scoring elements in the People Survey 2012 include:
- clarity of Randstad's ambition;
- colleagues;
- job content and role transparency;
- freedom and room to take the initiative.

Points of attention are:
- growth and career (particularly at consultant level);
- job security.

The People Survey results are communicated by the Executive Board to all our operating companies and from there down to branch and unit teams. Improvement plans are initially made locally based on local results and attention areas. However, common themes (growth and career, job security) are addressed at Group level by the Executive Board.

We view our survey results as an opportunity for further dialogue at every level of the organization, and we are fully committed to improving those elements that contribute to attracting, developing and retaining our staff.

building block: excellent execution

Combining our 'strong concepts' and 'best people' building blocks enables us to achieve our third building block: excellent execution. We have made best practices the cornerstone of all our activities. We take best practices that have either been developed centrally at Group level or in any one of our operating companies, and translate them into standardized work processes that we can use right across our business. This means we can spend more time with clients and candidates, increasing client and candidate engagement and enabling us to gain market share. By standardizing, we can rapidly 'copy & paste' our concepts across markets around the world, because the required processes and execution are fully developed and we can replicate them with only minor adjustments to take account of local business practices or labor market culture.

Field steering model

Our field steering model is designed to optimize adaptability and drives productivity. This is essential in order to generate a strong conversion of gross profit growth into EBITA.

One of our core strengths is being able to adjust to changing market circumstances quickly and adeptly, enabling us to provide clients with the services they need, when and where they need them. Our field steering model is used to manage and direct performance across our businesses. By embedding operational performance tools at every level of our organization, the field steering model helps operational managers to take the right decisions, at the right time, and translate them into action. Managers receive up-to-date, accurate reports on a weekly basis, covering a range of key performance indicators. These data enable them to manage their units and teams in the field by adapting to changing client and market demands as they occur. The field steering model also helps us identify best practices, which can then be rolled out globally across our businesses.

In 2012, we continued to focus on the quality of the field steering model across the group. An important step was the self-assessment of our operating companies. We have also introduced a business game in the training of our middle management. This tool enables them to develop their management capabilities based on real-life examples.

Best practices for field and back-office activities

We standardize both front-office and back-office processes and, where possible, marketing processes. This improves the consistency and quality of our business and our execution. We have created and implemented a 'contract-to-cash' blueprint across our companies. This blueprint includes guidance for contract terms and describes best practices for invoicing and collection processes. By using this blueprint, we ensure efficient use of working capital across the Group. As a result, our Days Sales Outstanding (DSO) continued to decrease from 53.8 days in 2011 to 51.8 days in 2012. In 2012, we revised the 'contract-to-cash' blueprint, which is derived from best practices used by our operating companies around the world. The revision stems from adjustments made to our approval and information requirements policy as well as our contract liability policy.

IT strategy

Randstad's IT solutions are designed to support our business processes locally and globally. We invest in IT teams that are business savvy and can work closely with our line

I develop technology solutions which bring immediate benefits to my colleagues in their daily routines, optimizing processes and eliminating expensive and repetitive tasks. I also discover ways to find solutions that answer business needs and enable implementation of new products.

Gonçalo Vilhena
IT Service Manager - Portugal

management. IT decisions are typically taken locally by our combined business/IT teams, with strong guidance from our global Group IT team. Increasingly, we use social media, integrating them into our processes and connecting our systems to them, sharing and building on our day-to-day experience in our markets. We aim to maximize the value from a limited number of IT systems and vendors, but we seldom resort to rigid global standardization of software. We are, however, in the process of standardizing our email and calendar systems using a cloud-based solution provided by Google. This is intended to be complete by the end of Q1 2014. In other domains too, we use cloud-based solutions whenever feasible.

building block: superior brands

Our superior brands are a guarantee to our clients that they will receive the highest quality service and the best employees worldwide. Superior brands give us better pricing options and the type of awareness that helps sell, prospect for and introduce new products and services. Superior brands also help us recruit and retain the best people, while enhancing our visibility and credibility with regulators and legislators.

Randstad is our main brand in most of our markets. However, in a few markets where the market structure makes this beneficial, we use Tempo-Team as our second brand. This focused, centralized brand strategy enables us to leverage brand recognition, generate efficiency benefits for our online strategy, and share experiences across the Group. It also generates momentum behind our joint sponsorship initiatives, and we achieve significant cost reductions by sharing campaign materials, photo databases and know-how.

The overall growth rate in our international brand awareness suffered a setback in 2012 as a result of advertising cutbacks in Europe due to the economic circumstances. However, in North America and Asia, our brand awareness continues to rise. In independent branding reports, such as those of Brand Finance, we were once more rated the most valuable brand in our industry, scoring slightly higher than last year. Brand Finance ranked Randstad 181st in the global 500, versus 185th last year.

Global traffic to our websites rose again by 16% in 2012, performing well among the various dedicated career services sites.

Sponsoring played an important role in our marketing mix in 2012, together with classic media advertising and web- marketing spending. We were among the ten most visible sponsor brands globally in Formula One due to excellent cooperation with the Williams F1 Team. The client sessions about diversity in higher management, co-hosted by Susie Wolff, the only female test driver in F1, were very well received. Our Netherlands-only marketing program linked to the Dutch Olympic Team at the London Olympics won the Dutch award for the best case in sport-related sponsoring in 2012.

Our international reports on the world of work continued to gain in popularity. These include, most notably, the quarterly Randstad Workmonitor report (now used in 32 countries), and the Randstad Award, an independent employer branding assessment of major employers in specific markets, which was presented in 14 countries. Our new thought leadership platform, launched in the US (www.randstadusa.com/workforce360) drew great reviews and many new contacts. In the press, according to Dow Jones Insight metrics, the number of citations continued to rise in 2012.

strategic priorities in 2012 and 2013

Over the past few years, our markets became more volatile and we witnessed divergent trends between markets. This means we need to adapt to changes in our markets. In North America and the rest of the world we focus on capturing profitable growth, while in Europe our focus is on client profitability, by optimizing our delivery models and costs.

Considering the beginning, when no one knew Randstad in Japan, we came far. My ambition is to establish Randstad as a friendly, trustworthy and reliable HR authority. Randstad brought me a global network of colleagues sharing the same values. I'm proud to be part of that team.

Ikumi Maekawa
Communication Manager - Japan

With these trends in mind, we have set the following priorities:

- to capture profitable growth opportunities;
- to apply field steering to ensure adaptability and drive productivity;
- to focus on segment-specific delivery: where necessary, modifying our delivery models for clients;
- to further improve our business mix: SME, Professionals, permanent placements;
- to achieve an efficient cost structure.

Our field steering model enables us to easily adapt our organization to changing market circumstances. We have been applying our field steering model across all countries to guarantee the quality of our execution. This is a continuous process, ensuring agility in our organization and driving productivity across the Group. The changing environment also requires us to take a more dedicated client approach. By monitoring and analyzing the needs of our clients, we ensure that we use the right delivery model. This increases the added value for our clients and optimizes the efficiency of our organization. In addition to these initiatives, we are also aiming to improve our business mix by accelerating growth in the Professionals segment, permanent placements and small and medium-sized companies (SME).

By ensuring adaptability of the field organization, our field steering model helps us to achieve an efficient cost structure. In addition, we closely monitor the productivity and efficiency of the whole organization, including overhead and head office costs.

More information on our performance in 2012 can be found in the 'performance' section.

targets

The structural growth drivers in our industry remain in place. Clients have a strong focus on becoming more efficient and having access to candidates with specific skills and expertise. Demographic trends, such as the growing mismatch between supply and demand for labor, require higher mobility and greater participation in the labor market. Other opportunities will emerge from the implementation of appropriate regulation in all our markets. As a global HR services provider, we are well-positioned to benefit from all these trends. In the short term, however, we are facing increased uncertainty in our markets and we are experiencing greater volatility in earnings. As a result, we have updated our strategic targets.

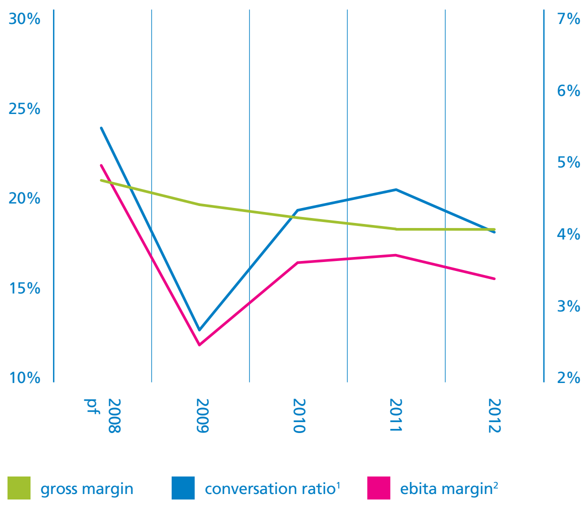
Our markets continued to show divergent trends in 2012. In North America, Asia and Latin America, we saw normal cyclical patterns. However, the macroeconomic situation in Europe remained fragile, and throughout 2012, revenue started to decline again after only two years of recovery, which actually only affected the lower-margin industrial segments. This clearly limited growth and further recovery of our business mix, and subsequently held back our profitability. Whereas our underlying EBITA margin improved from 2.5% in 2009 to 3.7% in 2011, in 2012 it was set back to 3.3%. This led us to relinquish our target of realizing EBITA margins of at least 4%, while we continue to strive for an EBITA margin of 5%-6% over time, through revenue growth and business mix improvement.

Growth is essential for realizing our targets. Based on the trends in our industry, the Professionals segment and permanent placements will play a greater role in our markets, and we are ready to capture growth in these segments.

Size correlates with profitability. It is therefore important to grow our market share in existing markets. As clients are looking for a total offering with fewer suppliers, we are well-positioned to capture market share by focusing on profitable growth.

In 2012, we continued to focus on strong cash flow generation and the free cash flow amounted to € 466.5 million. We used our free cash flow to reduce our debt and to pay a dividend. Our net debt position decreased from € 1,302.6 million to € 1,095.7 million, and our leverage ratio was 1.7, well within our targeted range of between 0 and 2. In 2012, we focused on refinancing our existing syndicated

gross margin, conversion ratio and ebita margin



1 EBITA as percentage of gross profit.
2 EBITA margin is shown on the right hand axis.

credit facility of around € 1.8 billion. This was completed through a combination of credit facilities and the issue of preference shares C. The latter will also enable us to structurally lower our leverage ratio. More information can be found in the 'investor relations' section.

Dividend

In light of our updated strategic targets, we have also reviewed our dividend policy. Our current dividend policy is to pay € 1.25 per ordinary share if the payout as percentage of adjusted earnings per share is between 30%-60%, and if our financial position allows for it. This dividend policy was linked to our strategy, which aimed to achieve an EBITA margin of between 4% and 6%.

In line with the current dividend policy, we will propose to our shareholders a dividend payment of € 1.25 per ordinary share, but we will offer shareholders a choice between shares and cash. The value of the stock dividend, which will be charged to the tax-exempt distributable share premium reserve, will be around the same as the value of the cash dividend. The ex-dividend date will be on April 3, 2013. The number of shares entitled to dividend will be determined on April 5, 2013 (record date). The election period for shareholders will run from April 8 up to and including April 19, 2013. On April 22, 2013 the stock dividend conversion rate will be set on the basis of the volume weighted average share price of Randstad during the period April 15 up to and including April 19, 2013. The payment of cash dividend and the delivery of shares will take place on April 24, 2013. Shareholders will receive a cash dividend, unless they opt for a stock dividend.

As from 2013, we will introduce a new dividend policy, which aims at a payout ratio of 40%-50% of adjusted earnings per share. We will also offer shareholders a choice between shares and cash. At the same time, we aim to install antidilution measures, such as share buy-backs, if our financial position allows for it.

our value proposition

how we create value

It is our strategy – i.e., how we respond to the structural growth drivers in our industry – that will enable us to meet the many challenges ahead and take advantage of the opportunities our market offers. These growth drivers are explained in the section 'our business environment & markets'. The combination of our strategic building blocks – strong concepts, best people, excellent execution, and superior brands – will enable us not just to serve the interests of our stakeholders, but also to create real and lasting value for all of them – our clients, our employees, our candidates and society at large.

By finding employees the work they are best suited for, and by finding employers the candidates who best fit into their organization, we create value for society as a whole. The clarity of our strategy and our strategic goals will also help us to achieve our ambition to be an employer of choice, helping us to continue to attract the best people, who will in turn provide our clients with the excellent execution they need.

Our strategic building blocks only truly work in unison: strong concepts are of little value without the right people to make them work, and excellent execution is impossible without the right concepts and the best people. Only when all three of these building blocks come together in perfect unity can you create that fourth essential building block, superior brands.

We believe all of this will enable us to contribute to a better society, by using our experience and expertise to shape the world of work, helping to maximize future employment and economic growth. By abiding strictly to our business principles and core values, we will also set the standard for our industry, increasing transparency and accountability to the benefit of all our stakeholders – and by doing so guarantee the continuity and sustainability of our business.

our core values

We continue to adhere to and live by our five core values, established in the company's early days: to know, to serve, to trust, striving for perfection, and simultaneous promotion of all interests. Our values shape our culture, and help us develop, grow, and better serve our clients, candidates and other stakeholders.

We can only promote the interests of all our stakeholders if we *know* them well. Our thorough knowledge of them and our business enables us to *serve* them better. Our engagement with and service to our stakeholders builds mutual *trust*. This trust is enhanced by continuously *striving for perfection* and *simultaneously promoting the interests* of our stakeholders and society in general.

The values we share serve as a compass for everyone at Randstad, guiding our behavior and representing the foundation of our culture. Our continuing success, and our reputation for integrity, service and professionalism, are based on these values. Our shared culture, expressed through our behavior, is a clear indicator of the way we live our values. The better we know our clients and candidates and the better our relationship with them is, the better we are at matching their needs and exceeding their expectations.

value creation model

randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

our core values

to know
We are experts. We know our clients, their companies, our candidates and our business. In our business it is often the details that count.

to serve
We succeed through a spirit of excellent service, exceeding the core requirements of our industry.

to trust
We are respectful. We value our relationships and treat people well.

striving for perfection
We always seek to improve and innovate. We are here to delight our clients and candidates in everything we do. This gives us the edge.

simultaneous promotion of all interest
We see the bigger picture, and take our social responsibility seriously. Our business must always benefit society as a whole.

ambitions and key performance indicators

Our vision and ambitions are reflected in our sustainability framework, which is included in the section 'sustainability performance'. It shows our activities from the perspective of our clients, candidates, employees, shareholders, society and employment markets. It also clarifies our vision for the years leading up to 2020, and identifies the key drivers needed to make this vision come to life. Our sustainability framework will help us drive the agenda and communicate our sustainability objectives, both internally and externally. It also translates these objectives into specific company-wide programs.

In this framework, we have shared key performance indicators. Several of these KPIs are already in place, while others are being developed. New KPIs will be added, while others may be relinquished if they turn out to be obsolete.

Integrated reporting

Randstad is participating in the pilot of the International Integrated Reporting Committee (IIRC). This two-year program, launched in September 2011, is dedicated to a select group of companies that will be part of the development of the integrated reporting framework. Integrated reporting brings together the material information about an organization's strategy, governance and outlook in a way that reflects the commercial, political, social and environmental context within which the company operates. It provides a clear and concise representation of an organization's business model and how it creates value.

Randstad is participating in this pilot because it links up with one of our core values: simultaneous promotion of all interests. Participating in this project provides us with an excellent opportunity to explain the added value we believe we add to society, and to make sure that the proposed framework will be relevant for companies active in the business services industry.

In 2012, we made further steps towards integrated reporting. Based on our sustainability framework and our reporting process, we are now aligning the non-financial reporting process with financial reporting. This process encourages our people at all levels of the organization to put these topics on their agendas. We will continue to improve the quality of data and we will also consider whether it is necessary to set specific targets.

Sustainability basics

'Shaping the world of work' can only be achieved if attention is also paid to sustainability 'basics'. These range from safeguarding ethical behavior, decent environmental care and supply chain responsibility, to being a good corporate citizen and ensuring our organization is transparent. Our goal is to have a set of management tools, business principles, policies and a governance structure in place that are at least in line with the standard set for our industry, and which enable accountability for the elements of our sustainability framework.

More information on sustainability performance is included in the section 'performance'.

how we add value for our stakeholders

Our value for clients

We help our clients to create and manage a balanced workforce, with employees who have the right skills, competencies and cultural fit. And we help our clients to be more attractive employers and effective organizations. In short, we play a key role in managing our clients' key assets: their people.

Finding the candidates with the talents and skills our clients need, when they need them, gives our clients the necessary flexibility and agility to improve their productivity and competitiveness. We provide our clients with a large range of services, partnering with them throughout economic cycles and as their circumstances change. We provide additional value by putting our knowledge of local employment markets at our clients' disposal. Our people's knowledge and services shape our clients' businesses for the better.

Innovative concepts for flexibility

Our core values drive our ability to work closely together with our clients. In a continuously altering business environment, we are able to help them find innovative solutions to address their changing needs. Our service concepts, which are explained in the 'strategy' section, offer a wide range of solutions.

For example, in 2012, a pharmaceutical company in Germany expressed the need to reduce costs and improve the performance of its workforce. Using our Inhouse concept we were able to reduce the number of hours by implementing a well-trained workforce that is instantly available and to reduce the price per hour by implementing a master vendor solution. As a result, we were able to save 6% of the costs previously spent on the workforce when it was operated by a traditional supplier.

Diversified workforces

We value diversity. We do not discriminate on the grounds of age, color, disability, gender, marital status, nationality, race, religion or sexual orientation. Many of our operating companies have long-standing diversity and reintegration programs, and some provide consultancy services to clients on equal opportunity and competency management. By forging links with local community stakeholders, including public, private, NGO and institutional partnerships, we stimulate diversity in the workplace. Our Randstad Institute in France and our foundations in Germany and Spain provide access to employment for disadvantaged groups, such as immigrant workers, women at risk, victims of domestic violence, single parents, older workers and the long-term unemployed. Addressing the challenges that the growing number of older workers face in entering, re-entering or staying active in the workforce is also a part of our approach to furthering employment market sustainability.

Dialogue with clients

Our consultants receive training and support to enable them to promote diversity in their clients' workforces. We condemn agencies that cooperate with clients to exclude candidates with specific ethnic backgrounds. We organize seminars and roundtables with clients to raise their awareness about selecting personnel based on actual skills and personal merit.

Health and safety

We aim to ensure that we do not send anyone into a work environment that may be harmful to them. We take an active stance in advising our clients on matters of occupational health and safety; for example, by pointing out how to prevent workplace risks and by providing 'security at work' training. Formal audits at client locations are conducted in some business areas, such as construction, where taking extra health and safety precautions is best practice.

Several of our operating companies have specialized health and safety managers to provide advice. To enhance our efforts, we are joining forces wherever we can.

I am working with a market leader in the contingent workforce solutions marketplace, which brings real value to its customers and employees. I've had the opportunity to take on challenging assignments, work with great teams and I am rewarded for my contributions.

Carolyn Torres
MSP Technology Support Specialist - US

For example, a subsidiary of Randstad Groupe France, CapSecur Conseil, provides a range of pioneering services in the field of occupational safety and health. One of these is the StiMCore™ concept. Aimed at preventing Repetitive Strain Injuries (RSI), StiMCore™ uses a set of warming-up exercises to adapt joints, tendons or muscles to one's work environment. The StiMCore™ concept enabled CapSecur Conseil to win an Innovation Prize at the Preventica exhibition held in Lyon in 2011.

Employment market expertise

The Randstad Award is a global initiative designed to recognize companies in our markets for implementing best practices in employee engagement, and help them to strengthen their employer branding. We measure the perceived attractiveness of larger companies – on average 150 per country – among large local audiences in 14 countries: Australia, Belgium, Canada, France, Germany, India, Italy, Japan, the Netherlands, New Zealand, Poland, Singapore, Spain, and the UK. Our research provides vital insights into how to build a company's talent attraction and engagement strategy, and drive future business success. The Randstad Award is an excellent benchmarking tool to ensure companies' continued success in increasingly competitive talent markets.

Our value for candidates

Our mission is to make the best jobs available to as many people as possible, giving these people the opportunity to develop themselves. As stated earlier, we strive to do this while providing equal opportunities for all, respecting health and safety, and with unyielding integrity. We advocate equal opportunities and unbiased competence management, irrespective of gender, race, religion, age, or background. In addition, we play a crucial role in bringing people from unemployment to employment.

By connecting our candidates with suitable employment opportunities, we provide them and their families with independence, as well as job satisfaction, dignity and respect. Through both temporary and permanent placements, we offer candidates opportunities for gaining experience and improving their skills, and achieving personal growth and developing their career.

For many candidates, temporary work represents their first step on the way to a permanent job or liberates them from unemployment. It is the best possible training for a permanent job. In the Netherlands, for example, one-third of temporary employees find a permanent job through staffing agencies (source: Ciett, Economic Report 2011). For other candidates, the services we provide enable them to build a career, to earn additional income, or to adjust their work-life balance according to their circumstances, needs and wishes.

In finding work for people, we contribute to the optimization of talent allocation. By helping candidates manage their initial expectations and ambitions in terms of sector, client and job profiles, and by providing training where necessary, we help them adapt to changing market and client needs. We recognize that various groups of people in society are distanced from work. We run a variety of local programs with job- and skills-oriented training in order to integrate or re-integrate these people into the employment market.

For example, in 2012, Randstad cooperated in the so-called 'Baanbrekend' project, with several local governments across different regions in the Netherlands. The project focuses on helping unemployed people on welfare find a job. Randstad consultants work closely together in a team with government officials, making use of each other's expertise in finding the right match and providing additional training and support when necessary. Together with employers, they help to determine how workers need to be developed in order to achieve their maximum potential. Ultimately, in a period of between 4 to 8 weeks, they can help unemployed people to find work. As a result, over 1,200 placements were made through this initiative in 2012.

Employability advancement

Ongoing skills development is essential for employability and sustainability in any workforce. Our training programs are tailored to meet the needs of clients and candidates in specific employment markets, such as IT, sales, call centers, hospitality and technical skills. Specialized programs leading to additional professional qualifications also form a part of our training and development activities.

A healthy and safe environment

We believe that all employees across the labor market have a right to the highest standards of health and safety. We adhere to all applicable local standards and regulations.

We have a health and safety management system in place, designed to safeguard business continuity and deal with risks. At the same time, with the aim of improving reporting, we are placing special emphasis on health and safety metrics. We are now tracking work-related accidents or incidents resulting in lost-time injury, as well as work-related fatalities, related to both employees and candidates. As soon as definitions and numbers have been validated, we will be able to set specific targets for these matters and start reporting against them.

A clear example of how we deal with health and safety on a local level is described below.

In November 2011, the Construction branch of Randstad France signed a three-year safety agreement with Bouygues Construction, one of the major companies in this sector. The deal marks an important step in our commitment to further reduce the number of work accidents on building sites. It means in practice that Randstad trains about 200 candidates regarding safety issues (e.g., equipping all our regular temporary staff with molded earplugs). By doing so, we contribute to a safe and sound working environment which is equal for temporary and permanent workers.

Our value for employees

We aim to be the most attractive employer for our corporate employees, with equal opportunities for all.

We attract, develop and retain the best people

The true value of our business lies in our people. We need to attract the best people, and we need to invest in their development while challenging them to perform to the best of their ability and seize the opportunities that a multinational company like ours has to offer. More information can be found in the 'best people' section.

Workplace diversity

At Randstad, we seek out top talent, regardless of age, color, disability, gender, marital status, nationality, race, religion or sexual orientation. This is confirmed in our business principles and global HR standards and in the Randstad policy regarding discrimination, intimidation and harassment. In order to serve the communities in which we do business, Randstad must also reflect the diversity and demographics of these communities among our own employees. We aim to advance diversity by appointing more women and minorities in leadership positions.

A key factor in diversity is providing equal opportunities for women. Our flexible work environment and Randstad's training and career advancement programs make us an attractive employer to women. The percentage of female employees at Randstad is always well above average. The overall percentage of women in senior management positions at Randstad remained essentially stable during 2012. Currently, one-third of our Supervisory Board is female, and our Executive Board (six seats) welcomed its first female member in 2012.

Business principles and ethical behavior

Our induction program for new employees includes subjects to promote understanding of our core values, business principles and misconduct reporting procedure. We reinforce these through customized programs if any deviations occur. Through our people survey we measure how well employees understand our business principles. In 2012, this scored 4.0 on a 5-point scale (2011: 4.0). Awareness of the misconduct reporting procedure scored 3.6 (2011: 3.6).

Health and safety

Our organizations record and report a variety of measures to stimulate employee well-being. Procedures are in place to promote safety at work, including providing the necessary training programs. In several countries we have formal agreements with trade unions on health and safety topics.

Randstad has a security policy to manage and respond to security incidents in a timely manner. The policy also educates staff on how to react to potential threats and safety issues. It is supported by an application on our global corporate intranet. The Netherlands-based operating companies are currently designing the next generation of this program, which will be called Safety@Work.

Our value for society

We seek to shape a more balanced society by activating our employment knowledge and expertise through social dialogue, social and economic growth, and by advocating developments that benefit both individuals and society at large. We emphasize the role of the HR services industry in creating jobs for young people and helping them find their way on to the employment market.

Our role in society

As one of the global leaders in our industry, we play a key role in contributing to sustainability, social and economic growth, labor market inclusion and the general well-being of societies around the world. The world of work is changing, and we believe we have a duty to play a role in guiding those changes to create better working environments wherever we are active. We can help to do this by using our expertise and market knowledge to help develop staffing and other HR services markets according to the highest standards of fairness, integrity and corporate responsibility.

With my passionate belief in growth of people and thereby organizations, I work on learning, development and change processes to equip employees with the right competencies to face tomorrow's world of work. One of my focus areas is leadership development of management at Randstad Netherlands.

Josephine van Rie
Consultant HR Development - Netherlands

Sustainability has been one of Randstad's core values since the company was founded. It is at the heart of our strategy, how we operate, and how we treat all our stakeholders. We operate in such a way that we simultaneously serve the interests of all parties who are directly or indirectly involved in our business. Because we are active in the world of work, we have a variety of corporate and non-corporate interests to serve. Our core values inspire us to conduct our activities, both inside and outside the corporate environment, in a sustainable manner. And to use our knowledge and experience to make a positive contribution to the world around us.

For example, we can make a meaningful difference by using our knowledge and services to influence diversity, social cohesion and inclusion in the world's employment markets. Research shows that countries with more developed HR services markets typically have lower overall unemployment and fewer people in long-term unemployment. They are more inclusive and they suffer less from unfair working conditions, exploitation and irregular work.

Because of who we are, our expertise and our market knowledge, we are well-positioned to help address the growing challenges the employment markets are facing around the world. These challenges include structural shortages of skills and talent, declining population growth, cultural changes in the way new generations view work, as well as the demographic challenges posed by aging populations in many western economies.

Of course, we also need to address the sustainability issues common to all businesses, such as our environmental impact and how we affect the world around us. Our sustainability framework addresses those issues, and we measure our progress. This is an integral part of how we safeguard our business and its long-term viability, while taking into account the interests of all our stakeholders. At the same time, we believe our industry has a unique opportunity to help create a truly sustainable future, both socially and economically, by literally shaping the world of work.

Stakeholder dialogue

Our position as a global provider of HR services gives us a unique knowledge on how to shape the employment markets of tomorrow by, for instance, removing barriers to global mobility. However, Randstad alone cannot achieve many of the changes that would benefit society.

Through proactive collaboration with government agencies, industry associations, unions and others, legislation and regulations are positively influenced to stimulate sustainable growth, employment, flexibility and equal opportunities. More information on employment market relationships can be found in the section 'our business environment & markets'.

Regular dialogue with our clients, suppliers, the financial community, social institutions and the media also allows us to foster the exchange of ideas and information. Establishing communication channels to deepen people's understanding of our organization and the value of HR services is also part of our commitment.

By making our expertise available to a wider audience outside our company, we stand a much greater chance of influencing many actors in society to work together to make desirable changes a reality.

A good example of how we develop and share knowledge is the Randstad Workmonitor report. This survey, which was first introduced in the Netherlands in 2003, now covers 32 countries around the world, encompassing Europe, Asia-Pacific and the Americas. The Randstad Workmonitor is published four times a year, making both local and global trends in mobility visible over time. The Workmonitor Mobility Index tracks employee confidence and provides a comprehensive understanding of sentiments and trends in the job market. Besides mobility, the survey also addresses employee satisfaction and personal motivation, as well as a rotating set of themed questions. The key conclusions are included in the section 'sustainability performance'. The results are also published on our corporate website.

We have developed leading programs to enhance employment market knowledge. Together with partners such as SEO Economic Research, which is associated with the University of Amsterdam, we have carried out studies into the implications of future demographic shifts for the European employment market. The studies have been published under the titles ‘Mind the Gap’ (2007), ‘Drivers of Participation’ (2009), ‘Bridging the Gap’ (2010) and ‘Into the Gap' (2012). These and more examples of our research can be found on our corporate website.

Stakeholder perception

Since 2009, we have been measuring staff perception of sustainability in the organization in order to gain a better understanding of how our own people feel about Randstad’s performance. An overview of the results is given in the 'sustainability performance' section.

Partnerships and social involvement

In addition to partnering with research institutes, we also join forces with organizations that have a direct influence on creating more sustainable economic and employment conditions, both inside and outside our current markets. In India, for example, we support the Disha program, which identifies the strengths and weaknesses of academically weak children and gives them support in the form of supplementary tuitions, counseling and an opportunity to sharpen their talents. To stimulate development outside our markets, we have a global partnership with Voluntary Service Overseas (VSO).

VSO specializes in recruiting and placing volunteers with professional qualifications from around the world to live and work in developing countries. They are one of the largest NGOs of their kind in the world, and we have been working with them since 2004.

Randstad employees help by volunteering to work for a local salary in developing countries, adding their skill sets and competencies to developmental programs such as the Basic Concept for Capacity Development. We also help by providing benchmarks for VSO, derived from our own processes, enabling them to streamline their own recruitment processes, thereby freeing up resources that can be used to help even more people around the world.

VSO and Randstad have also created a new type of VSO placement: shorter-term stints, running from six to eight weeks, with specific objectives for highly experienced and/or specialized professionals. Short-term volunteers can be of help to VSO when their skills are needed quickly or where they can complement the work of an existing volunteer. This new system not only opens up further opportunities to provide help, but also helps VSO engage new business partners.

Randstad is also involved in a large number of other VSO projects, including socially involved and philanthropic initiatives.

For example, one employee was recently on assignment in Indonesia, where he worked with a small disabled persons' organization in the city of Solo, in Central Java Province. The goal of his project was to help the organization build an employment program. It involved building relationships with local companies, encouraging them to interview and hire people with disabilities, as well as providing workshops and training to the people with disabilities themselves, preparing them for entering the workforce.

More examples of VSO initiatives can be found on our corporate website.

industry involvement

We strongly believe that social dialogue and active participation in industry bodies will help produce clear, fair and workable regulations in the markets in which we operate. By investing in strong industry federations – on a national, regional, and global level – we believe we can contribute to the future development of the HR services industry.

The objectives and action plans of Ciett (International Confederation of Private Employment Agencies) and Eurociett (European Confederation of Private Employment Agencies) are well aligned with Randstad's agenda. In May 2011, Fred van Haasteren, a former Randstad vice-president, was elected President of Ciett. Eurociett has been chaired by Randstad director Annemarie Muntz since 2005.

Labor market relationships

Randstad's core value 'simultaneous promotion of all interests' lies at the heart of our labor market relationships and stakeholder dialogue. For more information, see 'our value for society'.

Employee participation in social dialogue

Employee participation in social dialogue is promoted through a network of national works councils, where managers and employees across the Randstad Group regularly address work and HR-related issues. The results of these dialogues are fed into the Randstad European Platform for Social Dialogue, which meets twice a year to discuss policy issues and information relevant to Randstad Group companies. UNI-Europa, the representative trade union federation for services in Europe, is invited to attend the international platform meetings as an observer.

Active dialogue with labor unions

Randstad also actively engages in national and international dialogue with labor unions. At EU level, UNI-Europa and Eurociett meet regularly in the social dialogue committee on temporary agency work, to discuss issues of mutual importance, and to further professionalize and gain more societal acceptance for the industry. As a Eurociett member, Randstad is represented in the Eurociett delegation. Moderated by the European Commission's Directorate-General for Employment, Social Affairs & Equal Opportunities, the committee met three times in 2012. The 2011/2012 work program included issues such as promoting social dialogue by giving presentations on national Collective Labor Agreements (CLAs) and closely following the implementation of the Agency Work Directive (AWD). A research report was presented on the transitional function of agency work. The report was launched at a multistakeholders' event in Brussels in December 2012. At the same meeting, Eurociett and UNI-Europa signed a joint declaration on recommendations as to how temporary agency work can best facilitate labor market transitions. The above-mentioned report can be found on the Eurociett website.

I went abroad for VSO – the experience of a lifetime! I worked in Rwanda with a genocide prevention organization. It's important to share leadership skills in this country as current managers have no generation to learn from. I am very grateful to Randstad for giving me this opportunity.

Wim Breugem
Manager Support & Advice Employees - Netherlands

value at work

for clients

much more than just filling vacancies

The primary way we deliver value to our clients is by helping them to achieve an optimal workforce. In our view, this is a workforce that gives clients the greatest and most enduring efficiency for the time and money invested. In order to provide this value, we have developed a set of unique, proprietary service concepts. We have also established a first-class training system to ensure that our clients are always served by the most professional consultants in the industry, with the best in-depth market knowledge. It's why we also do our own research on HR science and the factors that make a client an attractive employer. An example of this is our Randstad Award employer branding survey, which is now conducted in 14 countries. Lastly, we strive to make our brand the most preferred and top-of-mind in the HR services sector for clients around the world.

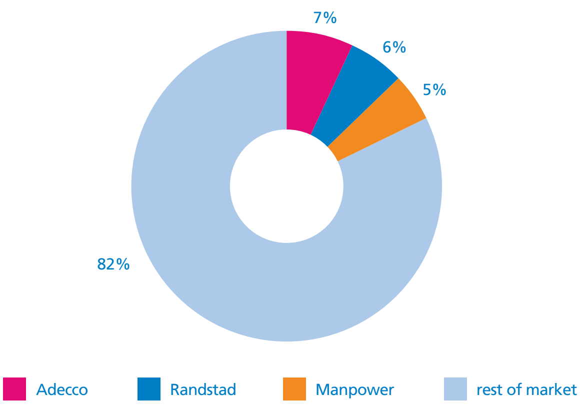
our business environment & markets

introduction

Randstad operates in an industry with enormous structural growth potential. In this section, we explain the growth drivers for our industry, key developments in our markets and important differentials between markets. In combination, these form the foundations of our strategy and the manner in which we create value for our stakeholders.

HR services represent one of the world's fastest-growing industries, with a global market worth around € 300 billion. Yet in many major economies, staffing and other HR services are still in development. As the world's **no.** 2 HR services company, we are a global leader in our industry and see it as our responsibility to take an active role in developing the industry in the long term. Changing labor market trends and customer needs, including an aging population, shifting surpluses and shortages, and increased flexibility, require the development of new solutions. By finding the right balance between the changing needs of employers and employees, we will bring supply and demand closer together. In short, we see it as our mission to take the lead in shaping the world of work.

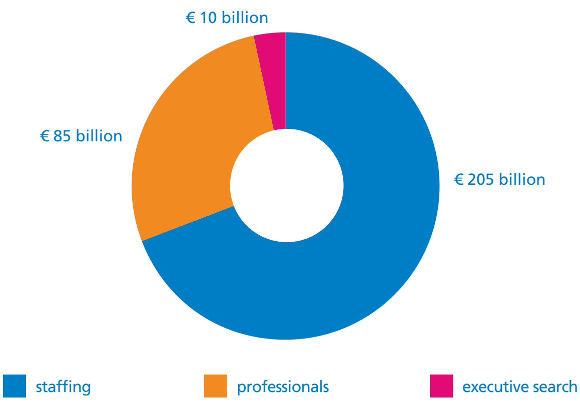
global market share 2012



source: Randstad estimates

The world's HR services industry is divided roughly into three main segments: staffing, professionals and executive search. Randstad is primarily active in the first two of these. The global **Staffing** market is worth an estimated € 205 billion, and accounts for around 80% of our revenue. Staffing focuses predominantly on recruiting blue-collar and white-collar workers with at least secondary education or equivalent for temporary or permanent placements. This segment also includes **Inhouse Services** (18% of our revenue), which provides on-site workforce solutions, and **HR Solutions** (around 6% of revenue). Through the latter, we offer other HR services, such as Recruitment Process Outsourcing (RPO), Managed Services Programs (MSP), payroll services and outplacement. The **Professionals** market is worth around € 85

global hr services market 2012



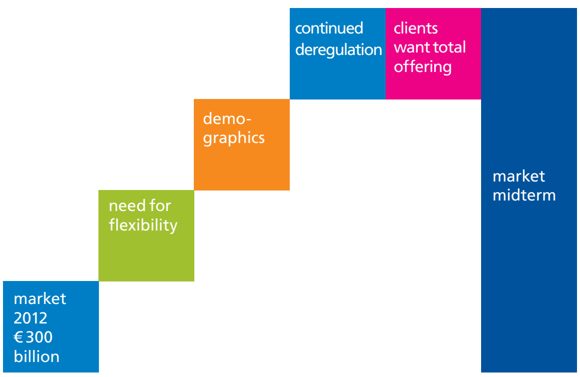
source: Randstad estimates

billion globally, and accounts for around 20% of our revenue. This segment includes permanent and temporary placement of qualified professionals and candidates with a university or equivalent education. Many candidates have previous work experience, and seek positions that are intellectually challenging.

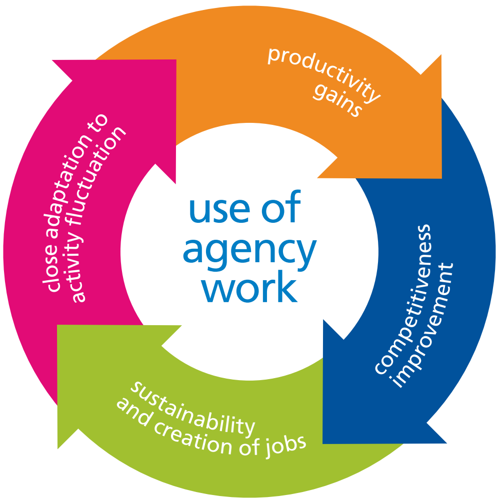
structural growth drivers

Geographically, Randstad is active in countries representing over 90% of the global HR services market, and our strategy has been designed to capitalize on the structural growth in these markets. Randstad has defined four growth drivers for our industry. These are a need for greater flexibility, changing demographics, deregulation, and an increased demand among our clients for a total offering. We believe these external growth drivers will define the HR services market for decades to come. Despite current economic cycles, we have developed our strategy to anticipate and respond to these drivers as effectively and agilely as possible.

future external growth drivers



flexibility



Need for flexibility

One of the most important drivers of long-term structural growth in our markets is the need for increased flexibility among both our clients and our candidates. A more flexible workforce helps our clients improve productivity and competitiveness. We are convinced that flexibility will rise on our clients' strategic agenda in the years ahead. Clearly, due to current macroeconomic circumstances, our clients are experiencing more volatile levels of activity. As a result, our clients are actively managing the flexible component of their workforce. There is also a growing demand from candidates for more flexibility, in line with a growing interest in working from home, self-employment, part-time work, and working alternative hours.

Demographics

Randstad-commissioned studies by SEO Economic Research ('Mind the Gap' in 2007, 'Drivers of Participation' in 2009, 'Bridging the Gap' in 2010 and 'Into the Gap' in 2012) reveal that aging and declining population growth is set to lead in the long run to a potential enormous shortage of people with vital skills in most developed countries. In addition, there is a growing mismatch between the qualifications and skills of workers and the rapidly evolving demands of the labor market. 'Into the Gap' suggests that in 2020, both in the EU and the US, there will be a surplus of medium-skilled workers, compared to a large shortage of highly skilled workers and a steady demand for those with elementary skills. This development can be characterized as the 'squeezed middle'. At the same time, demands of the employment market are also changing, driven by the continuous development of technology. This is creating new jobs while making others obsolete.

These SEO studies (which can be found on our corporate website) predict that unless we can improve labor participation rates, education and training, productivity, and employee mobility, the potential employment gap is set to grow to an astonishing 35 million people by 2050, in the EU alone. The current economic environment in Europe – and the consequent slowdown in the creation of new jobs – will lead to fewer job vacancies in the next decade. The long-term shortfall is still set to be dramatic unless governments take action.

One significant way in which participation in the labor market may be increased, is to make standard employment relationships more flexible, focusing on employment security rather than job security. This will lead to higher mobility in the employment market and will drive future growth of our industry.

Indeed, we strongly believe in the merits of this 'flexicurity' model. Part-time work, fixed-term contracts, temporary work, and self-employment are all becoming more common. Temporary work can also play a bigger role in providing intermediate employment, driving participation through its stepping-stone function. At Randstad, we play a major role in facilitating the transition from unemployment to work and from education to work.

Clients look for a total offering

Randstad's clients are not only looking for fewer suppliers of HR services; they are also looking for a broader range of HR services from the suppliers they use, ranging from temporary staffing and permanent placements to outsourcing and managed services. This trend may not by itself enlarge the temporary staffing market, but we believe Randstad's uniquely comprehensive portfolio of services and its strong presence in almost all major markets will help us to gain significant market share.

Many international clients are looking for global solutions, and Randstad's global client solutions team leverages the Group's knowledge and capabilities across local markets to successfully meet this demand. We have dedicated teams of specialists focusing on specific industries to provide a full range of service concepts in both established and emerging markets. Today, international clients generate around 25% of our revenue.

Deregulation

Another important driver of market growth is deregulation. At Randstad, we support this move towards more balanced legislation, and try to influence it in positive ways. It is important to stress that Randstad is not looking for a system without rules, but we rather would like to see the lifting of unjustified restrictions in overregulated markets. Obviously, we would also like to see a fair and effective regulatory environment in markets where this has yet to be introduced. New opportunities arise as an increasing number of governments are recognizing the need for flexibility in their employment markets. It has been proven that well-regulated markets that encourage temporary employment recover more quickly from economic downturns and have lower unemployment levels.

We believe the best way of finding the most appropriate balance of regulations for our services is through constructive social dialogue. This is in line with our core value 'simultaneous promotion of all interests', which lies at the heart of our labor market relationships and stakeholder dialogue. Through proactive collaboration with governmental authorities, industry associations, unions and others, we can help influence legislation and regulations in positive ways that stimulate sustainable growth, employment, flexibility and equal opportunities. We strongly believe that our business must always benefit society as a whole.

Randstad believes government authorities will have to take measures to encourage the creation of jobs and participation in the labor market. Key to this will be the stimulation of life-long learning and of flexible labor contracts. Randstad could play a vital role as transition manager here, as we move to the next stage in the evolution of labor markets.

key market trends

Over the past few years, we have witnessed some important trends in our markets, which are discussed below. These trends reflect the continuous change in the needs of clients and candidates.

An important trend is the rise of Recruitment Process Outsourcing (RPO), in which companies like Randstad take over their clients' recruitment process (in whole or in part). Industry experts say global demand for RPO services is growing by 28% a year. And while the US is still the biggest market for RPO programs, demand is already increasing in Europe, with Germany and France leading the way.

One of the reasons for this growth is the most recent global economic downturn in 2009. This has also led to cut-backs in HR management, with some firms deciding to outsource their entire HR function. These companies want a totally flexible recruitment department, preferably external, which can deal with the volatility in activity levels. Outsourcing enables them to mitigate risk, increase transparency and have greater control.

Another notable trend is the continued growth in demand for Managed Services Programs (MSPs), in which external providers like Randstad take responsibility for the overall organization and management of a client's temporary staffing needs. MSPs provide employers with greater control and transparency over their recruitment processes and spending across different suppliers and in different countries.

The MSP market is growing by some 15 to 20% annually, much faster than the growth in the general staffing market. The MSP market is still growing faster in the US than

My hope for 2013 and beyond is to help shape the world of work by telling our story. Randstad is such a powerful brand with an incredible amount of expertise. My goal is to make Randstad 'the expert in the room' and continue to own a majority share of voice.

Lesly Cardec
Senior Director PR & Content Marketing - US

elsewhere, but it is a trend that is catching on globally, as more and more companies see the benefits of greater control and transparency and the ability to mitigate risk.

A third trend is that many companies are downsizing in regions like Europe and upscaling in developing countries. For instance, on a global level, Randstad has seen requests for proposals (RFPs) rise by 23% year-on-year, but RFPs from clients in BRIC countries (Brazil, Russia, India and China) went up by more than 50%. And this far exceeds the shift of production to low-wage countries that has dominated headlines for the past decade. Western companies are also entering new markets, like India and China, and they need people for sales, R&D, call center operations and production facilities. They are looking for optimal flexibility and continuity of their workforce. At the same time, Randstad is seeing a sharp increase in the number of international RFPs from companies in the Asia-Pacific region that are looking to expand into Europe and North America.

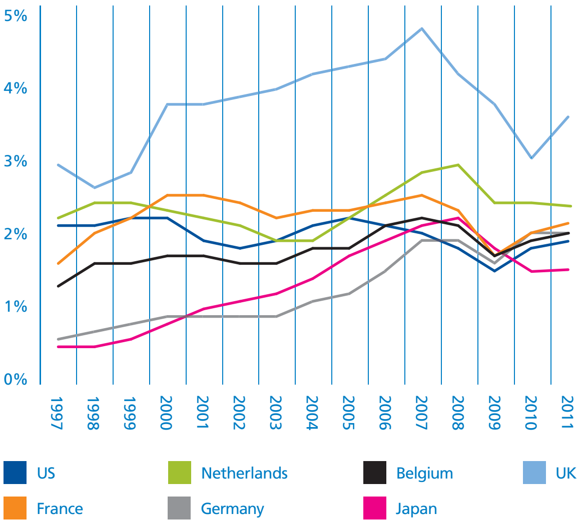
Randstad addresses the global trends in RPO and MSP through its operating company Randstad Sourceright. More information can be found in the 'strategy' section.

market dynamics

HR services markets around the world are in different phases of development. Labor laws and penetration rates differ, and countries are at various stages of the current economic cycle. But despite these differences, they all offer opportunities for growth.

Penetration rates, the number of temporary workers as percentage of a total labor force, are an important indicator for the structural growth of our industry. The graph below shows the growth trend for the largest markets.

penetration rates



source: CIETT - world of work

Penetration rates are usually higher in mature markets, where staffing has long been a reputable solution for flexibility in the workplace. Growth in such markets is achieved in different ways, because they are ready for differentiated propositions in Staffing and Professionals and additional added-value services, such as outplacement, RPO and managed services. Although the working environment is well regulated in these markets, there are clear differences in market characteristics, which become visible in gross margins. Since added value is created differently across these markets, the level of added value results in different gross margin levels.

Gross margin differentials

Gross margin differs from market to market, with the level of gross margin achievable in each market dependent on the level of added value and business mix. The latter mainly relates to the share of permanent placement fees and other fee-based business like Recruitment Process Outsourcing, while added value depends on specific characteristics of a market.

gross margin differentials

	US	FR	NL	GE	BE
Flexibility	+/-	++	++	++	++
Outsourcing HR activities	++	+/-	+	+	+
Specialties/Professionals	++	+	++	+/-	+
Permanent placement fees	++	+	+	+	+
Idle-time management	n.a.	n.a.	+/-	++	n.a.
Lower total labor cost	+/-	+/-	+	+	n.a.

Flexibility

There is a growing recognition among clients across our markets that a more flexible workforce drives productivity and competitiveness. Flexibility is a gross margin driver in all markets in which we operate, as clients are willing to pay a premium for creating and maintaining a flexible layer in their workforce. As our clients are experiencing more volatile activity levels, there is a greater need for flexibility.

Outsourcing HR activities

Besides providing access to flexibility, we add value by taking responsibility for recruiting, interviewing and testing candidates, and arranging medical insurance and payroll administration. This enables clients to reduce the workload of their HR department, and allows their HR team to focus on activities that add further value to their business, such as talent development. In the US and the Netherlands, we commonly handle the entire recruitment process, and manage several other HR functions, all of which drives gross margin. In France, it is becoming more common to outsource such HR activities.

Specialties/Professionals

The relative importance of the Professionals offering differs from country to country. To fulfill the specific needs of our clients, the recruitment process tends to be more time consuming, so the added value perceived is reflected in higher gross margins. In the US and the UK, the Professionals segment makes up a large part of the total market and is a clear gross-margin driver for the sector. In most other markets, this offering is gaining traction.

Permanent placement fees

Permanent placement fees contribute significantly to the gross margin. In most markets, these fees are based on a certain percentage of the candidate's salary. As we do not have to pay the candidate's salary, the fee converts almost directly into gross profit. In markets with a significant share of permanent placements, like the US and the UK, the gross margin tends to be higher than in other markets.

Idle-time management

'Idle-time risk' is the risk of having employees on our payroll who are not assigned to a client. This risk exists mainly in Germany and the Netherlands. In Germany, we are legally required to keep employees on our payroll. In the Netherlands, the risk of idle time only applies in the case of people with highly skilled profiles on a permanent contract. However, since these are relatively easy to place with an employer, the actual risk of idle time is not very high. Our successful management of this risk has a positive effect on gross margin.

Lower total labor cost

Through our services, we are able to lower the total cost of labor for our clients, as they pay only for actual hours worked. They are willing to pay a premium for this. Our clients also benefit from a collective labor agreement, whereby sector-wide collective labor agreements reduce processing costs. These are the key reasons that clients in the Netherlands and Germany work with staffing companies. However, these sector-wide collective labor agreements do not exist in all markets. In France, for example, labor cost per hour for staffing is even higher than for permanent employees. This is because equal pay is required during the assignment, and additional payments are required at the end of an assignment. This has a negative impact on the French gross margin. On balance, staffing is still cheaper for employers in France as they only pay for actual hours worked.

Legislative differences in mature and emerging markets

The global HR services industry is regulated by the International Labour Organization (ILO) Convention 181 and Recommendation 188. This Convention defines minimum standards for staffing and recruitment, especially recognizing the importance of flexibility in the functioning of labor markets. Since the Convention was adopted in 1997, 25 countries worldwide – including 14 countries within the EU – have so far ratified it.

This means, of course, that there are major differences in the level of legislation around the globe. In mature staffing markets, temporary agency work is well regulated, with the nature of the regulation varying from light to heavy. Nationally, staffing is regulated by general labor law, supplemented by specific staffing regulations. This is complemented by collective labor agreements (CLAs) and industry self-regulation. We believe the aim of all staffing regulation should be to balance security and flexibility on the labor market, the 'flexicurity' model, which was elaborated on in the section 'structural growth drivers'. This dynamically combines more flexibility for the labor market as a whole, while at the same time enhancing employment security for temporary workers.

The UK, the US, Australia, Japan, and the Netherlands have the world’s most liberal recruitment and staffing markets in terms of legislation.

In 2012, Japan adopted changes in its Labor Dispatch Law. Compared to an earlier draft, the changes include a number of positive developments. For instance, the proposed total ban on 'spot business' has been softened to allow for daily contracts for certain target groups. In addition, new guidelines have been issued for applying the law, which will lead to more clarity on the application of the regulations in practice.

The Netherlands has a CLA for the staffing industry. In 2012, a new CLA for temporary agency workers was concluded with a duration of 5 years. It stipulates that, as of January 2015, equal pay will be introduced for temporary staff as of the start of their contract. However, the current qualifying period of 26 weeks will still apply to certain target groups with a distance to the labor market and for employees with an indefinite employment contract. Furthermore, unions have clearly stated that temporary agency work is their preferred form of external flexibility.

Germany also has a CLA for the staffing industry. In 2012, CLAs were concluded for temporary agency workers in several sectors, including the metal and chemical sectors. All these CLAs include guidance on the application of equal pay, to minimize wage differences between agency workers and permanent employees. After a qualifying period of 6 weeks, a surcharge (which increases over time) is imposed on the wage of the agency worker. After an average of about 9 months, the agency workers will be entitled to a wage which is comparable to the wage of a permanent worker in the same position.

Some countries still have unjustified restrictions, and these will need to be reviewed and lifted. The recent economic crisis revealed that countries with unreformed labor markets tend to have higher unemployment rates and are finding it more difficult to recover. In itself, this provides a strong case for reform.

In Spain, Italy, Portugal and Greece, labor market reforms have been high on the agenda during the past year, and will remain so in the year ahead, being closely monitored and guided by the European Commission. In 2012, Spain introduced some minor positive changes for our industry, such as the possibility to cooperate with the public employment services. However, in Greece and Portugal, there are still numerous unjustified restrictions on agency work. Italian legislators, for their part, recognized the positive contribution of agency work to a well-functioning labor market. They lifted the limitation on reasons for the use of agency workers for certain target groups in order to facilitate their transition to the labor market through agency work.

In 2012, social partners in France reached an agreement on labor market reforms along the lines of the principles of the 'flexicurity' model. This agreement was finalized in January 2013. Internal flexibility within companies will be enhanced and dismissal procedures will be eased. Furthermore, short-term direct contracts of three months and less, will be subject to higher social charges to be paid by the employer. However, agency work contracts are exempt from this higher taxation, a clear recognition of the transitionary role of our industry. Another positive development for the staffing industry in France is that a discussion is to be started about allowing agency workers to be given permanent contracts and how that can be implemented. Negotiations on this matter are due to be held in mid-2013, and it is expected that whatever the social partners agree will be translated into legislative proposals relatively swiftly.

Many Latin-American countries have long-established staffing markets. Here, as in the less mature Southern and Eastern European markets, social partners (e.g., unions and employers) play an active role in regulating the labor market. Social acceptance of temporary staffing by all stakeholders will be key to the removal of unjustified legal restrictions.

In the Nordic countries, the situation is very similar. Agency work is legally accepted, but, like in Latin America, it is not yet socially accepted as a normal part of the labor market.

Meanwhile, emerging markets like Turkey, India, Mexico and Malaysia, have yet to ratify ILO Convention 181, and currently lack the effective legal framework required to develop the staffing business. Proper regulation will help develop the industry in emerging markets, prevent unfair competition and distinguish high-quality, well-regulated agency work from other irregular and often illegal forms of flexible labor. In Turkey, a draft law on agency work has been under discussion during the past few years. The chances are that this draft, which is supported by employers, will be finally adopted in 2013.

Agency Work Directive

A major step forward in the regulation of the European staffing market was taken in 2008, when the European Parliament adopted the Agency Work Directive (AWD). The AWD recognizes the positive role of agency work and allows for greater flexibility, which we believe gives greater scope for further evolution. The aim of the AWD is to identify and lift all unjustified and/or disproportionate restrictions on temporary agency work, while also protecting the rights of temporary agency workers, including the right to equal pay and the right to fair treatment for temporary workers.

The deadline for implementing the AWD was December 5, 2011. Most countries have now implemented the Directive. However, Sweden and Denmark are lagging behind, as a result of their specific social dialogue system, which leaves the implementation of labor regulation to social partners. The Swedish agency work federation SSA has filed a complaint about this with the European Commission. In addition, the process of lifting unjustified restrictions in regulations and collective labor agreements has by no means been completed. We are optimistic that we will witness further removal of restrictions in the coming years. At the end of 2013, the European Commission will publish a report on status of the implementation of the AWD.

I combine my passion for our business with the drive to achieve better regulation and gaining recognition for our contribution to employment markets. I try to convince our stakeholders that their interest in decent jobs for all is our interest too.

Annemarie Muntz
Director Group Public Affairs - Randstad Holding

One of the reasons for our confidence is that, over the past decade, governments and (notably European) trade unions have both consistently shown a greater awareness and acceptance of the benefits and added value of temporary agency work for the labor market. They increasingly recognize the positive contribution that the staffing industry makes to the labor market – managing transitions, creating a stepping-stone function, contributing to job creation, and decreasing long-term unemployment and undeclared work. Global trade unions, however, started a global campaign against agency work in 2012, arguing that agency work undermines fundamental human rights. Their intent is to negotiate agreements with companies (particularly multinationals) that would limit the use of agency work. In close cooperation with our industry federation Ciett and other employers' federations, we are responding to these unjustified and untrue allegations. As part of these efforts, in 2012, Ciett launched its 'Way to Work campaign'.

More and more countries are also accepting that a well-regulated market for agency work offers a great deal more protection for temporary workers, and reduces the amount of irregular work. In addition, they are recognizing that HR services providers such as Randstad can play a positive role in job creation, the protection of workers' rights and overall economic growth.

balancing risks and opportunities

Precisely because we operate in diverse global markets, each with its own demographic factors and market dynamics, we need to take a flexible and balanced approach to risk management. We achieve this by using our global risk & control framework as the basis, and then tailoring our approach locally, so we can take advantage of opportunities as they arise. The factors we consider include the size, the service offering, and the local regulatory environment of our individual operating company. This flexible approach enables our management to best meet the needs of their people, clients and operations. Our geographical spread guarantees that we are not completely dependent on one region. Our risk appetite is also linked to our strategic approach to both internal and external factors which we believe could affect our business performance and our future revenue and earnings growth. For more detailed information, see the 'risk & opportunity management' section.

performance

introduction

how we measure performance

Randstad has in place an extensive performance management system. It starts with using specific performance measurement tools at the lowest level in our organization by applying field steering. Our field steering model requires our units and teams to translate information on actual performance into action on a daily basis. More information on our field steering model can be found in the strategy section. Up to the Executive Board level, our planning and control cycle is operationally driven. Direct reporting lines exist between the Executive Board and the management teams of operating companies. As a result, Executive Board members are closely involved with the operating companies under their responsibility.

Our day-to-day performance overview includes KPIs showing our growth, productivity, profitability, working capital and cash flow. We use a variety of tools within our planning and control cycle to assess our performance and align future strategic and investment decisions to best utilize commercial and organizational opportunities. The planning and control cycle is embedded in our risk & control framework.

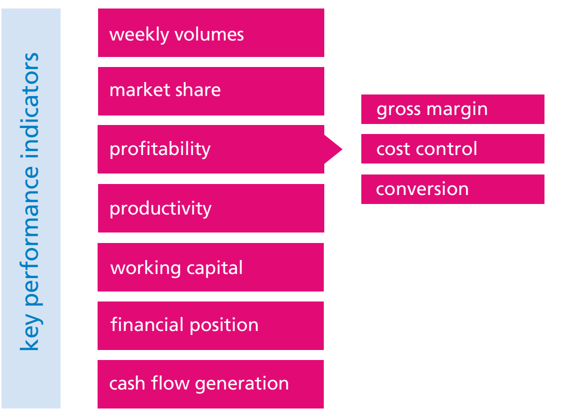
Performance management

The performance of each operating company is measured at various stages during the year:

- weekly overview of temporary employees working (volumes);
- monthly income statement including selected non-financial data and a forecast;
- quarterly income statement, balance sheet, cash flow, a forecast and non-financial data.

Each month, the Executive Board discusses performance with the management team of each operating company. The agenda includes financial and operational performance, forecasts, risk management, and the progress made in achieving strategic goals. Internal and external benchmarks are used to challenge performance and to identify points for improvement. In addition to the monthly control cycle, a yearly strategic planning cycle takes place during spring and an operational planning cycle during autumn.

key performance indicators



Key performance indicators

Besides our field steering model, we use 'simple' metrics to manage our profitability, such as the incremental conversion ratio (the percentage of gross profit that is converted into EBITA) in times of growth, and the recovery ratio (the percentage of lost gross profit that is recovered through reduced operating expenses) in a period of contraction. Successful cost control involves reacting in time, based on transparent reporting and review procedures. Key performance indicators are used to measure and monitor performance against budgets, forecasts, the previous year, and our strategic targets. These indicators are described hereafter.

Weekly volumes

Weekly volumes act as an important indicator within our field steering model and measure the success of the units and teams.

Market share

Gaining profitable market share is an important strategic target. We aim at measuring market shares at the lowest possible level (units and teams), if possible.

Profitability

Profitability indicates the quality of our top line and operational efficiency. Our overall financial goal is to achieve an EBITA margin of 5% to 6% over time. More information on our performance in 2012 can be found in the 'financial performance' section.

Gross margin

We focus on temp margin (gross profit generated through temporary staffing) and the contribution of permanent placements and other fee-based business. Gross margin is, however, not a strategic target as such. In order to realize our EBITA-margin target, we focus on the extent to which gross profit is converted into EBITA.

Cost control

Personnel costs are the largest contributor to operating expenses. By using our field steering model, we know when and where we have to add or reduce staff. Other costs are highly flexible and tightly controlled.

Conversion

We measure the percentage of gross profit converted into EBITA. At an early stage of recovery, we require the incremental conversion ratio of a company to be close to 100%. Once recovery is more developed, an incremental conversion ratio of 50% will be required. In the 'financial performance' section we have included an overview of conversion ratios in recent years.

Productivity

Productivity improvements (see 'financial performance' for more details) are important in helping us to achieve our profitability targets. We measure productivity in three ways:

- gross profit per staff member;
- gross profit in relation to personnel expenses;
- the number of temporary workers per consultant.

Working capital

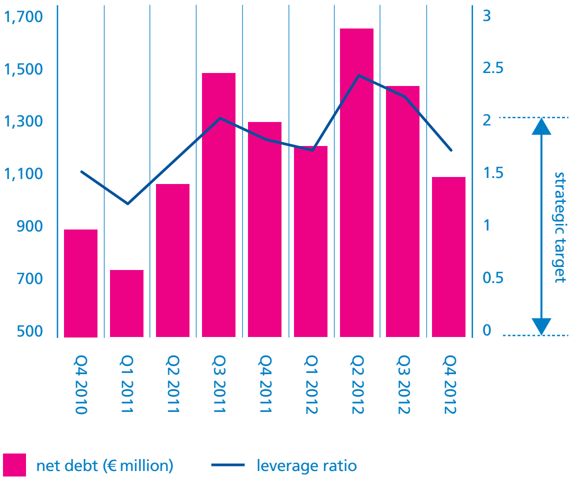
There is a strong focus within Randstad on days sales outstanding (DSO) and working capital. This focus is also reflected in the bonus targets set for our senior management. As a further incentive, through a simplified EVA method, operating companies are charged for their use of operating working capital. Within working capital, the 'trade receivables' component is the most important for us to influence. Our liabilities comprise mainly wage tax and social security payments to tax authorities. Clearly, those payment terms are more difficult to change.

Over the years we have shown substantial progress in improving our working capital management. In the section 'financial performance' we have included a more detailed analysis of our historical performance.

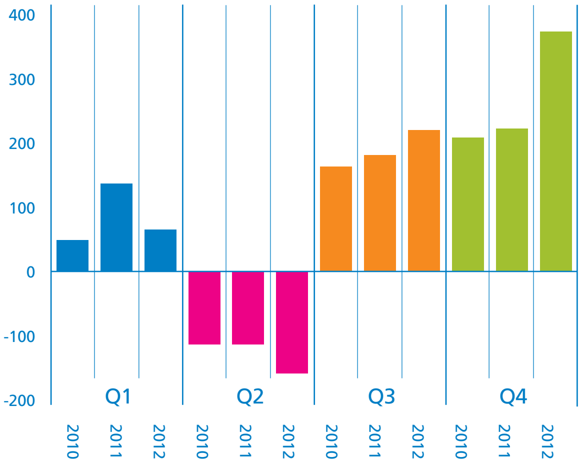
Financial position

To maintain a solid financial position, we monitor our leverage ratio (net debt divided by EBITDA). This is used as guidance for dividend payment on ordinary shares and as a basis for our acquisition policy. Strategically, our target range is between 0 and 2, while our bank covenants allow for 3.5. This provides us with a cushion in managing through the cycle. More information on our financial position and capital structure can be found in the section 'investor relations'.

net debt & leverage ratio development



free cash flow development



Cash flow generation

Better profitability and more efficient use of working capital result in sound cash generation, which we measure on the basis of the amount of free cash flow generated. Free cash flow includes operating profit and movements in working capital plus capital expenditure. In a normal year, our free cash flow moves in line with the seasonal pattern in our business. While the free cash flow in the first quarter is normally low, it is negative in the second quarter, as working capital requirements increase in line with higher revenue and the payment of holiday allowances. Free cash flow in the second half of the year is normally higher, based on higher revenue and profit. Traditionally, we experience unwinding of working capital in December. The development in free cash flow per quarter is shown in the graph 'free cash flow development'.

In a downturn, we typically see significant unwinding of working capital, as in Q1 and Q2 of 2009.

our strategy through the cycle

We have defined our EBITA-margin targets fully aware of the challenges and opportunities presented by economic cycles. During the recent downturn in 2009, we achieved significantly better financial results than we did during the previous, much milder, downturn in 2001. In 2012, we also showed that we can react quickly in adjusting the organization. This was in part thanks to our field steering model, which enables operational managers to monitor and manage our businesses' performance on a regular basis.

At its lowest point, our underlying EBITA margin was 2.5%, compared to 1.8% in the previous downturn. Despite a much more severe revenue decline, profitability was maintained in almost all countries, while during the previous downturn, profitability was dependent on the Netherlands only. We continue to apply lessons learned in the past.

how we manage through the cycle

In managing through the cycle, three factors are of major importance: revenue, cost of services, and operating expenses.

Revenue

Both our wide geographic spread and our diversified business mix help us to manage the risk of revenue volatility in a downturn. In 2011 and 2012 we experienced diverging trends for different countries and segments. It confirms our belief that our strategy of diversification is effective.

Cost of services

Cost of services are mostly flexible and consist largely of salaries we pay to our candidates, wage taxes and social security premiums. In Germany and the Netherlands, the sector has its own collective labor agreements with competitive labor costs. In return, a limited number of commitments are made to our candidates. The recent downturn has shown that we can efficiently manage these commitments, as well as related risks, such as idle time.

Operating expenses

In general, the more flexible the operating costs, the lower the risk. Personnel costs are the largest component in our cost base. Using our field steering model, we know when and where we have to increase or reduce staff numbers. Most savings in personnel expenses in the recent downturn were achieved through natural attrition (i.e. not replacing consultants who left the organization). In 2009, we managed to decrease our annualized cost base by € 800 million, of which 75% was mainly achieved by natural attrition in our personnel capacity. Bonus and commission schemes are equally flexible. In our Professionals businesses in the US and the UK especially, bonus and commission schemes form a far larger proportion of total compensation than in our traditional Staffing business, and associated costs move with the change in volumes. Another substantial cost item is represented by accommodation costs. These costs are kept flexible by limiting the lease terms to a maximum of five years. The average duration is therefore limited to three years. The recent downturn has clearly confirmed that we can adjust our branch network relatively quickly by combining offices without leaving markets. In the past few years, we have made IT costs flexible by outsourcing several functions. Where possible, one national IT platform is used to lower fixed costs. We have also standardized our marketing tools by using a central photo database for all concepts, and we develop marketing campaigns and materials that are used internationally. Marketing investments are strategically important to maintain our brand awareness and to gain market share.

Jobs are crucial to both companies and people, and I enjoy contributing to this arena. My added value lies in identifying and addressing client needs and being focused on results. As a member of the Randstad-8 rowing team, I can even realize my sporting ambitions.

Mariska Joosten
Operational Director Payroll Solutions - Netherlands

financial performance

income statement

income statement, underlying

in millions of €

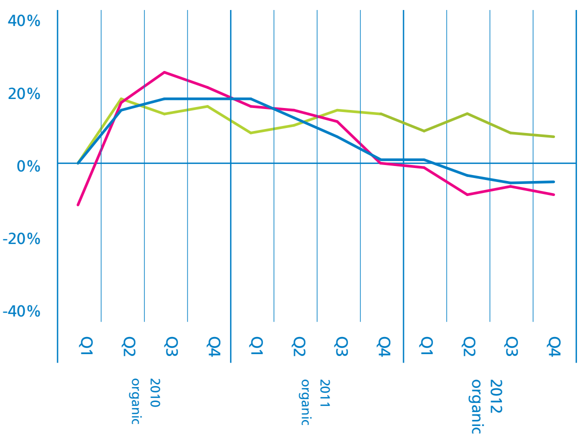
	2012	2011	Δ%
Revenue	**17,086.8**	**16,224.9**	**5**
Cost of services	13,984.8	13,267.8	
Gross profit	**3,102.0**	**2,957.1**	**5**
Personnel expenses	1,848.5	1,693.3	
Other expenses	690.6	663.2	
Operating expenses	**2,539.1**	**2,356.5**	**8**
EBITA	**562.9**	**600.6**	**(6)**
Gross margin	18.2%	18.2%	
Operating expenses margin	14.9%	14.5%	
EBITA margin	3.3%	3.7%	

For a meaningful analysis of our results, we need to look at the underlying results, which exclude one-off items such as restructuring costs, integration costs and certain incidental benefits or charges.

Revenue

It was a challenging year as diverging trends persisted. At Group level, organic revenue remained broadly flat in the first six months. But from Q2 2012, we faced a gradual decline in revenue. On an organic basis, revenue declined by 2.5% over the year as a whole. Acquisition and disposals (including the acquisition of SFN Group in the US and some smaller transactions) added 6%. Currency effects had a positive impact of 2%. Overall for the year, reported revenue grew by 5% to € 17,086.8 million.

year-on-year growth



As explained in the 'strategy' section, in 2012 we put more emphasis on our delivery models and reinforced our focus on client profitability. The latter may result in terminating contracts with certain clients. Although this has not yet had a major effect, it may in due course limit our growth, while at the same time contributing to profitability in many countries.

The cyclical trends remained visible in our revenue mix, as is shown in the graph 'year-on-year growth'. Revenue from temporary staffing services decreased by 3% organically, while permanent placements, mainly generated in the Professionals businesses, contracted by 7% organically. Despite good growth in North America, lower demand across Europe and in Australia put perm fees under pressure. Permanent placements made up 1.7% of revenue (2011: 1.7%).

organic growth per working day

in %

	Q1	Q2	Q3	Q4	full year
Geographic areas					
North America	8	7	4	0	5
France	(5)	(3)	(11)	(14)	(8)
Netherlands	(2)	(1)	(3)	(3)	(2)
Germany	3	(2)	(5)	(9)	(4)
Belgium & Luxembourg	(6)	(6)	(7)	(8)	(7)
United Kingdom	(9)	(8)	(9)	(7)	(9)
Iberia	(8)	(10)	(12)	(13)	(11)
Other European countries	(3)	(6)	(5)	(1)	(4)
Rest of the world	7	6	7	5	6
Revenue categories					
Staffing	(4)	(7)	(9)	(9)	(7)
Inhouse	17	15	13	14	15
Professionals	5	(1)	(3)	(4)	(1)
Group	**-**	**(1)**	**(4)**	**(5)**	**(2)**

In a normal classical recovery pattern, growth in the industrial and logistics segment is overtaken by growth in the administrative segment, followed by growth in professionals. Since the recovery started in late 2009, this pattern has been visible in North America. In Europe, however, we have only witnessed significant growth in the industrial and logistics segment. Previously, this would have been followed by good growth in the late cyclical administrative and Professionals segments.

Growth trends per region differ, and the gradual slowdown in revenue is clearly visible in the table 'organic growth per working day'.

Growth continued in North America, although it gradually slowed towards the end of the year. Across Europe, macroeconomic concerns increased fom late 2011 on, and this clearly put pressure on demand for our services. The decline in our revenue was especially severe in those countries with relatively large industrial sectors, such as Germany and France. In Japan, Asia and across Latin America we witnessed good growth during 2012, while Australia remained under pressure. More detailed information on the performance by country is included in the 'country performance' section.

One of our strategic priorities is to ensure that we have the right delivery model in place for each client. We therefore continued to transfer business from Staffing to Inhouse, as this enables us to offer large clients a better quality of delivery. We also implemented our Inhouse concept to all of SFN's onsite business. In addition to gaining new contracts, we also successfully strengthened our relationships with existing clients. This was visible in the solid growth achieved by our Inhouse business. A good example of this is France, where Inhouse has been very successful and revenue grew by 10%. Staffing revenue declined gradually, reflecting the macroeconomic concerns across Europe and, to a smaller extent, the transfer of business from Staffing to Inhouse. Our Professionals businesses started the year well and returned mid-single-digit growth in the first six months. In the second half of the year, we also saw a gradual slowdown in revenue. Other services, such as Recruitment Process Outsourcing, Managed Services and Payroll Services, achieved strong growth throughout the year. For reporting purposes, the financial results of HR Solutions are included in the revenue category Staffing. More detailed information is included in the 'performance by revenue category' section.

On average, we employed 581,700 candidates per day in 2012.

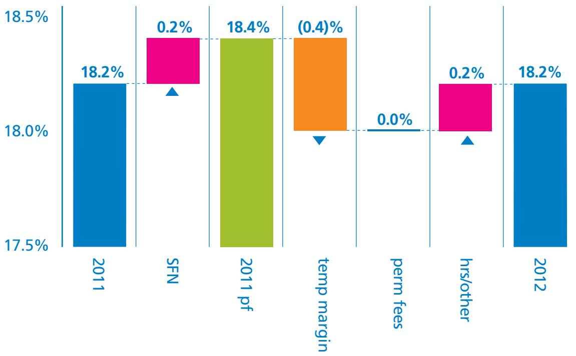
The fact that we continue to see diverging trends in different countries and segments confirms our belief that our strategy of diversification is effective.

Gross profit

Gross profit amounted to € 3,102.0 million, up 5% compared to 2011. The gross margin remained stable at 18.2%. However, on a like-for-like basis, the gross margin decreased by 0.2%. Our gross margin depends largely on the trends in the margin we generate on our temporary staffing services ('temp margin') as well as the contribution from permanent placements and other fee-based business. The graph hereafter shows the change in gross margin in 2012.

The temp margin decreased by 0.4% during 2012 (2011: 0.6%). This was due to three factors. Firstly, mix effects became noticeable as Inhouse and Payroll Services continued to grow faster than the higher-margin Administrative and Professionals segments. Secondly, the impact of price pressure, which eased in the course of the year, continued to play a role in a number of countries (e.g., the Netherlands and Germany). Finally, the geographical mix in the Group continued to play a role. Idle time, on the other hand, mainly relates to our German and Dutch businesses, did not materialize as a risk.

change in gross margin



Our gross margin, which differs from market to market, is highly dependent on the level of added value and the business mix. More information can be found in the 'gross margin differentials' paragraph of the section 'our business environment & markets'. Note 7 to the financial statements includes an overview of the reported gross margins.

At Group level, the contribution from permanent placements ('perm fees'), remained in line with last year and made up 9.2% of gross profit. As a result, the growth in perm fees did not materially affect the change in gross margin.

The positive impact of SFN Group – since September 2, 2011 – was 0.2%, based on its relatively high gross margin.

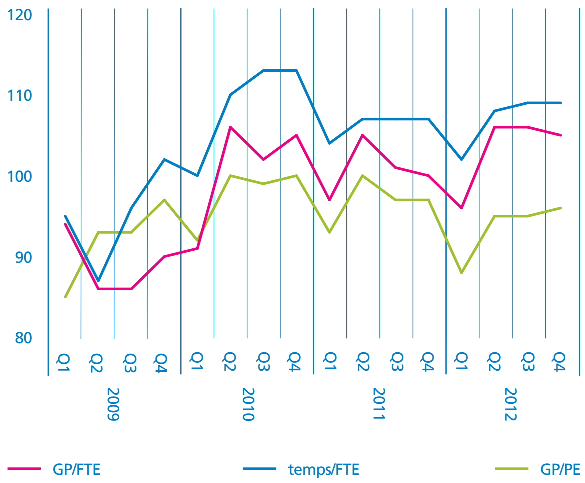
Other mix effects relate to other services we provide to our clients, such as payroll services and other fee-based businesses (e.g., MSP and RPO). In 2012, we saw strong growth in these services and they had a combined positive effect of 0.2% on our gross margin.

Underlying gross profit was adjusted for restructuring costs of € 1.6 million in the Netherlands, and social security benefits of € 6.9 million in France, which related to previous years. Last year's gross profit was adjusted for restructuring costs of € 3.2 million in the Netherlands and Spain.

The trend in gross margin is monitored closely, although it is not a concern, as the pattern we observe is rather usual at this stage of the cycle. Gross margin in itself is not one of Randstad's strategic targets. In order to realize our EBITA-margin targets, we seek to maximize conversion of gross profit into EBITA.

productivity, indexed

100 = 2007



Productivity

As explained in the sections 'strategy' and 'how we measure performance', productivity improvements are key to achieving our profitability targets. We measure productivity in three ways: (1) gross profit per staff member (GP/FTE), (2) gross profit in relation to personnel expenses (GP/PE), and (3) number of temps per staff member (temps/FTE). Productivity (GP/FTE) increased by 2% in 2012. We focused on achieving greater efficiencies across the organization. Despite the decline in revenue, we have moved quickly to adjust the organization.

Operating expenses

A breakdown of operating expenses is shown in the table 'operating expenses'.

In 2012, underlying operating expenses amounted to € 2,539.1 million, down 3% organically. SFN Group added € 197.1 million, while currency effects caused an increase of € 74.2 million. As decline in revenue and gross profit became stronger over the summer, we focused on cost control. On an organic basis, we reduced costs by € 68.7 million, including synergies. We concentrated on better execution of our field steering model, which is designed to ensure appropriate adjustments in the field organization. In addition, we reviewed the efficiency of the entire organization, and this resulted in various restructuring programs across Europe (e.g., the Netherlands, Germany, France and Belgium). These programs were mainly aimed at reducing overhead, reorganizing management and head office functions. At the same time, we also rationalized our branch network by combining smaller branches into larger branches. For these restructuring programs we aim at a payback period of twelve months. We maintained good cost control in other cost categories.

The graph 'change in operating expenses' shows the most important changes in our cost base in 2012.

Underlying operating expenses have been adjusted for integration costs of € 25.2 million and restructuring charges and other one-offs of € 79.4 million as we continued to optimize the organization. On a pro-forma basis (which assumes the consolidation of SFN) operating expenses as a percentage of revenue increased from 14.8% to 14.9%. This reflects the timing of the cost savings we implemented, as these mainly occurred in the second half of the year.

Personnel expenses increased by 9%, or -/- 1% organically and on a pro-forma basis, assuming SFN had already been consolidated in 2011. The total number of FTEs decreased by 4% on a pro-forma basis. We continued to invest in areas where growth continued (such as Asia and Latin America), whereas the number of FTEs decreased in Europe in line with the declining trend in revenue and gross profit. In North America, the number of FTEs decreased as a result of the integration process, while in a number of segments (e.g. RPO and MSP) we continued to invest in growth. An overview of corporate staff by region is given in the 'best people' paragraph of our 'strategy' section. Further details on personnel expenses can be found in note 38 and note 39 to the financial statements.

operating expenses

in millions of €

	2012	2011
Personnel expenses	1,848.5	1,693.3
Advertising and marketing	112.8	127.3
Accommodation costs	205.4	193.8
Other operating expenses	293.9	262.3
Depreciation, amortization and impairment charges PPE and software	78.5	79.8
Total operating expenses, underlying	**2,539.1**	**2,356.5**
Average corporate staff	29,320	28,700
Branches, year-end	3,191	3,566
Inhouse locations, year-end	1,305	1,145

Marketing costs were 0.7% of revenue (2011: 0.8%). While focusing on costs, we gained efficiency through rebranding and we were able to leverage these marketing investments. We completed the rebranding of SFN's staffing businesses and made good progress in the rebranding of SFN's Professionals businesses. Further information is included in the 'superior brands' paragraph of the 'strategy' section.

Accommodation costs decreased by 1% on a pro-forma basis. We continued to create larger branches – without leaving markets – by combining offices. In the Netherlands, Germany and the UK, for example, we continued to combine individual offices in larger cities into a single Randstad location. In North change in operating expenses

in millions of €

America, as part of the integration of SFN, we closed 48 branches. As we continued to see strong demand for Inhouse Services, we opened 160 locations in 2012, most notably in France and Germany. At the end of 2012, we operated a network of 3,191 branches and 1,305 Inhouse locations. An overview showing branches and Inhouse locations by region can be found in the section 'performance by country'.

Other operating expenses mainly comprise IT and general costs. On a pro-forma basis, IT costs were 1% lower in 2012, as IT costs contract and expand with our capacity. General costs, which mainly consist of postage, office supplies, and advisory costs, decreased by 6% on a pro forma basis in line with our focus on cost control.

Depreciation and amortization charges were at the same level as 2011. Investments in branches and IT have been relatively low over the past few years. We depreciate assets over 3 to 5 years (on average).

EBITA

Underlying EBITA decreased to € 562.9 million, with the EBITA margin reaching 3.3%, compared to 3.7% in 2011.

As explained in the section 'how we measure performance', we measure how gross profit is converted into EBITA. If we grow, our target is to convert 50% of incremental gross profit into EBITA (incremental conversion ratio). If our gross profit declines, our target is to achieve cost savings of 50% of lost gross profit (recovery ratio).

As divergent trends persist we have some countries that grow, while others are in decline. The graph 'conversion ratios' shows the effectiveness of our targeted conversion for Europe and North America. For the Group as a whole, the recovery ratio in 2012 was 49%.

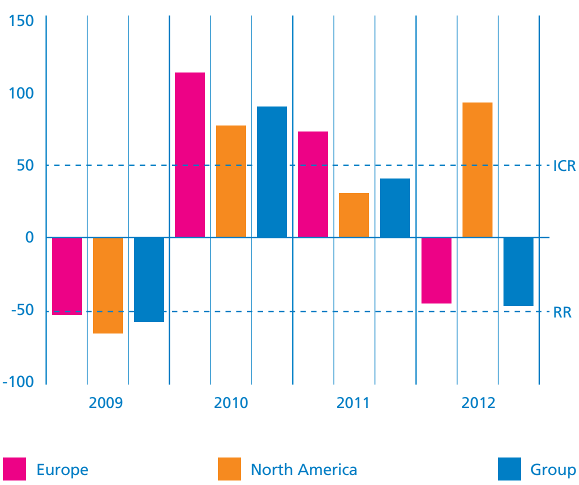
Amortization of intangible assets

Intangible assets are capitalized in the balance sheet upon acquisition of companies and reflect the value that is allocated to intangible assets, such as brand names, customer relationships, and candidate databases. These intangible assets are amortized over a period of one to eight years. The amortization charge increased as a result of the acquisition of SFN in 2011. During the year, the amortization charge decreased as some of SFN's brand names were amortized over ten months. For more information, see note 18 to the financial statements.

Impairment of goodwill

Goodwill paid in acquisitions is allocated to segments based on our management structure. In our case, these segments are

conversion ratios



EBITA

in millions of €

	2012	2011	Δ%
EBITA, underlying	**562.9**	**600.6**	**(6)**
Integration costs	25.2	12.6	
One-offs	74.1	34.9	
EBITA, reported	**463.6**	**553.1**	**(16)**
Amortization of intangible assets	196.2	178.4	
Impairment goodwill	139.8	125.0	
Operating profit	**127.6**	**249.7**	**(49)**
Net finance costs	(17.9)	(16.5)	
Share of profit/(loss) of associates	0.1	(0.2)	
Income before taxes	**109.8**	**233.0**	
Taxes on income	(73.1)	(54.0)	
Net income	**36.7**	**179.0**	**(79)**

geographical areas. In a few segments, such as the UK and Iberia, revenue contracted and profitability did not recover in line with expectations. As a result, goodwill had to be impaired for an amount of € 139.8 million (2011: € 125.0 million). In most other geographical areas, sufficient or substantial headroom is available to cover variations in estimates and assumptions, although in France and Australia this headroom is limited. For more information, see note 17 to the financial statements.

Operating profit

Operating profit is EBITA including the non-cash amortization and impairment charges on acquisition-related intangible assets and goodwill. As a result of the aforementioned charges, operating profit decreased by 49% compared to 2011.

Net finance costs

For the full year, net finance costs amounted to € 17.9 million, compared to € 16.5 million in 2011. Net finance costs include net interest expenses on our net debt position, as well as foreign currency effects and adjustments in the valuation of certain assets and liabilities. Interest expenses on our net debt position amounted to € 23.5 million (2011: 26.9 million). Interest expenses decreased, following the strong cash flow generation during the year and continuing low interest rates. We have a policy of using floating rates as a natural hedge against the development in operational results, which continued to pay off significantly. Foreign currency effects had a positive effect of € 4.3 million (2011: € 2.1 million). The revaluation of liabilities related to arrangements with owners of acquired companies resulted in a gain of € 7.3 million (2011: € 14.6 million). The remaining negative effect of € 6.0 million (2011: € 6.3 million) was mainly caused by adjustments in the valuation of certain assets and liabilities. Further details of net finance costs are included in note 12 to the financial statements.

Taxes on income

The effective tax rate before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs amounted to 31.6% in 2012 (2011: 30.3%). The increase compared to last year was mainly caused by an altered geographical mix with above-average tax rates in those countries with highest growth. More information on effective tax rate is given in Note 13 to the financial statements.

Net income, earnings per share and dividend

Adjusted net income for holders of ordinary shares decreased by 8% to € 365.9 million. Diluted EPS decreased by 9% to € 2.11 (2011: € 2.32).

In line with our dividend policy, we will propose the payment of a dividend of € 1.25 per ordinary share. This means a payout ratio of 59%. Holders of ordinary shares will have the option to choose between cash or shares. Our dividend proposal is further elaborated on in the 'strategy' section.

net income, earnings per share and dividend

in millions of €

	2012	2011
Net income	**36.7**	**179.0**
Net income for non-controlling interests	0.0	0.2
Net income for holders of preference shares	6.8	7.2
Net income for holders of ordinary shares	**29.9**	**171.6**
Amortization of intangible assets	196.2	178.4
Impairment of goodwill	139.8	125.0
Integration costs	25.2	12.6
One-offs	74.1	34.9
Tax effect on amortization, integration costs and one-offs	(99.3)	(122.8)
Net income for holders of ordinary shares, adjusted	**365.9**	**399.7**
Basic EPS (€)	0.17	1.00
Underlying basic EPS (€)	2.13	2.34
Underlying diluted EPS (€)	2.11	2.32
Proposed dividend (€)	1.25	1.25
Payout ratio (% of underlying basic EPS)	59	53

balance sheet

Our balance sheet total decreased by 13% to € 6.8 billion by the end of 2012, mainly driven by successful working capital management and lower volumes in our business.

assets

in millions of €

	2012	2011
Property, plant and equipment	155.3	179.4
Intangible assets	2,942.5	3,287.4
Deferred income tax assets	504.7	724.4
Financial assets	79.7	80.1
Associates	1.0	0.9
Non-current assets	**3,683.2**	**4,272.2**
Trade and other receivables [1]	2,872.5	3,110.9
Income tax receivables	49.9	52.8
Cash and cash equivalents [2]	191.5	338.6
Current assets	**3,113.9**	**3,502.3**
Total assets	**6,797.1**	**7,774.5**

1 See operating working capital.
2 See net debt.

Property, plant and equipment
Property, plant and equipment includes the furniture and refurbishments of our offices (51%), IT equipment for our employees (23%), and property (26%). The book value of furniture, refurbishments and IT equipment decreased from € 131.6 million to € 115.6 million. As we closed a significant number of branches, depreciation charges exceeded the investments we made. The book value of property decreased mainly as a result of several (expected) divestments. Apart from this effect, property mainly related to our corporate head office and real estate in the US and Japan. It is our policy not to own real estate at a large scale. For more information, see note 16 to the financial statements.

property, plant and equipment

in millions of €

	2012	2011
Furniture & refurbishments	78.7	93.4
IT equipment	36.9	38.2
Property	39.7	47.8
	155.3	**179.4**

Intangible assets
Intangible assets include goodwill on acquisitions (82%), customer relationships, brand names, candidate databases (17%), and software related to the front and back-office systems (1%). Customer relationships, brand names and candidate databases are amortized over 1 to 8 years on average, leading to a non-cash amortization charge of € 196.2 million (2011: € 178.4 million).

Goodwill decreased by € 145 million, mainly due to the impairment of goodwill. Further information is included in notes 17, 18 and 19 and note 35 to the financial statements.

intangible assets

in millions of €

	2012	2011
Goodwill	2,407.1	2,551.6
Acquisition-related intangible assets	495.7	689.2
Software	39.7	46.6
	2,942.5	**3,287.4**

Deferred income tax assets and income tax receivables
Tax assets related to tax loss carry-forward originate from subsidiaries that generated tax losses in current and previous years, which can be used to offset profits in future years. These tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available, against which these losses can be utilized. The valuation allowances of tax losses carry-forward increased by an amount that was previously included as temporary differences under deferred tax liabilities. Temporary differences occur when there is a difference between the valuation of assets according to the financial statements and their valuation for tax purposes. Income tax receivables mainly relate to amounts due from tax authorities. Deferred income tax assets include tax assets arising from goodwill that were directly charged against equity at acquisition date prior to 2005. This part decreased through the amortization of goodwill for tax purposes only. For more information, see note 20 to the financial statements.

deferred income tax assets and income tax receivables

in millions of €

	2012	2011
Goodwill	-	45.7
Tax loss carry-forward	438.7	578.9
Temporary differences	334.8	325.9
Netting deferred tax liabilities	(268.8)	(226.1)
Deferred income tax assets	**504.7**	**724.4**
Income tax receivables	49.9	52.8

Financial assets

Financial assets mainly include loans that are granted interest-free to the French government in relation to the payment of social security charges. These loans have a repayment term of 20 years, the average remaining term being 12 years. The loans are accounted for at fair value. The amount of loans outstanding was in line with last year. For more information, see note 21 to the financial statements.

Associates

Associates are companies where Randstad Holding nv has significant influence, but no control over the financial and operational policies. In general, Randstad's shareholding in these companies lies between 20% and 50% of the voting rights.

Operating working capital

Operating working capital decreased by 16% to € 527.6 million.

operating working capital

in millions of €

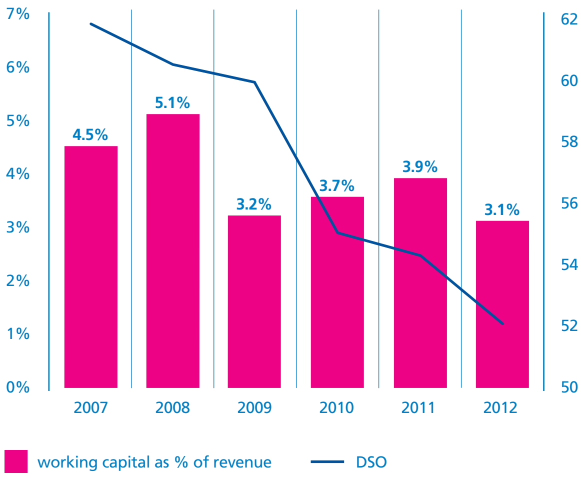
	2012	2011
Trade and other receivables	2,870.6	3,109.1
Trade and other payables	2,343.0	2,477.5
Operating working capital [1]	**527.6**	**631.6**
As % of revenue	3.1%	3.9%
Days sales outstanding (moving average)	51.8	53.8

1 Operating working capital: trade and other receivables (excluding current part held-to-maturity investments) minus trade and other payables.

During the year, we reinforced our focus on working capital management, with special attention to the collection of trade receivables. Lower volumes in our business also lowered our working capital requirements. As a percentage of revenue, working capital decreased from 3.9% to 3.1%. Last year's level was relatively high due to the timing of the consolidation of SFN in September 2011. Within working capital, the component that is most important for us to influence is trade receivables. Our DSO improved by 2.0 days to 51.8 days, mainly due to further improvements in our internal collection processes. We aim to make even more improvements in 2013. The following graph shows the development in working capital and DSO over the past few years.

The aging of trade receivables was also given considerable attention, as clients were tending to pay later and continued to demand longer payment terms. Our exposure to bad debt remained limited and only 0.04% of revenue (2011: 0.07%) was written off as these receivables were considered to be uncollectible. Our trade receivables portfolio is very diversified geographically, in terms of both segmentation and client base. Current liabilities mainly comprise liabilities such as wage tax, social security charges and pensions, for which payment terms are determined by law and therefore difficult to change.

working capital management



Net debt

Our net debt position decreased to € 1,095.7 million, mainly as a result of a solid free cash flow of € 466.5 million.

We used our free cash flow to finance some smaller acquisitions of minority shareholdings and dividend on ordinary shares. As a result, the leverage ratio (net debt divided by EBITDA) was 1.7 at year-end and remained well within our targeted range of between 0 and 2. The section 'how we measure performance' contains an overview of the development of net debt and the leverage ratio. The loan documentation allows us a leverage ratio of 3.5 x EBITDA, which provides us with a solid buffer in managing through the cycle.

By the end of the year, we had a total debt facility of € 1,690 million, of which the majority matures in May 2013. In 2012, we made good progress in refinancing, and we secured committed financing of some € 1.6 billion, including the issue of preference shares C based on a capital contribution of € 140

net debt

in millions of €

	2012	2011
Cash and cash equivalents	191.5	338.6
Less: Non-current borrowings [1]	1,204.7	1,602.7
Less: Current borrowings	82.5	38.5
Net debt	**1,095.7**	**1,302.6**
Leverage ratio	1.7	1.8

1 In 2012 classified under current liabilities as short-term part non-current borrowings.

million in 2013. Most of the newly committed financing will mature in 2017, and the conditions agreed to are similar to those of the current facility. Our financial flexibility therefore remains high. More information on our capital structure and refinancing process can be found in the section 'investor relations'.

Equity
Shareholders' equity decreased following profit generation during the year, which was more than offset by a total dividend payment of € 222.2 million. For more information on our capital structure, see the section 'investor relations' and note 26 to the financial statements. A movement schedule of equity is included in the financial statements.

equity and liabilities

in millions of €

	2012	2011
Shareholders' equity	2,724.9	2,898.4
Non-controlling interests	0.1	0.6
Total equity	**2,725.0**	**2,899.0**
Non-current borrowings [1]	-	1,602.7
Deferred income tax liabilities	44.3	442.7
Employee benefit obligations	24.1	24.4
Provisions	40.5	59.7
Other non-current liabilities	14.9	19.4
Non-current liabilities	**123.8**	**2,148.9**
Short-term part non-current borrowings [2]	1,204.7	-
Current borrowings [1]	82.5	38.5
Trade and other payables [3]	2,343.0	2,477.5
Income tax liabilities	170.5	53.3
Provisions	139.7	100.5
Other current liabilities	7.9	56.8
Current liabilities	**3,948.3**	**2,726.6**
Total equity and liabilities	**6,797.1**	**7,774.5**

1 See net debt.
2 See net debt.
3 See operating working capital.

Deferred income tax liabilities and income tax liabilities
Recapture obligations ensue from the incorporation in the Netherlands of tax losses generated in Germany. Temporary differences occur when there is a difference between the valuation of liabilities according to the financial statements and their valuation for tax purposes. The majority of these liabilities stem from the valuation of acquisition-related intangible assets; for example, the acquisition of SFN. In line with the annual amortization charge, the tax liability decreased accordingly. An amount previously recognized as temporary differences is now included under valuation allowances for tax losses carry-forward, which is part of deferred tax assets. Income tax liabilities mainly comprise liabilities related to income tax payable to tax authorities, and a liability to the Dutch tax authority of € 131 million, to be paid in 2013, relating to the decrease in valuation in 2008 of certain non-Dutch subsidiaries. In 2011, this liability was reported as recapture obligation. For more information, see note 20 to the financial statements.

deferred income tax liabilities and income tax liabilities

in millions of €

	2012	2011
Recapture obligations and other	3.4	144.4
Temporary differences	309.7	524.4
Netting deferred tax assets	(268.8)	(226.1)
Deferred income tax liabilities	**44.3**	**442.7**
Income tax liabilities	170.5	53.3

Other current and non-current liabilities
Employee benefit obligations relate to defined benefit pension plans in a limited number of countries. As a policy, the vast majority of our employees have a defined contribution pension plan for which liabilities are included in working capital. Our employee benefit obligations are detailed in note 28 to the financial statements.

Provisions include the costs of restructuring programs, workers' compensation schemes (most of which are in North America) and other provisions. Restructuring provisions increased as we implemented a number of restructuring programs, predominantly across Europe. Other provisions mainly consist of provisions for claims by third parties. They decreased during the year due to payments, while part was released to the income statement. Provisions for workers' compensation decreased somewhat as we achieved some efficiency improvements in managing claims for workers' compensation. An overview of the movement in provisions is included in note 29 to the financial statements.

other current and non-current liabilities

in millions of €

	2012	2011
Employee benefit obligations	24.1	24.4
Provisions for restructuring	69.1	28.6
Provisions for workers' compensation	60.3	65.0
Other provisions	50.8	66.6
Other liabilities	22.8	76.2
	227.1	**260.8**

Other liabilities include those related to put options from minority shareholders as well as deferred payments from acquisitions. These liabilities decreased by € 53.4 million mainly as a result of our strategy to gain full ownership of our subsidiaries. For more information see note 30 to the financial statements.

cash flow analysis

Free cash flow

We continued to focus strongly on cash flow generation, and as a result our free cash flow increased by 7% to € 466.5 million. Working capital requirements were lower than in the previous year. As revenue growth turned negative over the course of 2012, relatively little working capital was required. We generated considerable free cash flow in the second half of the year. An overview of quarterly cash flows is included in the section 'how we measure performance'. The Days Sales Outstanding (DSO) improved by around 2 days, which meant that over € 100 million less working capital was required.

Income taxes paid amounted to € 140.0 million, or 32% of income before tax and amortization of intangible assets, impairment of goodwill and one-offs. The increase compared to 2011 was due to timing differences in making certain payments.

My projects are very diverse; routine never gets a chance to set in. Being dynamic by nature I encourage my colleagues to always aim for improvement and deliver better service. Randstad offers me many chances to develop myself, in France and abroad.

Rachel Paul
Controlling Manager - France

consolidated cash flow statement

in millions of €

	2012	2011
EBITA, reported	**463.6**	**553.1**
Depreciation, amortization and impairment on property, plant and equipment and software [1]	84.1	80.5
EBITDA	**547.7**	**633.6**
Provisions and other items	36.7	12.9
Working capital	84.2	(8.7)
Income taxes received/(paid)	(140.0)	(118.3)
Net cash flow from operating activities	**528.6**	**519.5**
Capital expenditures, net	(61.0)	(79.2)
Financial receivables	(1.1)	(5.1)
Free cash flow	**466.5**	**435.2**
Net acquisitions and disposals [2]	(30.7)	(556.6)
Issue of ordinary shares	0.9	17.0
Net finance costs paid	(22.9)	(22.8)
Dividend ordinary shares	(215.1)	(201.6)
Dividend preference shares	(7.1)	(7.2)
Dividend non-controlling interests	-	(0.3)
Translation effects and other	15.3	(67.0)
Net decrease/(increase) net debt	**206.9**	**(403.3)**

1 Net additions in property, plant and equipment and software.
2 Net aquisitions of subsidiaries/activities and associates.

Net capital expenditures decreased to € 61.0 million, which was mainly due to the closure of a large number of offices during the year.

Other cash flow items

Besides the acquisition of several minority shareholdings in subsidiaries, we also announced several small divestments in North America, Germany, the UK, India and Angola as part of our drive to streamline our portfolio. All acquisitions and divestments were settled in cash. For more information, see note 35 to the financial statements. In 2011, we acquired 100% of the outstanding shares of SFN Group in the US.

We paid a dividend of € 1.25 per ordinary share, in line with our dividend policy. The dividend on preference shares was € 7.1 million, the same level as in previous years.

Net finance costs in were in line with last year. As a significant part of our net debt position is denominated in US dollars and Japanese yen, the change in the value of these currencies had an impact on our net debt position.

value at work

for candidates

the best job offers

For our candidates, we offer a world of opportunities with employers of almost every type imaginable. We unlock these opportunities through our worldwide distribution system consisting of physical branches and websites that are constantly upgraded to offer an optimal user experience. We want our brand to have the highest candidate preference in our sector, so we make sure that we are well-known and easy-to-find. But we go beyond that: we also advocate and facilitate changes in the world of work that will improve its structure. One example is our highly valued 'Women Powering Business' events, which focus on helping female managers to excel in male-dominated environments. These are made particularly effective by the participation of Susie Wolff – development driver on Randstad's F1 Williams team, and the only woman driver in Formula One racing.

country performance

introduction

Randstad operates in 39 countries, which represents around 90% of the global HR services market. In this section, we provide an overview of the underlying performance in our countries in 2012.

North America

in millions of €	2012	2011	organic Δ%
Revenue	3,946.5	2,513.8	4
EBITA	170.8	102.2	28
EBITA margin	4.3%	4.1%	

Randstad is the no. 3 in North America and is market leader in Canada. We hold market-leading positions in office/clerical, accounting and finance, IT and RPO. Across the region, we provide a full range of services.

Our US Staffing and Inhouse business grew by 4%, with growth rates slowing gradually in the second half of the year. The integration efforts that started at the end of 2011 proceeded methodically and on schedule and were completed for all company-owned operations by Q4. A strong focus on refining our delivery models and choosing the optimal delivery models for each client resulted in ongoing improvements in productivity as well as profitability. Revenue growth in the second half of the year was negatively affected by the cessation of our business relationships with a number of high-volume customers (most of them in the blue-collar sector) due to too low profitability. Continued focus and investments in the more profitable white-collar sector resulted in strong perm revenue growth and improving temporary gross margins. In addition, ongoing investments in and refinements to our MSP delivery models resulted both in strong growth and in gains in productivity, response time and quality.

Our Randstad Sourceright RPO business had a very successful year, experiencing strong growth and profitability. In 2012, Randstad Sourceright signed 13 new customers to project/long-term deals and renewed contracts on seven more. In addition, Randstad Sourceright initiated a global push, expanding our relationship with a number of US-based RPO clients beyond North America. Our RPO offering continued to be recognized as an industry leader. Randstad Sourceright was, again, recognized as a top provider in HRO Today's Baker's Dozen ranking and was named as one of only three Everest Leaders/Star Performers in the annual service provider landscape and capability assessment. As the RPO industry becomes increasingly competitive, Randstad Sourceright continues to refine its operating model to maintain its leadership position.

Randstad Sourceright's MSP practice also experienced strong growth in 2012, outperforming the MSP market. The combined MSP teams of Randstad Sourceright and Randstad Managed Services brought together best practices from both organizations, resulting in operational improvements and efficiency gains. Randstad Sourceright was recognized as the no. 1 MSP provider in the 2012 HRO Today's Baker's Dozen, a direct result of MSP quality and innovation metrics. The US MSP practice continued to collaborate with our global counterparts, solidifying agreements to expand five existing programs internationally. Globally, Randstad Sourceright administered over $5.1 billion through managed programs in 2012.

2012 saw the coming together of our legacy Randstad Professionals businesses with our newly acquired SFN Professionals businesses, allowing us to leverage our expanded client portfolio across all business lines. Our combined Professionals organization achieved record EBITA levels in 2012 and full-year growth levels of approximately 8%. IT, which represents 65% of our Professionals business, experienced strong growth in permanent placements and solutions coupled with slower growth in temporary staffing due primarily to softer demand from the financial services

development in the main geographic markets, 2012

in millions of €

	revenue		organic	market		staffing employees		corporate employees	
	2012	2011	growth %	growth %	Δ%	2012	2011	2012	2011
North America	3,946.5	2,513.8	4	8	(4)	105,900	73,900	6,370	4,210
France	3,098.6	3,377.7	(8)	(9)	1	83,400	92,700	3,880	3,950
Netherlands	2,824.9	2,940.1	(3)	(3)	n.a.	85,400	88,300	4,730	5,180
Germany	1,842.6	1,959.7	(4)	(6)	2	50,600	56,000	2,770	2,970
Belgium & Luxembourg	1,317.8	1,412.8	(7)	(8)	1	42,300	46,500	2,020	2,120
United Kingdom	798.7	788.6	(8)	(4)	(4)	20,400	24,000	1,750	1,950
Iberia	781.7	872.5	(10)	(11)	1	45,000	49,700	1,350	1,470
Other European countries	897.6	930.2	(4)	n.a.	n.a.	36,300	39,200	1,780	1,800
Rest of the world	1,578.4	1,429.5	7	n.a.	n.a.	112,400	106,500	4,480	4,880
Corporate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	190	170
	17,086.8	**16,224.9**	**(3)**			**581,700**	**576,800**	**29,320**	**28,700**

sector. Randstad Engineering had another excellent year delivering double-digit growth in 2012 due to robust demand in both the energy and manufacturing sectors. Our Life Sciences business, a small but rapidly growing part of our Professionals organization, delivered outstanding results, with growth levels in excess of 20% year-on-year.

The integration process of Randstad and SFN is progressing well. For all Staffing businesses the integration process was completed in 2012. The rebranding and operational integration of the Professionals businesses is expected to be complete by mid 2013. Migration of the two Professionals back-offices to one combined system is also progressing well, with the first phase consisting of an upgrade of the legacy Randstad back-office system, followed closely by the migration of the legacy SFN back office systems. Synergies for the overall integration of Randstad and SFN in North America are now expected to exceed $50 million (approx. € 40 million), with integration costs remaining in line with synergies. By year-end, we had realized pre-tax cost synergies of € 25.2 million, and € 3.0 million in 2011. The synergies had a run rate of € 8.2 million in the fourth quarter. Total integration costs from the start of the integration process were € 37.8 million.

In Canada, revenue grew by 5%. Growth was led by Staffing, while our Professionals business achieved low single-digit growth. The integration of the Canadian SFN business was completed in early 2012.

Overall, profitability in North America improved considerably thanks to solid gross margin enhancements, strong operating leverage, and the realization of targeted synergies. As a result, the EBITA margin reached 4.3% compared to 4.1% in 2011. Last year's EBITA margin would have been 3.5%, had SFN been fully consolidated. Last year's EBITA was adjusted for acquisition-related expenses of € 6.1 million.

France

in millions of €	2012	2011	organic Δ%
Revenue	3,098.6	3,377.7	(8)
EBITA	83.2	104.3	(20)
EBITA margin	2.7%	3.1%	

Randstad is the third-largest HR services provider in France, with leading positions in Inhouse Services, healthcare and permanent placements. Randstad maintained its market share in 2012 of around 17%. We provide a full range of services in France.

The French business contracted by 8% in 2012. The macro-economic uncertainty across Europe also affected the French HR services market, most notably in the second half of the year, although some signs of stabilization were visible towards the end of the year. This situation offers significant opportunities for Randstad France by quickly responding to market needs in terms of flexibility and innovative solutions, such as career-development programs, assessment, recruitment and HR outsourcing solutions. Investments have therefore also been made in outplacement and coaching.

Inhouse Services remained a key driver for our success in France and grew by 10%. We were operating 127 Inhouse locations by year-end. The cooperation between Staffing and Inhouse on large clients is still developing, enabling acceleration of growth within these clients. The growth of Inhouse Services, partly a result of transferring business from Staffing to Inhouse, allowed branches to focus on specialties and the SME segment.

Our Professionals businesses, which focus on healthcare, IT, finance and engineering, started the year relatively well, while demand for our services slowed in the second half of the year, especially in our Healthcare business. Engineering remained strong, benefiting from strong demand from the aerospace sector. For the full year, revenue in Professionals contracted by 11%.

In the course of the year, the French government changed several tax rules and social security laws, which put some pressure on our profitability. Then, in late 2012, the French parliament adopted the Tax Credit and Competitive Employment ('CICE') act, which will be effective as of January 1, 2013. This amendment provides for the establishment of a Tax Credit for all firms employing paid staff. The exact impact will be known early 2013.

We focused on our profitability through a number of initiatives. With respect to client profitability, this resulted in the termination of a number of contracts, and we expect further contracts to be terminated in 2013. Besides the effects of applying our field steering model, we have also reviewed the cost structure of the whole organization. Randstad France is currently relying on five business units: Construction, Industry, Expert & Professionals, Logistics & Retail and the Services industry, focusing on white-collar ('tertiaire') profiles. A new organization of the staffing network project was presented to the unions in December 2012. The new agency network will focus on five regions, each integrating the existing industry segments. In several large cities, branches will be combined to form a single multispecialist branch, enabling synergies, greater commercial opportunities and cross-selling as well as clarifying the scope of our activities. Overall, we aim to combine 275 branches into 65 larger branches. This project will enable Randstad France to maintain its competitiveness and put in a better position to sell its full portfolio of services in the market.

The French EBITA margin reached 2.7%, compared to 3.1% in 2011. Gross profit was adjusted for social security benefits of € 6.9 million, and operating expenses were adjusted for € 28.2 million of restructuring costs.

Netherlands

in millions of €	2012	2011	organic Δ%
Revenue	2,824.9	2,940.1	(3)
EBITA	154.6	180.7	(14)
EBITA margin	5.5%	6.1%	

Randstad is the clear market leader in the Netherlands, where we provide clients with a full range of service concepts through Randstad, Tempo-Team and Yacht. The traditionally late-cyclical Dutch HR services market contracted in 2012, but at a low single-digit rate. After some optimism in the first half year, macroeconomic uncertainty put pressure on demand for our services. This was predominantly visible in the Industrial and Technical segments. The Dutch Professionals market remained challenging, especially in the public sector.

Randstad Netherlands continued to outperform the market in 2012, growth being led by the Administrative segment, Professionals and Payrolling. The performance in the Industrial segment improved throughout the year. As economic conditions became more challenging and gross-margin pressure remained strong, we reviewed the cost structure of the entire organization. This resulted in a restructuring program aimed at creating a more decisive organization and greater efficiency in servicing our clients. During the year, we also reinforced our focus on client profitability, mainly by ensuring the use of the right delivery models. Combined with the regular adjustments in the field organization, based on our field steering model, profitability was maintained at a good level. Randstad Student saw strong growth in 2012, while various other initiatives were introduced, such as a concept designed for local governments to help unemployed people find work. Our advertising campaign around our sponsorship of the Dutch Olympic Team received a domestic award.

Tempo-Team maintained its strong no. 2 position in the Netherlands. Market share was gained in the course of 2012 due to good performance in the industrial segment. Tempo-Team Professionals returned to growth. Focus on productivity and cost control was further improved. Towards the end of the year, we implemented an additional restructuring program, focused on integrating a number of specialty businesses and the optimization of our branch network. Special attention was given to the utilization and productivity of the market units, which resulted in good progress in the SME segment. Another achievement was the implementation of the new Tempo-Team website 'T-point', which digitalizes all administrative processes for clients and candidates. The advertising campaign was built around the theme 'resilience' and was supported by various commercial and online activities.

Yacht, which operates in the professionals and interim management segment, had another challenging year. Revenue declined by 7%, impacted by continued weak demand in healthcare and the public sector, while private-sector-oriented segments also came under pressure. Demand remained strong in the high-tech sector, while we had good performance in energy and telecom. The Dutch Professionals market saw a strong increase in freelancing. This requires a different delivery model, for which we launched Yacht External Management. We also started an international recruitment center for the High Tech sector in the southern part of the Netherlands. We focused on improving the commercial skills and efficiency of the organization; for example, by making better use of our field steering model. This has resulted in better utilization and idle-time management, and therefore a better gross margin. Nevertheless, our bill rates and the number of hours per week remained under pressure. Based on the trends in our markets and with the aim of achieving greater efficiencies in the organization, we implemented a restructuring program towards the end of the year. At the same time, we launched a media campaign built around the theme of 'agility'. We host seminars for clients and we offer clients a scan based on this theme.

The Dutch EBITA margin reached 5.5%, compared to 6.1% in 2011. Underlying EBITA was adjusted for restructuring costs of € 32.1 million, of which € 1.6 million in gross profit. Last year's EBITA was adjusted for € 18.8 million of restructuring costs, of which € 2.6 million in gross profit.

main market positions, 2012

in billions of local currency

regions	market size [1]	market growth %	market share in %	market position
United States	125.3	7	3	3
France	18.2	(9)	17	3
Netherlands [2]	14.4	(3)	20	1
Germany	19.0	(6)	10	1
Belgium & Luxembourg [3]	8.5	(8)	16	1
United Kingdom	18.0	(4)	4	5
Spain [4]	2.3	(11)	14	1

1 Based on country data, 2011 figures, and estimated growth rates.
2 Restatement 2011: € 14.9 billion versus € 13.1 billion.
3 Restatement 2011: € 9.3 billion (including Professionals) versus € 5.0 billion (excluding Professionals).
4 Staffing market only.

Germany

in millions of €	2012	2011	organic Δ%
Revenue	1,842.6	1,959.7	(4)
EBITA	93.2	130.5	(29)
EBITA margin	5.1%	6.7%	

Randstad is the market leader in Germany. In Staffing and Inhouse Services we operate as Randstad and Tempo-Team. Randstad Professionals and GULP are active in the Professionals segment.

In November 2012, the German staffing industry saw the implementation of equal pay in several sectors of the market, including the metal and chemical sectors. This agreement comes on top of the existing collective labor agreement. Temporary workers who continue to work for the same client over a period of at least nine months will be entitled to a salary comparable to that of colleagues who are employed by our clients. The change will have a favorable impact on the image of the industry. We have ensured that the administrative processes are in place, and we have provided training to enable our people to discuss with our clients and explain to them how it will affect them.

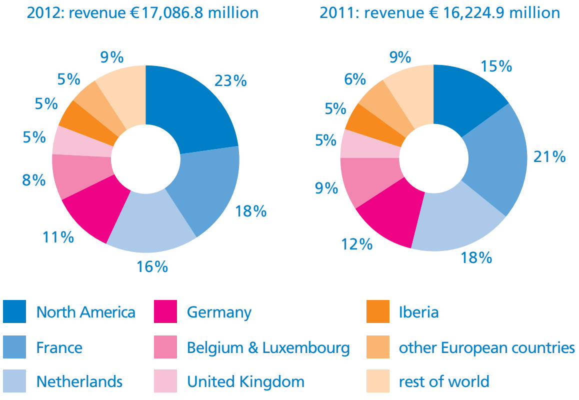
Despite this big change in the market, we were able to maintain our market share and strengthen our position as market leader in Germany. The overall staffing market contracted, which was mainly caused by lower demand in the industrial segment, but also the administrative segments. The Professionals market continued to grow, partly fueled by some scarcity in higher educated profiles.

Our combined Staffing and Inhouse businesses contracted by 6%. Randstad Inhouse Services performed well in 2012, but faced lower demand in the second half of the year and revenue grew by 3%. We operate from 260 locations across Germany. Tempo-Team performed well in this challenging market. The German Staffing business faced strong gross-margin pressure. This was partly caused by higher salary costs during holiday periods and a higher number of public holidays. However, it was also due to pricing pressure, stemming from clients who wished to implement equal pay ahead of the agreements reached at industry level. To counter lower revenue and lower gross margins, we put more focus on client profitability. We also reviewed our cost structure, which resulted in a restructuring program focused on adjustments in the field organization, but also in overhead and at our head office.

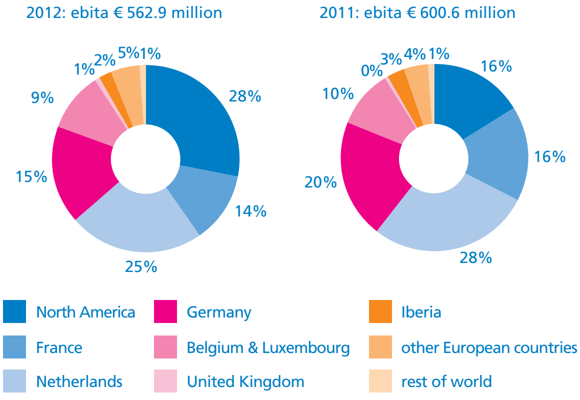
Revenue in Professionals grew by 8%. Our IT freelancer business (GULP) grew by almost 20%, and is now the most important source of IT project candidates among external specialists in Germany. GULP is also the leading internet-based project intermediary, offering clients a comprehensive online portal containing information and services for IT-related project business. It contains profiles of 90% of all German IT freelancers. In 2012, we increased our stake from 70% to 100%. Yacht TECCON was rebranded as Randstad Professionals and we provide high-end solutions in the engineering and IT services segments.

The German EBITA margin reached 5.1%. Underlying operating expenses were adjusted for € 10.0 million of restructuring costs and a book profit related to the sale of a smaller subsidiary of € 5.6 million. Last year's EBITA was adjusted for € 3.6 million related to the divestment of the Aerospace business of Randstad Professionals.

revenue split by geography



ebita split by geography



Belgium & Luxembourg

in millions of €	2012	2011	organic Δ%
Revenue	1,317.8	1,412.8	(7)
EBITA	54.2	65.4	(18)
EBITA margin	4.1%	4.6%	

Randstad is the market leader in Belgium and Luxembourg. Tempo-Team is the no. 2 in the Belgian market. As we have a relatively large exposure to the industrial segment, the contraction of revenue slightly exceeded that of the market. The macroeconomic uncertainty had the biggest impact on this segment. In addition, we focused on client profitability, which resulted in the termination of some contracts. Our focus on growth in the administrative and professionals segment continued to pay off. Revenue from non-staffing services, such as service checks and HR Solutions, showed low single-digit growth.

The macroeconomic environment in Luxembourg also put some pressure on demand for our services. In this uncertain environment we reassessed our organizational structure. This resulted in the merger of Tempo-Team Luxembourg into Randstad. The new organization has a strong footprint and can further solidify its market leadership.

In 2012, we gained some traction in international mobility. As part of the aging of society and scarcity of nurses and related professions, we developed cross-border activities. We are now recruiting nurses in Portugal and employing them in Belgium. We have also developed projects to support students in entering the labor market.

We were named Best Outplacement and Interim Management company in 2012. Furthermore, Randstad was recognized as the Best Staffing Company by the HR community.

Besides these and other initiatives, we have been focusing on our cost structure. In addition to the regular adjustments resulting from our field steering model, we reviewed the cost structure of the entire organization. We incurred € 5.5 million of restructuring costs to facilitate an adjustment in management, overhead and head office. As a result, the underlying EBITA margin reached 4.1%, compared to 4.6% in 2011. Last year's EBITA was adjusted for restructuring costs of € 2.9 million.

I get to be part of challenging and ambitious projects. I enjoy the great atmosphere resulting in the 'Great Place to Work' recognition. In my daily interactions I strive to show motivation, team spirit, top service, creativity and understanding of client needs – always with a smile!

Laura Fernández
Consultant Professionals - Spain

United Kingdom

in millions of €	2012	2011	organic Δ%
Revenue	798.7	788.6	(8)
EBITA	5.0	3.2	61
EBITA margin	0.6%	0.4%	

Market conditions in 2012 continued to be challenging in a recruitment sector that remains highly fragmented – with over 11,000 different recruitment companies operating in a very competitive market. We hold the no. 5 position in the UK, providing a wide range of services, almost all of them branded as Randstad.

Overall UK revenue contracted by 9% on an organic basis. Whereas demand for permanent placements remained weak, demand for temporary staffing strengthened in the second half of the year. Our Education business enjoyed a healthy increase in bookings, particularly in the second half of the year. Aviation and Construction, Property & Engineering showed improving performance, despite the difficult market conditions. Engineering performed well, and permanent placement fees doubled. Our Technologies and Finance divisions returned to strong growth in the second half of the year. We also saw some growth in the regional accountancy & finance market, which we supported through investment in consultants specializing in audit and tax. However, London city-oriented businesses faced continuing weak demand. Revenue in our combined Staffing and Inhouse business contracted by 17%, mainly due to stronger focus on client profitability in Inhouse and lower demand from existing clients.

Our Randstad Sourceright business enjoyed high-profile contract wins, predominantly in our managed services offering. Here, we deliver a blended RPO and MSP solution for an increasing number of clients across the United Kingdom. We additionally won the HR Outsourcing Association's Customer Relationship of the Year Award for our partnership with a key client. Randstad Inhouse Services, had a more difficult year and we put more focus on client profitability. We are reshaping this business to meet the changing demands of our clients.

The implementation of the EU Agency Work Directive (AWD) in 2011, which extended the right to comparable pay and benefits for temporary workers to the level of permanent employees once they meet a qualifying period of 12 weeks, has had little material impact on our business. In 2013, the new UK pension legislation will capture temporary workers in pension provision for the first time. Randstad is well advanced in terms of an implementation strategy to manage this change.

Throughout the year, we continued to rationalize our cost base in line with our revenue development. We combined smaller branches into larger branches, enabling synergies, greater commercial opportunities and cross-selling, as well as clarifying the scope of our activities. A key goal in 2012 was to finalize the last steps in the integration of our back-office functions to ensure more efficient support for our office network. The creation of centralized functions in our legal, marketing, HR and IT departments has been completed, with finance due to follow in 2013.

As a result of these trends and initiatives, our EBITA margin reached 0.6%. Underlying operating expenses were adjusted for € 3.2 million of restructuring costs and € 0.1 million related to the sale of smaller subsidiaries. Last year's cost base was adjusted for restructuring costs of € 1.9 million.

Iberia

in millions of €	2012	2011	organic Δ%
Revenue	781.7	872.5	(10)
EBITA	15.8	22.1	(28)
EBITA margin	2.0%	2.5%	

We are the market leader in Iberia. Economic conditions remained challenging in Spain and Portugal, with increasing unemployment and decreasing demand for HR services.

Spain

In Spain, the Staffing business suffered most from the challenging economic environment, which was particularly strongly felt in the manufacturing and distribution sectors. Revenue contracted by 11%. We focused on growing our Professionals and Outplacement businesses, which showed double-digit growth and further strengthened their market position.

Portugal

In Portugal, we decided to merge Tempo-Team into Randstad, allowing us to streamline our branch network and capture synergies. Randstad retained its clear market leader position in Portugal. Revenue contracted by 11% and our business was particularly affected by weak demand in the automotive and construction sectors, while the Public Sector-oriented business remained under pressure as well. On the other hand, our Outsourcing business, predominantly active in the call-center segment, showed resilience and revenue was at the same level as last year.

Despite the challenging conditions in both countries, good cost control was maintained in both Spain and Portugal. During the year, we implemented various restructuring initiatives in both countries. As a result, we adjusted the operating expenses for € 2.6 million. The Iberian EBITA margin reached 2.0 %. Last year's EBITA was adjusted for € 1.6 million of restructuring costs, of which € 0.6 million in gross profit.

other European countries

in millions of €	2012	2011	organic Δ%
Revenue	897.6	930.2	(4)
EBITA	28.1	27.7	1
EBITA margin	3.1%	3.0%	

Poland

We are the market leader in Poland. As we reinforced our focus on client profitability, we terminated one of our larger contracts in late 2011. During the year, we were able to gain new contracts and, as a result, revenues almost reached the same level as in 2011, but with a higher overall gross margin. The Professionals business strengthened further and gained momentum towards the end of the year. In this environment and with good cost control, our profitability in Poland improved significantly during the year.

Italy

In Italy, where we are the no. 5 in the market, revenue contracted by 7%. Although economic conditions remained challenging, we consistently outperformed the Italian market in 2012. Our Inhouse business continued to expand throughout the year, partly a result of the transfer of business from Staffing. The latter enabled our Staffing business to put more focus on specialties, which paid off. HR Solutions performed strongly throughout the year, and we also started with outplacement operations, strengthening our portfolio of services. Strong operating leverage resulted in a substantial improvement in profitability.

Nordics

Revenue in the Nordic countries contracted by 9%, mainly due to challenging market circumstances in Denmark. We are the no. 3 in the Danish market and we focused on Professionals and white-collar Staffing, which paid off. In Sweden, we achieved good growth from new global contracts in Inhouse Services and Professionals. Our Norwegian business performed solidly after a difficult 2011. As we face low unemployment, the focus remains on finding well-qualified candidates, since, in these countries, client demand remains high.

Switzerland

We outperformed the Swiss market in 2012. Staffing and Inhouse showed an increasingly strong performance throughout the year, and revenue grew by 2%. Our commercial approach is now aligned across the various businesses, which provides us with a strong foundation for the coming years. In addition, we put more focus on Professionals and permanent placements. Thanks to good operating leverage, profitability was maintained at a level similar to that of last year.

Hungary

We are the market leader in the recruitment market in Hungary. As the Hungarian market continued to be challenging and our focus was on client profitability, revenue remained under pressure. We focused on improving and innovating our concepts and we won several RPO projects. Good cost control was maintained and profitability was kept at a good level.

Turkey, Greece & Czech Republic

Our Turkish business, where we focus on perm and payrolling, continued to gain market share, and growth reached 61%. We increased our geographic coverage opening an office in Izmir. In Greece, we had a promising first half year, but the very challenging market conditions put pressure on our business in the second half. Despite that, and due to good performance in outplacement, we maintained growth in 2012. In the Czech Republic, we concentrated on implementing field steering. We also reinforced our focus on client profitability and improved our back-office processes to support the field organization.

rest of the world

in millions of €	2012	2011	organic Δ%
Revenue	1,578.4	1,429.5	7
EBITA	5.9	9.5	(50)
EBITA margin	0.4%	0.7%	

Japan

In Japan, which represents 37% of the 'rest of the world' region, we are the no. 6 in the market. We provide a wide range of services, including blue-collar and white-collar Staffing, Professionals, Outsourcing and Outplacement. Despite the challenging economic conditions, we outperformed the market and revenue grew by 6%.

Our white-collar business performed in line with the market and we focused on implementing the field steering model. Our blue-collar business achieved strong growth, especially in the logistics and retail segments. Our Outsourcing business saw strong growth in demand, and focused on diversification of its production lines. The Outplacement division had a successful end-of-year.

We were well prepared for the legislative changes. Although the impact on the industry is limited, we used the momentum to make sure our clients were well informed about the changes and the impact on their business. We did that by hosting some ten seminars across the country.

In 2012, we were voted overall no. 1 in an industry survey focused on flexworker satisfaction. We were also involved in the sourcing of 80 bilingual and trilingual secretaries for the

branches and inhouse locations, year-end

	2012		2011	
	branches	inhouse locations	branches	inhouse locations
North America	762	279	952	137
France	741	127	778	104
Netherlands	365	269	434	283
Germany	298	260	316	238
Belgium & Luxembourg	188	156	205	154
United Kingdom	139	64	172	83
Iberia	223	43	229	48
Other European countries	257	84	258	75
Rest of the world	218	23	222	23
	3,191	**1,305**	**3,566**	**1,145**

2012 IMF and World Bank Group meeting in Tokyo. In addition, we were engaged by several governmental bodies to support unemployed youth and disabled people in finding a job.

We witness a trend that Japanese companies are rapidly expanding abroad, and we are well positioned to service these clients in their HR needs.

Australia and New Zealand

Australia and New Zealand, which represent 28% of the 'Rest of the World' region, experienced challenging market conditions in a two-speed economy, driven by global economic uncertainties and the mining and resources boom in Western Australia. Revenue remained relatively flat throughout the first half of the year, but the trend weakened towards the end of the year, most notably in Professionals. As a result, revenue contracted by 5%. Overall, temporary staffing performed better than permanent placement throughout the year. We continued our investments in key geographies, for example in Western Australia, as well as in our Mining, Resources, Oil & Gas divisions in Queensland, which are gaining in traction.

Randstad Sourceright enjoyed some major MSP wins throughout the year and our Education business achieved good revenue, as well as profitability growth. The Business Support and Industrial divisions faced lower demand, despite good performance of our specialist Sales, Marketing & Communications division. The Public Sector-oriented businesses came under pressure, as did the Banking & Financial services and IT sectors, with global economic uncertainty translating into reduced demand for talent. To grow our large accounts, we focused on adapting our service delivery models, while also increasing our focus on the SME market to drive permanent placements and margin growth. In addition, we continued to strengthen our specialized account management program, leading to efficiencies and providing true value for clients.

In November, we won the SEEK Annual Recruitment Award for Best Large Specialist Recruitment business in Australia (and were runner-up in New Zealand), demonstrating our work in candidate care is being valued and recognized in the market. The Randstad Workpocket was successfully launched for the first time in Australia, and together with the Randstad World of Work Report, the Randstad Award and our no. 1 position in terms of our media share of voice, Randstad continues to be well positioned as the leading HR authority in the region.

India

Randstad continued to be a leading player in India. We completed the rebranding process from Ma Foi Randstad to Randstad successfully. Our business has been growing by around 14%, despite a slowdown in the Indian economy. The growth was led by temporary Staffing in both Professionals and the general Staffing business, while the permanent placement business was affected by the decelerating economy. Here, we made some organizational changes to ensure better client coverage in our key markets.

We focused on productivity improvements, also by further strengthening our internal organization. We established a large Randstad office (the 'Randstad House') by combining the corporate and branch offices in Chennai. This is the largest global office for Randstad and will seat 325 employees. Our focus on building the Randstad brand, improving profitability and enhancing field steering will continue.

Randstad brought me the opportunity to develop, meet interesting people and achieve challenging goals. This way I can put my knowledge of the market, entrepreneurship and experience to work and generate better business results.

Kajetan Slonina
Managing Director - Poland & Eastern Europe

China and other Asian countries

Our business in China continued to perform strongly and achieved double-digit growth in revenue and gross profit. All businesses performed better than the market, and growth was led by segments such as FMCG, Services and IT.

In 2012, we commenced the Search & Selection growth accelerator project. Some 60 consultants have now joined the program. This has enabled the business to grow in new sectors, including life sciences & pharmaceutical, property & engineering, luxury goods and construction. To support the program, we opened our second large Search & Selection branch in Shanghai, which also serves as a training and development center. We continued to strengthen our service delivery models and we introduced Randstad Sourceright to grow our RPO offering.

During the year, Randstad China was honored with a number of achievements and awards, including HRoot's 'Best HR Services Branding in Greater China 2011-2012' award, chosen from among more than 300 HR service companies.

Outside of Mainland China, our Hong Kong business continued its rapid expansion with solid double-digit growth in gross profit, and increasing headcount by more than 50%. We continue to position ourselves as a leading Professionals recruiter, with strong growth in the banking & financial services, FMCG and luxury retail segments.

In Singapore, we witnessed good growth in Staffing, and we focused on building a strong foundation in Professionals. The company is now positioned for growth in a promising market with strong demand for highly skilled, professional talent and one of the world's lowest unemployment rates of around 2%.

Malaysia is an attractive, growing market, which is characterized by low unemployment rates and growing foreign business investments. In Malaysia, Staffing revenue remained flat during the year, although we achieved good performance in the second half of the year in Professionals and in RPO projects.

Throughout the Asia-Pacific region, we have strengthened our managed services capability with further investments in our Randstad Sourceright business in Singapore, Malaysia, China, Hong Kong, Japan, India, Australia and New Zealand. With large multinationals seeking talent sourcing and management solutions across borders we have grown our RPO business through regional collaboration and secured a number of large contracts, including the first truly regional MSP program with a leading US company that has more than 3,000 contractors under management across Singapore, India, Australia and the Philippines.

Latin America

Continued investments in our Brazilian company enabled us to expand our branch network, while strengthening our infrastructure and brand awareness. We also launched the Professionals and Technologies businesses. All of our businesses achieved strong growth in 2012.

In 2012, we increased our share in our Argentinean subsidiary SESA Select to 100% and we rebranded the business as Randstad. We expanded our footprint by starting Inhouse Services and Professionals, while focusing on client profitability in the remainder of the business.

In Chile, our Professionals business strengthened further and our Mining & Engineering businesses reached a leading market position.

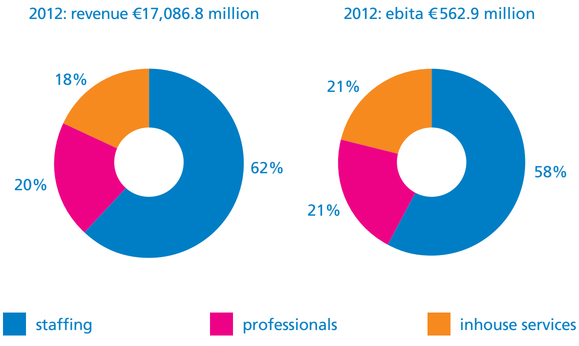
Operational results in the 'Rest of the World' region remained unsatisfactory. However, developments were mixed. Our Japanese business made a substantial improvement in profitability, while we continued to invest in Asia and Latin America. Our Australian business was under pressure, mainly as a result of a dissappointing fourth quarter. Underlying EBITA for the region was adjusted for restructuring costs of € 0.9 million and for € 3.2 million, which was related to the impairment of Japanese real estate.

performance by revenue category

introduction

Randstad offers five distinct service concepts: Staffing, HR Solutions, Professionals, Search & Selection and Inhouse Services. Within each service concept, we have multiple ways of delivering our service to our clients. Our service concepts are based on best practices and proven procedures. More detailed information on these service concepts can be found in the 'strategy' section. In our financial reporting we have merged these service concepts in three revenue categories: Staffing (including HR Solutions), Inhouse Services and Professionals (including Search & Selection). In this section, we provide an overview of the underlying performance per revenue category in 2012.

split by revenue category



staffing (including hr solutions)

In the revenue category Staffing we include the service concepts of Staffing and HR Solutions. Within Staffing, we service clients in the industrial segment (blue collar) and administrative segment (white collar). In our revenue mix, this is about 50%-50%. HR Solutions includes a wide range of services, of which Payroll Services, RPO, MSP and outsourcing are the largest services. HR Solutions is well-established in the Netherlands and North America, while we have implemented a number of initiatives to further diversify our service portfolio in Europe and Asia. One of our priorities has been to achieve a greater share of permanent placements in our Staffing businesses. In 2012, we made good progress in this regard.

Staffing revenue was € 10.6 billion, at a similar level as last year. On an organic basis, revenue contracted by 7%. We saw good growth in Asia and Latin America, but revenue declined by 8% and 10% in Europe and North America respectively. We witnessed a gradual decline throughout the year, which was partly driven by continued transfers of business from Staffing to Inhouse.

Our North American staffing business doubled in size following the acquisition of SFN. During the year, we implemented our Inhouse concept at SFN's on-site business. In addition, we paid attention to client profitability and safety. This resulted in terminating a number of contracts in the second half of 2012. As a result, and adjusted for the transfer of SFN's on site business, Staffing revenue grew by 3%. In HR Solutions, revenue grew by 13% due to many new client wins in RPO and MSP. The 2012 'VMS and MSP Supplier Competitive Landscape report' ranked Randstad as the global no. 3 in the category 'Managed spend' and no. 2 in the category 'Master supplier'. Randstad Sourceright is now also the leader in the RPO industry in the US.

key figures by revenue category

in millions of €

	revenue		growth%	
	2012	2011	total	organic
Staffing	10,566.0	10,550.2	0	(7)
Professionals	3,494.1	3,089.4	13	(1)
Inhouse Services	3,026.7	2,585.3	17	15
Total	**17,086.8**	**16,224.9**	**5**	**(3)**

In France and Germany, Staffing revenue contracted by 10% and 9% respectively. This was in part due to the increased macroeconomic uncertainty in these countries, which directly impacted demand in the industrial segments. This caused an increase in the rate of decline in the second half of the year, albeit that the rate of decline stabilized by the end of the year. In France, we continued to transfer business to Inhouse. These transfers enabled us to gain further market share at these clients, while our consultants at the branches are better able to focus on specialties and the SME segment. Dutch Staffing revenue contracted by 3%. The rate of decline was fairly stable throughout the year. We achieved strong growth in payroll services and returned sound profitability for our Dutch businesses. Randstad the Netherlands outperformed in the administrative segment of the market, while Tempo-Team gained share in the industrial segment. The Dutch staffing market remains very competitive, however. In Belgium and the UK, revenue contracted by 9%, based on similar trends as in France and Germany. The Staffing businesses in Iberia suffered from a challenging economic environment, most notably in the industrial segments. Here, too, the rate of decline stabilized towards the end of the year.

In the 'rest of the world' region, our Japanese Staffing business grew by 2%. Strong growth was achieved in the blue-collar segment, especially in the logistics and retail segments. We performed in line with the administrative market. Good growth was achieved across Asia and Latin America.

The underlying EBITA margin reached 3.3% compared to 3.9% in 2011 and reflects ongoing price/mix effects in a number of countries, such as the Netherlands, Germany and across Southern Europe. On a pro-forma basis, assuming the consolidation of SFN in 2011, the EBITA margin in 2011 would have been 3.7%.

inhouse services

Our offering through Inhouse Services continued to be succesful. We continued to further refine our concept. Inhouse revenue grew by 15% to € 3.0 billion, or 3% when adjusted for the transfer of SFN's on-site business following the implementation of our Inhouse concept at these clients.

In North America, Inhouse revenue grew by 6%, adjusted for the transfer of SFN's on-site business, and we operate 279 Inhouse locations. We focused on client profiability, and this resulted in the termination of a number of contracts. Our French and Dutch Inhouse businesses grew by 10% and 8% respectively, in part due to transfer of business from Staffing and strong growth at existing clients. In Germany, our Inhouse business grew by 4%, although it faced lower demand towards the end of the year. Revenue in Belgium contracted by 4%. In Southern Europe, the decline in revenue was relatively limited. In the UK, the decline was 22% as we reinforced focus on client profitability and we closed 19 Inhouse locations. Our Japanese business performed well, especially in the logistics and retail segments. Revenue grew by 12%.

The EBITA margin improved to 4.3% (from 4.0%), well within our targeted range of between 4% and 5%.

professionals

Our Professionals businesses started the year well and returned mid-single-digit growth in the first half of the year. In the second half of the year, we saw a gradual slowdown in revenue as well. Overall, revenue contracted by 1%. Perm fees were 11% below last year, reflecting the macroeconomic uncertainties in Europe and Australia.

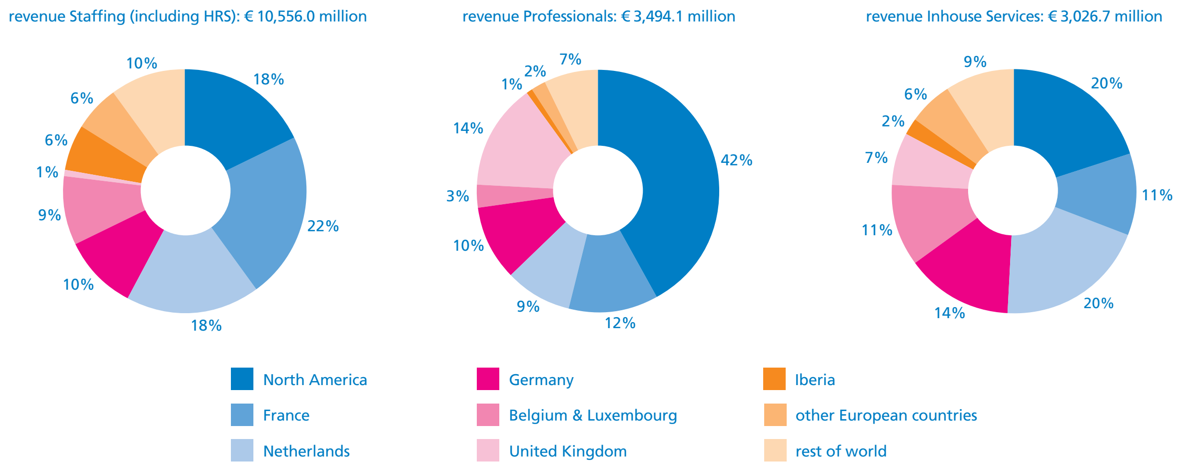
Our North American business continued to grow in 2012, although we witnessed a gradual slowdown throughout the year, mainly driven by lower demand from the banking and finance sectors. Overall, revenue grew by 5%.

In Europe, revenue from Professionals decreased by 5%. Our Professionals business in the UK had a relatively strong second half of the year, due to good performance in our Education and Finance businesses. Our Care business strengthened throughout the year, while we exited certain segments. Our German Professionals business grew by 8%, driven by strong performance in IT, while our Engineering business remained under pressure. In France, revenue contracted by 11%. The French businesses started the year relatively well, while demand for our services slowed in the second half of the year, especially in our Healthcare business. Revenue at Yacht declined by 7%. Volumes were relatively stable and utilization was under control; however, hours per week and bill rates were lower. The Professionals business of Tempo-Team strengthened during the year, and the Professionals business of Randstad the Netherlands also had a good year.

In other regions, we continued to invest in our Professionals offering to ensure better diversification in our service offering.

Professionals reached an EBITA margin of 3.7% compared to 4.3% in 2011. On a pro-forma basis, assuming the consolidation of SFN in 2011, the EBITA margin in 2011 would have been 4.0%. We achieved good profitability in North America, France and Belgium, while this was offset by continued investments in Asia and Latin America. We remain focused on capturing profitable growth in these regions, while further improving our profitability in the Netherlands, the UK and Australia.

geographic revenue spread



value at work

for employees

the preferred employer in our sector

Our own employees play a crucial role in delivering our services, and in representing all that we stand for. We pay meticulous attention to the job content portfolio and the HR support systems we offer. Working for Randstad should be fun, stimulating and rewarding. Our training and development programs are designed to be 'World League' – the most extensive in the industry. An example is our Frits Goldschmeding Academy, where field and staff managers follow excellent, carefully tailored programs developed with TiasNimbas Business School, INSEAD and other learning leaders. It is all part of ensuring that we always have enough talent in our pipeline to be able to fill 80% of our vacancies with internal candidates, and that we maintain a culture based firmly on our core values.

sustainability performance

introduction

Since the formulation of our core values in the 1970s, we have aspired to grow sustainably, our aim being to safeguard the business and its long-term viability, while taking the interests of all stakeholders into account, and making our business increasingly relevant to all parties involved. Based on a dialogue with multiple stakeholders, we have developed a vision for the way we will approach sustainability going forward. This vision is captured in our 'sustainability framework'.

Our sustainability framework

Since 2006, we have been reporting on a number of specific topics that are relevant to the HR services sector, selected from and based on indicators proposed by the Global Reporting Initiative (GRI) and the UN Global Compact.

In 2011, we established our sustainability framework, which sets the direction for our ambitions. It directly relates to our value proposition and therefore reflects our activities from the perspective of our clients, candidates, employees, shareholders, society and employment markets. It displays our vision and identifies the key drivers needed to make this vision come to life. This structure helps us drive Randstad's agenda and communicate our sustainability objectives, both internally and externally. It translates these into specific company-wide programs, now and in the future. It also supports our ambition towards an integrated reporting approach that provides insight into how we add value and how we report on that. For more information, please see our 'value proposition' section.

The framework also contains key performance indicators (KPIs). Several of these KPIs are already in place, while others are under development. New KPIs will be added, while others may be relinquished if they turn out to have become obsolete. Since 2011, we have made substantial progress in improving our sustainability reporting, which is reflected in the reported data in this section. At the same time, we have found that, for some KPIs, it is not or not yet feasible to report at an aggregate level. This may be due to differences in local legislation, work processes and definitions. Going forward, we are assessing alternatives or, in a few cases, we may replace KPIs.

2012 was the first full year for our operations to report on sustainability through the financial system, and on a quarterly basis. Our non-financial reporting is now well underway to be embedded in the planning and control cycle of the organization.

Organization and governance

We have a Sustainability Officer at Group level, working within the Group marketing & communications department, whose managing director reports directly to the CEO.

Randstad is an inspiring and professional employer, giving me the opportunity to discover and develop my talents. I give our customers and stakeholders an idea of what values we stand for. These are the prerequisites for a demanding and fulfilling working life.

Hanna Daum
Sustainability Officer - Germany

Our larger operating companies have their own dedicated sustainability managers, and the majority of these have appointed a coordinator for sustainability reporting.

In addition to the Randstad annual report, several larger operating companies publish their own detailed sustainability reports *to* facilitate their local stakeholder dialogue. Randstad Belgium, Randstad Germany, Randstad Netherlands, Tempo-Team Netherlands, Yacht Netherlands and SESA Select in Argentina have issued such reports for a number of years now, while Randstad France issued its first report in 2012.

we strive for the simultaneous promotion of all interests

shaping the world of work

pillar	vision 2020	measures of success
optimal workforces for clients	We are the leading HR solutions partner and support our clients in creating a balanced workforce, and in becoming more attractive employers and effective organizations, now and in the coming years.	Clients' behavior indicates that our core values and innovative concepts are a differentiator, and that they prefer us over others.
the best jobs for candidates	We give as many people as possible access to jobs, providing them with options for developing themselves, with equal opportunities for all, with respect for health and safety, and with unyielding integrity. We also play a crucial role in guiding people from unemployment to employment.	Candidates' behavior and survey results show that we are preferred because of our ability to provide candidates with the right jobs.
the employer of choice for our employees	We want to be an attractive employer with equal opportunities for everyone in an environment in which knowledge, trust and diversity are highly valued. We are aware that we can only achieve this through serving others.	Potential and current employee survey scores show that we offer a working environment that is highly rated in terms of safety, health and personal development, with equal opportunities for all.
expertise for a better society	We aim to shape a better society by activating our knowledge and expertise. This is focused on (but not limited to) our knowledge of employment markets. We advocate developments which benefit individuals as well as society at large.	We are recognized as a key contributor to public debates relating to employment markets.
sustainability basics	We aim to have a set of management tools, business principles and policies in place that are in line with or exceed the standard for our industry and that enable accountability for all elements of our sustainability framework.	We are recognized as a leader in sustainability management in our industry.

key drivers 2012 - 2020	KPIs
Clients program - We provide innovative concepts for flexibility, based on our core values - We support diversified workforces at our clients - We have a continuous dialogue with and advise clients on the simultaneous promotion of all interests - We provide the best candidates to clients - We measure our success through surveys	**Clients KPIs** - # of matches - % of orders filled - # of successful placements in our permanent placement business - Net promoter score - Client consideration, preference, client retention - Market share - % of flexible workforce in our markets
Candidates program - We advance the employability of candidates - We provide candidates with the right job - We make sure that our candidates work in a safe and healthy environment - We guide people from unemployment to employment - We measure our success through surveys	**Candidates KPIs** - # matches and placements - Candidate consideration, preference and candidate engagement - Injuries and fatalities during work - Sickness as % of total hours worked - # of disabled candidates and minorities placed - # of people we guide from unemployment to employment - # of training hours; training costs
Employees program - We attract, develop and retain the best people - The composition of our workforce is such that employees are able to understand and work with the diverse groups that make up our markets - We insist on ethical behavior and further embed business principles in our global organization (e.g., health and safety, human rights and environment) - We measure our success through surveys	**Employees KPIs** - Internal management appointments as % of total - Management development participation - Proportion of male and female employees - Proportion of male and female in middle and senior management - Proportion of full-time and part-time employees - # of training hours; training costs - Injuries and fatalities during work - Sickness as % of total hours worked - Employee retention rate - Engagement score
Employment market program - We contribute to the removal of barriers for global mobility - We strive to improve global employment participation - We strive to increase our role in regulation/deregulation of employment markets - We contribute to the social dialogue at key forums - We engage in proactive and continuous stakeholder dialogue - We create partnerships that enable us to use our knowledge to benefit society	**Employment market KPIs** - Staffing penetration rates in our markets - Contribution to the regulation/deregulation of labor markets - # of employees active in national and international employment institutions - Involvement within other key forums - # of hours and employees involved in VSO - Other community engagements
Basics program - We create mechanisms to safeguard our core values, business principles and good governance - We strive for a responsible supply chain - We strive to limit our environmental footprint by using sustainable energy sources, reducing use of water and paper - We create value for our investors	**Basics KPIs** - # of employees trained in business principles - # of business principles incidents (misconduct reporting procedure) - % of vendors who have agreed to our sustainable vendor policy/% of purchases - Environmental footprint measures on consumption of energy, % of use of green energy sources, water and paper

optimal workforces for clients

Client engagement

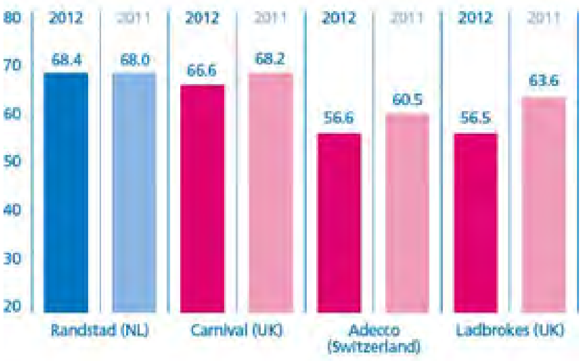
The level of client engagement with our activities is systematically measured and benchmarked in all major markets and in comparison with all major competitors.

TNS Nipo has conducted the Randstad Brand Tracker study since 2004. This international study covers all countries where Randstad is active. The main purpose of this research is to monitor the positions of the Randstad brands twice a year, compared to our competitors and selected other benchmarks, by measuring awareness, evoked set, consideration, preference, recommendation, and the image of our brands.

The Brand Asset Valuator is an internationally used methodology for rating brands of different product categories. We ask our target groups to what extent they associate 48 attributes – such as innovation, integrity, social responsibility, and best brand – with Randstad and competing HR services companies.

The Net Promoter Score (NPS) represents the relationship between temporary employment agencies and their potential and actual candidates/clients. This indicator compares the number of respondents who would not recommend the company in question with the number who would. Our goal is to always have an NPS score that is in the top-3 of a market. In our NPS measurements at the end of 2012 in the top-12 markets, Randstad scored a top-3 position in five countries (Belgium, Canada, France, the Netherlands and the US), compared to six countries in a top-3 position in 2011.

randstad's reputation within the global services industry



source: Reputation Institute's Global Pulse study 2012

In addition, we use RepTrak, a standardized scorecard, to analyze the company's reputation annually. This instrument provides us with detailed feedback as to how our various stakeholders perceive our company: how investors and clients rate our performance, whether they are willing to support us, whether Randstad is a good place to work for employees and candidates, and how Randstad is perceived in society in terms of governance, citizenship and leadership.

Reputation Institute's Global Pulse measures 600 companies globally. Companies are rated in their home country only. The graph 'Randstad's reputation within the global services industry' shows Randstad's reputation within the global services industry (on a scale of 0 to 100).

In order to determine our success across the different markets in which we operate, we also monitor the number of candidates we place at our clients together with our market share across countries on a regular basis. See the graph 'average number of candidates' for more details on the development per region. Performance relating to market share can be found in the 'country performance' section.

Matching candidates with clients for temporary assignments has always been the biggest part of our business. Over the past few years, permanent placements have become a growing proportion of our daily work. In 2012, we made approximately 70,000 successful permanent placements.

number of candidate matches

x 1,000

	2012	2011
North America	5,529	5,316
France	4,352	4,822
Netherlands	4,456	4,588
Germany	2,640	2,913
Belgium & Luxembourg	2,208	2,417
United Kingdom	1,065	1,248
Iberia	2,351	2,586
Other European countries	1,897	2,038
Rest of the world	5,868	5,538
	30,366	**31,466**

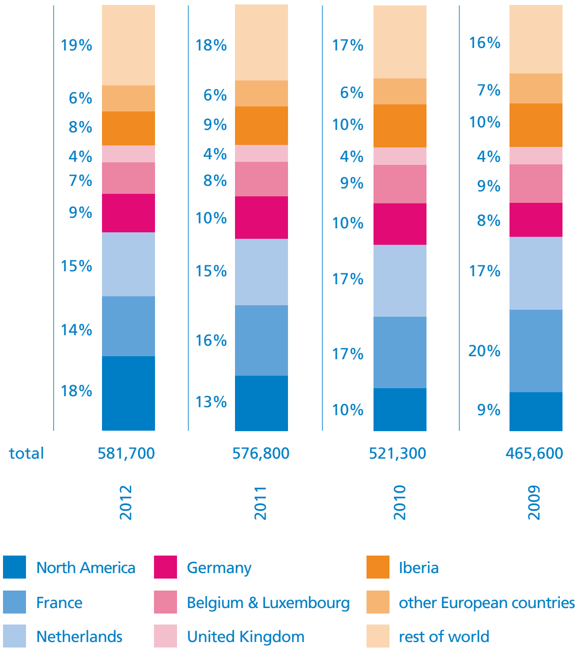
Several of our operating companies also monitor client and candidate satisfaction through bespoke surveys, ISO and other certification systems, and review meetings.

Randstad Award survey

Finding and retaining the right talent is an ongoing challenge for many companies, including our clients. It is therefore crucial to know how a company is perceived by potential talent: What attracts them to a specific company or sector? And what drives their choice for one employer over another? The Randstad Award survey, first launched in Belgium in 1999, is the largest independent employer branding study in the world, including a total of 120,000 respondents across 14 countries (expanded to 18 in 2013). Respondents are asked which aspects they value in companies when choosing a new employer. They are then asked whether they know the 150 companies selected in that specific geography and whether they would like to work for those companies. Ranking the

average number of candidates

in % of total candidates



most attractive industry sectors and ranking the means candidates use to look for a new job are also part of the survey. Randstad Award events are held in the participating countries, attracting all key players in the HR industry of the organizing countries in question.

the best jobs for candidates

Candidate engagement

If we do our job well, this should be reflected in our candidate job satisfaction surveys. Candidates should value Randstad for its reliability, the quality of its services and as an authority on the global employment market.

The level of candidate engagement with our activities is systematically measured and benchmarked in all major markets and against all major competitors through the Net Promoter Score. In principle, the tools described for clients are also applied to candidates. For more information on the Net Promoter Score, please see the section 'optimal workforces for clients'.

One of our key measuring tools is the Randstad Workmonitor survey. This survey includes the Mobility Index, tracking employee confidence and capturing expectations with regard to the likelihood that people will change employers within the next six months.

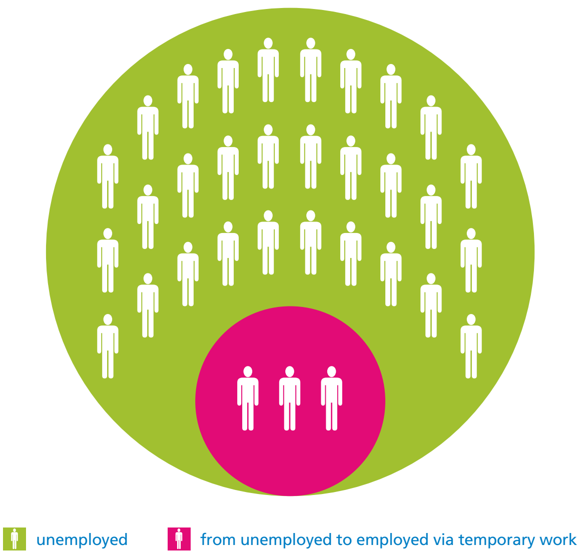
The Randstad Workmonitor provides a comprehensive understanding of job market sentiments and employee trends. In addition to measuring mobility, it also measures employee satisfaction and personal motivation. The survey also includes a rotating set of themed questions.

First introduced in the Netherlands in 2003, the survey now covers 32 countries around the world, encompassing Europe, Asia Pacific, and the Americas. The Randstad Workmonitor is published four times a year, making both local and global trends in mobility regularly visible over time. The results are published on our corporate website.

From unemployment to employment

Overall in Europe, 2.5 million people – one out of ten of all unemployed – will find a sustainable job via temporary work. This is more than through public employment services. This conclusion can be drawn based on the report titled 'The role of temporary agency work and labour market transitions in Europe', published by Eurociett and Uni-Europa, in December 2012.

from unemployed to employed



In mature markets like the Netherlands and Belgium, three out of every ten temporary agency workers were formerly unemployed. In France and Germany up to six out of every ten workers who started working for Randstad were formerly unemployed or inactive (e.g., undergoing education). This clearly underpins the importance of our 'stepping-stone' role in the labor market.

Diversity

In line with our aim to promote diversity in our workforce, we also welcome candidates with a disability. We have found that registration of disabled candidates varies in the different countries in which we operate. This may be related to local legislation but also to personal wishes of the people concerned. We are looking for ways to get a better overview of the exact numbers of disabled candidates we are employing. In several countries, it is not allowed to register minorities, which means we have no validated data at group level. We are running a variety of local programs to advance employment participation of minority groups.

Employability advancement

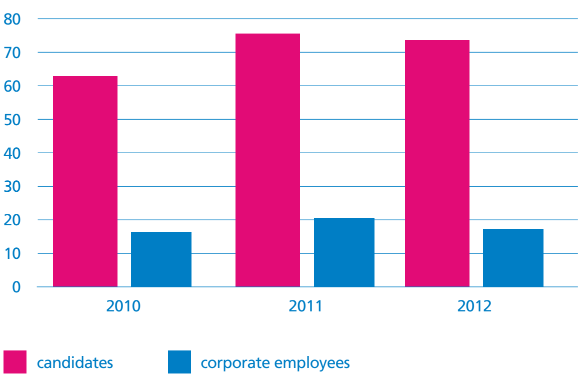
Ongoing skills development is essential for employability and sustainability in any workforce. Our training programs are tailored to meet the needs of clients and candidates in individual employment markets. Such programs include courses specific to IT, sales, call centers, hospitality and technical skills. Specialized programs leading to additional professional qualifications are also a part of training and development. The development of costs spent on training and development over the past three years, can be found in the graph 'training costs'.

A healthy and safe environment

All employees across the labor market have a right to a healthy and safe working environment. Our health and safety management is organized locally at operating company level. Our operating companies are obliged to adhere to all applicable local standards and regulations, and many of them have a sophisticated health and safety structure in place. In the context of our corporate sustainability, we track illness rates, work-related accidents or incidents resulting in lost-time injury, and work-related fatalities, both for employees and candidates. During 2012, we made significant improvements with regard to the reliability and details of our reporting, and we are extending our efforts going forward.

training costs

in millions of €

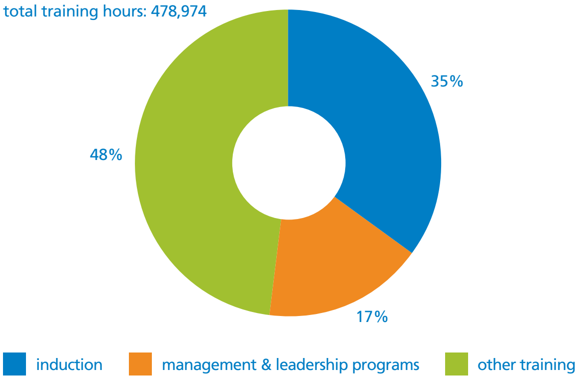


the employer of choice for employees

We aim to be the most attractive employer for our corporate employees, with equal opportunities available for everyone.

employee training hours 2012

as % of total



We attract, develop and retain the best people

'Best people' is one of our strategic building blocks; the true value of our business is in our people. We need to attract the best people, and we need to invest in their development while challenging them to perform to the best of their ability and seize the opportunities a multinational company has to offer.

In 2012, the Frits Goldschmeding Academy, our in-house academy, trained 375 (2011: 441, 2010: 402) senior managers in 12 (2011: 15, 2010: 14) different talent development programs. These programs are created in cooperation with several leading institutes, such as TiasNimbas Business School, INSEAD and IMD. More information on our talent management and new programs under development can be found in the 'best people' section.

Information on training costs for corporate employees can be found in the graph 'training costs'. More details on management development participation can be found in the 'best people' section.

internal management appointments

	2012	2011	2010
Number of appointments	450	423	403
% Internal	80.4%	80.8%	81.2%

With regard to internal management appointments, we saw an increase in the number of appointments in 2012. This was particularly driven by the integration of SFN Group and growth in the US and Canada. It is our target to fill 80% of our management positions internally. The actual score in 2012 was 80.4% (2011: 80.8; 2010: 81.2). The slight decrease compared to 2011 was mainly because of restructuring in some European countries. Due to a new phase in their development, some of our operating companies had to recruit externally to find specific knowledge and skills that were not yet available internally.

internal management appointments by geography

	number of appointments	% internal appointments
North America	259	81.5%
France	20	70.0%
Netherlands	39	97.4%
Germany	8	87.5%
Belgium & Luxembourg	10	100.0%
United Kingdom (Staffing)	25	68.0%
Iberia (Spain)	8	100.0%
Other European countries (Italy)	3	100.0%
Rest of world	63	71.4%
Corporate	15	60.0%
	450	**80.4%**

Historically, we have seen a rather high staff turnover rate relative to our total number of employees. This is common in our industry. The vast majority of our staff works as a consultant in our branches. They are relatively young, well-educated and ambitious employees who tend to move on in their career after a few years of working as a consultant. They are either promoted within the group or they decide to leave the Group to work for one of our clients or pursue other opportunities. Typically, our staff turnover rate remains rather stable through the cycle. More information on our staff turnover is shown in the table 'employee turnover rate'.

employee turnover rate

in % of total number of employees

	2012
Employees leaving the Group	21.9
Employees transferred within the Group	5.1
Total employees leaving their operating company	**27.0**

Workplace diversity

At Randstad, we seek out top talent, regardless of age, skin color, disability, gender, marital status, nationality, race, religion or sexual orientation. In this section, information on our performance related to diversity can be found.

composition of our workforce by gender

	2012	2011
Male full-time	29.9%	30.3%
Male part-time	1.5%	1.4%
Female full-time	52.0%	51.7%
Female part-time	16.6%	16.6%
Total	**100.0%**	**100.0%**

composition of our workforce by type of contract

	2012	2011
Permanent/open-term contract	92.5%	90.2%
Fixed-term contract	7.5%	9.8%
Total	**100.0%**	**100.0%**

composition of our workforce by age group

age group	2012	2011
18 - 24	7.5%	6.8%
25 - 29	21.5%	23.4%
30 - 34	23.2%	23.9%
35 - 39	19.3%	19.2%
40 - 49	20.9%	19.9%
50+	7.6%	6.8%
Total	**100.0%**	**100.0%**

A key factor in diversity is providing equal opportunities for women. Our flexible work environment and Randstad's training and career advancement programs make us an attractive employer for women. The percentage of female employees at Randstad is always well above average. The overall percentage of women in senior management positions at Randstad has been relatively stable over the past few years. For detailed information, please refer to the tabel 'proportion of women in senior management'.

In 2012, our Executive Board (six seats) welcomed its first female member. Currently, one-third of our Supervisory Board is female.

Health and safety

Our organizations record and report a variety of measures that stimulate employee well-being. Procedures are in place to promote safety at work, including providing the necessary training programs. In several countries, we have formal agreements with trade unions on health and safety topics.

Randstad has a security policy to manage and respond to security incidents in a timely manner. The policy also educates

proportion of women in senior management

	% women in organization			% women in senior management positions		
	2012	2011	2010	2012	2011	2010
North America	62.2	60.7	60.5	49.8	49.2	50.6
France	76.0	75.5	75.8	46.3	43.6	39.9
Netherlands	71.4	71.8	72.0	35.6	34.9	37.1
Germany	60.5	60.1	60.3	43.5	38.4	38.7
Belgium & Luxembourg	82.1	81.9	81.9	56.5	57.1	54.3
United Kingdom	60.2	61.4	62.1	38.0	41.1	42.6
Iberia	76.8	75.5	76.5	50.5	52.9	50.5
Other European countries	75.4	74.6	75.7	46.3	52.3	49.3
Rest of the world	56.9	55.8	55.8	38.9	44.9	43.8
Total	**67.8**	**67.7**	**68.6**	**44.4**	**44.4**	**44.2**

staff on how to react to potential threats and safety issues. It is supported by a system on our global corporate intranet.

We target a sickness absenteeism rate in our own operating companies that is lower than the national average. Group companies whose rate is above their national average have to deliver a specific program to improve their performance. In 2012, the overall sickness rate, as % of total hours worked, reached 2.4%. The total number of working days that were lost due to sickness absence, based on the number of hours, amounted to 183,230.

Employee engagement

Properly engaged employees are better able to engage clients and candidates, and they are committed to finding solutions and improving business results.

Each year, Randstad conducts a global people survey to research employee engagement levels throughout the Group. We target an overall engagement score of at least 7.5 on a 10-point scale. The 2012 result has slightly improved to 7.5, while participation rates again grew in 2012 to 81.4%, coming from 80.7% in 2011 (our target is at least 70).

employee engagement score

	2012	2011	2010
Total engagement	7.5	7.4	7.4
Participation rate	81.4%	80.7%	74.4%

source: people survey

employee engagement 2012 by geography

on a 10-point scale

	engagement score	participation rate
North America	8.2	81.8%
France	6.8	85.7%
Netherlands	7.4	74.2%
Germany	7.5	81.6%
Belgium & Luxembourg	7.8	73.8%
United Kingdom	7.5	83.1%
Iberia	8.0	91.2%
Other European countries	7.3	85.2%
Rest of the world	7.1	86.7%
Corporate	8.0	86.5%
	7.5	**81.4%**

source: people survey

The survey results represent an opportunity to make improvements and open up further dialogue. The results are shared and discussed within two months across all levels of the organization. Management teams are expected to prepare an action plan that follows up on the outcomes. The results are also discussed with the European Platform for Social Dialogue, based upon which a focus theme is chosen for the following year.

More information on our employees can be found in our 'best people' section.

expertise for a better society

We actively conduct and share our employment knowledge through social dialogue and try to have a direct influence on social and economic growth. We aim to benefit individuals as well as society at large.

Stakeholder dialogue

As discussed in 'the best jobs for candidates', one of our key surveys is the Randstad Workmonitor. The Randstad Workmonitor is published four times a year, making both local and global trends in mobility visible over time. The results are published on our corporate website.

At the same time, we have developed leading programs to enhance employment market knowledge. Together with partners such as SEO Economic Research, associated with the University of Amsterdam, we have carried out studies into the implications of future demographic shifts for the European employment market. These studies have been published under the titles 'Mind the Gap', 'Drivers of Participation', 'Bridging the Gap' and 'Into the Gap'. These and more examples of our research can be found on our corporate website. Performance on KPIs related to stakeholder dialogue can be found under 'industry involvement' in the 'our value proposition' section and under 'market dynamics' in the 'our business environment & markets' section.

In addition to globally conducted and published research, Randstad operating companies across the world conduct and collect industry insights and research and are thus a valuable source of information for local stakeholders. Publications include the World of Work research (Asia Pacific), the Workpocket (Netherlands, Belgium and others), various salary surveys tailored to specific target groups (e.g., the Professionals segment), white papers, online polls, etc. More information is available on the websites of the respective operating companies.

In 2012, we launched a digital thought leadership platform in the US, called Workforce 360. This platform offers our stakeholders – both clients and candidates and others interested in Randstad – the latest industry insights, reports, research and in-depth knowledge of industry topics and trends. In 2013 and 2014, the platform will also be rolled out in other countries.

Partnerships and social involvement

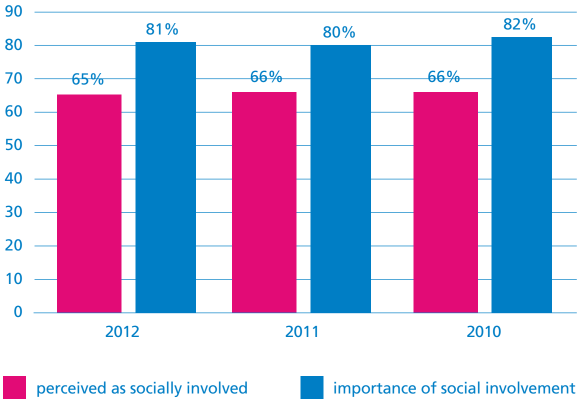
Since 2009, we have been measuring staff perception of sustainability in the organization to gain a better understanding of how our own people feel about Randstad's performance. More specifically, we have asked them if they feel it is important for their company to be socially involved, and whether they perceive Randstad as socially involved.

Randstad supports several organizations whose aim it is to create a more sustainable economic situation as well as more favorable employment conditions for people living in poverty. Our global partner for making a real difference in developing countries is Voluntary Service Overseas (VSO).

With VSO, we started implementing our partnership's new direction this year. Together, we aim to make our support more focused and coherent, while continuing to recruit professionals interested in volunteering. We also aim to

employee perception of social involvement

in % of total employees



source: people survey

strengthen VSO's core processes, raise funds and encourage our own employees to volunteer overseas or in their home countries. Part of the new plan are the 'country coalitions', through which Randstad operating companies support one VSO country in particular. In addition, going forward, we aim to increase the strategic support we provide, mainly through employees volunteering in their home country. Over the past few years, with our help, VSO has overhauled its recruitment and placement system, which is crucial to their organization. The next big step in this process took place in 2012, when the related IT solutions were implemented, something in which one of our volunteers was also involved.

vso volunteers randstad 2008 - 2012

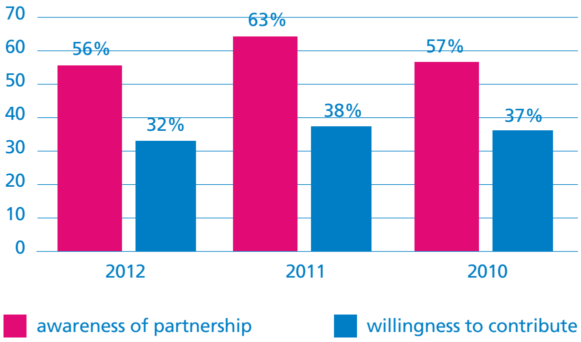
	2012	2011	2010	2009	2008
Volunteer hours	12,000	15,000	16,500	13,500	13,200
Volunteers	21	18	18	13	13

In 2012, the total number of VSO volunteers increased, but volunteer hours decreased. This was due to the introduction of shorter-term assignments. In 2012, 10 volunteers went overseas for a short-term placement (12 weeks or shorter) and 11 stayed for 3.5 months or longer. Our volunteers worked in nine different countries. Additionally, Randstad delivered in-kind support to VSO. A French IT manager worked pro bono at the VSO headquarters in London for 60 days over a six-month period.

In addition to these primary projects, there are many other volunteer projects Randstad participated in over the past year, including socially involved and philanthropic initiatives. Examples of these VSO initiatives can be found on our corporate website.

attitude employees towards vso

in % of total employees



sustainability basics

'Shaping the world of work' can only be achieved if attention is also paid to sustainability 'basics'. These range from safeguarding ethical behavior, decent environmental care and supply chain responsibility to being a good corporate citizen and ensuring our organization is transparent. Our goal is to have a set of management tools, business principles, policies and a governance structure in place that are in line with or exceed the standard set for our industry, and that enable accountability for all elements of our sustainability framework.

Business principles
Randstad's business principles are based on – and support – our core values. They project a positive message, help us live up to our values, and ensure that the needs of the world in which we work and our business and personal behavior are aligned and reinforce one another. Our business principles can be found in the 'corporate governance' section on our corporate website.

understanding of business principles

on a 5-point scale

	2012	2011
North America	4.1	4.1
France	3.9	3.8
Netherlands	3.9	4.1
Germany	4.4	4.4
Belgium & Luxembourg	3.7	3.7
United Kingdom	3.9	3.8
Iberia	4.2	4.0
Other European countries	4.0	3.9
Rest of world	4.1	3.8
Corporate	4.4	4.5
Group	**4.0**	**4.0**

source: people survey

In 2010, all corporate employees followed a program that covers the company's history, core values and business principles. To maintain awareness, smaller-scale follow-up sessions were organized during the following years, and the business principles have become an integral and mandatory part of our induction programs.

In 2012, well over 11,700 people received business-principles training in some form. Understanding of the business principles is measured through our annual people survey, based on a 5-point scale. The score 5.0 represents all employees understanding the business principles. Results of this survey relating to the understanding of business principles can be found in the table 'understanding business principles'.

To further enhance awareness, the business principles are communicated through various internal communication channels across the Group.

Corporate policies
Our corporate policies provide specific guidance and instructions for business behavior to our people globally. We have corporate HR standards to safeguard the recruitment, development and retention of our employees, our most important asset.

Over the years, we have developed policies related to competition law compliance; insider dealing; bribery, gifts and hospitality; discrimination, intimidation and harassment and data protection. Promoting best practices and raising awareness of relevant laws and policies is an ongoing process worldwide. The policies are published on our intranet sites. In 2012, we created summaries of the policies, which will soon be published on our corporate intranet.

Human rights
We are signatories to, and participants in, the United Nations Global Compact and support its ten principles regarding human rights, labor rights, the protection of the environment and anticorruption. We have posted communication on our progress on their website www.unglobalcompact.org.

Our CEO explicitly expressed Randstad's support to the UN's Secretary-General, while also reiterating our commitment to make these principles part of our strategy, culture and day-to-day operations. The principles regarding labor are those outlined in the ILO Declaration on Fundamental Principles and Rights at Work: freedom of association and the right to collective bargaining, elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in respect of employment and occupation.

In 2011, the United Nations Human Rights Council endorsed the Guiding Principles on Business and Human Rights, implementing the UN 'Protect, Respect and Remedy' framework of Professor John Ruggie, the Special Representative of the UN Secretary-General on Business and

Human Rights. Over the past four years, Randstad has participated in the business and human rights initiative of the Global Compact Network Netherlands. As a result of this initiative, we have implemented the guiding principles in our corporate policies. Another result of this initiative was the development of a tool for human rights risk mapping, which was delivered to Randstad in 2012.

During 2012, Randstad took an active part in the public consultations regarding the EU Human Rights Sector Guidance project for the Employment and Recruitment Agencies Sector. We will continue to do so in 2013, when this guidance will be published. The know-how we acquired during the process, combined with the new human rights risk mapping tool, will help us to guide our local management in identifying potential human rights issues in their country or business operations.

In addition, Randstad was directly involved in the 2012 United Nations conference in Geneva to discuss trends and challenges in the implementation of the UN Guiding Principles on Business and Human Rights. We also participated in the Global Compact peer feedback project, organized by Global Compact Netherlands. In this project, twenty members of the Network assessed each other's and their own annual Communication on Progress, resulting in recommendations for improvement issued by Global Compact Netherlands.

Benchmarks

We are also active participants in the Dow Jones Sustainability Index, the Carbon Disclosure Project and the Dutch Transparency Benchmark.

After five years of participation in the Carbon Disclosure Project (CDP), we have decided to postpone our next contribution, at least for one year. Having implemented our sustainability framework in 2011-2012, we are currently in the process of carrying out a number of extensive action plans to validate or improve the KPIs connected to our framework. The CDP is strongly focused on environmental metrics, but as a service provider, we have a relatively small ecological footprint, and we will therefore prioritize those KPIs that have particular relevance to our business.

Integrity and grievance mechanism

We encourage the reporting of misconduct, preferably directly to local management and through established operational channels. Should these reporting lines be considered inappropriate or likely to be ineffective, or should a complainant fear retaliation, they can turn to our misconduct reporting procedure. The reporting facility consists of a telephone hotline, accessible 24 hours a day via free local access numbers, and a secure webpage, which makes it possible to report misconduct anonymously while still allowing communication between the two parties. It is operated by an independent external provider.

Following up on our project in 2011 that considered implications of the UN's 'Protect, Respect and Remedy' framework, we are now continuously making efforts to raise and maintain awareness of our grievance mechanism among our candidates. As a result, the number of complaints or concerns increased sharply. However, these included a substantial number of complaints that bypassed the normal local procedures (such as the branch manager or local complaint desk). Additional local communications efforts are required to increase awareness of the correct routing.

Of a total of 67 complaints in 2012, 30 were accepted as admissible. After thorough investigation of these 30 complaints, 24 were found to be not proven. The proven complaints in 2012 related to fraud (1), non-compliance with internal policies and procedures (2), improper management practices or consultant behavior (2), and improper behavior by the client (1).

misconduct reporting

	2012	2011	2010
New complaints	67	36	32
Of which anonymous	23	13	9
Concerns referred to other channels/ not legitimate	37	18	16
Proven or partly proven	6	5	8
Not proven	24	13	8

awareness misconduct reporting procedure

on a 5-point scale

	2012	2011
North America	3.8	3.9
France	3.6	3.5
Netherlands	2.9	3.2
Germany	4.0	3.9
Belgium & Luxembourg	3.4	3.4
United Kingdom	3.7	3.6
Iberia	3.8	3.6
Other European countries	3.7	3.6
Rest of world	3.9	3.6
Corporate	4.0	4.4
Group	**3.6**	**3.6**

Supply chain responsibility

In 2011, we updated the purchasing conditions of our Dutch operations to include a supplier code, requesting our suppliers to respect our social and ecological principles and to adopt practices consistent with those principles. At the end of 2012, around 60% of our expenditure in the Netherlands with suppliers is covered by this code and we are currently fine-tuning our registration system. In parallel, we are preparing to roll out this code to other countries during 2013.

Our impact on the environment

The fact that we are a people business is also reflected in our cost base. The vast majority of our costs are the salaries we pay to our own corporate staff and our candidates working for our clients. And because of the nature of our business, our impact on the environment is far less than that of some other sectors, such as manufacturing. Almost all our business is conducted in local markets, and we have many locations close to both clients and candidates, greatly reducing travel and the resulting CO_2 emissions. Despite this inherently minimal impact, we do what we can to limit our ecological footprint, by saving energy, using sustainable energy sources, and reducing water and paper usage, while re-using or recycling wherever possible.

As a part of our framework, we continue to improve the completeness and accuracy of our Group environmental data, through a step–by–step approach. In 2012, we focused on measuring our impact as a result of traveling, in particular journeys made by company cars. The table 'company cars' specifies countries with substantial numbers of cars and aggregate numbers regarding other parts of the world.

We are limiting our business travel impact on the environment by increasing the use of video and phone conferencing and VoIP. If traveling can't be avoided, the train is the preferred option over plane or car, in several countries supported by strict policies. In the Netherlands, we participate in a CO_2 compensation program for business flight emissions with our national airline.

We are taking measures to reduce our CO_2 emissions from car travel. Following a policy change in 2010, our Dutch fleet will, by the end of 2013, consist solely of company cars with A, B, or C efficiency labels. Further information covering the Dutch fleet is provided in the table 'efficiency labels dutch fleet'.

Several operating companies in other countries have changed their cars to hybrid or fuel-efficient ones (e.g., in Sweden and Japan) or have capped CO_2 emissions. Qualitair in the UK has started a Bike-to-Work scheme. Randstad France has initiated a commuting project at its head office with neighboring companies. The head office in the Netherlands offers electrical taxi facilities.

efficiency labels dutch fleet

total number of cars

	2012	2011	2010
A	1,933	1,181	354
A Hybrid	327	312	119
B	1,064	1,204	1,436
C	306	672	1,104
D	40	190	436
E	4	22	52
F	1	3	9
G	-	-	1
Total	**3,675**	**3,584**	**3,511**

company cars, 2012

	average number of cars	kilometers driven (x 1,000)
North America	-	-
France	1,659	43,078
Netherlands	3,701	119,356
Germany	1,633	47,141
Belgium & Luxembourg	1,337	39,467
United Kingdom	185	4,378
Iberia	469	14,154
Other European countries	377	7,231
Rest of the world	530	10,166
Corporate	110	3,378
Group	**10,001**	**288,349**

Recycling

Most of our operating companies have waste-management programs in place. Examples include waste-recycling bins, recycling of toner cartridges, and other initiatives.

Energy resources

We constantly aim to increase the use of alternative, efficient or natural energy resources; for instance, by replacing traditional lighting by LED lighting. Furthermore, we have a wealth of programs to compensate for CO_2 emissions. Randstad Sweden has planted a large amount of trees. GULP Germany offers candidates to compensate for their carbon footprint if they travel with a special membership train ticket.

Increasing our people's awareness of simple ways to reduce the use of energy in our offices is the least we can do. At the same time, its impact is difficult to measure, given the fact that our offices are often leased all-in, and we share buildings with other tenants.
We have had to terminate the experiment with a wind turbine on the roof of our head office due to recurrent technical malfunctioning. We continue to monitor technological innovations that may serve our purposes better.

investor relations & share performance

investor relations

Randstad's investor relations' main goal is to build our 'financial brand'. Whereas clients and candidates recognize the Randstad brand for its reliability, service quality and the fact that we are a worldwide labor market authority, investors and analysts should be able to recognize our open and transparent communication style and our aim to be best in class in disclosure and in providing insight into the business. These efforts ensure accurate valuation of our shares over time.

Investor relations' policy

We maintain an active dialogue with existing and potential shareholders as well as with analysts and banks. We organize road shows and accommodate meeting requests where feasible, and we adhere to all legal obligations relating to confidentiality.

We are committed to providing high-quality and timely information to all stakeholders, and ensuring that the entire market has access to such information, including price-sensitive data, at the same time. Our policy is that, in each meeting with investors, at least two Randstad representatives should be present, including a member of the Executive Board, when possible, as well as a representative from the investor relations department. From time to time, we also involve country management and facilitate field trips.

Bilateral meetings and conference calls with (potential) shareholders and analysts will not be held during 'closed periods', which normally run from the end of a quarter until publication date. We oppose the trend among investors to adopt no-broker policies during road shows. Excluding brokers from investor conversations does not support our open and transparent communication style. Our policy to bilateral meetings with shareholders can be found in the corporate governance section on our corporate website.

We are concerned about current developments in the equity brokerage industry. The time it takes for relevant news to be reflected in estimates is increasing. This may lead to investors receiving inaccurate information.

Dialogue with investors, analysts and other stakeholders

Each quarter, Randstad organizes analyst meetings or conference calls to discuss the latest results, supplemented by press conferences twice a year. These events are also broadcast on the web. Each year, Randstad organizes a conference for analysts and investors. This event is also attended by representatives of our banks. In November 2012, the event was hosted at our head office and topics discussed included our company strategy, our financial strategy and dividend policy, an update on our building block 'best people', and updates on our North American and French businesses. These conferences help investors and analysts gain a better understanding how we work, and provide them with an opportunity to meet the Executive Board and other key managers. All presentations given at these conferences are published on our corporate website.

In 2012, we further increased the geographic coverage of our road shows and investor conferences. We participated in conferences in the Netherlands, the UK, and the US. Road shows for institutional investors were organized in Belgium, Canada, France, Germany, Hong Kong, Italy, Japan, the Nordics, Singapore, Spain, Switzerland, the Netherlands, the UK, and the US. A large number of investor meetings were conducted at our head office in the Netherlands.

On March 29, 2012, we held our Annual General Meeting of Shareholders. More information on the meeting, including key decisions and attendance, can be found in the section 'report from the supervisory board'.

- dividend of € 1.25 per share, 59% payout ratio;
- earnings per share € 2.11;
- refinancing of syndicated credit facility;
- updated dividend policy;
- wider geographical coverage of investor meetings.

capital structure

Debt

Our financing policy aims to secure financing which matches the mid- to long-term financing requirements of the Group. We aim at a leverage ratio (net debt/EBITDA) of between 0 and 2, as this is important for continuity. We have a policy of using floating interest rates as a natural hedge against the development in operational results, which continued to pay off significantly in 2012.

debt

in millions of €

	2012	2011
Total debt facility	1,690.5	1,890.0
Net debt	1,095.7	1,302.6
Leverage ratio	1.7	1.8

As of December 31, 2012, Randstad has a € 1,620 million multicurrency syndicated revolving credit facility at its disposal. The facility will mature in May 2013. In July 2011, Randstad secured a new revolving multicurrency credit facility of € 1,300 million, with a forward start structure. In 2012, we added ICBC bank to this syndicate. The total facility of € 1,420 million will become available in 2013, and the majority will mature in 2017. In addition, we secured a Japanese syndicated credit facility with a group of Japanese banks. The facility amounts to 8 billion Japanese yen, or approximately € 70 million, and will mature in 2016. The loan documentation of all credit facilities allow a leverage ratio of 3.5 times EBITDA, although we aim for a leverage ratio of between 0 and 2, which is commensurate with an investment grade rating and is important for continuity.

Equity
During 2012, the number of issued and outstanding shares increased by 1.1 million shares as shares were issued for stock option plans and performance share plans for Executive Board members and senior management.

As part of our refinancing process we concluded that it was attractive to secure financing, which would also reduce our leverage ratio. In December 2012, we announced that we had reached agreement with a selected group of investors to issue preference shares C. During the Extraordinary General Meeting of Shareholders in January 2013 this was approved by the shareholders. As a result, Randstad issued 50.1 million preference shares C in January 2013 based on a capital contribution of € 140 million.

equity

	numbers year-end (in millions)		nominal value per share
	2012	2011	
Ordinary shares	172.1	170.9	€ 0.10
Preference shares B	25.2	25.2	€ 0.10
Total number of shares	**197.3**	**196.1**	

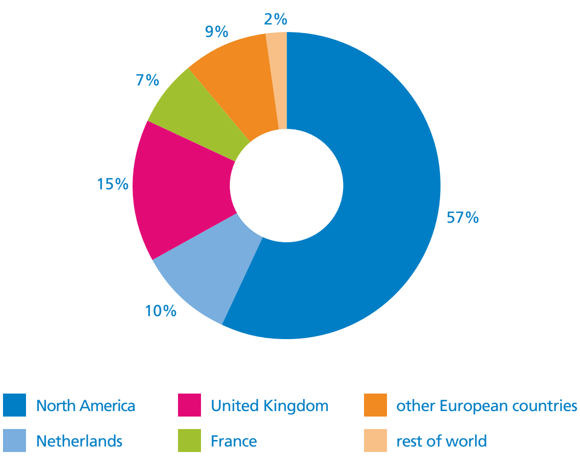
Voting rights on shares
The ordinary shares have equal voting rights (one share, one vote). The voting rights on the preference shares B and C are aligned with the historical capital contribution. This means that there are 3.6 million voting rights on preference shares B and 5.6 million voting rights on preference shares C.

Listing and indices
Randstad Holding is publicly listed on the NYSE Euronext Amsterdam (ticker symbol RAND), where Randstad shares and options can be traded. Randstad shares are also included on a number of other indices, including Euronext 100, Dow Jones Stoxx TMI, MSCI Europe and the Dow Jones Stoxx Sustainability Index. Inclusion on major indices is important because it improves visibility and liquidity.

Major shareholders
The list of major shareholders can be found in the Supervisory Board report under 'legal transparency obligations'.

Indicative free float
Randstad's free float amounts to approximately 60%. The majority of the free float of ordinary shares is held outside the Netherlands. We actively pursue an international spread. We estimate that approximately 5% of our ordinary shares are held by private investors.

indicative geographical spread of ordinary shares (free float)



Liquidity
Liquidity has improved over the past few years. The number of shares traded has risen substantially, from 86 million in 2005 – mainly on Euronext – to about 245 million in 2012 over various trading platforms, mainly Euronext. The mixed offer for Vedior in 2008 helped to improve liquidity, as the number of shares increased by 45%. Velocity, measured as the total number of shares traded divided by the average number of shares outstanding, played a role as well. Velocity increased significantly following the acquisition of Vedior, while it decreased in recent years in line with overall volume decrease at stock markets. Our velocity level implies that the average holding period is around six to nine months for the total number of outstanding shares, or approximately three to six months months for the free float.

share volume traded and velocity

Dividend policy

In November 2012, we updated our dividend policy. Until 2012, we aimed to deliver a stable dividend of € 1.25 and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit, adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs, provided that our financial position allowed for it. In line with our policy, we propose to pay a dividend of € 1.25 per ordinary share, but shareholders will now have a choice between cash and shares. For more information, see the 'strategy' section.

As explained in the 'strategy' section, we have updated our strategic targets and, as a result, we have also updated our dividend policy. As from 2013, we will be aiming at a flexible payout ratio of 40% to 50% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs, provided that our financial position allows for it. Shareholders will have a choice between cash and shares.

per share data

	2012	2011	2010	2009	2008
Dividend (€)	1.25	1.25	1.18	-	-
Dividend yield (%)	4.5	5.5	3.0	-	-
Payout (%)	59	53	60	-	-
EPS (€) [1]	2.11	2.32	1.96	1.21	3.21
EBITA (€) [2]	3.25	3.49	2.97	1.84	5.60
Free cash flow (€)	2.69	2.53	1.80	4.08	4.64
Equity (€)	15.74	16.83	16.59	14.56	16.23

1 Before amortization, impairment, integration costs and one-offs.
2 Underlying.

performance

Share price development

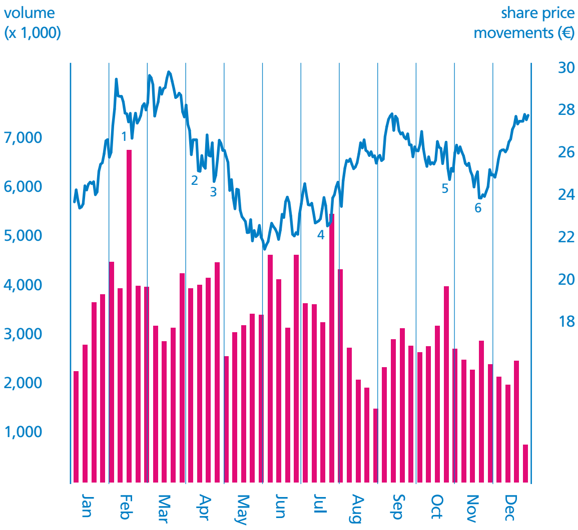
The share price ended the year 2012 at € 27.81, being 22% above the 2011 closing price of € 22.86. In April, a dividend of € 1.25 per ordinary share was paid out. As a result, the total shareholder return (TSR) was 27%.
The share price rose at the beginning of the year, reaching a high of € 30.09 in March. As from that moment, however, macroeconomic concerns put the share under pressure again, until it reached its low point of € 20.52 in June. In the second half year, the share price fluctuated between € 23 and € 28. Between the end of October and the end of the year, the share price rose by 10%.

share price development

in millions of €, unless otherwise indicated

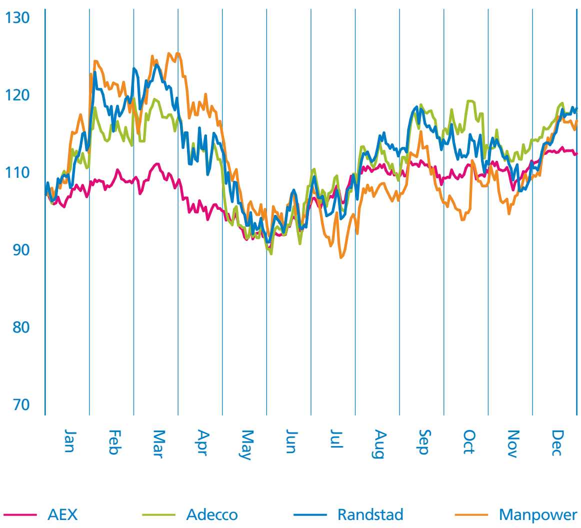
	2012	2011	2010	2009	2008
Closing price (€)	27.81	22.86	39.50	34.90	14.55
TSR (%)	27	(39)	140	(42)	(46)
High (€)	30.09	43.10	42.00	35.57	30.00
Low (€)	20.52	19.59	27.50	9.36	11.15
P/E ratio	13.2	9.9	20.2	28.8	4.5
EV/Sales	0.34	0.32	0.54	0.56	0.29
Market capitalization	4,785.3	3,907.9	6,716.9	5,917.6	2,466.9
Enterprise value	5,881.0	5,210.5	7,616.2	6,932.3	4,107.9

Share price development Randstad Holding ordinary shares



1 February 16, 2012 - Q4 and full year results 2011
2 April 2, 2012 - Ex-dividend
3 April 26, 2012 - Q1 results
4 July 26, 2012 - Q2 results
5 October 25, 2012 - Q3 results
6 November 21, 2012 - Analyst and investor day

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



Market capitalization of ordinary Randstad shares amounted to € 4,785.3 million on December 31, 2012, compared to € 3,907.9 million on December 31, 2011.

Analyst recommendations

Around 25 financial analysts regularly publish reports on Randstad. At the end of 2012, around 40% had a 'buy' rating, while 52% of analysts recommended holding our shares, and 8%, or two analysts, had a 'sell' rating. On December 31, 2012, the average target share price – according to analyst consensus – was around € 29.

Earnings per share reporting

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

diluted earnings per share reporting

before amortization, impairment, integration costs and one-offs

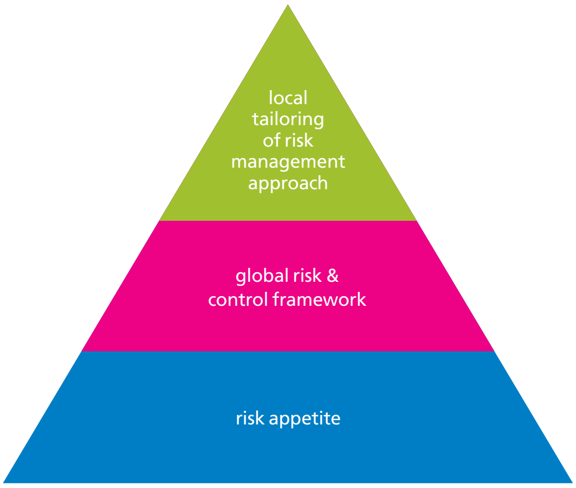
	2012	2011	2010	2009	2008
Q1	€ 0.39	€ 0.38	€ 0.28	€ 0.05	€ 0.65
Q2	€ 0.51	€ 0.59	€ 0.45	€ 0.27	€ 0.90
Q3	€ 0.62	€ 0.66	€ 0.59	€ 0.42	€ 0.91
Q4	€ 0.60	€ 0.69	€ 0.64	€ 0.47	€ 0.72
Full year	€ 2.11	€ 2.32	€ 1.96	€ 1.21	€ 3.18

risk & opportunity management

introduction

Risk and opportunity management is firmly embedded in our strategy and we consider it essential for achieving our targets. We actively stimulate entrepreneurship throughout the organization and encourage our people to identify and seize opportunities. At the same time, we recognize that risks must be assessed and controlled to protect our stakeholders. This section describes our risk & control framework, and our approach, and also provides an overview of our key strategic risks, risk mitigating actions, and related opportunities.

risk management approach



creating value through local risk management

Because we operate in diverse global markets, we need a flexible approach to risk management. We achieve this by using our global risk & control framework as the basis, and tailoring our approach locally. Factors that we consider include the size, the service offering, and the local regulatory environment of the individual operating company. This flexible approach allows our management to best meet the needs of their operations and their stakeholders.

risk appetite

Our risk appetite is linked to our strategic approach and is based on the stance we have towards risks across four areas:

- **strategic**: we have leading positions in almost all major HR services markets. We allow strategic risks in the pursuit of profitable growth in both mature and emerging markets. Given the volatile markets and economic climate in which we operate, the adaptability of our people, our service offering, and our infrastructure are key.
- **operational**: we take a balanced approach to operational risk, taking into account the risk and reward profile of key business decisions.
- **financing & reporting**: we maintain a prudent financing strategy, even when undertaking major acquisitions, and therefore take controlled risks in this area. Minimal risk is accepted in relation to reporting risks.
- **compliance**: in our industry, compliance is fundamental to providing our stakeholders with quality.

Key components of our risk appetite, which are aligned with our strategic priorities for 2012 and 2013, include:

risk appetite

	change	impact	on	assumption FY 2012
Revenue	+/-1%	+/- € 31 million	EBITA	Flat gross margin and no change to cost base
Revenue	+1%	+ € 16 million	EBITA	Flat gross margin and target 50% conversion
Revenue	-1%	- € 16 million	EBITA	Flat gross margin and target 50% recovery
Gross margin	+/-0.1%	+/- € 17 million	EBITA	Flat revenue and no change to cost base
Gross margin	+0.1%	+ € 9 million	EBITA	Flat revenue and target 50% conversion
Gross margin	-0.1%	- € 9 million	EBITA	Flat revenue and target 50% recovery
Operating expenses	+/-1%	+/- € 26 million	EBITA	
USD	+/-10%	+/- € 15 million	EBITA	Stable revenue and margin in US
GBP	+/-10%	+/- € 0 million	EBITA	Stable revenue and margin in UK
JPY	+/-10%	+/- € 2 million	EBITA	Stable revenue and margin in Japan
Interest rate	+/- 100 bp	+/- € 14 million	Financial charges	Average net debt 2012
Net debt	+/- € 100 million	+/- € 2 million	Financial charges	Stable interest rates

- an EBITA margin of 5% - 6% over time, through profitable revenue growth and business mix improvement;
- the adaptability of our cost base: adjusting to market conditions through field steering, using the right delivery model, driving productivity, and calibrating head office costs to field costs;
- our financial strength in the long term: reflected by a maximum leverage ratio of 2.0 (net debt divided by 12-month EBITDA);
- adequate short-term access to liquidity for operational cash flow purposes;
- a zero tolerance approach to breaches of our core values and business principles;
- protecting and maintaining our reputation and the image of our brands.

In the 'risk appetite' table, we have included a sensitivity analysis, which shows the impact of certain variations to these key components.

global risk & control framework

Our global risk & control framework is consistent with the COSO Enterprise Risk Management framework and aims to secure the Group's in-control position. The components of the framework are shown in the risk & control framework diagram.

Operating companies report regularly to the Group's business risk & audit department on the majority of the framework components. The framework is specifically designed this way to avoid surprises.

Tone at the top

With more than 50 years of experience in our industry, combined with the long tenure of many of our senior managers, Randstad benefits from strong leadership. This means we have been able to extensively develop management by example, basing behaviors on our core values and business principles. Our core values are elaborated in 16 business principles, which form the basis for the behavior we expect from all our employees. Upon joining our company, all our employees receive a copy of the business principles.

risk & control framework

Induction training is a mandatory part of our HR standards. It reinforces and promotes our core values and business principles among our people, and it forms a crucial part of our strategy for integrating new business acquisitions. For example, we ran the induction training program for former SFN Group staff, starting at the end of 2011, and concluding it in early 2012.

Each year, our annual people survey is carried out by an external provider. This allows us to monitor the engagement of our employees, and provides indicators of the tone at the top in each of the operating companies. The results are compared locally and globally, to identify areas for improvement. Based on these results, the relevant operating companies develop and execute appropriate action plans.

putting the framework into practice

framework component	practical applications to our business			
Tone at the top	Core values & business principles	Induction training	People survey	Misconduct reporting procedure
Strategy setting	Strategic plan & forecasting	Scenarios	Risk register	Insurance risk program
Best practices, policies & processes	Strong concepts (commercial best practices)	Corporate policies	Blueprints (operational best practices)	Risk and audit network
Monitor & control	Approval and information requirements	Planning, reporting and review cycles	Key control framework	In-control statement

Awareness of our misconduct reporting procedure is now a fundamental part of our induction training. By clarifying the methods available to report suspicions of wrongdoing (including the possibility of anonymous reporting via a secure phone line or website), we have strengthened our tone at the top. More instances of fraud were identified in 2011 and 2012 than in previous years. All instances were investigated using our fraud reporting & investigation procedure, which ensures the independence and objectivity of the investigating team. None of these instances had a material impact at operating company level. During 2012, we also carried out a pilot project using data-analytics as a method of detecting fraud. We will continue with two data-analytics projects in 2013 to determine standard queries, which can be applied throughout the Group. See the 'sustainability performance' section for more information.

Strategy setting
While setting their budgets for 2013 in relation to the strategic plan, operating-company managements also described the main risks they see in achieving these budgets. Due to the continued downturn in many of the markets in which we operate, monthly forecasting played a more prominent role during 2012.

By constructing various scenarios, we are able to prepare for and react to market volatility. As markets developed less than expected in 2012, we revisited our financing requirements in the second half of 2012. The refinancing of the credit facility is now substantially completed, with the medium-term note program still in progress. As part of the refinancing, we issued preference shares C of € 140 million in January 2013. As these preference shares classify as equity, this enables us to lower our leverage ratio. More information on the refinancing process is included in the 'investor relations' section.

Risk registers are prepared by our operating companies showing their top-5 risks together with action plans and deadlines to address these risks. These risk registers are submitted every six months for analysis and aggregation. This results in an overview of the most important risks impacting the Group, which are then discussed by the Executive Board with the audit committee of the Supervisory Board. As part of the year-end process for 2012, risk registers were prepared by functional departments at Group level for the first time to capture group-wide risks and opportunities.

Our insurance risk program follows the same principles as the global risk & control framework. Insurable risks are periodically assessed and Group-wide risks are transferred to the insurance market under our global insurance program. We regularly review our insurance policy coverage and the credit ratings of our insurers. During 2012, we assessed the use of a captive insurance company, but did not find significant financial gains or business opportunities. The use of a captive will be revisited if there are significant changes in the insurance market or in our insurance needs.

Best practices, policies and processes
Our strong concepts, as described in the 'strategy' section, provide best practices for our core commercial operations. Concept audits are carried out to identify, understand and remediate deviations.

In 2012, corporate policies were strengthened with new policies, including internal governance and the revised contract liability policy. We strive to keep the number of policies to a minimum, while still being able to address emerging risks for the Group.

Blueprints describe our operational best practices. They are used to govern our key processes and to enable our operating companies to adapt and tailor best practices to their businesses. The updated contract-to-cash blueprint was fully implemented in 2012, and includes best practices for managing, for example, our DSO (days sales outstanding) and contractual liability. The procurement blueprint has been updated and will be issued in early 2013.

In 2012, we further developed the risk & audit networks in the largest operating companies. These networks strengthen the links between the global risk & control framework and the local risk management approach. Each network is a cross-disciplinary team with members from the operating company, including the local risk & audit manager, and the Group's business risk & audit team. Dedicated risk & audit managers have recently been recruited in the UK, India, and Germany. The Executive Board identified five topics to cover in the network in 2012: business continuity planning, fraud awareness workshops, purchasing cycle, payment organization, and revenue controls for permanent placements.

Monitor and control
Randstad's approval and information requirements clarify the authority levels within the Group. These requirements include issues that either need to be approved by or reported to the Executive Board. Our approval and information requirements are signed by every managing director and CFO of the operating companies in the Group.

As we have a clearly defined framework for our planning, reporting and review cycles, setting out dates, requirements and formats, we are able to provide operating companies with clarity. This enables us to focus on their day-to-day activities, and can balance this with regular and pre-defined contact with the Executive Board and Group departments.

Every six months, operating companies report their in-control statement. This statement certifies that the approval and information requirements and corporate policies have been complied with, and explains any exceptions or deviations that have occurred. The statement therefore forms a cascaded certification, which assists the Executive Board in making the conclusions required by the Dutch Financial Supervision Act.

Our key control framework contains a concise list of key risks that all operating companies face. In 2012, the framework was updated to include more detailed descriptions of the expected control activities, and to reflect new areas of business focus, such as MSP/RPO.

Audit and review activities
The annual internal audit plan is risk-based and is agreed with the Executive Board and the audit committee of the Supervisory Board. The Group business risk & audit department leads the internal audits, and works in conjunction with other corporate departments (most commonly IT, legal and tax) and the local risk & audit manager to cover the key risks impacting an operating company. Findings and recommendations from the internal audits are discussed with the operating companies, who then develop action plans and set deadlines to address these points. The internal audit reports are submitted to the Group CFO and the responsible Executive Board member. Progress with the action plans is monitored through the risk & audit network.

Our external audits cover the vast majority of our operations around the world. They are an important supplement to the internal audits because, in our decentralized operating model, not all operating companies can be covered every year. Elements of the key control framework are used as part of the external audits. The follow-up and resolution of control recommendations are coordinated by the operating companies with supervision provded by the Group business risk & audit department.

Our risk advisory committee considers the most important risks and opportunities at Group level and monitors the follow-up of agreed actions. The committee is chaired by the Group CFO, and includes representatives from operating companies and corporate departments. The committee met four times in 2012 and covered a range of topics, including adapting to economic conditions, margin pressure, cyber risk, disaster recovery and business continuity planning, data analytics, ongoing legal cases, and internal control findings.

The audit committee of the Supervisory Board is informed of the results of both external and internal audits. In 2012, the committee met five times. The role of the audit committee includes monitoring the risk management and control systems, the quality of the financial information, and the follow-up of recommendations from audits. More information can be found in the report from our Supervisory Board and in the 'corporate governance' section.

local tailoring of risk-management approach

Our operations are driven by entrepreneurial activities and we encourage our people to identify and seize opportunities. At

We use a flexible approach to risk management to fit our local operations around the world. This gives me the freedom to try out new ideas and share knowledge. My key drivers: persistence to drive change, staying calm under pressure, and, when all else fails, a good sense of humor.

Sarah Guthrie
Business Risk & Audit Manager - Randstad Holding

the same time, we balance this with clear risk boundaries, which are set for the operating companies in the approval and information requirements. Operating companies work closely with the responsible Executive Board member to define their risk appetite at a local level. In practice, this means that we may take more risk in an emerging market than in a mature market.

We are working to develop closer links between our risk-management approach and the identification of opportunities, particularly at operating-company level.

managing through the cycle

We currently view the risk of being able to adapt to changing economic conditions as our highest risk, which is consistent with 2011. With the continued downturn, we also face the associated risk that we cut costs too aggressively during these challenging times, which would negatively impact our ability to take advantage of a market upturn. Continued focus on our cost base could also disctract management's attention away from other important strategic decisions and projects.

Besides our field steering model, we use 'simple' metrics, such as the incremental conversion ratio in times of growth, and the recovery ratio in a period of contraction, to manage our profitability. More information can be found in the section 'how we measure performance'.

main risks

Our main risks are those that threaten the in-control position of the Group over the next three years. An overview of these risks is provided hereafter, including the actions taken to mitigate these risks and any related opportunities. The risks have been categorized into four areas: strategic, operational, financial & reporting, and compliance.

strategic	operational	financial & reporting	compliance
- **Adapting to economic conditions** - **Stability of the Eurozone** - Protecting our reputation[1]	- **Contractual liability** - Business continuity - Attraction and retention of talent	- **Access to funding** - Credit risk	- **Tax compliance** - Competition law compliance - Candidate screening

1 The risks shown in bold are currently considered to represent our top 5 risks. This list should not be taken as exhaustive.

strategic risks	risk-mitigating actions	related opportunities
Adapting to economic conditions Our operations are highly susceptible to macroeconomic conditions. Not being flexible enough to respond to economic conditions could have a negative impact on the profitability of the Group. Conversely, cutting costs too much could limit our ability to take advantage of a market upturn.	We now have leading positions in almost all major HR services markets. This geographical diversity spreads our exposure across mature and emerging markets, which are experiencing different economic conditions. In the introduction to the performance section we describe our approach to 'managing through the cycle'. This approach sets out how operating companies must react to changes in economic conditions.	By offering strong concepts and a varied service offering that responds differently to underlying market conditions, we will be able to address changing macroeconomic conditions. Our operations respond differently to economic uncertainty in the market. For example, in an uncertain market, our clients tend to use more flexworkers rather than hiring permanent staff. Staffing and HR Solutions tend to be more resilient to a weaker market, with Professionals and Search & Selection tending to perform better in a stronger market.
Stability of the Eurozone The financial viability of certain countries within the Eurozone is subject to ongoing uncertainty, although stability has increased in the last year. Any continued lack of stability in the Eurozone and the euro currency could have detrimental effects on the global economy and hence the profitability of the Group as well as on our assets (mainly working capital positions).	We have a wide geographic coverage with an increasing proportion of revenues geared towards markets outside the Eurozone. Our most recent major acquisitions have been in Japan and the US. The percentage of revenue generated outside of Europe has grown from 16.8% in 2009 to 19.8% in 2010 to 24.3% in 2011 and to 32% in 2012. It is difficult to predict future developments, so we focus on responding to actual performance in our local markets. Weekly indicators are a crucial part of our 'managing through the cycle', described in the 'performance' section. We keep the excess cash levels in southern European countries to a minimum. Further details on foreign currency exchange risk are provided in note 36.2 to the financial statements.	
Protecting our reputation Randstad and Tempo-Team are valuable international brands, and the Randstad brand is used in all countries in which we operate. Damage to the Randstad or Tempo-Team brand in one country could have a serious impact on our global reputation.	We protect the strong reputation of our brands by ensuring that all our people adhere to our core values and business principles, and comply with policies and guidelines. This ensures that, when necessary, we react competently, using internal and external communications to mitigate potential damage. We use our net promoter score as a metric to measure our image. We also have a misconduct reporting procedure, so that our people can report any breaches identified.	Our brands are controlled centrally, which ensures consistency across the world. Locally targeted marketing is then applied by the operating companies. This will continue to strengthen the global recognition of our brands in a cost-effective manner.

operational risks	risk-mitigating actions	related opportunities
Contractual liability In contracts, many clients ask us to take a greater share of the liability for our flexworkers whilst on their premises. Accepting inappropriately high contractual liability, when compared to the profitability of the contract, could result in a client making a claim that would be material to the Group's results.	Whenever possible, we work with our standard terms and conditions. In the case of non-standard terms, a cost-benefit analysis is carried out to determine whether projected profit levels are high enough to absorb the costs associated with the additional risks. The local legal department reviews the contract and the risk and reward assessment, and then advises operating-company management whether to accept the contract. In certain cases, additional approvals from the Executive Board are required, as set out in the contract liability policy. This risk mitigation is coupled with a Group liability insurance, which provides us with cost-effective coverage over many potential exposures.	
Business continuity Our business entails paying flexworkers on a weekly or monthly basis, and then billing these amounts to our clients. A problem with one of our IT systems for payrolling and billing could cause a major business disruption in that country.	Each country has its own IT system for payrolling and billing. This spreads our risks of an IT failure, which would be limited to one country or operating company. On a country level, disaster recovery plans are in place to address possible IT failures and are tested at least once a year. Group IT has audited the disaster recovery plans and these are also reviewed as part of the external audit.	
Attraction and retention of talent People are our most important asset, and it is challenging to retain them in a competitive market. If we cannot attract and retain the right people, we could fail to achieve our objectives.	Retention rates are reported by every operating company on a monthly basis. Our global people survey is carried out annually to monitor engagement levels by operating company and by department. Swift action is taken by local and Group HR departments to investigate and reverse any negative trends. We provide training to coach and develop all our people. In addition, we identify our future leaders and provide management development training for those with strong potential.	We apply a rule to fill 80% of management positions by internal promotions, which increases the loyalty of our people. As a result, we will continue to have a pipeline of future leaders who understand our people, our clients, and our operations.

financial & reporting risks	risk-mitigating activities	related opportunities
Access to funding We need financing to support organic growth and strategic acquisitions. If our access to funding is too slow, we could miss a strategic opportunity.	In 2008, we arranged a syndicated credit facility, which amounted to €1,620 million at the end of 2012. As this facility matures in May 2013, we have refinanced this facility in 2011 and 2012. As of January 2013, we have secured committed financing up to € 1.6 billion. This provides financial flexibility for the next 4-5 years. For more information on our capital structure and our refinancing process, see the 'investor relations' section. Our cash positions and available credit lines are monitored daily by the Group treasury department. Positions can be adjusted quickly, which provides high financial flexibility. Further details on financial risk management is provided in note 36 to the financial statements.	We are able to move quickly to make acquisitions. For example, the acquisition of SFN Group for $771 million was financed from our existing debt facilities without the need for prior approval from our banks. This ensures that we can take advantage of future opportunities to further grow our operations.
Credit risk In the current economic climate, some clients try to delay payment of invoices. An increase of one day in the time taken to collect the debt (days sales outstanding or DSO) leads to higher usage of operating working capital.	Operating companies have an operating working capital charge included in their results, which highlights awareness throughout the Group of the cost of capital. DSO is a component of the budgets and performance targets of operating-company management. The contract-to-cash blueprint was revised in 2011 and implemented in 2012. It includes best practices for invoicing and credit collection. Compliance of the largest operating companies with the contract-to-cash blueprint was monitored by the Group business risk & audit department. Further details on credit risk are provided in the note 36 to the financial statements.	As more best practices are implemented across our operating companies in the contract-to-cash cycle, our approach to credit risk becomes more rigorous across the Group. A decrease in DSO leads to less usage of operating working capital.

compliance risks	risk-mitigating actions	related opportunites
Tax compliance We are responsible for paying employees and flexworkers across approximately 40 countries. An error in the social security and payroll tax compliance could result in material fines or penalties.	We have separate IT systems in each country that are tailored to local social security and payroll tax legislation. The Group tax department works with external tax advisors from each country in which we operate. Together, they visit operating companies to monitor and assess their processes and controls to ensure compliance with local social security and payroll tax legislation.	In these audits, we also focus on identifying best practices to achieve greater efficiencies in administering payroll taxes, social securities and insurances.
Competition law compliance A consultant could breach competition law by intentionally or accidentally sharing too much information. For example, large companies increasingly ask us to act as their managed services provider (MSP) or to supply to one of our competitors under an MSP agreement, both of which require the sharing of certain information that would usually be kept confidential.	Training with regard to competition law compliance is an integral part of our induction program. By providing training on competition law compliance alongside our core values and our business principles, we stress its importance to the Group. Competition law compliance is also included in regular training programs for existing staff. We continuously update these programs to include recent legal cases in order to show the potential consequences of a breach. We encourage our employees to report any breaches identified via the misconduct reporting procedure.	
Candidate screening Our candidates may be working with children or vulnerable adults, in which case criminal record checks are required. Failure to carry out this type of essential check could lead to abuse of a child or a vulnerable adult.	In the past, deficiencies were identified in the screening of flexworkers in one of our operating companies. In response, we strengthened the controls over this area and Group business risk & audit carried out extensive testing. Our candidate screening framework is now robust, and we monitor compliance with legal requirements and internal best practices. Candidate screening is now a permanent item on the agenda of our operating companies. Progress reviews are carried out through the risk & audit networks and via internal audits, with best practices identified.	We continuously develop and share our best practices for candidate screening across the Group. Through our increasingly rigorous approach to such matters, we will be able to demonstrate to clients the consistently high quality of our candidates.

conclusion

The Executive Board is responsible for Randstad's risk & control framework and for reviewing its effectiveness. The framework is designed to manage the risks that may prevent us from achieving our business objectives. However, the framework cannot provide full assurance that all material misstatements, frauds or violations of laws and regulations will be prevented. Future effectiveness of the framework is subject to the risk that the controls in place or the degree of compliance with the Group's policies and procedures may deteriorate.

In 2012, the Executive Board reviewed and analyzed the strategic, operational, financial & reporting, and compliance risks to which the Group is exposed, and regularly reviews the design and operational effectiveness of the Randstad risk & control framework. The outcome of these reviews was shared with the audit committee and the Supervisory Board, and was discussed with our external auditor.

The risk & control framework should ensure consistent and reliable financial reporting, both internally and externally. The operating companies develop annual business plans and budgets, which are subject to change and approval by the Executive Board. Subsequently, the actual performance of the operating companies is measured against these business plans and budgets, and the results are discussed in regular review meetings between the operating-company management and the responsible Executive Board member.

In accordance with best practice provision II.1.4 of the Dutch Corporate Governance Code, Randstad has assessed the design and operational effectiveness of our risk & control framework. Based on the activities performed during 2012, and in accordance with best practice provision II.1.5, the Executive Board considers that, during 2012, the risk & control framework worked properly regarding the financial reporting risks, and that this provides reasonable assurance that the financial statements 2012 do not contain any material misstatements.

In accordance with the Dutch Financial Supervision Act, section 5:25c, the Executive Board declares that, to the best of its knowledge:

- the financial statements for 2012 provide, in accordance with IFRS as endorsed by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2012, and of the 2012 consolidated income statement of Randstad Holding nv;
- the annual report provides a true and fair view of the situation as at December 31, 2012, and the state of affairs during the financial year 2012, together with a description of the principal risks faced by the Group.

Diemen, the Netherlands, February 12, 2013

The Executive Board,

Ben Noteboom
Robert Jan van de Kraats
François Béharel
Jacques van den Broek
Linda Galipeau
Leo Lindelauf

value at work

for society

a caring and sustainable world of work

In a world with increasingly volatile economies, employability and flexibility will become more important in countering unemployment and boosting prosperity. We communicate and share our knowledge with clients and peers through our research findings, and through our memberships in Ciett and other international organizations. However, we also seek to contribute to the battle against poverty and disadvantage in the developing world. Through our partnership with VSO, which coordinates well-qualified volunteers to work on NGO projects, we have so far contributed the equivalent of 50 years of work to this effort. Finally, for business to be sustainable, it has to be profitable. Our shareholders are important partners in our mission to shape the world of work, and it is therefore important for us to ensure that they receive a fair return on their investment.

governance

supervisory board

Leo M. van Wijk
(1946, Dutch)
Vice-chairman of the Supervisory Board

- Member of the Supervisory Board since 2002
- Current and final term of office 2010-2014

Background
Leo van Wijk is deputy chief executive of the board of directors of Air France-KLM and chairman of Skyteam. He is also a member of the Supervisory Board of AEGON NV.

Responsibilities
Leo van Wijk is chairman of the audit committee and a member of the remuneration and nomination committee.

Beverley C. Hodson
(1951, British)

- Member of the Supervisory Board since 2008
- Current term of office 2012-2016

Background
Beverley Hodson is a former managing director of WH Smith plc, Sears plc and Boots PLC. She was formerly a member of the Supervisory Board of Vedior N.V. She is currently a non-executive director of NFU Mutual Insurance and an honorary associate of Newnham College, Cambridge, a council member of Gloucestershire University and Cheltenham College, a Fellow of the Royal Society of Arts and a director of Putsborough Management Ltd.

Responsibilities
Beverley Hodson is a member of the remuneration and nomination committee.

Jaap Winter
(1963, Dutch)

- Member of the Supervisory Board since 2011
- Current term of office 2011-2015

Background
Jaap Winter is a partner at law firm De Brauw Blackstone Westbroek. He is a professor of corporate governance at the Duisenburg School of Finance and professor of international company law at the University of Amsterdam. He was a member of the Dutch corporate governance committee and the European Corporate Governance Forum. He is a member of the Supervisory Board of Stichting Koninklijk Kabinet van Schilderijen Mauritshuis and a board member of Stichting Comité voor het Concertgebouw.

Responsibilities
Jaap Winter is a member of the audit committee and the strategy committee.

Fritz W. Fröhlich
(1942, German)
Chairman of the Supervisory Board

- Member of the Supervisory Board since 2003
- Current and final term of office 2011-2015

Background
Fritz Fröhlich is the former chief financial officer and vice-chairman of the Executive Board of AkzoNobel nv. He is a member of the Supervisory Boards of ASML Holding NV, Rexel SA and Prysmian SpA.

Responsibilities
Fritz Fröhlich is chairman of the remuneration and nomination committee and a member of the audit committee.

Henri M.E.V. Giscard d'Estaing
(1956, French)

- Member of the Supervisory Board since 2008
- Current term of office 2012-2016

Background
Henri Giscard d'Estaing has been chairman of the board and chief executive officer of Club Méditerranée S.A. since December 2002. Before joining Club Méditerranée in 1997, he held various management positions at Groupe Danone and Cofremca. He was formerly a member of the Supervisory Board of Vedior N.V. He is currently also a member of the board of directors of Groupe Casino Guichard-Perrachon S.A. He privately holds 451 ordinary shares in Randstad Holding nv.

Responsibilities
Henri Giscard d'Estaing is a member of the strategy committee.

Giovanna Kampouri Monnas
(1955, Greek)

- Member of the Supervisory Board since 2006
- Current term of office 2010-2014

Background
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 non-executive director of Puig S.L. and Aptar Group Inc. She is also a member of the International Academy of Management.

Responsibilities
Giovanna Kampouri Monnas is a member of the remuneration and nomination committee.

Wout Dekker
(1956, Dutch)

- Member of the Supervisory Board since 2012
- Current term of office 2012-2016

Background
Wout Dekker is the former chairman of the Executive Board and CEO of Nutreco N.V. He is a member of the Supervisory Boards of Rabobank Nederland and Macintosh Retail Group N.V.

Responsibilities
Wout Dekker is chairman of the strategy committee.

report from the supervisory board

introduction

Acting in the interests of Randstad, the Supervisory Board supervises and advises the Executive Board in performing its management tasks, sets the direction of the business, and guides its general development, including the financial policies and corporate structure. Although set by the company's articles of association and by-laws, the role of the Supervisory Board has grown in recent years, and now requires board members to play a more prominent and active role, thinking along with and advising the Executive Board on key matters such as strategic processes, important operational decisions, organizational structure and senior management development.

composition, independence and self-assessment

The Supervisory Board currently comprises seven members (see the section 'Supervisory Board' for details). They have a diverse mix of knowledge, skills and expertise, in line with the required profile, as referred to in the corporate governance section. The Supervisory Board aims to ensure that its membership represents a good balance in terms of diversity, aiming for at least one-third of its membership to meet the diversity criteria, notably regarding gender. These criteria are currently being met. In 2012, Rob Zwartendijk resigned from the Supervisory Board on the expiry of his final term of office. The Supervisory Board is grateful to him for his long-standing contribution, particularly as chairman of the strategy committee. The vacancy created by his departure was filled by Wout Dekker, who was selected from a shortlist of suitable candidates. The Supervisory Board believes he makes an excellent addition, given his extensive experience in executive management, his expertise in the field of sustainability, and the fact that his profile and competencies complement those of the other Supervisory Board members.

The Supervisory Board attaches great importance to the independence of its members. As a rule, all members, with the exception of no more than one, should be independent in the meaning of article 1 of the Supervisory Board's by-laws. With the exception of Jaap Winter, who was appointed at the nomination of Randstad Beheer, all members are independent. They were not granted, nor do they possess any Randstad options or shares, with the exception of Henri Giscard d'Estaing, who personally holds some shares in the company. More information is included in note 41 to the financial statements.

During a separate meeting, the Supervisory Board extensively discussed its composition, its own performance and that of its three committees. In preparation for this annual self-assessment, each member completed a questionnaire. Items assessed and subsequently discussed included:

- the board's size, profile, mix of skills and experience;
- meeting frequency, decision-making, follow-up and discussion;
- induction, training and performance;
- the relationship with the Executive Board; and
- the performance of the Supervisory Board's chairman.

An anonymized summary of the main findings, prepared by the company secretary, was used as the basis for the self-assessment discussion. The Supervisory Board concluded that all of the items were assessed positively. Team spirit is considered strong, encouraging an open discussion and clear understanding of each board member's role. Several suggestions for further improving the Supervisory Board's functioning were raised and will be followed up during 2013. These suggestions relate, among others things, to:

- taking more time for in-depth discussion, jointly with the Executive Board, and for reflection on topics such as strategy, innovation, sustainability, and competition;
- planning the succession of the chairman and the vice-chairman in light of the mix of skills, competencies and experience required; and
- optimizing the role of the strategy committee to increase the scope of understanding and contribution of the full Supervisory Board in setting the strategic direction.

At year-end, the chairman also conducted one-on-one meetings with each member to discuss his or her own performance.

supervisory and advisory activities in 2012

The Supervisory Board met eight times during 2012. Six of these meetings were held jointly with the full Executive Board. The other two meetings were held separately, in part attended by the CEO. The latter two meetings were held to discuss Executive Board remuneration, the review of the remuneration policy, the composition and assessment of the Executive Board, including the changes to the Executive Board, senior talent review and succession planning, as well as the composition and self-assessment of the Supervisory Board. One of the meetings was attended by the external auditor to discuss the 2011 annual report and accounts. Between meetings, the chairman of the Supervisory Board maintained intensive informal contact with the CEO and CFO. The chairman of the audit committee had regular contact with the CFO, particularly in preparing the audit committee meeting. At year-end, the chairman also conducted one-on-one meetings with each member of the Executive Board to discuss their personal performance.

The Supervisory Board does not disclose attendance rates during meetings in abstract numbers as this is perceived as a box ticking exercise. Attendance at Supervisory Board meetings was high, with no members being absent from more than one meeting during the year. All members have sufficient time, including between meetings, to devote to Randstad affairs.

One of the Supervisory Board's main priorities is strategy. Accordingly, considerable time was spent on in-depth discussions with the Executive Board about the overall strategy and the realization of the strategic targets. On the basis of these discussions, it was concluded that the strategy did not need to be amended, although certain aspects would need fine-tuning. The discussions naturally covered the challenging economic environment, and major topics relating to strategy therefore included:

- possible recovery or decline scenarios and related ambitions;
- the changing environment of the staffing industry (uncertain market conditions and pressure on margins), which requires a need for more segment-specific delivery models;
- the progress made on strategic initiatives to improve the business mix, which had been implemented or reinforced during 2011 (including field steering, permanent placements and acceleration of Professionals activities);
- the realization and fine-tuning of the strategic targets; and
- the proposed amendment of the dividend policy, changing the payout ratio to 40-50% of adjusted EPS and introducing an optional stock dividend.

The discussion of these topics was prepared by the Supervisory Board's strategy committee.

The economic trends during 2012 changed rapidly, although these changes varied considerably by region. When discussing the company's quarterly performance, the Supervisory Board paid much attention to the adaptation of costs, adjustment of organizational structures and maximizing efficiency in each of the countries, while not losing sight of opportunities identified by the Executive Board for capturing profitable growth where possible. Specific attention was paid to Randstad's financial strategy with the extension of the maturity of the syndicated credit facility and the issuance of additional preference shares C.

The Supervisory Board is regularly updated on developments in operating countries and new markets or potential new markets. These updates cover labor market relations, demographics and politics. Senior management of our operations in the Nordic countries, Central & Eastern Europe, the United Kingdom and Italy, joined a meeting in 2012 to give such an update on their own region or countries. Each year, the Supervisory Board, jointly with the Executive Board, pays a two-day visit to the operations in a different country. The board's visit to Boston in the United States in December 2012 provided additional insight into the quality of local operations and management, while special attention was given to the Professionals businesses, the segment-specific delivery models, and the integration of SFN (which was acquired at the end of 2011). From time to time, Supervisory Board members also visit country management or participate in country meetings on an individual basis as and when the opportunity arises. Senior functional managers regularly join Supervisory Board meetings to provide updates on their own fields of responsibility. In 2012, special attention was given to marketing & communications (branding & sustainability), managed services programs and recruitment process outsourcing, and public & social affairs.

As Randstad operates in a competitive environment, it is inappropriate to provide details of all other topics discussed and monitored. However, the following list provides a solid overview of the items which are discussed regularly throughout the year:

- compliance with relevant rules and legislation as well as corporate governance developments;
- the assessment of strategic, operational, financial and compliance risks, including Randstad's approach to risk and opportunity management;
- overall strategy, the realization of strategic targets, strategic alternatives and their follow-up;
- corporate planning projects, including actual or potential acquisitions and divestments;
- changes to the Executive Board, including amendments to portfolio responsibilities;
- organizational changes and senior management appointments;
- the performance of all major countries and functions;
- the preparation, evaluation and follow-up of the Annual General Meeting of shareholders;
- topics related to sustainability relevant to Randstad, including the corporate sustainability framework and related key-drivers and key-performance indicators;
- the views of analysts and investors, as well as changes in the shareholder structure and base;
- marketing, branding and the position of managed services programs;
- the financial performance of Randstad, its financing, the allocation of goodwill and relating impairment analyses;
- the external auditor's quarterly reports and management letter.

To underline the importance of Randstad's business principles and the procedure for reporting misconduct, the Supervisory Board shares responsibility for these matters with the Executive Board. An assessment of the complaints reported under the misconduct reporting procedure is shared with the audit committee annually. Further information can be found on our corporate website.

supervisory board committee activities in 2012

The Supervisory Board has three standing committees: the audit committee, the remuneration and nomination committee, and the strategy committee. Their roles are described in more detail in the 'corporate governance' section. They generate detailed information and prepare recommendations relating to their specific areas, while the full Supervisory Board retains overall responsibility. The chairman in each case reports the committee's main considerations and findings to the full Supervisory Board, usually immediately after the relevant committee meeting.

Report of the audit committee

The audit committee comprises Leo van Wijk (chairman), Fritz Fröhlich and Jaap Winter. The first two members in particular have relevant expertise in the field of financial management. Five meetings were held in 2012. As a rule, the CEO and CFO join all meetings on behalf of the Executive Board, while senior management from the corporate financial departments and the external auditor's lead partner are also in attendance. In addition to the physical meetings in 2012, two conference calls were held to discuss the performance and progress related to financing. The audit committee held one meeting with the external auditor without management being present.

The main topics discussed in 2012 included:

- the financial performance of the company and its major operating companies (discussed in detail each quarter), with special focus on the quality of earnings, productivity, the balance sheet, financing, provisions and taxes, impairments, and the outlook for each subsequent quarter;
- Randstad's financing strategy, notably the extension of the maturity of the syndicated credit facility and the issue of preference shares C;
- the external auditor's reports for each quarter and the full year, as well as their annual management letter, audit strategy plan and fees (see note 34 to the financial statements);
- the impact of possible changes to legislation affecting the role and position of the external auditor;
- the procedure for reporting misconduct, including the report from the central integrity officer;
- a review of fiscal, treasury, legal and pension-related developments, mostly provided by the responsible corporate managing director;
- a report from the managing director Group legal on the compliance by operating companies with key policies, including competition law compliance, antibribery & corruption, data protection, non-discrimination & harassment, and contract liability;
- the annual legal letter, listing material litigation (where potential liability exceeds € 1 million). Any cases with a potential liability exceeding € 2.5 million are promptly reported to the audit committee;
- the assessment of Randstad's tax function, as performed and reported by Ernst & Young;
- the annual talent and performance review of the finance function and its key people, including the World League Finance program (launched in 2011 and further rolled out during 2012, to develop the finance function, all finance staff and the finance organization throughout Randstad). In the course of the year, the CFOs of some of the larger operating companies were invited to report on their approach to the development of finance people and the finance organization.

The audit committee discussed at length various items relating to business risk and audit, such as the annual audit plan, the quarterly report on internal risk-based audits and the review of related key strategic and operational risks. Due to its nature, culture and business philosophy, Randstad takes a pragmatic approach to business risk and audit, which is fully integrated into the businesses and operationally driven. The business risk & audit department is adequately embedded within the organization, taking into account the involvement of local internal auditors at operating company level. With regard to the external audit, the audit committee reviewed the proposed audit strategy plan relating to the audit scope, approach and fees. It also assured itself of the independence of the external auditor and the non-audit services provided by the external auditor, in line with the relevant policy.

The audit committee also assessed the performance of the external auditor. This is an annual process, based on a satisfaction survey undertaken amongst all CFOs of the operating companies and key corporate finance people. Mutually agreed actions are undertaken whenever the survey indicates quality issues. In addition, the audit committee regularly assesses the quality and adequacy of the annual audit approach, as well as the quality, results and output of the audit, using the input provided by the CEO and CFO. As part of this evaluation process, the following items are taken into consideration: (1) the quality of the audit work, (2) the sufficiency and fulfillment of the audit engagement, (3) the quality of the auditor's reports, (4) the independence of the auditors, (5) the general appearance, (6) the expertise and composition of the audit team, (7) the audit fee, and (8) quality control within the audit firm. Based on the positive assessment of these items, the audit committee supported the decision of the Executive Board to appoint PricewaterhouseCoopers for the annual audit for the year 2013 and to propose to the next Annual General Meeting of shareholders to also appoint them for the year 2014.

Report of the strategy committee

The strategy committee comprises Wout Dekker (chairman), Henri Giscard d'Estaing and Jaap Winter. Each member has his own specific and extensive experience in strategy development and related processes.

The committee met twice during 2012. The full Executive Board participated in these meetings. The main topics discussed included:

- the strategy and realization of the strategic targets, partly in light of longer-term cyclical and structural growth drivers and the change in the dividend policy;
- possible performance scenarios for the coming years based on assumptions for revenue and result development;
- the changing staffing industry context (uncertain market conditions and pressure on gross margins) and required segment-specific delivery models for clients;
- the drive for performance and optimization of the business mix by focusing on productivity improvement, compliance with the Randstad concepts and the field steering model, and acceleration of Professionals and permanent placements;
- developments with regard to managed services programs, recruitment process outsourcing and Randstad's positioning in this area; and
- new business innovation initiatives, such as outsourcing.

Following its extensive assessment of these items, the committee contributed to the preparation and fine-tuning of the strategy discussion by the full Supervisory Board in March and again in October 2012.

Report of the remuneration and nomination committee

The remuneration and nomination committee comprises Fritz Fröhlich (chairman), Beverley Hodson, Giovanna Kampouri Monnas and Leo van Wijk. Each committee member has specific expertise in the area of remuneration and HR-related issues.

The committee met three times in the course of 2012. The CEO and the managing director Group HR participated in part of the meetings. The main topics discussed included:

- the annual remuneration report, including an overview of the manner in which the remuneration policy was implemented and an overview of the remuneration policy for the Executive Board members in subsequent years. This detailed remuneration report is published each year and is available on our corporate website. It is also summarized in this annual report in the 'remuneration' section;
- proposals regarding the realization of the annual bonus targets, the targets for next year's annual bonus, the realization of the targets of the long-term incentive plan, and the annual allocation of shares and options to the Executive Board;
- Randstad's HR strategy, vision and focus for 2012 – 2014, key actions, its function and organization;
- employee engagement, including the main results of the annual people survey and the areas for improvement based on these results;
- the results and observations of the annual talent review and succession planning for the Group;
- the annual assessment of the senior country and functional managing directors (all of these managers are scheduled to meet and present to the Supervisory Board, if feasible);
- the proposed appointment of Wout Dekker as member of the Supervisory Board; his nomination was thoroughly prepared based on an assessment of the profile of the vacancy within the Supervisory Board and an extensive selection process identifying various candidates who fitted the required profile;
- the annual assessment of the Executive Board and its individual members; and
- the self-assessment of the Supervisory Board.

In 2012, the committee spent much time on the evaluation of the remuneration policy for the Executive Board. Focus Orange was commissioned to make an assessment of the current policy in light of related remuneration and corporate governance developments. In particular, the following items were assessed:

- the composition of the labor market peer group;
- the grant of performance options in addition to performance shares;
- short-term incentive performance measures;
- TSR as long-term incentive performance measure and the related payout ranges;
- the adjustment of the severance arrangement.

After extensive discussion and careful consideration, a proposal will be submitted to the upcoming Annual General Meeting of shareholders in March 2013 to update the remuneration policy for the Executive Board. For more information see the remuneration report.

In 2012, the committee addressed in detail the changes to the Executive Board. Early in 2012, Greg Netland decided to leave Randstad to pursue opportunities closer to home. Consequently, based on a thorough assessment of her skills and achievements, the committee decided to propose the appointment of Linda Galipeau, president of Randstad Staffing in the US, as Greg Netland's successor. At the end of 2012, Brian Wilkinson stepped down as a member of the Executive Board. The Supervisory Board is grateful to Brian Wilkinson for his contribution to Randstad, particularly during complex integration processes. The committee decided to nominate François Béharel, president of Randstad Groupe France, to fill the vacancy and decided at the same time to approve the proposed changes to the Executive Board members' portfolios. Both Linda Galipeau and François Béharel are excellent examples of business leaders who have developed a career within the company, have delivered excellent achievements in their respective countries, and have played key roles in complex integration processes. In addition, their profiles perfectly complement the Executive Board's current composition.

report of the annual general meeting of shareholders

At the Annual General Meeting of shareholders, held on March 29, 2012, the CEO and CFO presented the general state of affairs at Randstad and its financial performance in 2011. The meeting adopted the 2011 financial statements and the related dividend proposal. The external auditor attended the meeting and its representatives were introduced at the start of the meeting. The members of the Executive Board were granted discharge of liability for their management and the members of the Supervisory Board for their supervision thereof. Linda Galipeau and Brian Wilkinson were (re)appointed as members of the Executive Board. Beverley Hodson, Henri Giscard d'Estaing, and Wout Dekker were (re)appointed as members of the Supervisory Board. The meeting authorized the Executive Board to issue ordinary shares, limited to a maximum of 3% of the ordinary issued share capital for a period of 18 months. PricewaterhouseCoopers was reappointed as external auditor for the financial year 2013. The meeting approved the proposal to appoint Sjoerd van Keulen as director of Stichting Administratiekantoor Preferente Aandelen Randstad Holding, and to increase the annual fees of the members of the Supervisory Board.

The meeting was simultaneously transmitted by audio webcast via the corporate website. (Unanimous) voting instructions could be given to an independent third party in advance of the meeting. Within three months of the meeting, the draft minutes of the meeting were made available for comments during a period of three months and were subsequently adopted. All documents relating to the meeting were placed on the corporate website.

Extraordinary General Meeting of shareholders

An Extraordinary General Meeting of shareholders was held on January 16, 2013 because of the issuance of preference shares C. The meeting adopted the related amendments of the articles of association and authorized the Executive Board to issue preference shares C. The meeting also authorized the Executive Board to repurchase shares up to a maximum of 3% of the issued share capital of ordinary shares, mainly relating to the stock option and share plans for the Excutive Board and senior management. François Béharel was appointed as member of the Executive Board for a first four-year term.

financial statements 2012

The financial statements 2012 have been audited and provided with an unqualified opinion by PricewaterhouseCoopers Accountants NV (see the independent auditor's report) and were extensively discussed with the auditors by the audit committee in the presence of the CEO and CFO. They were subsequently discussed by the full Supervisory Board with the full Executive Board in the presence of the auditors. The Supervisory Board is of the opinion that the financial statements 2012 meet all requirements for correctness and transparency and recommends that the Annual General Meeting of shareholders adopt the financial statements and the appropriation of net income proposed by the Executive Board.

The Supervisory Board endorses the Executive Board's proposal to the Annual General Meeting of shareholders to pay an optional cash or stock dividend per ordinary share of € 1.25 for 2012 (€ 1.25 in 2011) and a cash dividend per preference share B of € 0.271 (€ 0.284 in 2011).

The Supervisory Board requests that the Annual General Meeting of shareholders grants discharge to the members of the Executive Board for their management and to the members of the Supervisory Board for their supervision in 2012.

The Supervisory Board would like to thank all Randstad employees, under the strong leadership of the Executive Board, for their contribution and continuing dedication in 2012.

Diemen, the Netherlands, February 12, 2013

The Supervisory Board,

Fritz Fröhlich, chairman
Leo van Wijk, vice-chairman
Wout Dekker
Henri Giscard d'Estaing
Beverley Hodson
Giovanna Kampouri Monnas
Jaap Winter

remuneration report

remuneration policy

The main objective of the remuneration policy, which was approved by the Annual General Meeting of shareholders held on May 8, 2007, is to attract, motivate and retain qualified senior executives of the highest caliber, with an international mindset and background essential for the successful leadership and effective management of a large global company. The members of the Executive Board are rewarded accordingly, and the largest part of their remuneration is based on the performance of Randstad. The remuneration structure for the Executive Board is therefore designed to balance short-term operational performance with the long-term objectives of the company and value creation for its shareholders.

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 an international labor market peer group regarding fixed salary levels, and against an international performance peer group to establish relative performance:

- 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 12 international staffing and business outsourcing companies headquartered in five countries, reflecting Randstad's international scope. They are Adecco S.A., Rentokil Initial Plc, Cap Gemini S.A., Atos Origin SA, Robert Half International Inc., LogicaCMG Plc, Manpower Inc., Kelly Services Inc., Trueblue Inc., SFN Group, Volt Information Sciences Inc., and Michael Page International Plc.;
- The international performance peer group is used as a benchmark to establish relative performance in terms of Total Shareholder Return (TSR), 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 solely of staffing companies and can be characterized as 'sector-specific'. It consists of Adecco S.A., Kelly Services Inc., Trueblue Inc., Manpower Inc., Robert Half International Inc., USG People N.V., SFN Group, Volt Information Sciences Inc., and Michael Page International Plc. Following the acquisition of SFN Group by Randstad and taking Volt's financial trading difficulties into account, these companies were replaced by Hays plc and Groupe Synergie S.A, effective 2012.

Despite the changed profile and significantly increased size of Randstad, the remuneration policy and structure relating to the Executive Board has not changed since 2007. Base salaries have increased in line with the international labor market peer group. In the past years, the Supervisory Board, particularly its remuneration and nomination committee, has monitored the related, international and national, developments regarding both remuneration and corporate governance. This did not prompt any immediate changes to the remuneration policy and structure. Where appropriate and required, amendments to individual agreements have been made, such as the claw back provision regarding variable pay and the adjustment of the severance arrangement for new (re)appointments.
In 2012, the Supervisory Board, particularly its remuneration and nomination committee, again extensively assessed the remuneration policy. Focus Orange, an independent strategic human capital advisory firm, was commissioned to provide advice. After careful consideration, the Supervisory Board proposes to update the remuneration policy for the Executive Board, taking into account the changed profile of Randstad since 2007 and the recent developments relating to remuneration and corporate governance. The proposed amendments are:

- International labor market peer group: it is proposed to replace SFN Group, Volt Information Services Inc. and Trueblue Inc. by Hays plc, TUI AG, G4S plc and Sodexo Group sa.
- Base salaries: in line with the relevant size and profile of Randstad compared to the other companies included in the international labor market peer group, base salaries of the Executive Board members are set at between the median and 75% level.
- AEX sanity check: the remuneration and nomination committee annually benchmarks total compensation levels of the Executive Board versus the median of the AEX peer group (excluding Shell, Unilever and the financials). It is proposed to include this sanity check as part of the remuneration policy.
- Performance options: currently, the annual long-term incentive (LTI) grant to the Executive Board includes performance options and performance shares. As the number of (peer) companies using stock options has significantly reduced and the instrument is less favored from a corporate governance perspective, it is proposed to only grant performance shares.
- Annual bonus targets*:* although the current annual bonus framework functions well, the Supervisory Board feels it would be beneficial to extend the framework, and align it even more with the relevant (strategic and financial) parameters that drive our business, while keeping the threshold bonus (40% of base salary), at target bonus (70% of base salary) and maximum bonus (100% of base salary) at the same level. The proposed framework is: (1) gross profit, revenue or market share: 10% for threshold performance, 15% for on-target performance and 25% for maximum performance; (2) EBITA/EPS realization: 10% for threshold performance, 15% for on-target performance and 25% for maximum performance; (3) leverage ratio, or efficiency of working capital, e.g., debtor days: 10% for threshold performance, 15% for on-target performance and 25% for maximum performance; (4) individual targets: 15% for maximum performance; (5) discretion Supervisory Board: maximum 10%.
- TSR payout range*:* the international performance peer group is used to establish relative performance in terms of

TSR. Shares and options become unconditional depending solely on Randstad's TSR performance compared to this peer group, measured over a three-year period. It is proposed to amend the related payout range as follows:

tsr payout range

	current	proposed
Position 1	250%	250%
Position 2	200%	200%
Position 3	150%	150%
Position 4	125%	100%
Position 5	100%	50%
Position 6	75%	0%
Position 7	50%	0%
Position 8	25%	0%
Position 9	0%	0%
Position 10	0%	0%

- Value of LTI allocation at grant: at the moment of grant, the fair value of the performance shares and options, assuming on target performance, is equal to 80% of the base salary for all members of the Executive Board. Taking into account the proposed amendment to the payout range, it is proposed to increase this value from 80% to 100% of the base salary.
- LTI performance targets: LTI performance is currently solely measured in terms of TSR. The Supervisory Board considers this to be an appropriate measure, as it objectively measures Randstad's financial performance and assesses its long-term value creation compared to other companies in the same sector. However, given the relevance of sustainability for Randstad's business, ambition and long-term viability, the Supervisory Board believes that certain sustainability related key performance indicators are appropriate to take into account as well when measuring long-term performance. It is therefore proposed to add performance targets within our sustainability KPI framework upon discretion of the Supervisory Board. These targets will also be set by the Supervisory Board at the start of the three year performance period. The LTI performance targets will therefore be divided in TSR (80%) and sustainability (20%).
- Severance: a maximum of one year annual base salary, in addition to the notice period, is applied for all members of the Executive Board.

executive board remuneration 2012

The remuneration of the Executive Board consists of three components:

1. Short-term compensation, consisting of base salary and annual cash bonus opportunity;
2. Long-term compensation, consisting of performance shares and performance options;
3. Pension and other benefits.

The variable portion of the total remuneration package is performance-related. It consists of short- and longer-term components. For on-target performance, approximately half of the total compensation of a member of the Executive Board is performance-linked. The Supervisory Board, on the recommendation of its remuneration and nomination committee, sets the targets prior to each performance period. Performance targets and conditions are derived from Randstad's strategy and annual business plans and market analysis. An overview of the 2012 and comparable 2011 remuneration amounts is included in note 40 and note 41 to the financial statements.

Short-term compensation

Base salary

Based on the benchmark by Towers Watson and in line with the company's remuneration policy, it was decided to increase the base salaries of the Executive Board members by 5% as of January 1, 2012 and to increase the base salary of the CEO by an additional € 50,000 to bring it in line with the median of the relevant peer group. The general pay differentials within the company, and specifically within senior management, were taken into account when taking these decisions.

Annual cash bonus opportunity

The total annual 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 minimum level, no bonus will be paid out. In calculating the pro-rata bonus, a sliding scale between the minimum level and the maximum level is used. The Supervisory Board sets the targets at the beginning of each financial year. The shared targets for 2012 were Group market share performance and Group EBITA realization, with the bonus opportunity for each target ranging from 12.5% for minimum performance, to 27.5% for on-target performance and 40% for maximum performance. The individual and discretionary targets were also set, each with a minimum of 0%, 5% for on-target performance and a maximum of 10%. Actual targets are not disclosed, as these qualify as information that is commercially sensitive and potentially share-price sensitive.

If a variable remuneration component conditionally awarded in a previous year would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the performance period, the Supervisory Board has the power to adjust the value upwards or downwards. The Supervisory Board may also recover from the Executive Board any variable remuneration awarded on the basis of incorrect financial or other data. These provisions are included in the annual bonus and grant letter.

Based on the achievement of the shared and individual targets for 2012 and use of the discretionary space available to the Supervisory Board, the bonus entitlement with regard to the performance in 2012 amounted to 51.4% of the annual base salary per Executive Board member.

Long-term compensation

In order to align their objectives with the value creation objectives of the shareholders, performance shares and performance options are granted to the members of the Executive Board on an annual basis. Due to their long-term nature, these performance shares and options are inherently and significantly more open to market uncertainties than short-term compensation elements. Shares and options can become unconditional (i.e., may vest) depending solely on Randstad's TSR performance compared to the performance peer group, measured over a three-year period starting from January 1 of the year they are granted. TSR reflects the return received by a shareholder and captures both the change in the 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'. During the three-year vesting period, the TSR data are compiled and reported by an external data provider. The remuneration and nomination committee advises the Supervisory Board on the percentage of performance shares that vest and performance options that can be exercised.

Performance shares and performance options are granted in the open period following the publication of the Group's fourth quarter financial results in February. From then on, the exercise price of performance options will be determined based on the average price of the Randstad shares over the three business days following the fifth business day after publication of the fourth-quarter results. The number of shares and options will be calculated based on the fair value of the Randstad share as at January 1. 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 the vesting date, the options will lapse. The company offers no financing arrangements at grant or exercise of the options. Performance shares need to be retained at least two years after vesting, except to the extent necessary to settle any related tax liabilities.

At the moment they are granted, the fair value of the shares assuming on-target performance is equal to an amount of 40% of the base salary for all Executive Board members, while a similar amount of 40% of the base salary is 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. This is in line with the median levels of the international labor market peer group at that time. Prior to the grant, and on the advice of the remuneration and nomination committee, the Supervisory Board analyzes the possible outcomes of the allocation.

With a strictly sales background I have been able to perfect my follow-up skills as well as my time management skills. With my hardworking mentality and my outgoing personality I assist in closing new accounts and growing relationships with existing customers.

Robert Thompson
Consultant Staffing - US

vesting, related to company's ranking within peer group

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%	

On February 16, 2012 (the grant date under the relevant plan), 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 at January 1, 2012 and the fair value of the performance shares as at the same date of € 19.31 per share.

On February 29, 2012 (the grant date under the relevant plan), 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 at January 1, 2012, and the fair value of the performance options as at the same date of € 7.46 per option. The options may vest and can be exercised three years after they are granted; the exercise price is the weighted average price of the Randstad shares on Euronext on February 24, 2012, up to and including February 28, 2012 (being three business days following the fifth business day after publication of the 2011 results), which amounted to € 28.11 per share.

The conditional on-target 2012 awards are as follows:

potential on-target awards

	number of shares	number of options
B.J. Noteboom	20,090	52,002
R.J. van de Kraats	13,530	35,021
J.W. van den Broek	11,885	30,764
L. Galipeau	11,885	30,764
L.J.M.V. Lindelauf	11,885	30,764
B. Wilkinson [1]	11,885	30,764
	81,160	**210,079**

1 Resigned in 2012.

Pension and other benefits

Pension contribution

The pension arrangements for members of the Executive Board are based on defined contribution and are placed with an insurance company. Randstad provides an annual contribution of 27% of the base salary to the schemes of Executive Board members; the Dutch Board members themselves contribute 8.5% of the base salary minus a relevant franchise. The company has no specific early retirement arrangements in place for Board members.

Other benefits

Additional arrangements include expense and relocation allowances, a company car or allowance, and accident insurance.

Loans

The company has issued no loans or guarantees to Executive Board members.

executive board remuneration 2013

In view of the current economic circumstances and trading environment, the base salaries of the Executive Board did not change as of January 1, 2013. Please also refer to the proposed amendments which will be submitted to the Annual General Meeting of shareholders on March 28, 2013, in order to update the remuneration policy for the Executive Board as explained in the remuneration policy section.

supervisory board remuneration 2012

The Annual General Meeting of shareholders determines the remuneration of the Supervisory Board members, which may be reviewed annually. The remuneration of the members of the Supervisory Board consists of one component only, being 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.

Randstad 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's insider-dealing rules. Randstad does not grant loans or guarantees to Supervisory Board members.

The annual allowances were last determined by the Annual General Meeting of shareholders held in 2007. At year-end 2011, the Supervisory Board evaluated the remuneration policy for its own members. Based on this review and taking the increased time effort made by the chairman and the members of the Supervisory Board during the past years into consideration, a proposal was submitted to shareholders at the Annual General Meeting of shareholders in 2012 to increase the annual allowance for the members from € 60,000 to € 75,000 and for the chairman from € 90,000 to € 110,000. For the vice-chairman, an annual fee of € 90,000 was introduced.

Subsequent to the adoption by shareholders of this proposal, the annual allowances and committee fees for the chairman and members of the Supervisory Board are mentioned in the table below:

allowances Supervisory Board members

in €

		2012	2011
Supervisory Board			
chairman	F. Fröhlich	110,000	90,000
vice-chairman		90,000	
members		75,000	60,000
audit committee			
chairman	L. van Wijk	12,000	12,000
members		8,000	8,000
remuneration & nomination committee			
chairman	F. Fröhlich	9,000	9,000
members		7,000	7,000
strategy committee			
chairman	W. Dekker	8,000	8,000
members		6,000	6,000

The total remuneration of the Supervisory Board members in 2012 amounted to € 654,000 (2011: € 549,000). The details per Board member are specified in note 41 to the financial statements.

The Supervisory Board members receive a fixed annual cost allowance related to Supervisory Board meetings of € 2,000 net for members and € 3,000 net for the chairman. Taking into consideration the significant effort and travel time required of Board members, an attendance fee applies of € 1,500 per meeting when cross-border travel is required in order to attend Supervisory Board meetings.

supervisory board remuneration 2013

The remuneration of the Supervisory Board will remain unchanged in 2013.

corporate governance

principles

Sound corporate governance is a key component of Randstad's culture, behavior and management and is consistent with its core values. Randstad's corporate governance is supported by a strong focus on integrity, transparency and clear and timely communication. The business processes throughout the organization incorporate transparency for both external reporting and the management of activities around the world. Good governance and proper supervision are important prerequisites for generating and maintaining trust in Randstad and its management.

Randstad's governance structure is based on the requirements of Dutch legislation, the company's articles of association and the rules and regulations of Euronext, complemented by internal policies and procedures. Given the worldwide exposure of Randstad and its businesses, the international context is of vital importance and both national and international developments are closely monitored.

Randstad has always sought to enhance and improve its governance in line with the Dutch corporate governance code ('the code', which can be found at www.commissiecorporategovernance.nl and international best practices. Any substantial changes in Randstad's corporate governance structure and its compliance with the code will be submitted to the Annual General Meeting of shareholders.

Corporate governance declaration

The Executive Board and the Supervisory Board, which are jointly responsible for the corporate governance structure of Randstad, are of the opinion that the vast majority of the principles and best practice provisions of the code are being applied. We strongly believe that these principles and provisions are consistent with our core values. This means that we do not merely take a 'box ticking' approach to compliance. As the code is based on the 'apply or explain' principle, a number of deviations, which are deemed necessary in the interests of Randstad, have been explained to shareholders and are described in this report. This report also includes the information that needs to be disclosed in accordance with the corporate governance declaration as referred to in the relevant Dutch governmental decree.

executive board

Tasked with the management of Randstad, the Executive Board is accountable for developing, driving, executing, and achieving the approved strategy and strategic targets. The Executive Board is also responsible for the associated risk profile, sound business and financial controls, the development of results, and the resolution of corporate responsibility issues, while simultaneously respecting policies that have been set. The responsibility for the management of Randstad is vested collectively in the Executive Board.

Since 2005, new board members have been appointed for a maximum term of four years. The division of tasks between the board members requires the approval of the Supervisory Board. Members need the prior approval of the Supervisory Board before they can take up a board position at another company. A member of the Executive Board may not be a member of the Supervisory Board of more than two listed companies or serve as chairman of the Supervisory Board of another listed company.

supervisory board

The Supervisory Board, acting in the interests of the company, supervises and advises the Executive Board in performing its management tasks, sets the direction of the Randstad business and guides its general development, including the financial policies and corporate structure. It evaluates the strategy, development of results, operating model, internal control mechanisms and sustainability framework established under the Executive Board's management. Major management decisions, including those involving strategy, require the approval of the Supervisory Board. The Supervisory Board further supervises the structure and management of systems of internal business controls and the financial reporting process. It is empowered to recommend to the Annual General Meeting of shareholders persons to be appointed as members of the Supervisory Board and Executive Board. It determines the remuneration of the individual members of the Executive Board within the remuneration policy adopted by the Annual General Meeting of shareholders.

Appointments and reappointments to the Supervisory Board are considered on the basis of a profile, taking into account the nature of Randstad's business and activities as well as the desired background and expertise of candidates. Diversity is an important criterion in order to establish a balance in nationality, gender, age, experience and background of the individual members. The Supervisory Board aims for at least one-third of its membership to meet the diversity criteria. Individual members of the Supervisory Board should limit the number of Supervisory Board memberships and other positions they may hold at listed and non-listed companies in such a way as to guarantee the proper performance of his or her duties and may not hold more than five Supervisory Board memberships in Dutch companies or other large organizations, whereby a chairmanship counts as two memberships. Supervisory Board remuneration is determined by the Annual General Meeting of shareholders and does not depend on the company's results.

Randstad ensures that there are structured reporting lines to the Supervisory Board. Key departments and operating companies work according to reporting frameworks that facilitate monitoring by both the Executive Board and the

Supervisory Board. 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. Through frequent informal consultation with and updates from the members of the Executive Board in between the meetings, the Supervisory Board remains well informed about the general state of affairs within Randstad and offers advice on various matters. At the end of each year, the Supervisory Board extensively assesses the composition, performance and functioning of the Executive Board and the Supervisory Board, as well as their individual members.

The chairman of the Supervisory Board ensures the proper functioning of the board and its committees, and acts on behalf of the Supervisory Board as the main contact for the Executive Board. The vice-chairman replaces the chairman when required, and acts as the contact for the other Board members on matters relating to the functioning of the chairman. The company secretary acts as secretary to the Supervisory Board.

Supervisory Board committees

While the Supervisory Board as a whole retains overall responsibility for its functions, it assigns some of its tasks to three permanent committees: the audit committee, the strategy committee, and the remuneration and nomination committee. Their advice and recommendations assist the full Supervisory Board in its decision-making. The Supervisory Board appoints committee members among its own members, based on the relevance of their expertise and experience. All Supervisory Board members are in principle also members of at least one committee. The 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, usually directly following a committee meeting.

The audit committee assists the Supervisory Board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, the external audit process, the external auditors' qualifications, independence and performance, as well as Randstad's process for monitoring compliance with laws and regulations. Throughout the year, the audit committee is tasked with the direct supervision of all matters relating to financial strategy and performance, including reporting, auditing and budgeting. The committee assesses audit strategy, the scope and approach of the external auditors, and monitors their progress. The relationship with the external auditors is evaluated annually. Together with the Executive Board, the audit committee reviews quarterly and full-year financial statements, auditors' reports and the management letter. 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. The audit committee may opt to meet separately with the external auditors to discuss the quality of financial reporting and cooperation with the financial departments.

The strategy committee acts as a sparring partner for the Executive Board and contributes in depth to the preparation of an annual, or if required semi-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 remuneration and nomination committee is tasked with making recommendations regarding the Randstad remuneration policy for the Executive Board and the Supervisory Board, for adoption by the Annual General Meeting of shareholders. The approved policy then forms the basis for the fixed and variable remuneration of the Executive Board members. The committee is also tasked with advising on candidates to fill vacancies in the Executive Board and Supervisory Board, evaluating the performance of both boards and their members, reviewing the development of senior management, ensuring long-term succession planning and making recommendations on the composition of the Supervisory Board committees.

Board compliance

Both boards, including the committees of the Supervisory Board, have their own by-laws, which set rules with regard to objectives, composition, duties, responsibilities and working methods. These by-laws are available at the company's head office and on our corporate website.

Any conflict of interest between Randstad and a board member should be avoided. Any actual or potential conflict of interest must be reported immediately to the other board members and/or the chairman of the Supervisory Board. Any shareholding in the company must be for the purpose of long-term investment. Board members must at all times comply with the provisions contained in the Randstad insider dealing rules. These rules include, among other items, a policy that stipulates that dealings in Randstad shares and options by board members should normally be restricted to the two weeks following the publication of quarterly financial results, provided that the person involved is not in possession of any inside information at that time.

annual general meeting of shareholders

Important matters that require the approval of the (Annual) General Meeting of shareholders are:
- adoption of the annual accounts;
- adoption of profit appropriation and additions to reserves;
- dividends;
- significant changes to the company's corporate governance;
- remuneration policy;
- discharge from liability of the Executive Board for its management of Randstad;
- discharge from liability of the Supervisory Board for its supervision of the management of Randstad;
- appointment of the external auditor;
- appointment, suspension or dismissal of the members of the Executive Board and the Supervisory Board, based on non-binding recommendations from the Supervisory Board;
- remuneration of the Supervisory Board;
- authorization to purchase, issue or sell shares in the Group's capital;
- adoption of amendments to the Articles of Association.

Further details about the proposals that the Executive Board or the Supervisory Board can submit to the meeting, and the procedure according to which shareholders themselves can submit matters for consideration by the meeting, are specified in the company's Articles of Association.

The Annual General Meeting of shareholders, which is normally held at the end of March or in early April, is simultaneously transmitted by audio webcast via our corporate website. As specified in the notice for the meeting, (unanimous) voting instructions can be given to an independent third party in advance of the meeting. Within three months of the meeting, the draft report of the meeting is made available for three months for comments. The definitive report is published on our corporate website.

Voting rights

The issued share capital of Randstad Holding nv currently consists of approximately 172 million ordinary shares, 25.2 million preference shares B, 14.6 million preference shares C1 and 35.6 million preference shares C2. The ordinary shares have equal voting rights ('1 share, 1 vote'). The voting rights on the preference shares are aligned with the historical capital contribution. Effective at a shareholders' meeting, the voting rights on the preference shares B are 3.6 million and the voting rights on the preference shares C are 5.6 million.

The foundation Stichting Administratiekantoor Preferente Aandelen Randstad Holding holds the preference shares B and C. The foundation's board consists of Bas Kortmann (chairman), Ton Risseeuw and Sjoerd van Keulen. 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, among others, ING Groep N.V., ASR N.V., and Randstad Beheer bv. Although the voting rights attached to the preference shares are vested in the foundation, each depositary receipt holder can ask the foundation a proxy to exercise the voting rights underlying his depositary receipts during a shareholders' meeting.

Randstad Holding nv may issue preference shares A to a legal entity charged with safeguarding the company's interests and preventing influences that may threaten its continuity, independence or identity. Holders of such shares have no pre-emptive rights, but are entitled to a cumulative annual dividend calculated on the basis of the average statutory interest rate plus surcharge up to a maximum of 3%. In the event of the dissolution of the company, the holders of preference shares A will first be repaid from the balance of the amount paid on their shares to be reduced by the dividend paid in the year in question. To date, no such shares have been issued. Resolutions for such an issue would require the cooperation of the Annual General Meeting of shareholders.

As at December 31, 2012, the holders of approximately 95.5% of ordinary shares have been able to make unrestricted use of their voting rights at the Annual General Meeting of shareholders. The other 4.5% of ordinary shares have been converted into depository receipts. A foundation, Stichting Administratiekantoor Randstad Optiefonds, holds those shares in 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. Frits Goldschmeding, the company's founder, is the sole board member of Stichting Administratiekantoor Randstad Optiefonds.

Auditor

The Executive Board ensures that the external auditors can properly perform their audit work and encourages both the external auditors and the company to properly pursue and perform the role and the policy of the company regarding the external auditor. The Annual General Meeting of shareholders charges the external auditor with the task of auditing Randstad's annual accounts.

Internal risk management & control systems

A detailed description of Randstad's risk & control framework, including a description of the most important risk management and control systems, is given in the 'risk & opportunity management' section.

exceptions to the code

Randstad applies all relevant provisions of the (updated) Dutch Corporate Governance Code, with the following exceptions.

II.1.1 A management board member is appointed for a maximum period of four years.
The members of the Executive Board appointed before 2005 were appointed for an indefinite period. The members of the Executive Board appointed since 2005 have been appointed for a period of four years.

II.2.5 Shares granted to management board members without financial consideration shall be retained for a period of at least five years [...].
The long-term incentive for the Executive Board is paid in performance shares and options. These vest after three years. Performance shares need to be retained for at least two more years. We believe this five-year term sufficiently enhances shareholder alignment and is in line with the long-term nature of the incentive. However, Randstad also believes that share sales should be allowed earlier to the extent necessary to settle any related tax liabilities.

II.2.8 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 certain members of the Executive Board is fixed at two annual base salaries plus one-twelfth of the same annual salary per year of service, with a maximum of three annual salaries. This severance arrangement applies only to premature termination of the employment contract when the cause of termination does not lie with the board member concerned, or in the event of a change in control. Effective 2013, the severance for all members of the Executive Board is set at one annual base salary in addition to the notice period.

III.5 If the Supervisory Board comprises more than four members, it should designate […], a remuneration committee and a selection & appointment committee.
As it was felt that issues related to selection, appointment and remuneration are interlinked, the Supervisory Board decided to combine these activities in one committee: the remuneration and nomination committee.

III.5.11 The remuneration committee shall not be chaired by the chairman of the Supervisory Board [...].
Given the strategic importance of the selection and retention of senior management for the long-term success of the company, Randstad has opted for a combined remuneration and nomination committee. Randstad considers it vital that the chairman of the Supervisory Board is also closely involved in the recruitment and retention of current and future senior management, as well as the longer-term succession planning for the Executive Board. This is reflected in the appointment of the chairman of the Supervisory Board as chairman of the remuneration and nomination committee.

legal transparency obligations

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

a. Capital structure and attached rights and duties
An overview of the company's capital structure, voting rights and dividend policy is provided in the section 'investor relations & share performance' of this annual report.

b. Statutory or contractual restrictions on share transfers
About 33.6% of the total share capital (3.1% ordinary shares, 10.2% preference shares B and 20.3% of preference shares C) is converted into depository receipts (see section 'voting rights'). The transfer of depositary receipts of preference shares requires the approval of the Executive Board and the Supervisory Board.

c. Major shareholders
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) preference shares. All transactions between Randstad and holders of at least 10% of the total number of shares are agreed on terms that are customary in the sector concerned. (See the section on related-party transactions in the financial statements). This means that best-practice provision III.6.4 of the Dutch Corporate Governance Code has been observed.

major shareholders

	2012	2011
F.J.D. Goldschmeding	30%-40%	30%-40%
ING	10%-15%	10%-15%
ASR	5%-10%	5%-10%
Stichting Randstad Optiefonds	5%-10%	5%-10%

d. Special rights of control
The company has not issued special rights of control to specific shares or shareholders. Preference shares A can be issued, but only with the approval of the Annual General Meeting of shareholders.

e. Control mechanisms relating to option plans and share (purchase) plans

The following share-based payment arrangements are in effect: 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 notes to share-based payments. 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 actually granted performance shares and options may, in principle, not exceed 1% of the ordinary issued share capital. Depending on the realization of the related performance targets and the company's actual share price, however, the number of shares to be issued in relation to vesting of the performance shares and options may in a certain year exceed the 1% limit. For this reason, the annual maximum authorization is 3% of the issued ordinary share capital of the company. The share purchase plan for corporate employees does not affect the share capital of the company. In January 2013, the Executive Board was also granted the authority to repurchase shares in order to avoid dilution.

f. Voting limitations

Holders of depository receipts of ordinary shares have no voting rights.

g. Agreements with shareholders that can limit the transfer of shares or voting rights

In 2007, the company finalized an agreement with Mr. Frits Goldschmeding, Randstad's 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 a commitment justifies assigning one seat as member of 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, meaning that during that year they will carry out no actions concerning their direct or indirect interests in Randstad Holding nv, nor will any changes take place in the strategy as it is pursued by Randstad Holding nv.

Grace period: If the inheritors intend to divest all or part of the shares after the lock-up period, they shall give written notice of this intended divestment to the Executive Board and Supervisory Board 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 the interests of the inheritors and the continuity of Randstad Holding nv. Such a proposal should be made within four months of receipt of the notification from the inheritors. This ruling only applies as long as the total interest of the inheritors amounts to more than one-third of all issued and outstanding ordinary shares in 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. 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 Annual General Meeting of shareholders.

These rights and obligations will cease to be applicable as soon as the interests of the inheritors fall below 25% of all issued and outstanding ordinary shares in Randstad Holding nv. As far as the company is aware, this is the sole arrangement with a shareholder that can limit the transfer of (depository receipts of) shares or of voting rights.

h. Regulations concerning the appointment and dismissal of Board members and changes to the Articles of Association

Members of the Executive Board and Supervisory Board are appointed by, and may at any time be suspended or dismissed by, the Annual General Meeting of shareholders. 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 Annual General Meeting of shareholders, 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 company's head office, for perusal by every shareholder, as well as every 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 to issue and repurchase shares in the company

Subject to the approval of the Supervisory Board, the Executive Board is authorized to issue shares, grant subscription rights and restrict or exclude pre-emptive rights for holders of ordinary shares until September 28, 2013, for an annual maximum of 3% of the issued ordinary share capital of the company. As of January 2013, the Executive Board is also authorized, subject to the approval of the Supervisory Board, to repurchase shares until July 16, 2014 for an annual maximum of 3% of the issued ordinary share capital of the company. The repurchase will mainly be for the purposes of the stock option and share plans for the Executive Board and senior management.

j. Change of control arrangements

Change of control provisions have been included in the company's syndicated loan facility, as well as the company's performance share and option plans for senior management and the share purchase plan for corporate employees.

k. Agreements with Board members or employees

If a Board member's employment contract is terminated because of a public offer, he or she will receive severance pay of two annual base salaries, plus one-twelfth of the same annual salary per year of service up to a maximum of three annual salaries. Effective 2013, the severance payment for all members of the Executive Board is set at one annual base salary in addition to the notice period.

Randstad provides the opportunity for professional growth, personal development and people development, which is my passion. I love to work hard every day to create a leadership position for Randstad Professionals in Brazil.

Pavel Kerkis
Head of Technical Sales, Marketing and Retail - Brazil

financial statements

contents

consolidated statement of comprehensive income

The notes on pages 112 to 154 are an integral part of these consolidated financial statements.

in millions of €	note	2012	2011
Revenue	**5**	**17,086.8**	**16,224.9**
Cost of services	6	13,979.5	13,271.0
Gross profit	**7**	**3,107.3**	**2,953.9**
Selling expenses	8	1,811.6	1,643.6
Amortization and impairment acquisition-related intangible assets and goodwill	11	336.0	303.4
Other general and administrative expenses		832.1	757.2
General and administrative expenses	**9**	**1,168.1**	**1,060.6**
Total operating expenses	**10**	**2,979.7**	**2,704.2**
Operating profit	**11**	**127.6**	**249.7**
Finance income	12	24.6	26.1
Finance expenses	12	(42.5)	(42.6)
Net finance costs	12	(17.9)	(16.5)
Share of profit/(loss) of associates	22	0.1	(0.2)
Income before taxes		**109.8**	**233.0**
Taxes on income	13	(73.1)	(54.0)
Net income	**14**	**36.7**	**179.0**
Translation differences		*(14.7)*	*46.9*
Other comprehensive income		*(0.3)*	*0.1*
Other comprehensive income		**(15.0)**	**47.0**
Total comprehensive income		**21.7**	**226.0**
Net income attributable to:			
Ordinary equity holders of Randstad Holding nv		29.9	171.6
Preferred equity holders of Randstad Holding nv		6.8	7.2
Equity holders		**36.7**	**178.8**
Non-controlling interests		0.0	0.2
Net income		**36.7**	**179.0**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (expressed in € per ordinary share)			
Basic earnings per ordinary share (€)	15	0.17	1.00
Diluted earnings per ordinary share (€)	15	0.17	1.00
Total comprehensive income attributable to:			
Ordinary equity holders of Randstad Holding nv		*14.9*	*218.6*
Preferred equity holders of Randstad Holding nv		*6.8*	*7.2*
Equity holders		**21.7**	**225.8**
Non-controlling interests		*0.0*	*0.2*
Total comprehensive income		**21.7**	**226.0**

consolidated balance sheet at December 31

The notes on pages 112 to 154 are an integral part of these consolidated financial statements.

in millions of €	note	2012	2011
ASSETS			
Property, plant and equipment	16	155.3	179.4
Goodwill	17	2,407.1	2,551.6
Acquisition-related intangible assets	18	495.7	689.2
Software	19	39.7	46.6
Intangible assets		**2,942.5**	**3,287.4**
Deferred income tax assets	20	504.7	724.4
Financial assets	21	79.7	80.1
Associates	22	1.0	0.9
Non-current assets		**3,683.2**	**4,272.2**
Trade and other receivables	23	2,872.5	3,110.9
Income tax receivables	20	49.9	52.8
Cash and cash equivalents	24	191.5	338.6
Current assets		**3,113.9**	**3,502.3**
TOTAL ASSETS	**25**	**6,797.1**	**7,774.5**
EQUITY AND LIABILITIES			
Issued capital		19.7	19.6
Share premium		2,096.4	2,067.2
Reserves		572.1	632.8
Net income for the year		36.7	178.8
Shareholders' equity	**26**	**2,724.9**	**2,898.4**
Non-controlling interests	26	0.1	0.6
Total equity	**26**	**2,725.0**	**2,899.0**
Borrowings	27	-	1,602.7
Deferred income tax liabilities	20	44.3	442.7
Employee benefit obligations	28	24.1	24.4
Provisions	29	40.5	59.7
Other liabilities	30	14.9	19.4
Non-current liabilities		**123.8**	**2,148.9**
Borrowings	27	82.5	38.5
Short-term part non-current borrowings	27	1,204.7	-
Trade and other payables	31	2,343.0	2,477.5
Income tax liabilities	20	170.5	53.3
Provisions	29	139.7	100.5
Other liabilities	30	7.9	56.8
Current liabilities		**3,948.3**	**2,726.6**
Liabilities		**4,072.1**	**4,875.5**
TOTAL EQUITY AND LIABILITIES		**6,797.1**	**7,774.5**

consolidated statement of cash flows

The notes on pages 112 to 154 are an integral part of these consolidated financial statements.

in millions of €	note	2012	2011
Operating profit		127.6	249.7
Depreciation and impairment property, plant and equipment	11	59.6	54.3
Amortization and impairment software	11	24.5	26.2
Amortization and impairment acquisition-related intangible assets	11	196.2	178.4
Impairment goodwill	11	139.8	125.0
(Gain)/Loss on disposal of subsidiaries/activities	35	(9.4)	2.0
Share-based payments	38	24.1	15.1
Employee benefit obligations	37	(2.9)	(1.0)
Provisions	37	19.9	(7.4)
Loss on disposals of property, plant and equipment	16	1.1	0.2
Other non-cash items	37	3.9	4.0
Cash flow from operations before operating working capital and income taxes		**584.4**	**646.5**
Trade and other receivables	37	197.9	(67.9)
Trade and other payables	37	(113.7)	59.2
Operating working capital		**84.2**	**(8.7)**
Income taxes paid	20	(140.0)	(118.3)
Net cash flow from operating activities		**528.6**	**519.5**
Additions in property, plant and equipment	16	(43.2)	(64.2)
Additions in software	19	(20.3)	(21.3)
Acquisition of subsidiaries/activities/buyout non-controlling interests	35	(44.1)	(565.8)
Held-to-maturity investments	21	(7.4)	(5.8)
Loans, receivables and available-for-sale financial assets	21	6.3	0.7
Disposals of property, plant and equipment	16	2.5	6.3
Disposals of subsidiaries/activities	35	13.4	9.2
Net cash flow from investing activities		**(92.8)**	**(640.9)**
Issue of new ordinary shares	26	0.9	17.0
Drawings on non-current borrowings	27	-	427.5
Repayments of non-current borrowings	27	(380.5)	(5.9)
Net financing		**(379.6)**	**438.6**
Finance income received	12	7.1	4.5
Finance expenses paid	12	(30.0)	(27.3)
Dividend paid on ordinary shares	26	(215.1)	(201.6)
Dividend paid on preferred shares B	26	(7.1)	(7.2)
Dividend paid to non-controlling interests		-	(0.3)
Net reimbursement to financiers		**(245.1)**	**(231.9)**
Net cash flow from financing activities		**(624.7)**	**206.7**
Net (decrease)/increase in cash, cash equivalents and current borrowings		**(188.9)**	**85.3**
Cash, cash equivalents and current borrowings at January 1	37	**300.1**	**209.2**
Net (decrease)/increase in cash, cash equivalents and current borrowings		(188.9)	85.3
Translation (losses)/gains		(2.2)	5.6
Cash, cash equivalents and current borrowings at December 31	37	**109.0**	**300.1**
Free cash flow	37	**466.5**	**435.2**

consolidated statement of changes in equity

The notes on pages 112 to 154 are an integral part of these consolidated financial statements.

in millions of €	issued captital	share premium	reserves			net income	share-holders' equity	non-controlling interests	total equity
			translation	share-based payments	retained earnings				
Balance at January 1, 2011	**19.5**	**2,031.3**	**(28.7)**	**39.0**	**501.7**	**288.0**	**2,850.8**	**1.6**	**2,852.4**
Net income 2011	-	-	-	-	-	178.8	178.8	0.2	179.0
Translation differences	-	-	46.9	-	-	-	46.9	0.0	46.9
Other comprehensive income	-	-	-	-	0.1	-	0.1	-	0.1
Total other comprehensive income	**-**	**-**	**46.9**	**-**	**0.1**	**-**	**47.0**	**0.0**	**47.0**
Total comprehensive income 2011	**-**	**-**	**46.9**	**-**	**0.1**	**178.8**	**225.8**	**0.2**	**226.0**
Transactions with owners:									
Dividend 2010 on ordinary shares	-	-	-	-	-	(201.6)	(201.6)	-	(201.6)
Dividend 2010 on preferred shares	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Transfer to retained earnings	-	-	-	-	79.2	(79.2)	-	-	-
Share-based payments:									
- fair value of vesting rights	-	-	-	15.1	-	-	15.1	-	15.1
- exercised stock options (on new issued shares)	0.0	16.2	-	(2.5)	(2.8)	-	10.9	-	10.9
- issued performance shares	0.1	19.7	-	(6.5)	(7.2)	-	6.1	-	6.1
- taxes on share-based payments	-	-	-	-	1.6	-	1.6	-	1.6
Other:									
- acquisition non-controlling interests	-	-	-	-	(3.1)	-	(3.1)	(0.9)	(4.0)
- dividend non-controlling interests	-	-	-	-	-	-	-	(0.3)	(0.3)
Total transactions with owners	**0.1**	**35.9**	**-**	**6.1**	**67.7**	**(288.0)**	**(178.2)**	**(1.2)**	**(179.4)**
Balance at December 31, 2011	**19.6**	**2,067.2**	**18.2**	**45.1**	**569.5**	**178.8**	**2,898.4**	**0.6**	**2,899.0**
Net income 2012	-	-	-	-	-	36.7	36.7	0.0	36.7
Translation differences	-	-	(14.7)	-	-	-	(14.7)	0.0	(14.7)
Other comprehensive income	-	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Total other comprehensive income	**-**	**-**	**(14.7)**	**-**	**(0.3)**	**-**	**(15.0)**	**0.0**	**(15.0)**
Total comprehensive income 2012	**-**	**-**	**(14.7)**	**-**	**(0.3)**	**36.7**	**21.7**	**0.0**	**21.7**
Transactions with owners:									
Dividend 2011 on ordinary shares	-	-	-	-	(43.4)	(171.7)	(215.1)	-	(215.1)
Dividend 2011 on preferred shares	-	-	-	-	-	(7.1)	(7.1)	-	(7.1)
Share-based payments:									
- fair value of vesting rights	-	-	-	24.1	-	-	24.1	-	24.1
- exercised stock options (on new issued shares)	0.0	2.2	-	(2.4)	1.1	-	0.9	-	0.9
- issued performance shares	0.1	27.0	-	(9.4)	(17.7)	-	0.0	-	0.0
- taxes on share-based payments	-	-	-	-	2.5	-	2.5	-	2.5
Other:									
- acquisition non-controlling interests	-	-	-	-	(0.5)	-	(0.5)	(0.5)	(1.0)
Total transactions with owners	**0.1**	**29.2**	**-**	**12.3**	**(58.0)**	**(178.8)**	**(195.2)**	**(0.5)**	**(195.7)**
Balance at December 31, 2012	**19.7**	**2,096.4**	**3.5**	**57.4**	**511.2**	**36.7**	**2,724.9**	**0.1**	**2,725.0**

The sum of the various items included under 'Reserves' within shareholders' equity per December 31, 2012 amounts to € 572.1 million (December 31, 2011: € 632.8 million). Additional information with respect to equity is included in note 26.

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 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 activities of the Group are Staffing, Inhouse services, HR Solutions, Professionals and Search & Selection.

Date of authorization of issue

The financial statements were signed and authorized for issue by the Executive Board and Supervisory Board on February 12, 2013. 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 March 28, 2013.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and IFRS IC interpretations (IFRIC), as adopted by the European Union (hereafter: IFRS). These policies have been consistently applied to all periods presented.

New standards, amendments and interpretations to existing IFRS standards became effective in 2012. These new standards, amendments and interpretations, as far as they are relevant to the Group, have no impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

New standards, amendments and interpretations to existing IFRS standards have been published that only must be applied in accounting periods beginning on or after January 1, 2013. As far as these standards, amendments and interpretations are applicable to the Group, the Group has not opted for early adoption.

IFRS standard IAS 19 has been amended. The general impact - although limited to the Group - will be as follows: to immediately recognize all past service costs and to replace interest expense and expected return on plan assets with a net interest amount that is based on a discount rate that is applied to the net defined benefit liability. The financial impact of this change on the Group is further disclosed in note 28 of these financial statements. All other new standards, amendments and interpretations are expected to have no material impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

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 management 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. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments made by management in applying accounting policies that could have a significant effect on the financial statements are disclosed in note 4.

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.

In these financial statements all amounts, unless otherwise stated, are presented in millions of euros.

2.2 Consolidation principles

The consolidated financial statements comprise the 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 so as to obtain benefits from its activities, generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

The Group uses the acquisition method to account for the acquisition of subsidiaries.
Goodwill at acquisition date is measured as:
- the fair value of the consideration transferred, being the fair value of the assets given and liabilities incurred or assumed; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- the fair value of any previous equity interests in the acquiree (if the business combination is achieved in stages); less
- the fair value of the identifiable assets acquired and (contingent) liabilities assumed.

When this difference is negative ('negative goodwill'), this amount is recognized directly in operating expenses.

All considerations transferred to acquire a business are recorded at fair value at the acquisition date; subsequent changes to the fair value of the contingent considerations classified as debt are recognized as expenses or income.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

All acquisition-related costs are expensed and included in general and administrative expenses.

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. Intercompany transactions take place on an arm's length basis.

See note 43 for an overview of the major subsidiaries.

Associates
Associates are companies where the Group 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 share of (loss)/profit of associates, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

Non-controlling interests
Non-controlling interests represent the net assets not held by the Group and are presented within total equity in the consolidated balance sheet, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the equity holders and to the non-controlling interests.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquisitions of non-controlling interests the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity as long as control of the subsidiary is maintained.

Disposal of subsidiaries
Upon disposal of a subsidiary, the gain or loss upon disposal is included in operating profit. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold. Where goodwill has been allocated to a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill related to that part is included in the carrying amount of the disposed operation, when determining the gain or loss on disposal. Goodwill disposed in these cases is measured based on the relative values of the disposed operation and of the portion of the cash-generating unit remaining.

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 net finance costs for exchange differences on cash and cash equivalents and borrowings and in operating expenses for exchange differences on other monetary balance sheet items, except for exchange differences resulting from financial liabilities designated as a hedge of the net investment in a foreign operation; these are recognized in other comprehensive income.

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 at 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 the acquisition of a subsidiary that has a currency other than the euro, balance sheet items are translated to euros at the foreign exchange rates 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 recognized in other comprehensive income and presented in the (foreign currency) translation reserve, a separate component within equity, as are translation differences of financial liabilities designated as hedges of such investments (net investment hedge), to the extent that the hedge is effective. The gain or loss relating to the ineffective portion is recognized immediately in net finance costs.

If the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation differences is allocated to the non-controlling interests.

Whenever a foreign operation is disposed these translation differences are released or charged to the statement of comprehensive income as part of the gain or loss on disposal.

2.4 Segment reporting
Segments are geographical areas and are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the segments, has been identified as the Executive Board of the Group that makes strategic decisions. There are no sales or other transactions between the geographical areas.

'Corporate' is also included in the disclosures on segments, and represents the unallocated part of assets, liabilities, income and expenses of holding activities.

The information with regard to these geographical areas is included in the various notes of these financial statements.

Revenue categories
Revenue categories are our service concepts. Three different revenue categories are reported: 'Staffing' (including HR Solutions), 'Inhouse Services' and 'Professionals' (including Search & Selection). All service concepts have activities in all parts of the world.

For a more detailed description of these service concepts, refer to the report of the executive board on page 11 .

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 are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to groups of cash-generating units for purposes of impairment testing.

If the recoverable amount of an asset or (a group of) cash-generating unit(s) is estimated to be less than its carrying amount, the carrying amount of the asset or (a group of) cash-generating unit(s) is reduced to its recoverable amount.

The resulting impairment loss is immediately recognized in operating expenses.

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 interest rates, which align with the terms of the projections, and the specific risks of the asset or business, respectively.

In determining the fair value less costs to sell, information like recent market transactions is taken into account; if no such (comparable) transactions can be identified, an appropriate valuation model is used. This latter valuation model is supplemented with valuation multiples, quoted share prices or other available fair value indicators.

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

Financial assets
The carrying amounts of the financial assets (held-to-maturity investments, loans and receivables, available-for-sale assets) 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 immediately recognized in net finance costs.

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

An impairment loss on financial assets (held-to-maturity investments, loans and receivables, available-for-sale assets) 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.

With respect to other assets, an impairment loss recognized in a prior period is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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.

Revenue from temporary placements includes the amounts received or receivable for the services of staffing employees including the salary and salary-related employment costs of those employees ('gross basis'). These revenues are generally based on the number of hours worked by these staffing employees.

Revenue from permanent placements includes the fee received or receivable for the services provided; the fee generally being a percentage of the candidate's remuneration package ('net basis'). The revenue of these permanent placements is recognized on completion of the service, being the start date of the candidate. For so called 'retained assignments', revenue is recognized on the completion of certain pre-agreed stages of the service and for which the fee is non-refundable. Allowances are established to estimate losses due to placed candidates not remaining employed during the agreed guarantee period.

In situations where the Group is the principal in the transaction and has risks and rewards of ownership, the transactions are recorded gross in the statement of comprehensive income. When the Group acts as an agent, such as in cases where the Group acts as a managed service provider, revenues are reported on a net basis.

2.7 Expenses
Cost of services comprises expenses directly attributable to revenue. These costs mainly include 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 expenses, other general and administrative expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

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 operating expenses and/or cost of services on a straight-line basis over the term of the lease.

2.9 Grants
Grants are recognized when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them.

Grants that compensate for expenses incurred are credited to operating expenses and/or cost of services on a systematic basis in the same period in which the expenses are incurred.

2.10 Net finance costs

Net finance costs comprise interest expenses and interest income, as well as items similar to interest, 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, loans and receivables and deferred considerations, as well as in relation to the valuation of certain provisions and employee benefit obligations, are also included in net finance costs. Changes in the value of deferred considerations and differences upon settlement of these deferred considerations (refer to note 2.20), as well as dividend paid to non-controlling interests classified as other liabilities, are also reported under 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 for taxes that relate to items recognized in other comprehensive income; these taxes are also directly recognized in other comprehensive income.

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

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will 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.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to operating expenses and/or cost of services 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 on disposal are included in the income statement under general and administrative expenses.

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 five years.

2.13 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of associates is included in investments in associates. For the measurement of goodwill at initial recognition, refer to note 2.2.

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 integrating the acquired companies 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; in case of a loss on disposal of an entity, the goodwill part in the loss is presented in the income statement as an impairment of goodwill.

Goodwill is allocated to groups of cash-generating units for the purpose of impairment testing. The allocation is made to those 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 including franchise agreements, brand names and candidate databases including flex workers) 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 operating expenses 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
Candidate 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 overhead.
Expenditures associated with maintaining computer software programs are recognized as an expense when incurred.

Amortization of software applications is charged to operating expenses and/or cost of services 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 financial 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 for which 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.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.
Subsequent to initial recognition, they are measured at fair value and changes in this fair value, except for impairment losses, are included in other comprehensive income. These assets are included in non-current assets unless the investment matures or management intends to dispose of these within 12 months of the end of the reporting year.

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 impairment 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 of 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, the 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 asset's 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 selling expenses.
The impaired trade receivables are provided for excluding recoverable value-added taxes.

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

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

At the issue of new shares or at the extension of the term of preferred shares outstanding, 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 re-assesses its estimates of the vesting of these share-based payment arrangements. The impact of the revision on original estimates with respect to the past vesting period, if any, is recognized in personnel expenses immediately, with a corresponding adjustment to shareholders' equity.

2.19 Borrowings
Borrowings are initially recognized 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 net finance costs over the period of the borrowings using the effective interest method.

2.20 Other liabilities
Other liabilities mainly include liabilities arising from arrangements with the previous owners of acquired companies that still hold a non-controlling interest ('deferred considerations') and deferred payments from other business combinations.

With respect to these arrangements, the Group has entered into put and call options with the holders of these non-controlling interests. The put option gives the minority shareholder the right to sell its non-controlling interest to the Group. The call option gives the Group the right to purchase the non-controlling interest. The option exercise price is determined by a contractually agreed formula that is (mainly) based on the future results of the company involved.
The liability is stated initially at fair value. Subsequent measurement is at amortized cost, using the effective interest method. The value is determined by means of the present value of the expected cash outflows to settle the liability, based on projected results. The discount rate used in discounting the expected cash outflows is based on an interest rate that reflects the current market assessment of the time value of money, taking into account the expected settlement of these liabilities.

In line with the nature of the put option, the liability is classified as short term, except for the part that can only be exercised after one year. Changes in the value of these liabilities (also including interest due to passage of time), as well as differences upon settlement between the actual cash outflow and the expected cash outflow, are accounted for in net finance costs. The companies acquired under these arrangements are fully consolidated, with no recognition of a non-controlling interest.

2.21 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 is recognized in personnel expenses and/or cost of services 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 personnel expenses and/or cost of services, 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 post-employment benefits and long service leave 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 plans are recognized in personnel expenses and/or cost of services in the year they occur.

2.22 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 to the extent these 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. No provision is created for future operating losses.

Provisions for workers' compensation are based on claims for compensation and medical expenses (of both staffing and corporate employees) in relation to accidents during working hours, for which the Group is liable under applicable local laws. These provisions relate to our activities in North America and a part of Australia, where we are responsible for payment of workers' compensation claims up to a maximum amount per claim, beyond which the costs are insured. An independent actuary calculates the amount of the provision.

Within other provisions, the Group has provided for obligations, if and as far as necessary, mainly 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; and
- estimated amounts of claims from third parties; this provision is generally composed of a large number of individual claims, as the Group operates globally in various jurisdictions; claims are provided for at the lowest amount at which the Group expects the claim to be reasonably settled. Due to the highly uncertain timing of the expected future cash out-flow, provided amounts for claims third parties are categorized to be settled within 1 year after the balance sheet date, unless these are explicitly expected to be settled differently.

2.23 Trade and other payables

Trade and other payables are initially stated at fair value. Subsequent measurement is at amortized cost using the effective interest method.

2.24 Operating working capital

Operating working capital includes current assets, excluding cash and cash equivalents, current income tax receivables and the current part of held-to-maturity investments, minus current liabilities, excluding current borrowings, current income tax liabilities and the current part of provisions and other liabilities.

2.25 Net cash/debt

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

2.26 Fair value estimation

Fair value estimations are included in these financial statements, mainly with respect to financial assets and financial liabilities.
As no financial assets and liabilities of the Group are traded in active markets, techniques such as estimated discounted cash flows are used to determine the fair value.
The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial assets and liabilities.

3. Consolidated statement of cash flows

The statement of cash flows has been prepared applying the indirect method. Cash in the statement of cash flows 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 statement of cash flows. Income taxes paid/received are included in the cash flow from operating activities. Finance income received, finance expenses paid 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 statement of cash flows net of net cash acquired or disposed of, respectively. Changes in assets and liabilities resulting from the acquisition and disposal of subsidiaries are taken into account in the calculation of the consolidated cash flows.

4. Critical accounting estimates, assumptions 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, assumptions and judgements 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 impairment tests, impairment losses, if any, are identified. However, should the actual performance of these cash-generating units become materially worse compared to the performance based on 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 sensitivity of impairment testing of goodwill, refer to note 17.
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 on 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. For the sensitivity of employee benefit obligations and provisions refer to note 28 and note 29 respectively.

4.3 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide deferred tax asset on, amongst other items, tax losses carry-forward. 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. The Group has also identified a number of uncertain tax positions, which could lead to positive and/or negative differences as well. For the sensitivity of assumptions in the determination of deferred taxes, refer to note 20.3.

notes to the consolidated statement of comprehensive income

(amounts in millions of €, unless otherwise indicated)

5. Revenue

Revenue by segment:

	2012	2011
North America	3,946.5	2,513.8
France	3,098.6	3,377.7
Netherlands	2,824.9	2,940.1
Germany	1,842.6	1,959.7
Belgium & Luxembourg	1,317.8	1,412.8
United Kingdom	798.7	788.6
Iberia	781.7	872.5
Other European countries	897.6	930.2
Rest of the world	1,578.4	1,429.5
	17,086.8	**16,224.9**

Revenue by revenue category:

	2012	2011
Staffing	10,566.0	10,550.2
Professionals	3,494.1	3,089.4
Inhouse services	3,026.7	2,585.3
	17,086.8	**16,224.9**

6. Cost of services

	2012	2011
Wages, salaries, social security and pension charges	13,423.5	12,710.4
Depreciation property, plant and equipment	0.7	0.6
Amortization software	0.0	0.1
Other cost of services	555.3	559.9
	13,979.5	**13,271.0**

For further information on wages, salaries, social security charges and pension charges included in cost of services, refer to note 38.

7. Gross profit

Gross profit by segment:

	2012	2011
North America	814.8	493.1
France	420.5	451.7
Netherlands	593.9	643.7
Germany	348.3	402.0
Belgium & Luxembourg	254.7	272.0
United Kingdom	145.8	154.1
Iberia	97.7	113.1
Other European countries	149.0	154.7
Rest of the world	282.6	269.5
	3,107.3	**2,953.9**

8. Selling expenses

Selling expenses include an amount of € 10.5 million (2011: € 7.5 million) related to impairment losses on trade receivables as well as debt collection costs.

9. General and administrative expenses

General and administrative expenses include:

- foreign exchange losses of € 0.5 million (2011: € 0.9 million);
- a loss on the sale of property, plant and equipment of € 1.1 million (2011: € 0.2 million);
- a book profit on the sale of subsidiaries/activities of € 9.4 million (2011: loss of € 2.0 million);
- no acquisition-related expenses (2011: € 6.1 million).

10. Total operating expenses

Total operating expenses by nature:

	2012	2011
Personnel expenses	1,928.4	1,703.1
Depreciation and impairment property, plant and equipment	58.9	53.7
Amortization software	24.5	26.1
Advertising and marketing	113.5	129.4
Accommodation	217.8	193.9
Other	300.6	294.6
Operating expenses	**2,643.7**	**2,400.8**
Amortization and impairment acquisition-related intangible assets and goodwill	336.0	303.4
	2,979.7	**2,704.2**

For further information on personnel expenses, refer to note 38.

11. Operating profit

Operating profit by segment:

	2012	2011
North America	73.7	37.7
France	28.9	71.3
Netherlands	103.9	143.4
Germany	80.8	117.6
Belgium & Luxembourg	40.8	53.9
United Kingdom	(129.9)	(106.8)
Iberia	(22.4)	(22.6)
Other European countries	20.7	19.9
Rest of the world	(20.2)	(19.7)
Corporate	(48.7)	(45.0)
	127.6	**249.7**

Depreciation, amortization and impairment property, plant, equipment and software by segment:

	2012	2011
North America	13.1	9.1
France	16.1	14.3
Netherlands	17.6	18.3
Germany	6.2	6.9
Belgium & Luxembourg	7.4	9.1
United Kingdom	5.0	5.4
Iberia	2.0	2.4
Other European countries	4.3	5.0
Rest of the world	12.4	10.0
Corporate	0.0	0.0
	84.1	**80.5**

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

	2012	2011
Depreciation buildings	1.8	1.5
Depreciation computer hardware	17.8	16.3
Depreciation leasehold improvements and furniture and fixtures	34.7	36.5
Impairment buildings and land	2.4	-
Impairment leasehold improvements and furniture and fixtures	2.9	-
Depreciation and impairment property, plant and equipment	**59.6**	**54.3**
Amortization software	24.5	26.2
	84.1	**80.5**

The total amount of depreciation, amortization and impairment property, plant, equipment and software is included in the following categories:

	2012	2011
Cost of services	0.7	0.7
Selling expenses	30.0	27.8
General and administrative expenses	53.4	52.0
	84.1	**80.5**

11.2 Amortization and impairment acquisition-related intangible assets and goodwill

	2012	2011
Amortization acquisition-related intangible assets	196.2	178.4
Impairment goodwill	139.8	125.0
	336.0	**303.4**

Amortization and impairment acquisition-related intangible assets and goodwill by segment:

	2012	2011
North America	71.9	45.8
France	33.0	33.0
Netherlands	18.6	18.7
Germany	8.0	9.2
Belgium & Luxembourg	7.9	8.6
United Kingdom	131.6	108.0
Iberia	35.6	43.1
Other European countries	7.4	7.8
Rest of the world	22.0	29.2
	336.0	**303.4**

11.3 Operating leases

In operating profit, an amount of € 248.3 million (2011: € 238.5 million) is included for operating leases.

11.4 Grants

Grants included in operating profit amount to € 22.1 million (2011: € 23.6 million), of which € 22.0 million (2011: € 23.5 million) is reported under cost of services. Grants mainly relate to the (partial) compensation of the costs of education of staffing employees.

12. Net finance costs

	2012	2011
Finance income		
Interest and similar income	2.6	3.9
Foreign exchange gains	4.3	2.1
Changes in value other liabilities	14.4	17.0
Interest income due to passage of time:		
- 'held-to-maturity' investments, loans and receivables	3.3	3.1
	24.6	**26.1**
Finance expenses		
Interest and similar expenses on current borrowings	4.8	5.7
Interest and similar expenses on non-current borrowings	21.3	25.1
Dividend non-controlling interests classified as other liabilities	7.1	2.4
Loss on disposal available-for-sale financial assets	0.3	-
Interest expenses due to passage of time:		
- defined benefit pension plans and other employee benefits	3.7	3.5
- provisions	2.2	1.7
- other liabilities	3.1	4.2
	42.5	**42.6**
	17.9	**16.5**

Finance income and expenses have been adjusted for non-cash items (such as interest receivable/payable and changes in value of other liabilities) to arrive at finance income received of € 7.1 million (2011: € 4.5 million) and finance expenses paid of € 30.0 million (2011: € 27.3 million) in the statement of cash flows.

13. Taxes on income

	2012	2011
Current tax expense	147.8	157.1
Deferred tax income	(74.7)	(103.1)
Tax expense	**73.1**	**54.0**

In 2012, the average effective tax rate on income before taxes is 66.6% (2011: 23.2%). The reconciliation between the income tax rate of the company's country of domicile and the average effective tax rate is as follows:

	2012	2011
Income tax rate of the company's country of domicile	25.0%	25.0%
Effect of income tax rates in other (non-domestic) jurisdictions	5.6%	5.7%
Weighted average applicable tax rate	**30.6%**	**30.7%**
Tax-exempt income/non-tax deductible items	32.4%	15.1%
Changes in statutory applicable tax rates and effects prior years	2.2%	0.0%
Change in valuation of deferred tax assets and other	1.4%	(22.6)%
Average effective tax rate	**66.6%**	**23.2%**

The difference in the average effective tax rates between the years 2012 and 2011 is amongst others due to the impact of a goodwill impairment in 2012 (€ 140 million) and in 2011 (€ 125 million) and a tax gain in 2011 of € 51 million.

The tax gain in 2011 resulted from the expectation to be able to recover net operating losses, after the more favourable business conditions and outlook for our company (and its enlarged operations after the acquisition of SFN Group) and industry in the US; this gain is reflected in the line 'change in valuation of deferred tax assets and other'.

To provide a better insight into the average effective tax rate, and better comparison between these rates in 2012 and 2011, the actual figures have been adjusted for the effects as mentioned above, which results in the following reconciliation between the income tax rate of the company's country of domicile and the average effective tax rate for these 'pro forma' figures:

	2012	2011
Income tax rate of the company's country of domicile	25.0%	25.0%
Effect of income tax rates in other (non-domestic) jurisdictions	2.7%	4.4%
Weighted average applicable tax rate	**27.7%**	**29.4%**
Tax-exempt income/non-tax deductible items	0.0%	0.4%
Changes in statutory applicable tax rates and effects prior years	1.0%	0.0%
Change in valuation of deferred tax assets and other	0.6%	(0.5)%
Average effective tax rate	**29.3%**	**29.3%**

In the line tax-exempt income/non-tax deductible items the impact related to the French business tax (CVAE) is included for 11.1% (2011: 8.4%).

The change in the weighted average applicable tax rate in 2012 compared to 2011 is caused by a changed mix in results of subsidiaries in countries with different tax rates and the relative weight of positive and negative results.

14. Net income, EBITA and EBITDA

Net income includes foreign exchange gains of € 3.8 million (2011: € 1.2 million). For other items included in net income, refer to note 9.

The reconciliation between net income, EBITA and EBITDA is as follows:

	2012	2011
Net income	36.7	179.0
Taxes on income	73.1	54.0
Share of (profit)/loss of associates	(0.1)	0.2
Net finance costs	17.9	16.5
Operating profit	**127.6**	**249.7**
Amortization acquisition-related intangible assets	196.2	178.4
Impairment acquisition-related intangible assets and goodwill	139.8	125.0
Operating profit before amortization and impairment acquisition-related intangible assets and goodwill (EBITA)	**463.6**	**553.1**
Depreciation and impairment property, plant and equipment	59.6	54.3
Amortization and impairment software	24.5	26.2
Operating profit before depreciation, amortization and impairment (EBITDA)	**547.7**	**633.6**

EBITA by segment:

	2012	2011
North America	145.6	83.5
France	61.9	104.3
Netherlands	122.5	161.9
Germany	88.8	126.9
Belgium & Luxembourg	48.7	62.5
United Kingdom	1.7	1.3
Iberia	13.2	20.5
Other European countries	28.1	27.7
Rest of the world	1.8	9.5
Corporate	(48.7)	(45.0)
	463.6	**553.1**

EBITDA by segment:

	2012	2011
North America	158.7	92.6
France	78.0	118.6
Netherlands	140.1	180.2
Germany	95.0	133.8
Belgium & Luxembourg	56.1	71.6
United Kingdom	6.7	6.7
Iberia	15.2	22.9
Other European countries	32.4	32.7
Rest of the world	14.2	19.5
Corporate	(48.7)	(45.0)
	547.7	**633.6**

15. Earnings per ordinary share

	2012	2011
Net income		
Net income attributable to holders of ordinary shares	29.9	171.6
Amortization and impairment acquisition-related intangible assets and goodwill (after taxes)	270.4	245.7
Net income attributable to holders of ordinary shares before amortization and impairment acquisition-related intangible assets and goodwill	**300.3**	**417.3**
Numbers of ordinary shares (in millions)		
Weighted average number of ordinary shares outstanding	171.9	170.8
Dilutive effect of share-based payments arrangements	1.2	1.5
Weighted average number of diluted ordinary shares outstanding	**173.1**	**172.3**
Earnings per ordinary share (in €)		
Basic earnings per ordinary share	0.17	1.00
Diluted earnings per ordinary share	0.17	1.00
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill	1.73	2.42

Basic earnings per ordinary share are calculated by dividing net income attributable to the holders of ordinary shares of Randstad Holding nv by the weighted average number of ordinary shares outstanding during the year. The issued ordinary share capital is 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.

notes to the consolidated balance sheet

(amounts in millions of €, unless otherwise indicated)

16. Property, plant and equipment

	buildings and land	computer hardware	leasehold improvements, furnitures and fixtures	total
Cost	76.7	169.0	408.4	654.1
Accumulated depreciation and impairment	33.2	143.2	322.1	498.5
Balance at January 1, 2011	**43.5**	**25.8**	**86.3**	**155.6**
Book value at January 1, 2011	43.5	25.8	86.3	155.6
Acquisition of subsidiaries	8.3	5.9	2.7	16.9
Disposal of subsidiaries	0.0	(0.4)	(0.5)	(0.9)
Additions	0.0	22.6	41.6	64.2
Disposals	(4.7)	(0.2)	(1.6)	(6.5)
Depreciation	(1.5)	(16.3)	(36.5)	(54.3)
Translation differences	2.2	0.8	1.4	4.4
Balance at December 31, 2011	**47.8**	**38.2**	**93.4**	**179.4**
Cost	82.8	192.2	434.1	709.1
Accumulated depreciation and impairment	35.0	154.0	340.7	529.7
Balance at December 31, 2011	**47.8**	**38.2**	**93.4**	**179.4**
Book value at January 1, 2012	47.8	38.2	93.4	179.4
Acquisition of subsidiaries	0.0	0.0	0.0	0.0
Disposal of subsidiaries	0.0	0.0	(1.1)	(1.1)
Additions	0.0	17.4	25.8	43.2
Disposals	(2.0)	(0.6)	(1.0)	(3.6)
Depreciation	(1.8)	(17.8)	(34.7)	(54.3)
Impairment	(2.4)	-	(2.9)	(5.3)
Translation differences	(1.9)	(0.3)	(0.8)	(3.0)
Balance at December 31, 2012	**39.7**	**36.9**	**78.7**	**155.3**
Cost	75.1	192.0	432.5	699.6
Accumulated depreciation and impairment	35.4	155.1	353.8	544.3
Balance at December 31, 2012	**39.7**	**36.9**	**78.7**	**155.3**

Property, plant and equipment by segment:

	2012	2011
North America	26.6	27.5
France	20.6	27.9
Netherlands	49.4	51.4
Germany	6.4	7.8
Belgium & Luxembourg	7.8	8.5
United Kingdom	7.2	9.6
Iberia	3.2	3.2
Other European countries	4.7	6.6
Rest of the world	29.4	36.9
	155.3	**179.4**

Based on appraisals made by independent and expert appraisers, the estimated fair value of buildings and land is € 10 to € 15 million higher than the carrying amount.

In the consolidated statement of cash flows, proceeds from the sale of property, plant and equipment comprise:

	2012	2011
Net book value of disposals	3.6	6.5
Loss on disposals	(1.1)	(0.2)
Disposals property, plant and equipment, statement of cash flows	**2.5**	**6.3**

Impairment-charges are mainly related to restructuring measures.

17. Goodwill

	2012	2011
Cost	3,217.5	2,930.9
Accumulated impairment	665.9	529.9
Balance at January 1	**2,551.6**	**2,401.0**
Book value at January 1	2,551.6	2,401.0
Acquisition of subsidiaries	4.3	238.5
Disposal of subsidiaries	(2.2)	(4.9)
Impairment	(139.8)	(125.0)
Translation differences	(6.8)	42.0
Balance at December 31	**2,407.1**	**2,551.6**
Cost	3,197.3	3,217.5
Accumulated impairment	790.2	665.9
Balance at December 31	**2,407.1**	**2,551.6**

In 2012 the Group sold activities in the Netherlands, Germany, UK, North America and Rest of the world (2011: activities in Germany, North America and Rest of the world).

The relating goodwill and accumulated impairment amounting to € 2.2 million (2011: € 4.9 million) have been derecognized.

In 2012, the Group finalized the purchase price allocation relating to the acquisition of SFN Inc (USA) in 2011, resulting in a minor adjustment of € 4.3 million which is reported on the line acquisitions of subsidiaries. The amount involved is neither considered material in relation to the total consideration for SFN Group Inc (USA) nor to the total goodwill for SFN Group Inc (USA).

Carrying amount of goodwill by segment is:

	2012	2011
North America	478.8	482.0
France	398.7	398.7
Netherlands	796.6	798.4
Germany	204.5	204.6
Belgium & Luxembourg	126.6	126.6
United Kingdom	122.2	229.0
Iberia	-	26.5
Other European countries	99.2	96.7
Rest of the world	180.5	189.1
	2,407.1	**2,551.6**

Impairment testing

The Group reviews at each reporting date whether there is an indication that any of the cash generating units that contain goodwill may be impaired. Furthermore the Group carries out an annual impairment test.

Determination of recoverable amount

The recoverable amount for all cash-generating units (operating segments within Randstad) is based on the higher of value-in-use and fair value less cost to sell. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation and amortization) and the expected future performance, which in turn is based on historical performance, management's estimates and assumptions of revenue growth and developments of operating margins, assessed with external data, covering a period of, in principle, nine years (2011: nine years). Cash flow projections after this period are extrapolated by means of a growth percentage of 0.5% (2011: 1%) throughout the Group. The nine years' period of the projections reflects an estimated full business cycle of the industry and the long-term growth potential of high growth regions before reaching maturity.

Further key assumptions in the cash flow projections are:

- annual revenue growth of the Group: on average between -1.2% and 6.3% for the first three years and 6.4% for the following five years and 0.5% in the ninth year (Netherlands: -1.4% to 5.3%, 5.3% and 0.5% respectively, North America: 3.7% to 6.3%, 6.3% and 0.5%);
- EBITA of the Group in the range of 3.5% to 4.7% of revenue (Netherlands: 5.5% to 6.0%, North America: 4.8% to 5.1%);
- growth rate in revenue and EBITA percentages vary between segments in relatively limited terms and are dependent on the mix in revenue.

The cash flow projections are prepared in local currencies, and discounted with pre-tax discount rates determined per currency involved. The pre-tax discount rates vary from 10.1% to 22.9%, weighted average is 15.1% (2011: average 16.7%). Netherlands: 12.4% (2011: 13.6%), North America 14.7% (2011: 16.2%).

Impairments

For 2012 and 2011, the calculation of the recoverable amount of the various cash-generating units in comparison to the carrying amount, resulted in impairments. In Q4 of 2012 an impairment charge of € 139.8 million (2011: € 125 million) is recognized and is per segment: € 113.3 million (2011: € 91 million) for the UK and € 26.5 million (2011: € 34 million) for Iberia. Due to weakened general market conditions in both segments, contraction in revenues occurred during 2012 and 2011 and profitability did not recover in line with expectations. The pre-tax discount rates used for the UK and Iberia are 12.3% (2011: 14.4%) respectively 19.3% (2011: 18.0%).

Sensitivity
The determined recoverable amounts are sensitive to variations in estimates and assumptions. Variations in estimates and assumptions have the following result on the recoverable amount calculations:
- revenue growth: a 1% point lower growth rate would result in an additional € 19 million impairment charge (2% point: € 64 million);
- EBITA: a 0.25% point lower EBITA in percentage of revenue would imply an additional € 49 million impairment charge (0.5% point: € 126 million);
- discount rate: a 0.5% point higher discount rate would result in an additional € 36 million impairment charge (1% point: € 93 million).

Sensitivity mainly relates to the operating segments UK, France and Australia.

Last year the operating segments UK, Spain, Portugal and Australia were sensitive to variations in assumptions.

Certain operating segments within Rest of the world have sufficient headroom available to cover previously mentioned variations in assumptions. The segments the Netherlands, Belgium & Luxembourg, Germany, North America and Rest of Europe have substantial headroom available.

Other information goodwill
Additions to goodwill due to acquisitions by segment (also refer to note 35):

	2012	2011
North America	4.3	236.2
Rest of the world	-	2.3
	4.3	**238.5**

18. Acquisition-related intangible assets

	customer relationships/ franchise agreements	brand names and candidate databases	total
Cost	1,066.8	111.0	1,177.8
Accumulated amortization and impairment	375.7	94.2	469.9
Balance at January 1, 2011	**691.1**	**16.8**	**707.9**
Book value at January 1, 2011	691.1	16.8	707.9
Acquisition of subsidiaries	73.5	66.6	140.1
Amortization	(141.6)	(36.8)	(178.4)
Translation differences	14.6	5.0	19.6
Balance at December 31, 2011	**637.6**	**51.6**	**689.2**
Cost	1,159.2	180.5	1,339.7
Accumulated amortization and impairment	521.6	128.9	650.5
Balance at December 31, 2011	**637.6**	**51.6**	**689.2**
Book value at January 1, 2012	637.6	51.6	689.2
Acquisition of subsidiaries	7.1	-	7.1
Amortization	(153.0)	(43.2)	(196.2)
Translation differences	(4.5)	0.1	(4.4)
Balance at December 31, 2012	**487.2**	**8.5**	**495.7**
Cost	1,155.9	174.6	1,330.5
Accumulated amortization and impairment	668.7	166.1	834.8
Balance at December 31, 2012	**487.2**	**8.5**	**495.7**

Acquisition-related intangible assets by segment:

	2012	2011
North America	113.3	179.3
France	109.7	142.7
Netherlands	60.2	78.8
Germany	14.5	22.5
Belgium & Luxembourg	26.9	34.8
United Kingdom	42.5	59.2
Iberia	30.7	39.8
Other European countries	20.1	27.0
Rest of the world	77.8	105.1
	495.7	**689.2**

Additions acquisition-related intangible assets due to acquisitions by segment:

	2012	2011
North America	7.1	140.1
	7.1	**140.1**

19. Software

	2012	2011
Cost	237.5	217.8
Accumulated amortization and impairment	190.9	164.6
Balance at January 1	**46.6**	**53.2**
Book value at January 1	46.6	53.2
Acquisition of subsidiaries	0.0	2.1
Disposal of subsidiaries	(0.4)	0.0
Additions	18.2	17.1
Disposals	0.0	0.0
Amortization	(24.5)	(26.2)
Translation differences	(0.2)	0.4
Balance at December 31	**39.7**	**46.6**
Cost	240.6	237.5
Accumulated amortization and impairment	200.9	190.9
Balance at December 31	**39.7**	**46.6**

The difference between the amount included as additions in the software movement schedule, being € 18.2 million (2011: € 17.1 million), and the amount included in the statement of cash flows, being € 20.3 million (2011: € 21.3 million), represents the effect of deferred payments.

Software by segment:

	2012	2011
North America	6.2	6.6
France	7.0	7.5
Netherlands	5.2	7.2
Germany	5.0	5.9
Belgium & Luxembourg	6.0	7.7
United Kingdom	2.0	2.1
Iberia	0.7	1.0
Other European countries	1.6	2.1
Rest of the world	6.0	6.5
	39.7	**46.6**

20. Deferred and current income taxes

20.1 Movements in total position taxes on income

	2012	2011
Assets / (liabilities)		
Deferred income tax assets	724.4	520.4
Current income tax receivables	52.8	51.7
Deferred income tax liabilities	(442.7)	(444.4)
Current income tax liabilities	(53.3)	(37.4)
Balance at January 1	**281.2**	**90.3**
Movements during the year		
Debited to income statement	(73.1)	(54.0)
Net payments	140.0	118.3
Acquisition of subsidiaries' deferred taxes	1.5	95.0
Acquisition of subsidiaries' current taxes	-	(2.2)
Disposal of subsidiaries' deferred taxes	(2.3)	(0.2)
Disposal of subsidiaries' current taxes	0.1	(0.6)
Recognized in other comprehensive income	(1.0)	13.6
Recognized in equity on share-based payments	2.5	1.6
Translation differences	(9.1)	19.4
Total movements	**58.6**	**190.9**
Assets / (liabilities)		
Deferred income tax assets	504.7	724.4
Current income tax receivables	49.9	52.8
Deferred income tax liabilities	(44.3)	(442.7)
Current income tax liabilities	(170.5)	(53.3)
Balance at December 31	**339.8**	**281.2**

20.2 Movements in deferred income taxes

	goodwill	tax losses carry forward	temporary differences	recapture obligations	total 2012	total 2011
Deferred income tax assets	45.7	578.9	325.9	-	950.5	520.4
Deferred income tax liabilities	-	-	(524.4)	(144.4)	(668.8)	(444.4)
Balance at January 1	**45.7**	**578.9**	**(198.5)**	**(144.4)**	**281.7**	**76.0**
Movements during the year						
Reclassification	(45.7)	-	45.7	-	-	-
Acquisition of subsidiaries	-	-	1.5	-	1.5	95.0
Disposal of subsidiaries	-	(0.8)	(1.5)	-	(2.3)	(0.2)
Income statement	-	(116.7)	181.5	9.9	74.7	103.1
Other movements	-	(16.2)	0.2	131.1	115.1	(13.0)
Translation differences	-	(6.5)	(3.8)	-	(10.3)	20.8
Total movements	**(45.7)**	**(140.2)**	**223.6**	**141.0**	**178.7**	**205.7**
Deferred income tax assets	-	438.7	334.8	-	773.5	950.5
Deferred income tax liabilities	-	-	(309.7)	(3.4)	(313.1)	(668.8)
Balance at December 31	**-**	**438.7**	**25.1**	**(3.4)**	**460.4**	**281.7**

In the table above, the balances of deferred income tax assets and deferred income tax liabilities have been included gross at the beginning and end of the year. The netting of deferred income tax assets and liabilities is shown in the tables for deferred income tax assets and liabilities in note 20.3 and 20.4.

20.3 Deferred income tax assets
Deferred income tax assets are attributable to the following:

	2012	2011
Tax losses carry-forward	438.7	578.9
Temporary differences	334.8	325.9
Goodwill	-	45.7
Deferred income tax assets before netting	**773.5**	**950.5**
Amount netted with deferred tax liabilities	(268.8)	(226.1)
Deferred income tax assets (after netting)	**504.7**	**724.4**

Deferred income tax assets in relation to tax losses carry-forward comprise an amount of € 437 million (2011: € 343 million) originating from subsidiaries that showed tax losses in the current or preceding year.

Deferred income 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.

Deferred income tax assets in relation to goodwill as per December 31, 2011 comprised 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 date of transition to IFRS (January 1, 2004). As per December 31, 2012 this item carried an amount of € 27.1 million and has been included in temporary differences.

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

	2012	2011
Property, plant, equipment, and intangible assets	68.4	48.7
Other receivables/other payables	218.9	235.4
Provisions	47.5	41.8
	334.8	**325.9**

The recoverability of deferred income tax assets resulting from tax losses carry-forward and temporary differences is reviewed and assessed annually, using forecasts that are based on the actual operating results and the expected future performance based on management's estimates and assumptions of revenue growth and development of operating margins of the Group companies concerned. External data are used for reference. 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.

These projections are assessed using a number of scenarios to cover reasonable changes in the assumptions of the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available against which these deferred tax assets can be utilized. The various scenarios are in agreement with the variations in estimates and assumptions as used in the goodwill impairment testing (refer to note 17).

The various scenarios give potential outcomes that do not materially deviate from the carrying amount.

Certain deferred income tax assets, for which the recoverability is considered not probable, are valued at nil. These comprise deferred tax assets in relation to tax losses carry-forward of approximately € 160 million (2011: approximately € 43 million), deferred tax assets relating to other temporary differences (including goodwill) of approximately € 10 million (2011: approximately € 8 million).

The part of deferred tax assets that is expected to be recovered within one year is estimated at € 50 million (2011: € 17 million).

20.4 Deferred income tax liabilities

Deferred income tax liabilities are attributable to the following:

	2012	2011
Recapture obligations and other	3.4	144.4
Temporary differences	309.7	524.4
Deferred income tax liabilities before netting	**313.1**	**668.8**
Amount netted with deferred tax assets	(268.8)	(226.1)
Deferred income tax liabilities (after netting)	**44.3**	**442.7**

The deferred income tax liability with respect to recapture obligations and other in 2012 and 2011 includes the effects from incorporation in the Netherlands of tax losses incurred by German subsidiaries; as well as in 2011 a liability in relation to a decrease in the value of certain non-Dutch subsidiaries that was taken into account for Dutch tax purposes in the amount of € 131.1 million. This latter liability has been included under current income tax liabilities as per December 31, 2012; the amount will ultimately be paid by the end of 2013.

The obligation relating to tax losses incurred in Germany will materialize if and as far as taxable income is realized by the German subsidiaries. These obligations do not affect the effective tax rate.

The deferred income 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. An amount of € 143.6 million (2011: € 213.3 million) is included in temporary differences in relation to the valuation of acquisition-related intangible assets upon acquisition.

The part of deferred income tax liabilities that is expected to be settled within one year is estimated at € 64 million (2011: € 209 million).

21. Financial assets

	2012	2011
Held-to-maturity investments	76.1	69.4
Loans and receivables	3.6	4.0
Available-for-sale financial assets	-	6.7
	79.7	**80.1**

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

Held-to-maturity investments represent loans that are granted interest-free by the French subsidiaries annually in relation to legal arrangements for payment of certain social security charges. These annual loans have a repayment term of 20 years each. These investments have an average remaining term of 12 years (2011: 12 years) and an effective interest rate of 4.4% (2011: 4.5%). The nominal value of held-to-maturity investments amounts to € 126 million (2011: € 118 million) and represents best the maximum exposure to credit risk. As of December 31, 2012 the fair value is approximately € 20 million higher than the carrying amount (2011: € 10 million).

The loans and receivables do not have a fixed maturity date; the average effective interest rate is 1.9% (2011: 2.2%). The carrying amount of loans and receivables approximates the fair value as of January 1 and December 31, 2012, and represents best the maximum exposure to credit risk.

Available-for-sale financial assets included equity securities. The carrying amount of available-for-sale financial assets approximated the fair value as of January 1, 2012. As per December 31, 2012 available-for-sale financial assets have been disposed completely.

The Group does not hold any collateral as security.

21.1 Held-to-maturity investments

	2012	2011
Balance at January 1	**71.2**	**66.3**
Additions at face value	9.4	7.6
Recognition to fair value	(3.9)	(4.0)
Redemptions	(2.0)	(1.8)
Interest due to passage of time	3.3	3.1
Balance at December 31	**78.0**	**71.2**
Non-current portion	76.1	69.4
Current portion	1.9	1.8
	78.0	**71.2**

The recognition to fair value in the amount of € 3.9 million (2011: € 4.0 million) is included in cost of services.

21.2 Loans and receivables

	2012	2011
Balance at January 1	**4.0**	**4.1**
Acquisition of subsidiaries	-	0.4
Disposal of subsidiaries	-	(0.1)
Additions	0.0	0.0
Redemptions	(0.4)	(0.4)
Translation differences	0.0	0.0
Balance at December 31	**3.6**	**4.0**

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

21.3 Available-for-sale financial assets

	2012	2011
Balance at January 1	**6.7**	**5.8**
Acquisition of subsidiaries	-	0.5
Recognition to fair value	(0.7)	0.2
Redemptions / Disposals	(5.9)	(0.3)
Translation differences	(0.1)	0.5
Balance at December 31	**-**	**6.7**

22. Associates

	2012	2011
Balance at January 1	**0.9**	**1.1**
Share of profit/(loss)	0.1	(0.2)
Balance at December 31	**1.0**	**0.9**

At December 31, 2012, the Group has investments in associates, amounting in total to € 1.0 million (2011: € 0.9 million). The total assets and total liabilities of these associates amount to approximately € 15 million (2011: € 14 million) and € 7 million (2011: € 6 million) respectively. Total revenue in 2012 amounted to € 12 million (2011: € 10 million).
Our share in net income of all associates was € 0.1 million (2011: € 0.2 million negative).

23. Trade and other receivables

	2012	2011
Trade receivables	2,559.6	2,767.7
Less: provision for impairment	50.1	52.9
Trade receivables, net of provision for impairment	**2,509.5**	**2,714.8**
Other receivables	292.2	316.0
Prepayments	68.9	78.3
Held-to-maturity investments	1.9	1.8
	2,872.5	**3,110.9**

Refer to note 36 for the movement in the provision for impairment of trade receivables.
The book value of these receivables equals the fair value.

The Group does not hold any collateral as security.

24. Cash and cash equivalents

	2012	2011
Time deposits	3.3	16.7
Cash on hand and at banks	188.2	321.9
	191.5	**338.6**

Time deposits fall due, on average, within a month. The average interest rate for time deposits is 5.7% (2011: 3%). An amount of € 184.7 million out of € 191.5 million (2011: € 327.4 million out of € 338.6 million) is available upon demand.

25. Total assets

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

	2012	2011
Total assets	6,797.1	7,774.5
Less:		
- deferred income tax assets	504.7	724.4
- current income tax receivables	49.9	52.8
- cash and cash equivalents	191.5	338.6
Assets by segment	**6,051.0**	**6,658.7**

Assets by segment are:

	2012	2011
North America	1,174.6	1,236.9
France	1,222.4	1,419.4
Netherlands	1,332.6	1,360.9
Germany	493.8	525.8
Belgium & Luxembourg	400.9	438.5
United Kingdom	331.2	458.3
Iberia	239.1	299.8
Other European countries	295.3	302.5
Rest of the world	566.5	624.0
Corporate	24.0	18.1
Eliminations	(29.4)	(25.5)
	6,051.0	**6,658.7**

26. Total equity and dividends per share

26.1 Shareholders' equity

Authorized and issued capital

Authorized capital is € 75 million (2011: € 75 million) and consists of 325,000,000 (2011: 325,000,000) ordinary shares with a nominal value of € 0.10, a further 75.000 (2011: 75,000) type-A preferred shares with a nominal value of € 500 and 50,000,000 (2011: 50,000,000) type-B preferred shares with a nominal value of € 0.10.

Issued share capital consists of 172,072,912 ordinary shares (2011: 170,948,980) and 25,200,000 type-B preferred shares (2011: 25,200,000) at year-end. For information regarding the rights, preferences and restrictions on each type of share, please refer to voting rights, in the corporate governance section on page 100.

The current conditions of the preferred shares are such that the holders of the preferred shares receive a dividend at the company's discretion, that dividend is preferred and cumulative, and that the voting rights are 1 vote per 7 preferred shares.

The dividend on preferred shares is reviewed every seven years. The last review took place in November 2012 and the dividend has been set at € 0.177 (before € 0.284) per preferred share. The next review of the dividend will take place in November 2019. Only the executive board can propose to the Annual General Meeting of shareholders to decide that the preferred shares be repaid.

Number of outstanding ordinary and preferred shares in 1,000:

	2012		2011	
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
January 1	**170,949**	**25,200**	**170,049**	**25,200**
From share-based payment arrangements	1,124	-	900	-
December 31	**172,073**	**25,200**	**170,949**	**25,200**

Share pemium

Share premium consists of € 1,933.1 million share premium on ordinary shares (2011: € 1,903.9 million) and € 163.3 million share premium on preferred shares (2011: € 163.3 million) at year-end.

Translation reserve

The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the euro as well as translation differences of financial liabilities designated as hedges of such investments, to the extent that the hedge is effective. Such translation differences are recognized initially in other comprehensive income and presented in this separate component of shareholders' equity and recognized in the statement of comprehensive income on disposal of the net investment.
The translation reserve also includes the tax effect on translation differences.

Share-based payments reserve

The share-based payments reserve comprises the value of vested rights in respect of share-based payments arrangements as far as stock options have not been exercised or performance shares have not been allocated.

The company has various share-based payment arrangements. Additional information with regard to these arrangements is included in note 40. Included in the income statement is an amount of € 24.1 million (2011: € 15.1 million) for share-based payments.

At year-end 2012, 3.7 million stock options and performance shares (2011: 3.5 million) are outstanding, which upon exercise of stock options or allocation of performance shares will lead to the issuance of the same number of new ordinary shares.

Other information

Refer to note 5 of the company financial statements for the restrictions on the distribution of dividends and the repayment of capital.

Refer to events after balance sheet date in 'other information' for the issuance of preferred shares C in 2013.

At December 31, 2012 and 2011, the company held no treasury shares.

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

26.2 Dividends on ordinary and preferred shares

Dividends paid in 2012 on ordinary shares amounted to € 215.1 million (€ 1.25 per share); in 2011 dividends paid on ordinary shares amounted to € 201.6 million; (€ 1.18 per share).
Dividends paid in 2012 on preferred shares amounted to € 7.1 million (2011: € 7.2 million) or € 0.284 per preferred share (2011: € 0.284 per preferred share).

At the Annual General Meeting of shareholders, to be held on March 28, 2013, it will be proposed by the Executive Board, with the approval of the Supervisory Board, that a dividend of € 1.25 per ordinary share be paid for the year 2012; for preferred shares it will be proposed by the Executive Board, with the approval of the Supervisory Board, that a dividend of € 6.8 million be paid. The dividend proposal has not been included as a liability in these financial statements.

Dividends on ordinary and preferred shares during recent years are:

	Dividend related to 2012	2011	2010
Ordinary shares			
- dividend paid during 2011			201.6
- dividend paid during 2012		215.1	
- dividend 2012 proposed	215.1		
Preferred shares			
- dividend paid during 2011			7.2
- dividend paid during 2012		7.1	
- dividend 2012 proposed	6.8		

26.3 Non-controlling interests

In 2012, transactions took place with non-controlling interests without a change in control. This resulted in an amount of € 0.5 million (2011: € 3.1 million) directly charged to equity, while the cash consideration amounted to € 1.0 million (2011: € 4.0 million).
At December 31, 2012 and 2011 non-controlling interests amount to € 0.1 million and € 0.6 million respectively.

27. Borrowings

	2012	2011
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	-	1,588.6
Other non-current borrowings	-	14.1
Non-current borrowings	**-**	**1,602.7**
Other current borrowings	82.5	38.5
Short-term part non-current borrowings	1,204.7	-
	1,287.2	**1,641.2**

Movements in non-current borrowings are:

	2012	2011
Balance at January 1	**1,602.7**	**1,108.5**
(Repayments of)/drawings on syndicated loan, net	(366.9)	427.5
Repayments of other non-current borrowings, net	(13.6)	(5.9)
Amortization of transaction costs	3.6	4.1
Translation differences	(21.1)	68.5
Reclassification to short-term part non-current borrowings	(1,204.7)	-
Balance at December 31	**-**	**1,602.7**

Syndicated loan
At December 31, 2012, the company has a € 1,620 million (originally € 2,700 million) multi-currency syndicated revolving credit facility at its disposal, fully consisting of a revolving senior multi-currency credit facility ('Revolving facility'). In 2012, the remaining Term facility of € 270 million (originally € 1,080 million) has been repaid, which had initially been scheduled for 2013. There is no pre-arranged repayment schedule for the Revolving facility; this facility will mature by mid 2013. In 2011, the Group secured a new multi-currency syndicated revolving credit facility of € 1,300 million with a forward start structure. In 2012 this facility has been expanded to € 1,420 million. The total facility becomes available mid 2013, of which € 300 million will mature in 2016 and € 1,120 million in 2017. Financial covenants are comparable to the existing facility. See note 36.2.2 for the net debt to EBITDA ratio covenant. In addition the Group secured a syndicated credit-facility with a Group of Japanese banks in December 2012, amounting to JPY 8 billion (approximately € 70 million); this facility will mature in 2015 with comparable financial covenants.

Total drawings at the end of 2012 are the net amount of drawings on the above-mentioned facilities amounting to € 1,205.9 million (2011: € 1,593.4 million) and of transaction costs directly attributable to these drawings to the amount of € 1.2 million (2011: € 4.8 million).

The credit facilities have 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. For the existing and new facility the margin is variable and depends on the (senior) net debt leverage ratio, while the new Japanese facility has a fixed margin of 75 bps. The average interest rates at year-end are 0.86% for drawings in euros, 0.96% for drawings in US dollars, 1.24% for drawings in UK pounds sterling, 3.89% for drawings in Australian dollars and 0.88% for drawings in Japanese yen, for a term shorter than one month, and are also the effective interest rates because the interest rate on the credit facility fluctuates with market trends.

The existing multi-currency syndicated revolving credit facility is denominated in: euros (€ 510 million), US dollars (€ 527 million), UK pounds sterling (€ 46 million), Australian dollars (€ 18 million) and Japanese yen (€ 105 million). All amounts denominated in currencies other than the euro are designated as hedges of the net investment in the Group's subsidiaries in the USA, the UK, Australia and Japan. These net-investment hedges are all considered effective.

Other borrowings
The other non-current borrowings as per December 31, 2011 of € 14.1 million, consisting of bank loans of € 9.1 million and a € 5.0 million debenture bond, all denominated in Japanese yen, have been repaid in 2012, which was originally scheduled for 2013.

Current borrowings are denominated in various currencies. As at December 31, 2012 an amount of € 6 million was denominated in US dollars, € 7 million in Argentine pesos and € 5 million in Indian rupees.
Since the interest rates on the current borrowings fluctuate with the market, the effective interest rates are considered equal to the actual rates.

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 total amount of committed credit facilities at December 31, 2012 is equal to € 1,620 million plus JPY 8 billion (2011: € 1,890 million).

28. Employee benefit obligations

	2012	2011
Pensions	19.4	18.5
Other employee benefits	4.7	5.9
	24.1	**24.4**

The obligations for employee benefits are considered non-current.

28.1 Pensions

The obligations for pensions relate to the following items:

	2012	2011
Defined benefit plan, corporate employees Germany	8.8	8.7
Defined benefit plan, corporate employees Japan	6.5	7.2
Defined benefit plan, staffing and corporate employees Switzerland	2.0	2.6
Defined benefit plan, corporate employees France	1.6	-
Defined benefit plan, corporate employees the Netherlands	0.4	0.6
Defined benefit plan, corporate employees Belgium	0.1	(0.6)
	19.4	**18.5**

The breakdown of the obligations for the defined benefit pension plans is:

	2012	2011
Present value of funded obligations	96.4	80.4
Present value of unfunded obligations	0.4	0.6
Total present value of obligations	**96.8**	**81.0**
Fair value of plan assets	(65.8)	(56.4)
	31.0	**24.6**
Unrecognized actuarial losses	(11.6)	(6.1)
Liability in the balance sheet	**19.4**	**18.5**

The amounts recognized in operating profit and net finance costs are:

	2012	2011
Current service costs, employer	7.2	6.8
Amortization of gains and losses	1.0	1.7
Expected return on plan assets	(2.5)	(2.3)
Charged to operating result	**5.7**	**6.2**
Interest expenses due to passage of time	3.6	3.1
Total charges	**9.3**	**9.3**

Movements in the present value of the defined benefit pension plan obligations are:

	2012	2011
Balance at January 1	**81.0**	**67.1**
Transfer from other employee benefits	5.4	-
Disposal of subsidiaries	(0.2)	(0.2)
Current service costs, total	11.0	10.2
Interest expenses due to passage of time	3.6	3.1
Benefits paid	(5.2)	(4.0)
Unrecognized actuarial results, net	1.9	3.5
Translation differences	(0.7)	1.3
Balance at December 31	**96.8**	**81.0**

Movements in the fair value of the plan assets with respect to defined benefit pension plans are:

	2012	2011
Balance at January 1	**56.4**	**47.8**
Transfer from other employee benefits	3.6	-
Expected return on plan assets	2.5	2.3
Contributions, employees	3.8	3.4
Contributions, employers	7.9	6.5
Benefits paid	(4.0)	(2.8)
Unrecognized actuarial results, net	(4.6)	(1.5)
Translation differences	0.2	0.7
Balance at December 31	**65.8**	**56.4**

The major categories of plan assets as a percentage of the fair value of total plan assets are:

	2012	2011
Cash	4.1%	4.3%
Bonds	52.7%	44.6%
Equity instruments	31.5%	38.6%
Real estate	7.3%	8.6%
Other	4.4%	3.9%
	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 € 5.5 million (2011: € 0.7 million negative).

The principal actuarial assumptions used for defined benefit plans are:

	2012	2011
Discount rate	0.9 - 5.5%	0.9 - 5.5%
Expected return on plan assets	2.6 - 5.9%	2.5 - 5.9%
Expected salary increases	0.0 - 7.4%	0.0 - 7.4%
Expected pension increases	0.1 - 2.0%	0.1 - 1.5%

The average life expectancy in years of an individual retiring at the age of 65 on the balance sheet date is:

	2012	2011
Male	18.0 - 22.0	17.9 - 22.0
Female	22.3 - 25.8	21.2 - 25.8

The assumptions regarding future mortality are based on published statistics and mortality tables in each territory.

The Group expects the 2013 contributions to be paid for defined benefit plans to be approximately € 7.0 million, excluding the impact of acquisitions and disposals.

Changes in the assumptions for the provision for pensions are believed to have no material effects on the consolidated figures.

28.2 Provisions for other employee benefits

The obligations for other employee benefits relate to several termination indemnity and long service leave plans.

Movements in the obligations for other employee benefits are:

	2012	2011
Balance at January 1	**5.9**	**5.0**
Current service costs	0.9	0.9
Transfer to pensions	(1.8)	-
Interest expenses due to passage of time	0.1	0.4
Benefits paid	(0.4)	(0.4)
Balance at December 31	**4.7**	**5.9**

The average effective interest rate used in the calculation of the obligations for other employment benefits amounts to 4.4% (2011: 5.0%).

The obligations regarding other employee benefits are unfunded.

Changes in the assumptions for the provision for other employee benefits are believed to have no material effects on the consolidated figures.

28.3 Historical information

An overview for the current and prior periods for the total of defined benefit pension plans and other employee benefit plans is:

	2012	2011	2010	2009	2008
Present value of defined benefit obligations	101.5	86.9	72.1	53.7	67.5
Fair value of plan assets	65.8	56.4	47.8	33.5	48.5
Deficit	**35.7**	**30.5**	**24.3**	**20.2**	**19.0**

The experience adjustments of defined benefit pension plans in recent years are:

	2012	2011	2010	2009	2008
Experience adjustments arising on plan liabilities, (gains)/losses	(1.5)	1.8	3.7	(0.2)	(1.3)
Experience adjustments arising on plan assets, losses/ (gains)	4.3	(2.7)	(0.7)	(3.3)	9.2

28.4 Amendments IAS 19 employee benefits

The Group will adopt the amendments to IAS 19 as from January 1, 2013. These amendments change the accounting in the Group for defined benefits plans. The most significant changes require that all actuarial gains and losses be recognized immediately in the period in which they occur in other comprehensive income and the replacement of interest expense and expected return on plan assets with a net interest amount that is based on a discount rate that is applied to the net defined benefit liability. The 'corridor' approach, as included in note 2.21 of these Financial Statements, is not permitted anymore under the amended IAS 19.

If the Group would have applied the amended IAS 19 as from January 1, 2012, the impact on the balance sheet as at December 31, 2011 and 2012, on the income statement 2012 and on other comprehensive income 2012, would have been as follows:

Balance sheet	Deferred income tax assets	Employee benefit obligations	Shareholders' equity retained earnings
Balance sheet at December 31, 2011			
Balance sheet as reported	724.4	24.4	569.5
Effect amendments to IAS 19	2.2	6.1	(3.9)
Pro forma balance sheet after amendments	**726.6**	**30.5**	**565.6**
Balance sheet at December 31, 2012			
Balance sheet as reported	504.7	24.1	511.2
Effect amendments IAS 19	3.9	11.6	(7.7)
Pro forma balance sheet after amendments	**508.6**	**35.7**	**503.5**

Income statement 2012	Operating profit	Net finance costs	Income before taxes
As reported	**127.6**	**(17.9)**	**109.8**
Reversal recognition of actuarial losses (corridor approach) and other	2.1	-	2.1
Reclassification expected return on plan assets	(2.5)	2.5	0.0
Application of one discount rate on net liability	-	(0.1)	(0.1)
Effect amendments to IAS 19	*(0.4)*	*2.4*	*2.0*
Pro forma after amendments	**127.2**	**(15.5)**	**111.8**

	Pro forma
Pro forma income before taxes after amendments	**111.8**
Reported income taxes	(73.1)
Tax on effect amendments to IAS 19	(0.6)
Pro forma net income after amendments	**38.1**

Other comprehensive income 2012	Pro forma
Recognition of actuarial losses year 2012	**6.5**
Tax on actuarial losses	2.0
Net effect	**4.5**

29. Provisions

	restructuring	workers' compensation	other	total
Non-current provisions	6.9	15.6	35.0	57.5
Current provisions	21.3	24.9	30.3	76.5
Balance at January 1, 2011	**28.2**	**40.5**	**65.3**	**134.0**
Acquisition of subsidiaries	0.6	21.2	5.7	27.5
Disposal of subsidiaries	-	-	(0.2)	(0.2)
Charged to income statement	20.4	27.9	10.0	58.3
Interest due to passage of time	-	1.6	0.1	1.7
Released to income statement	(2.8)	0.0	(9.8)	(12.6)
Withdrawals	(18.0)	(29.7)	(5.4)	(53.1)
Translation differences	0.2	3.5	0.9	4.6
Balance at December 31, 2011	**28.6**	**65.0**	**66.6**	**160.2**
Non-current provisions	1.5	25.8	32.4	59.7
Current provisions	27.1	39.2	34.2	100.5
Balance at December 31, 2011	**28.6**	**65.0**	**66.6**	**160.2**
Acquisition of subsidiaries	-	-	-	-
Disposal of subsidiaries	(0.3)	0.0	(0.3)	(0.6)
Charged to income statement	80.4	30.1	2.5	113.0
Interest due to passage of time	0.0	2.0	0.2	2.2
Released to income statement	(0.5)	0.0	(7.3)	(7.8)
Withdrawals	(39.1)	(35.7)	(10.5)	(85.3)
Translation differences	0.0	(1.1)	(0.4)	(1.5)
Balance at December 31, 2012	**69.1**	**60.3**	**50.8**	**180.2**
Non-current provisions	1.5	26.2	12.8	40.5
Current provisions	67.6	34.1	38.0	139.7
Balance at December 31, 2012	**69.1**	**60.3**	**50.8**	**180.2**

The restructuring provision comprises the costs of restructuring measures taken at several subsidiaries. These mainly comprise lease termination penalties for branches and severance payments for personnel. No provision is created for future operating losses.

The effective interest rate that is used in the calculation of the provision for workers' compensation is in a range of 2.25% to 3% (2011: range of 4.0% to 5.0%). The effect of the change in the effective interest rate amounts to approximately € 3 million and is included in the charge to income statement of € 30.1 million.

Other provisions consist primarily of provisions for claims of third parties.

The majority of the non-current part of these provisions is expected to be settled within three years of the balance sheet date.

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 € 2 million to € 3 million.

30. Other liabilities

Other liabilities include those with respect to put options from shareholders of non-controlling interests as well as a small part for deferred payments from other business combinations.

	2012	2011
Balance at January 1	**76.2**	**103.6**
Acquisitions non-controlling interests	(36.0)	(13.4)
Disposals majority interests	(7.9)	-
Changes in value	(14.4)	(17.0)
Interest due to passage of time	3.1	4.2
Translation differences	1.8	(1.2)
Balance at December 31	**22.8**	**76.2**
Non-current portion	14.9	19.4
Current portion	7.9	56.8
	22.8	**76.2**

The effective interest rate amounts to 5.0% (2011: 5.0%).

31. Trade and other payables

	2012	2011
Trade payables	207.5	185.0
Other taxes and social security premiums	896.1	964.9
Pension contributions	10.5	9.9
Wages, salaries and other personnel costs	870.3	960.2
Other accruals	325.9	329.8
Deferred income	32.7	27.7
	2,343.0	**2,477.5**

32. Operating working capital

Operating working capital as calculated below excludes the current part of held-to-maturity investments as well as the current part of other liabilities and provisions. For 2012 the short-term part of non-current borrowings is excluded as well.

	2012	2011
Working capital	**(834.4)**	**775.7**
Adjusted for:		
- Cash and cash equivalents	(191.5)	(338.6)
- Current income tax receivables	(49.9)	(52.8)
- Current part held-to-maturity investments	(1.9)	(1.8)
- Current income tax liabilities	170.5	53.3
- Current borrowings	82.5	38.5
- Short-term part of non-current borrowings	1,204.7	-
- Current provisions	139.7	100.5
- Current other liabilities	7.9	56.8
Operating working capital	**527.6**	**631.6**

Operating working capital by segment:

	2012	2011
North America	260.7	271.4
France	13.0	55.6
Netherlands	(103.8)	(92.0)
Germany	8.2	5.4
Belgium & Luxembourg	47.3	54.8
United Kingdom	71.7	76.4
Iberia	107.2	123.4
Other European countries	34.5	38.1
Rest of the world	58.2	69.3
Corporate	30.6	29.2
	527.6	**631.6**

33. Commitments

	2012	2011
Commitments less than 1 year	213.0	226.0
Commitments more than 1 year, less than 5 years	326.0	334.0
Commitments more than 5 years	30.0	38.0
	569.0	**598.0**

Commitments comprise, almost exclusively, lease contracts for branches and lease contracts for IT equipment and automobiles.

No guarantees have been issued other than those relating to commitments from rent and leases, and those relating to liabilities that are included in the balance sheet.

34. Auditors' fees

The following auditors' fees were expensed in the income statement in the reporting period:

	2012	2011
Audit of the financial statements [1]	4.8	4.9
Audit of the financial statements by other audit firms	0.2	0.2
Subtotal for audit of the financial statements [2]	**5.0**	**5.1**
Other audit procedures[1]	0.3	0.3
Tax services[1]	1.8	2.1
Other non-audit services[1]	-	0.1
Total	**7.1**	**7.6**

1 The fees listed above relate to the procedures applied to the company and its consolidated Group entities by PricewaterhouseCoopers Accountants N.V. as the external auditor referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Wta) (€ 1.3 million), as well as by the PricewaterhouseCoopers network.

2 Including the audit fees with respect to the local statutory financial statements.

35. Business combinations

Information about acquisitions

During 2012 and 2011 the following companies were acquired:

company	acquired % of shares	acquisition date
2012		
	-	-
2011		
SFN Group Inc (United States of America)	100	September 2, 2011

The main activities of the acquired companies are temporary staffing, including search and selection activities.

In Q2, 2012 the Group increased its shareholding in its Chinese subsidiary Talent Shanghai from 85% to 100%. In Q4, 2012, the Group acquired the businesses of a number of franchisees for an amount of approximately € 7.1 million, which amount is fully included under acquisition-related intangible assets (customer-relationships/franchise agreements).

During prior year, the Group acquired 100% of the shares of SFN Group Inc (USA) following a public offer; SFN Group Inc (USA) is consolidated from September 2, 2011.

The summary of assets and liabilities arising from the transactions in 2012 is as follows (at fair value):

	2012
Acquisition related in intangible assets	7.1
Deferred tax assets	1.5
Working capital	(5.8)
Net liabilities acquired	**2.8**
Goodwill	4.3
Total consideration	**7.1**

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. The acquisition of SFN Group Inc in 2011 strengthened our position as an HR services provider in North America and enhanced our office network across the US.

An amount of € 4.3 million is included under goodwill in respect of the finalization of the purchase price allocation relating to the acquisition of SFN Group Inc (USA) in 2011. Refer to note 17 for further information.

The reconciliation of the amount of acquisitions of subsidiaries/avtivities/buyout non-controlling interests in the statement of cash flows is as follows:

	2012	2011
Consideration paid	**7.1**	**494.6**
Net debt of subsidiaries acquired, included in working capital	-	8.7
Consideration paid, adjusted for net debt acquired for acquisitions during the year	**7.1**	**503.3**
Settlement in cash of share based payments arrangements SFN Group Inc	-	45.1
Consideration paid buyout non-controlling interests	1.0	4.0
Consideration paid in respect of acquisitions in preceding years	36.0	13.4
Acquisition of subsidiaries/activities/ buyout non-controlling interests, statement of cash flows	**44.1**	**565.8**

Information about disposals

In 2012, the Group disposed of activities in the Netherlands, Germany, UK, North America and Rest of the world, with a total consideration of € 15.3 million and a net value of assets and liabilities of € 5.9 million. An amount of € 14.4 million is received in 2012, which includes deferred receipts of € 4.6 million on the disposals in 2012 and a cash-in flow of € 3.7 million from disposals of preceeding years. The deferred receipts as of December 31, 2012 are expected to be settled in cash in 2013. In 2011, the Group disposed of activities in Germany, North America and Rest of world with a total consideration of € 19.1 million and a net value of assets and liabilities of € 21.1 million.

The reconciliation of the amount of disposals of subsidiaries and activities in the statement of cash flows is as follows:

	2012	2011
Property, plant and equipment and software	1.5	0.9
Goodwill	2.2	4.9
Deferred income taxes	2.3	0.2
Financial fixed assets	-	0.1
Working capital	8.6	15.4
Provisions	(0.8)	(0.4)
Other liabilities	(7.9)	-
Net assets and liabilities	**5.9**	**21.1**
Gain/(loss) on disposal	9.4	(2.0)
Total consideration	**15.3**	**19.1**
Deferred receipts, net	(0.9)	(8.5)
Consideration received in respect of the disposal of subsidiaries and activities	**14.4**	**10.6**
Net cash of disposed subsidiaries and activities	(1.0)	(1.4)
Disposal of subsidiaries and activities, statement of cash flows	**13.4**	**9.2**

36. Capital and financial risk management

36.1 Capital management

Randstad Holding's policy is to maintain a strong capital base. We target a leverage ratio (net debt/EBITDA) of between 0 and 2, independent of the size of the company. 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 optimize the cost of capital.

Randstad Holding's financing policy aims to ensure financing which matches the mid to long term financing requirements of the Group.

Dividend policy

In November 2012 we updated our dividend policy. Until 2012, we aimed at a stable dividend of € 1.25 and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs provided that the financial position allowed for it. In line with this policy, the proposal for this year's dividend has been determined at € 1.25 per ordinary share. Shareholders will have a choice between cash and shares.

As from the year 2013, we aim at a flexible payout ratio of 40% to 50% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs, provided that the financial position allows for it. Shareholders will have a choice between cash and shares.

36.2 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. One of the objectives of the Group's risk & control framework is to minimize potential adverse effects on the financial performance of the Group.

Risk management procedures are carried out under policies that 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.

36.2.1 Credit risk

Credit risk within the Group arises from the possibility that customers and other counterparties may not be able to settle their obligations 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 up front 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 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 a provision for impairment of trade receivables.

Movements in the provision for impairment of trade receivables are:

	2012	2011
Balance at January 1	**52.9**	**54.1**
Acquisition of subsidiaries	-	3.0
Disposal of subsidiaries	(0.1)	(0.1)
Charged to income statement	8.0	4.8
Receivables written off as uncollectable	(10.5)	(9.4)
Translation differences	(0.2)	0.5
Balance at December 31	**50.1**	**52.9**

In the provision for impairment of trade receivables an amount of € 35.3 million (2011: € 36.1 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.

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

	2012		2011	
	amount	%	amount	%
0-4 weeks	1,527.3	59.6	1,536.1	55.5
5-16 weeks	948.7	37.1	1,133.0	40.9
17-26 weeks	26.0	1.0	37.7	1.4
Not impaired	2,502.0	97.7	2,706.8	97.8
Impaired	57.6	2.3	60.9	2.2
	2,559.6	**100.0**	**2,767.7**	**100.0**

The trade receivables that are neither past due nor impaired amount to € 1,874 million (2011: € 1,767 million); an amount of € 628 million (2011: € 940 million) is past due, but not impaired.
The impaired trade receivables are provided for excluding value-added taxes.

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 the risk of non-payment starts as from this date.

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

36.2.2 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 and manual and automated cash concentration techniques are used in this respect.

The expected maturities of financial liabilities, including interest payments are:

December 31, 2012	carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	more than 5 years
Short term part non-current borrowings [1]	1,204.7	1,205.9	-	-	-
Current borrowings [2]	82.5	82.5	-	-	-
Trade and other payables [3]	2,310.3	1,935.6	374.7	-	-
Other liabilities [4]	22.8	0.4	0.1	3.4	24.4
	3,620.3	**3,224.4**	**374.8**	**3.4**	**24.4**

December 31, 2012	carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	more than 5 years
Non-current borrowings [1]	1,602.7	1,590.8	0.2	14.5	-
Current borrowings [2]	38.5	35.6	2.9	-	-
Trade and other payables [3]	2,449.8	2,058.8	391.0	-	-
Other liabilities [4]	76.2	0.9	47.0	0.8	36.7
	4,167.2	**3,686.1**	**441.1**	**15.3**	**36.7**

1 Drawings on the syndicated loan contractually mature in January of the subsequent year (see note 27); most likely to be extended by new drawings. All amounts are undiscounted.
2 No interest included, since current borrowings are considered repayable upon demand. All amounts are undiscounted.
3 Excluding deferred income. All amounts are undiscounted.
4 Other liabilities based upon the estimated maturities, due to the nature of put options. Carrying amount is discounted, whereas other amounts are undiscounted.

The Group has a € 1,620 million multi-currency syndicated revolving credit facility at its disposal, that will mature by mid 2013. The facility agreement contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio) as well as a

paragraph on material adverse changes. The net debt to EBITDA ratio has a limit of 3.5 as per the contractual arrangements and is calculated based on the results of the Group on a 12-month basis.
The actual net debt to EBITDA ratio as of December 31, 2012, is safely within the limits of the facility agreement.

The Group secured a new multi-currency syndicated revolving credit facility of € 1,420 million, that becomes available mid 2013. In addition the Group secured a syndicated credit-facility with a Group of Japanese banks in December 2012, amounting to JPY 8 billion (approximately € 70 million). Refer to note 27 for further information.

Cash, borrowings and net debt

	2012	2011
(Short term part of) non-current borrowings	(1,204.7)	(1,602.7)
Current borrowings	(82.5)	(38.5)
Total borrowings	**(1,287.2)**	**(1,641.2)**
Cash and cash equivalents	191.5	338.6
Net debt	**(1,095.7)**	**(1,302.6)**

36.2.3 Foreign currency exchange risk
The Group is exposed to foreign currency exchange risk because it operates businesses in Asia, Australia, Europe, Latin America and North America. 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, the UK pound sterling, the Australian dollar, the Canadian dollar and the Japanese yen.

The following main exchange rates to the euro apply for 2012 and 2011 (averages on annual basis):

	2012		2011	
	average	at year-end	average	at year-end
Australian dollar	0.81	0.79	0.74	0.79
Canadian dollar	0.78	0.76	0.73	0.76
Japanese yen	0.00977	0.00881	0.00904	0.00999
UK pound sterling	1.23	1.23	1.15	1.20
US dollar	0.78	0.76	0.72	0.77

The foreign currency exchange risk of the Group with respect to transactions is limited, because operating companies usually 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. The Group has a policy to match, within certain preset boundaries, the currencies in the net debt positions with the mix in the cash flow generation of the currencies. The mix of the debt can easily be adjusted, as the € 1,620 million syndicated revolving credit facility is a multi-currency facility. Therefore the use of derivatives is in principle unnecessary.

Currency fluctuations can, however, affect the consolidated results, due to the translation of local results into the Group's 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, through comprehensive income, 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. These borrowings can be classified as a net investment hedge; translation differences on borrowings classified as such are included, through comprehensive income, in equity.

If the euro had weakened or strengthened 10% on average during 2012 against the currencies mentioned above, with all other variables held constant, EBITA for the year 2012 would have been higher or lower respectively in the range of € 0 - € 15 million per currency. The effect on shareholders' equity would have been the same (before tax effects) (2011: range of € 0 - € 8 million per currency).

36.2.4 Interest rate risk
As we believe the staffing industry has a natural hedge to interest rate changes (EBITDA levels usually move up and down more or less in line 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 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 or lower on average during 2012, with all other variables held constant, net interest expenses for the year would have been € 14 million higher or lower respectively, due to the net effect of the increase of interest income on cash positions and interest expenses on floating rate borrowings (2011: € 11 million effect).

notes to the consolidated statement of cash flows

(amounts in millions of €, unless otherwise indicated)

37. Notes to the consolidated statement of cash flows

The majority of the items in the consolidated statement of cash flows 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 statement of cash flows and related amounts in the statement of comprehensive income and balance sheet is shown in this note.

37.1 Cash

Cash includes cash, cash equivalents and current borrowings, for purposes of the statement of cash flows; the short-term part of non-current borrowings is not included.

	2012	2011
Cash and cash equivalents	191.5	338.6
Current borrowings	(82.5)	(38.5)
	109.0	**300.1**

37.2 Trade and other receivables

Trade and other receivables as calculated below, exclude the short-term part of the held-to-maturity investments.

	2012	2011
Balance at January 1	**3,109.1**	**2,786.5**
Acquisition of subsidiaries	0.0	225.3
Disposal of subsidiaries	(21.7)	(18.2)
Interest and deferred receipts	0.7	8.7
Translation (losses)/gains and other	(19.6)	38.9
Statement of cash flows	(197.9)	67.9
Balance at December 31	**2,870.6**	**3,109.1**

37.3 Trade and other payables

	2012	2011
Balance at January 1	**2,477.5**	**2,261.0**
Acquisition of subsidiaries	5.8	185.8
Disposal of subsidiaries	(14.0)	(4.8)
Interest	(0.4)	1.8
Payment software additions	(2.1)	(4.2)
Settlement in cash of share based payments arrangements SFN Group Inc.	-	(45.1)
Translation (gains)/losses and other	(10.1)	23.8
Statement of cash flows	(113.7)	59.2
Balance at December 31	**2,343.0**	**2,477.5**

37.4 Employee benefit obligations

	2012	2011
Balance at January 1	**24.4**	**21.5**
Acquisition of subsidiaries	-	-
Disposal of subsidiaries	(0.2)	(0.2)
Interest due to passage of time	3.7	3.5
Translation (gains)/losses and other	(0.9)	0.6
Statement of cash flows	(2.9)	(1.0)
Balance at December 31	**24.1**	**24.4**

37.5 Provisions

	2012	2011
Balance at January 1	**160.2**	**134.0**
Acquisition of subsidiaries	-	27.5
Disposal of subsidiaries	(0.6)	(0.2)
Interest due to passage of time	2.2	1.7
Translation (gains)/losses and other	(1.5)	4.6
Statement of cash flows	19.9	(7.4)
Balance at December 31	**180.2**	**160.2**

37.6 Other non-cash items

	2012	2011
Held-to-maturity investments	3.9	4.0
Statement of cash flows	**3.9**	**4.0**

37.7 Free cash flow

Free cash flow comprises net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries/activities and buyout non-controlling interests:

	2012	2011
Net cash from operating activities	528.6	519.5
Net cash from investing activities	(92.8)	(640.9)
	435.8	**(121.4)**
Acquisition of subsidiaries/activities and buyout non-controlling interests	44.1	565.8
Disposal of subsidiaries/activities	(13.4)	(9.2)
Free cash flow	**466.5**	**435.2**

notes to personnel expenses and employee numbers

(amounts in millions of €, unless otherwise indicated)

38. 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. The details for cost of services and personnel expenses, as well as the totals for wages, salaries, social security charges and pension charges are as follows:

38.1 Cost of services

Cost of services include the expenses of staffing employees:

	2012	2011
Wages and salaries	11,167.5	10,568.6
Social security charges	2,169.1	2,068.6
Pension charges - defined contribution plans	84.1	70.2
Pension charges - defined benefit plans	2.8	3.0
Wages, salaries, social security and pension charges	**13,423.5**	**12,710.4**
Other cost of services	556.0	560.6
	13,979.5	**13,271.0**

38.2 Personnel expenses

Personnel expenses of corporate employees are included in total operating expenses and amount to:

	2012	2011
Wages and salaries	1,435.6	1,273.2
Social security charges	248.3	209.1
Pension charges - defined contribution plans	33.5	28.6
Pension charges - defined benefit plans	2.9	3.2
Share-based payments	24.1	15.1
Wages, salaries, social security and pension charges	**1,744.4**	**1,529.2**
Other personnel expenses	184.0	173.9
	1,928.4	**1,703.1**

38.3 Wages and salaries, social security charges and pension charges

Total wages and salaries, social security charges and pension charges included in operating profit are:

	2012	2011
Wages and salaries	12,603.1	11,841.8
Social security charges	2,417.4	2,277.7
Pension charges - defined contribution plans	117.6	98.8
Pension charges - defined benefit plans	5.7	6.2
Share-based payments	24.1	15.1
	15,167.9	**14,239.6**

39. Employee numbers (average)

	2012	2011
Staffing employees	581,700	576,800
Corporate employees	29,320	28,700
	611,020	**605,500**

Employee numbers by segment:

	staffing		corporate	
	2012	2011	2012	2011
North America	105,900	73,900	6,370	4,210
France	83,400	92,700	3,880	3,950
Netherlands	85,400	88,300	4,730	5,180
Germany	50,600	56,000	2,770	2,970
Belgium & Luxembourg	42,300	46,500	2,020	2,120
United Kingdom	20,400	24,000	1,750	1,950
Iberia	45,000	49,700	1,350	1,470
Other European countries	36,300	39,200	1,780	1,800
Rest of the world	112,400	106,500	4,480	4,880
Corporate	-	-	190	170
	581,700	**576,800**	**29,320**	**28,700**

notes to share-based payments

40. 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 actual annual grant of performance shares and options will in principle not exceed 1% of the ordinary issued capital. However, depending on the realization of related performance targets and the company's actual share price, the number of shares to be issued in relation to vesting of the performance shares and options might in a certain year exceed the 1% limit. For more details, please refer to the summary of the remuneration report on page 95 .

40.1 Stock option plans

Executive Board stock option plan
Until 2007, the Executive Board received options under this plan that was implemented in 2001. The options have an exercise price that is not lower than the share price at the date they were granted. The options have a term of seven years and are exercisable as from three years after granting, without performance conditions or other restrictions.

Senior management stock option plan
Until 2007, options were also 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 annually to the Executive Board members; as from 2008, the options have an exercise price equal to the average trading price of the Randstad shares during three business days before grant 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 with a peer group of nine companies measured over a three-year period starting on January 1 of the year of granting the options. Options granted to a Board member who resigns from the Group within the three-year vesting period, will be forfeited.

All stock option plans are equity-settled. The fair value is determined per the date of each grant based on a combination of a Monte Carlo simulation model and a Black & Scholes valuation model. The following parameters are used:

	2012	2011	2010
Share price at grant date	€ 27.99	€ 39.15	€ 32.47
Exercise price	€ 28.11	€ 39.16	€ 31.39
Expected volatility [1]	37%	51%	52%
Expected dividend yield	2.9%	2.8%	0.0%
Risk-free interest rate	1.4%	1.8%	2.1%

1 Expected volatility is measured at the standard deviation of expected share price returns of daily share prices.

The fair value is charged to the income statement over the vesting period based on the on-target awards of each plan. 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.

The details are:

year of grant	number of options (x 1,000) January 1, 2012	on-target award in 2012	lapsed	performance adjustment at vesting	exercised	December 31, 2012	exercisable	average share price at exercise (in €)	average exercise price (in €)	average fair value at grant date per option (in €)
Stock option plans										
2005	256	-	(251)	-	(5)	-	-	29.45	28.70	8.10
2006	327	-	-	-	-	327	327	-	53.70	15.98
2007	331	-	-	-	-	331	331	-	57.40	17.63
Performance stock option plans										
2007	36	-	-	-	-	36	36	-	57.40	18.70
2008	180	-	-	-	-	180	180	-	26.39	9.50
2009	255	-	-	255	(76)	434	434	27.12	9.88	9.00
2010	64	-	(9)	-	-	55	-	-	31.39	21.04
2011	68	-	(20)	-	-	48	-	-	39.16	21.00
2012	-	210	(31)	-	-	179	-	-	28.11	11.31
Total	**1,517**	**210**	**(311)**	**255**	**(81)**	**1,590**	**1,308**			

The expenses charged to the income statement 2012 amount to € 1.1 million (2011: € 1.7 million).
In 2012, the performance stock options 2009 vested based on relative TSR performance over the period January 1, 2009 – December 31, 2011. The performance resulted in 200% or 509,338 options being vested (share price at allocation date: € 26.01), compared to an on-target award of 254,669 options.

40.2 Performance share plans

Executive Board performance share plan
As from 2007, conditional performance shares are granted annually to the members of the Executive Board. The plan has a term 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 of the year of grant.

The shares yet to be vested of a Board member who resigns from the Group within the three-year vesting period will be forfeited.

Senior management performance share plan
As from 2007 conditional performance shares are also granted to a limited group of senior management. 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 under the share plans up to 2009 not only depends on the company's relative TSR performance, but also on the personal performance of each participating manager during the vesting periods; as from the plan 2010 the number of shares to vest depends only on the company's relative TSR performance.

The performance share plans are equity-settled. The fair value is based on a Monte Carlo simulation model; the following parameters are used:

	performance share plans 2012	performance share plans 2011	performance share plans 2010
Average share price at grant date	€ 26.63	€ 38.68	€ 34.92
Expected volatility based on historical prices over the three-year period to the valuation date	37%	51%	52%
Expected dividends	4.4%	2.9%	0.0%
Risk-free interest rate (yield on Dutch Government bonds)	1.4%	1.8%	2.1%

Volatility of the shares of the peer companies, as well as the pair-wise correlation between all 10 shares, is estimated on the basis of historical daily prices over three years.
Estimated dividends of the peer companies are based on historical dividends.

The fair value is charged to the income statement over the vesting period based on the on-target awards of each plan.

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:

year of grant	number of shares (x 1,000) on target					average fair value at grant date per share (in €)
	January 1, 2012	granted	lapsed	vested in 2012	December 31, 2012	
2009	945	-	(40)	(905)	-	11.96
2010	436	-	(41)	-	395	37.29
2011	542	-	(50)	-	492	45.10
2012	-	1,297	(45)	-	1,252	27.00
Total	**1,923**	**1,297**	**(176)**	**(905)**	**2,139**	

The expenses charged to the income statement 2012 amount to € 20.7 million (2011: € 13.4 million).
The performance shares 2009 vested in early 2012 based on relative TSR performance of the company and the personal performance of the participants over the period January 1, 2009 – December 31, 2011, resulting in 1,043,000 shares being vested (share price at allocation date of € 26.01), compared to an on-target award of 905,000 shares.

40.3 Share purchase plan corporate employees

Under the share purchase plan, participating corporate employees may purchase shares from a separate foundation, 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 hold on to the purchased shares for a period of six months (under the condition that they are still an employee of the Group), they receive a number of bonus shares equal to a fixed percentage of the number of shares purchased. The bonus is expensed by the company over the holding period (2012: € 2.3 million; 2011: € 1.8 million). In 2012 a total of 89,473 (2011: 57,221) bonus shares were allocated to the employees.

notes to related-party transactions

(amounts in millions of €, unless otherwise indicated)

41. Related-party transactions

41.1 Key management

The members of the Executive Board and Supervisory Board are considered the key management of the Group.

41.2 Remuneration of the members of the Executive Board

The totals of the remuneration of the members of the Executive Board included in the income statement are as follows:

	fixed compensation				variable compensation				termination and other benefits		total	
	base salary		pension charge		short-term cash bonus		share-based payments					
x € 1,000	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
B.J. Noteboom	965	874	258	233	496	477	732	688	31	28	2,482	2,300
R.J. van de Kraats	652	621	173	164	335	338	508	487	24	23	1,692	1,633
L. Galipeau	426	-	115	-	219	-	266	-	46	-	1,072	
J.W. van den Broek	572	545	151	144	294	297	446	428	22	20	1,485	1,434
L.J.M.V. Lindelauf	572	545	151	144	294	297	446	428	20	18	1,483	1,432
G.A. Netland	149	527	40	129	-	287	(377)	428	113	16	(75)	1,387
B. Wilkinson	464	425	111	145	160	231	(9)	428	1,270	42	1,996	1,271
Total	**3,800**	**3,537**	**999**	**959**	**1,798**	**1,927**	**2,012**	**2,887**	**1,526**	**147**	**10,135**	**9,457**

Executive Board members G.A. Netland and B. Wilkinson resigned on 29 March 2012 and 1 December 2012 respectively. They received their remuneration as Board member up to these respective dates. Mrs. L. Galipeau was appointed on 29 March 2012 for a period of 4 years. She received her remuneration as Board member as from this date. Mr. Wilkinson received a termination benefit of € 1,185,000 (including social security charges) in accordance with his employment agreement, consisting of a severance payment of one year base salary and one year base salary relating to the notice period. The total remuneration is partly denominated in euros and partly in US dollars for Mr. Netland (2012: € 328,000 and $ (326,000); 2011: € 574,000 and $ 1,129,000) and Mrs. Galipeau (2012: € 266,000 and $ 1,036,000) and partly in euros and partly in UK pounds sterling for Mr. Wilkinson (2012: € 569,000 and £ 1,157,000; 2011: € 565,000 and £ 611,000).

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 2012 and 2011, respectively. Share based payment expenses for Mr. Netland of € (377,000) are due to release of expenses recognized in 2010 and 2011 related to the performance share and stock option plans 2010 and 2011.

In the income statement 2012 expenses have been included for former members of the Executive Board to an amount of € 317,000 (2011: -). These expenses relate to Mr. Netland for the period 29 March to 1 August 2012 in which period he continued to be employed by the company.

On top of the total remuneration as presented in the table above, non-recurring Dutch crisis tax expenses for wages above € 150,000 have been accounted for amounting to € 1,207,000. The breakdown per member is as follows:

x € 1,000	2012
B.J. Noteboom	452
R.J. van de Kraats	249
L. Galipeau	-
J.W. van den Broek	216
L.J.M.V. Lindelauf	221
G.A. Netland	26
B. Wilkinson	43
Total	**1,207**

The company has not issued any loans, commitments to provide loans, or guarantees to Executive Board members.

The numbers of stock options and performance shares outstanding in the financial year are as follows:

	year of granting	January 1, 2012	on-target award 2012	transfer in 2012	lapsed in 2012	Performance adjustment at vesting 2012	exercised in 2012	share price at exercise	December 31, 2012
Stock option plans									
B.J. Noteboom	2005	32,320			32,320				-
	2006	22,471							22,471
	2007	23,124							23,124
R.J. van de Kraats	2006	15,500							15,500
	2007	15,950							15,950
J.W. van den Broek	2006	13,616							13,616
	2007	14,012							14,012
L. Galipeau	2005	-		2,876	2,876				-
	2006	-		2,437					2,437
	2007	-		3,072					3,072
L.J.M.V. Lindelauf	2006	13,616							13,616
	2007	14,012							14,012
Performance stock option plans									
B.J. Noteboom	2007	12,161							12,161
	2008	84,164							84,164
	2009	60,562				60,562			121,124
	2010	15,141							15,141
	2011	16,178							16,178
	2012	-	52,002						52,002
R.J. van de Kraats	2007	8,635							8,635
	2009	43,003				43,003			86,006
	2010	10,751							10,751
	2011	11,487							11,487
	2012	-	35,021						35,021
J.W. van den Broek	2007	7,586							7,586
	2009	37,776				37,776			75,552
	2010	9,444							9,444
	2011	10,091							10,091
	2012	-	30,764						30,764
L. Galipeau	2012	-	30,764						30,764
L.J.M.V. Lindelauf	2007	7,586							7,586
	2009	37,776				37,776			75,552
	2010	9,444							9,444
	2011	10,091							10,091
	2012	-	30,764						30,764
Total		**556,497**	**179,315**	**8,385**	**35,196**	**179,117**	**-**		**888,118**
G.A. Netland	2008	48,000							48,000
	2009	37,776				37,776	75,552	27.12	-
	2010	9,444			9,444				-
	2011	10,091			10,091				-
B. Wilkinson	2008	48,000							48,000
	2009	37,776				37,776			75,552
	2010	9,444							9,444
	2011	10,091			10,091				-
	2012	-	30,764		30,764				-
Board members resigned		**210,622**	**30,764**	**-**	**60,390**	**75,552**	**75,552**		**180,996** [1]

1 Numbers as per resignation date.

The exercise price and expiration date per plan are as follows:

year of granting	exercise price	end of exercise period
2006	€ 53.70	May 2013
2007	€ 57.40	May 2014
2008	€ 26.39	February 2015
2009	€ 9.88	February 2016
2010	€ 31.39	February 2017
2011	€ 39.16	February 2018
2012	€ 28.11	February 2019

The performance stock options 2009 vested in early 2012 based on relative TSR performance of the company over the period January 1, 2009 – December 31, 2011. The performance resulted in 200% of the options being vested (share price at allocation date: € 26.01), compared to an on-target award of 254,669 options.
The numbers relating to the plans 2010, 2011 and 2012 are the on-target numbers.
The transferred numbers of stock option plans are vested rights of Mrs. Galipeau and relate to the stock options plans of senior management.

performance shares	year of award	January 1, 2012	number of shares on target 2012	transfer in 2012	lapsed in 2012	vested in February 2012	December 31, 2012
B.J. Noteboom	2009	24,373				24,373	-
	2010	8,229					8,229
	2011	8,491					8,491
	2012	-	20,090				20,090
R.J. van de Kraats	2009	17,306				17,306	-
	2010	5,843					5,843
	2011	6,029					6,029
	2012		13,530				13,530
J.W. van den Broek	2009	15,203				15,203	-
	2010	5,133					5,133
	2011	5,296					5,296
	2012	-	11,885				11,885
L. Galipeau	2010	-		3,720			3,720
	2011	-		3,841			3,841
	2012	-	11,885				11,885
L.J.M.V. Lindelauf	2009	15,203				15,203	-
	2010	5,133					5,133
	2011	5,296					5,296
	2012	-	11,885				11,885
Total		**121,535**	**69,275**	**7,561**	**-**	**72,085**	**126,286**
G.A. Netland	2009	15,203				15,203	-
	2010	5,133			5,133		-
	2011	5,296			5,296		-
B. Wilkinson	2009	15,203				15,203	-
	2010	5,133					5,133
	2011	5,296			5,296		-
	2012	-	11,885		11,885		-
Board members resigned		**51,264**	**11,885**	**-**	**27,610**	**30,406**	**5,133**

The performance shares 2009 vested in early 2012 based on relative TSR performance of the company over the period January 1, 2009 – December 31, 2011, resulting in vesting of 200% of the on-target award (share price at allocation date of € 26.01).
Final allocation after vesting of conditional shares awarded in 2010, 2011 and 2012 will take place in February 2013, 2014 and 2015 respectively.

The performance shares 2010 and 2011 of Mrs. Galipeau relate to the performance share plan of senior management. For the conditions and criteria governing the granting and exercise of stock options and performance shares, please refer to note 40.

The number of ordinary shares in Randstad Holding nv held by the members of the Executive Board per December 31, 2012 was as follows:

	total	unrestricted shares	locked up number	until
B.J. Noteboom	79,581	35,276	27,570	February 2014
			16,735	February 2013
R.J. van de Kraats	48,239	16,780	19,576	February 2014
			11,883	February 2013
J.W. van den Broek	58,243	30,608	17,197	February 2014
			10,438	February 2013
L.Galipeau	5,957	5,957	-	-
L.J.M.V. Lindelauf	54,365	26,730	17,197	February 2014
			10,438	February 2013

41.3 Remuneration of the members of the Supervisory Board
Remuneration of the members of the Supervisory Board included in the income statement is as follows:

	2012	2011
Current board members		
F.W. Fröhlich	128,000	109,000
H.M.E.V. Giscard d'Estaing	83,250	67,250
B.C. Hodson	86,500	69,500
G. Kampouri Monnas	85,750	69,500
J. Winter	86,750	70,500
L.M. van Wijk	103,000	77,750
W. Dekker	62,250	-
	635,500	**463,500**
Former board members		
F.J.D. Goldschmeding	-	18,250
R. Zwartendijk	18,500	67,250
Total	**18,500**	**85,500**

Mr. W. Dekker was appointed as member of the Supervisory Board as per March 29, 2012; he received his allowance as from this date. Mr. R. Zwartendijk resigned from the Supervisory Board effective March 29, 2012; he received his Supervisory Board allowance until resignation. Mr. F.J.D. Goldschmeding resigned from the Supervisory Board effective March 31, 2011; he received his Supervisory Board allowance until resignation. Mr. J. Winter was appointed as member of the Supervisory Board as per March 31, 2011; he received his allowance as from the date of his appointment. Mr. J.C.M. Hovers and Mr. W.A.F.G. Vermeend, both former members of the Supervisory Board, both received as member of the Supervisory Board of the Dutch sub-holding Randstad Groep Nederland bv an annual allowance of € 12,000 in 2012 and 2011. Mr. H.M.E.V. Giscard d'Estaing holds 451 ordinary shares in Randstad Holding nv per December 31, 2012 and 2011.

The company has not issued any loans, commitments to provide loans or guarantees to members of the Supervisory Board.

41.4 Other related-party transactions
The founder of the Randstad Group, member of the Supervisory Board until March 31, 2011, has an interest in a legal entity, which, based on the 'Wet financieel toezicht' (Act on Financial Supervision'), is registered as a shareholder in Randstad Holding nv in the 30%-40% category. There were no transactions with this related party, other than the rental of a ship, Clipper Stad Amsterdam, for promotional activities at approximately € 1.8 million rent annually (2011: € 1.7 million).

42. Events after balance sheet date

For information regarding events after balance sheet date, please refer to other information on page 158.

overview of major subsidiaries

43. Overview of major subsidiaries

Europe	
Randstad Nederland bv	Amsterdam, the Netherlands
Tempo-Team Group bv	Amsterdam, the Netherlands
Yacht Group bv	Amsterdam, the Netherlands
Randstad Sourceright International bv	Amsterdam, the Netherlands
Randstad Belgium nv	Brussels, Belgium
Tempo-Team nv	Brussels, Belgium
Randstad Interim sa	Luxembourg, Luxembourg
Randstad Deutschland GmbH & Co KG	Eschborn, Germany
Yacht Teccon Engineering GmbH & Co KG	Cologne, Germany
Randstad SAS	Saint-Denis, France
Randstad Schweiz AG	Zurich, Switzerland
Randstad Empleo, Empresa De Trabajo Temporal S.A. Sociedad Unipersonal	Madrid, Spain
Randstad Recursos Humanos, Empresa de Trabalho Temporario S.A.	Lisbon, Portugal
Randstad UK Holding Ltd	Luton, United Kingdom
Randstad Italia SPA	Milan, Italy
Randstad Polska Sp. z.o.o.	Warsaw, Poland
Randstad A/S	Copenhagen, Denmark
Randstad AB	Stockholm, Sweden
Randstad Norway AS	Oslo, Norway
North America	
Randstad North America LP	Atlanta, United States
Randstad Professionals US LP	Boston, United States
Randstad Intérim Inc.	Montreal, Canada
Rest of world	
Sesa Internacional S.A.	Rosario, Argentina
Top Personnel S. de R.L. de CV	Mexico City, Mexico
Randstad Brasil Recursos Humanos Ltda	Sao Paulo, Brazil
Randstad Chile S.A.	Santiago, Chile
Randstad Pty Ltd	Sydney, Australia
Talent Shanghai Co. Ltd	Shanghai, China
Randstad India Ltd	Chennai, India
Randstad KK	Tokyo, Japan
Other subsidiaries	
Randstad Groep Nederland bv	Amsterdam, the Netherlands
Randstad Financial Services nv	Brussels, Belgium
Randstad Finance GmbH	Zurich, Switzerland

The fully consolidated German subsidiaries as mentioned above, exercise simplification options in accordance with article 264.b of the German Commercial Code ('HGB').
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 (by way of legal ownership of the shares or by way of economic ownership of the shares (put-call option arrangements) for a limited number of companies), unless otherwise indicated.

company financial statements

(before profit appropriation for ordinary shares)

income statement

in millions of €	note	2012	2011
Income from subsidiaries after taxes		86.5	219.7
Other income after taxes		(49.8)	(40.9)
Net income		**36.7**	**178.8**

balance sheet at December 31

in millions of €	note	2012	2011
ASSETS			
Subsidiaries	2	6,097.0	5,779.3
Financial fixed assets		**6,097.0**	**5,779.3**
Non-current assets		**6,097.0**	**5,779.3**
Receivables	3	182.0	157.9
Income tax receivables		-	27.0
		182.0	**184.9**
Cash and cash equivalents	4	6.9	9.2
Current assets		**188.9**	**194.1**
TOTAL ASSETS		**6,285.9**	**5,973.4**
EQUITY AND LIABILITIES			
Issued capital		19.7	19.6
Share premium		2,096.4	2,067.2
Legal reserves		19.4	38.1
Other reserves		552.7	594.7
Net income for the year		36.7	178.8
Shareholders' equity	**5**	**2,724.9**	**2,898.4**
Provisions - deferred income tax liabilities	**6**	**-**	**131.1**
Non-current liabilities	**7**	**-**	**1,588.6**
Borrowings	7	34.6	-
Short-term part non-current borrowings	7	1,204.7	-
Trade and other payables	8	2,197.5	1,355.3
Income tax liabilities	6	124.2	-
Current liabilities		**3,561.0**	**1,355.3**

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 presented in accordance with the equity method.

A summary of the significant accounting policies and a summary of the critical accounting estimates, assumptions and judgments are included respectively 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

Movements in subsidiaries are:

	2012	2011
Balance at January 1	**5,779.3**	**4,896.9**
Capital contributions	261.2	571.3
Net income	86.5	219.7
Disposals	(2.6)	0.0
Dividend	-	(0.2)
Share-based payments, subsidiaries	3.5	(1.0)
Acquisition non-controlling interests	(0.5)	(3.1)
Other	(0.3)	0.1
Translation differences	(30.1)	95.6
Balance at December 31	**6,097.0**	**5,779.3**

See note 43 of the notes to the consolidated financial statements for an overview of major subsidiaries.

3. Receivables

	2012	2011
Receivables from subsidiaries	171.0	150.3
Other receivables	11.0	7.6
	182.0	**157.9**

4. Cash and cash equivalents

Cash includes solely bank balances of € 6.9 million (2011: € 9.2 million).

5. Shareholders' equity

Additional information with respect to equity is included in the consolidated statement of changes in total equity and in note 26 of the notes to the consolidated balance sheet.

Legal reserves

Based on Dutch law, a legal reserve needs to be astablished for currency translations and capitalized costs of development of software. The legal reserve cannot be used for dividend distribution and is therefore restricted in usage.

	2012	2011
Translation reserve	3.5	18.2
Developed software	15.9	19.9
	19.4	**38.1**

Movements during 2012 relate to translation losses and to the net balance of capitalization and amortization of own developed software.

Other reserves

Other reserves includes a reserve with respect to share-based payments in the amount of € 57.4 million (2011: € 45.1 million).

6. Deferred and current income taxes

The deferred income tax liability as of December 31, 2011 was a liability in relation to a decrease in the value of certain non-Dutch subsidiaries that was taken into account for Dutch tax purposes. This liability in the amount of € 131.1 million has been included under current income tax liabilities as per December 31,2012; the amount will ultimately be paid by the end of 2013.

7. Borrowings

	2012	2011
Non-current borrowings comprising drawings on multi-currency		
Syndicated revolving credit facility	-	1,588.6
Non-current borrowings	**-**	**1,588.6**
Current borrowings	34.6	-
Short-term part non-current borrowings	1,204.7	-
	1,239.3	**1,588.6**

Movements in non-current borrowings are:

	2012	2011
Balance at January 1	**1,588.6**	**1,086.2**
(Repayments of)/drawings on syndicated loan, net	(366.9)	427.5
Amortization of transaction costs	3.6	4.1
Translation differences	(20.6)	70.8
Reclassification to short-term part non-current borrowings	(1,204.7)	-
Balance at December 31	**0.0**	**1,588.6**

Additional information with respect to borrowings is included in note 27 of the consolidated balance sheet.

8. Trade and other payables

	2012	2011
Trade payables	1.4	0.8
Payables to subsidiaries	2,170.9	1,330.8
Other taxes and social security premiums	1.7	1.9
Pension contributions	0.5	0.3
Wages, salaries and other personnel costs	5.8	5.8
Accruals and deferred income	17.2	15.7
Balance at December 31	**2,197.5**	**1,355.3**

9. Employee numbers (average)

In 2012, the company employed an average of 178 employees (2011: 163).

10. Remuneration

Refer to note 41 of the notes to the consolidated financial statements.

11. Related parties

All companies within the Group are considered to be related parties.

See also notes 40, 41 and 43 of the notes to the consolidated financial statements.

12. Guarantees and commitments not included in the balance sheet

The company bears joint and several liability for drawings by subsidiaries under the multi-currency syndicated revolving credit facility and under bank overdraft and guarantee facilities, in the amount of € 477 million (2011: € 432 million).

The company has issued guarantees on behalf of subsidiaries as at December 31, 2012, to the amount of € 1.0 million (2011: € 1.6 million).

The company's commitments for the period shorter than one year amount to € 1.3 million (2011: € 1.1 million) and for the period between one to five years € 1.8 million (2011: € 1.8 million) with respect to lease contracts for automobiles.

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 with respect to 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 issued joint and several liability statements in agreement with Section 403, Part 9, Book 2 of the Dutch Civil Code for a limited number of its Dutch subsidiary companies, mainly serving as sub-holding companies.

13. Auditors' fees

Information with respect to auditors' fees is included in note 34 of the consolidated balance sheet.

Diemen, the Netherlands, February 12, 2013

The Executive Board
Ben Noteboom (chairman)
Robert Jan van de Kraats (vice-chairman)
François Béharel
Jacques van den Broek
Linda Galipeau
Leo Lindelauf

The Supervisory Board
Frits Fröhlich (chairman)
Leo van Wijk (vice-chaitman)
Wout Dekker
Henri Giscard d'Estaing
Beverley Hodson
Giovanna Kampouri Monnas
Jaap Winter

other information

events after balance sheet date

Subsequent to the date of the balance sheet in the Extraordinary General Meeting of shareholders held on January 16, 2013 it has been decided to issue 50,130,352 preferred shares C with a nominal value of € 0,10, leading to an increase in equity of € 140 million. This capital contribution took place on January 22, 2013.
The preferred shares C carry a dividend yield of 5.8%, which will be reset after a period of 7 years (November 2019). Only the Executive Board can propose to the Annual General Meeting of shareholders to decide that the preferred shares C be repaid.

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 seventy-five base points. If the share premium reserve has not shown the same balance for the whole financial year, the dividend shall be calculated on the time-weighted average balance for that financial year.

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 The Executive Board is authorized, subject to the approval of the Supervisory Board, to resolve that dividend on the preference B shares of any series shall not be distributed but reserved instead in order to be distributed at a later date following a resolution to this effect by the Executive Board, subject to the approval of the Supervisory Board.

b.4 If and insofar as the profit is not sufficient to fully make the distribution referred to hereinbefore on preference B shares, the Executive Board may resolve, subject to the approval of the Supervisory Board, to make these distributions from the freely distributable reserves, with the exception of the share premium reserves referred to in Article 4, paragraph 4 under b.

b.5 If and insofar as in any financial year no distribution can be made or it is resolved not to make a distribution on preference B shares, 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 provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the Executive Board subject to the approval of the Supervisory Board, such distribution will be made to the holders of preference B shares or reserved 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 (i) no distribution will be made as long as not all the profit distributions have been made in accordance with paragraph 1 under b.1, b.4 and b.5 above of this Article 28 and the reserves are distributed on preference B shares as referred to in paragraph 1 under b.3 in conjunction with paragraph 6 of this Article 28 and (ii) 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, if the requirement of the preceding paragraph has been fulfilled, as will be evident from an interim specification of equity and all the distributions on preference B shares have been made. Said specification of equity will relate to the position of the equity at the earliest on the first day of the third month prior to the month in which the resolution for distribution will be announced. It will be drawn up with due observance of the valuation methods deemed acceptable in society. The specification of equity will include the amounts to be allocated to the reserves by virtue of the law. It will be signed by the members of the Executive Board. In the event that the signature(s) of one or more of them should be lacking, the reason thereof will be stated. The company will deposit the specification of equity at the office of the Trade Register within eight days after the date on which the resolution for distribution will be announced. 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.

Subsection 6.
Resolutions for the complete or partial cancellation of reserves as stated in paragraph 1 of this Article may only be passed by the General Meeting on a proposal of the Executive Board approved by the Supervisory Board, with the exception of distributions from reserved dividend on preference B shares, which shall be resolved upon by the Executive Board subject to the approval of the Supervisory Board. Resolutions of the General Meeting for the complete or partial cancellation of a share premium reserve as stated in Article 4, paragraph 4b. will require the prior approval of the meeting of holders of shares of the class and series concerned, without prejudice to the provisions in Article 4, paragraph 5, under b.1. Only holders of ordinary shares will be entitled to distributions deducted from allocations to reserves other than those mentioned in the preceding sentence. However, without prejudice to the amounts that would accrue to holders of preference B shares in accordance with the provisions in Article 28, paragraph 1b.4. and Article 34, paragraph 4.

proposed profit appropriation

It is proposed that a dividend of € 6.8 million be paid on the type-B preferred shares and that a dividend of € 215.1 million be paid on the ordinary shares. The surplus of € 185.2 million of the total dividend over net income 2012 for equity holders, amounting to € 36.7 million, will be paid out of retained earnings.

independent auditor's report

To the General Meeting of Shareholders of Randstad Holding nv

Report on the financial statements

We have audited the accompanying financial statements 2012 of Randstad Holding nv, Amsterdam as set out on pages 108 to 157. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2012, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

The Executive Board's responsibility

The Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report from the Executive Board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 31 December 2012, 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 Dutch 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 31 December 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report from the Executive Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the report from the Executive Board, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, February 12, 2013
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M. de Ridder RA

supplementary information

quarterly summary income statement 2012

unaudited

amounts in millions of €, unless otherwise indicated	first quarter	second quarter	third quarter	fourth quarter	year 2012
Revenue	**4,152.4**	**4,303.1**	**4,396.8**	**4,234.5**	**17,086.8**
Cost of services	3,404.2	3,520.7	3,597.6	3,457.0	13,979.5
Gross profit	**748.2**	**782.4**	**799.2**	**777.5**	**3,107.3**
Selling expenses	441.6	463.9	441.3	464.8	1,811.6
General and administrative expenses	202.6	206.7	212.5	210.3	832.1
Amortization and impairment acquisition-related intangible assets and goodwill	55.4	56.1	43.2	181.3	336.0
Total operating expenses	**699.6**	**726.7**	**697.0**	**856.4**	**2,979.7**
Operating profit	**48.6**	**55.7**	**102.2**	**(78.9)**	**127.6**
Net finance costs	(7.4)	(2.2)	(2.6)	(5.7)	(17.9)
Share of profit/(loss) of associates	0.0	(0.1)	0.1	0.1	0.1
Income before taxes	41.2	53.4	99.7	(84.5)	109.8
Taxes on income	(12.4)	(16.9)	(30.9)	(12.9)	(73.1)
Net income	**28.8**	**36.5**	**68.8**	**(97.4)**	**36.7**
Calculation earnings per ordinary share					
Net income for holders of ordinary shares	27.0	34.7	67.0	(98.8)	29.9
Amortization and impairment acquisition-related intangible assets and goodwill	55.4	56.1	43.2	181.3	336.0
Integration costs	6.4	6.3	6.5	6.0	25.2
One-offs	0.0	16.8	9.5	47.8	74.1
Tax-effect on amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs, including tax one-off	(21.4)	(26.4)	(19.2)	(32.3)	(99.3)
Net income for holders of ordinary shares before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	67.4	87.5	107.0	104.0	365.9
Basic earnings per share (€)	0.16	0.20	0.39	(0.57)	0.17
Diluted earnings per share (€)	0.16	0.20	0.39	(0.57)	0.17
Diluted earnings per share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs (€)	0.39	0.51	0.62	0.60	2.11
Average number of ordinary shares outstanding (in millions)	171.5	172.1	172.1	172.1	171.9
Average number of diluted ordinary shares outstanding (in millions)	172.1	172.7	173.0	173.3	173.1

quarterly summary statement of cash flows 2012

unaudited

amounts in millions of €, unless otherwise indicated	first quarter	second quarter	third quarter	fourth quarter	year 2012
Operating profit	**48.6**	**55.7**	**102.2**	**(78.9)**	**127.6**
Depreciation, amortization and impairment	75.4	76.8	62.9	205.0	420.1
Share-based payments	6.5	7.1	6.1	4.4	24.1
Provisions and employee benefit obligations	(11.1)	2.2	5.9	20.0	17.0
Other	(3.6)	0.0	(0.2)	(0.6)	(4.4)
Cash flow from operations before operating working capital and income taxes	**115.8**	**141.8**	**176.9**	**149.9**	**584.4**
Operating working capital	(28.9)	(239.5)	85.4	267.2	84.2
Income taxes paid	(17.3)	(54.9)	(44.0)	(23.8)	(140.0)
Net cash flow from operating activities	**69.6**	**(152.6)**	**218.3**	**393.3**	**528.6**
Net additions in property, plant, equipment and software	(12.1)	(16.3)	(15.3)	(17.3)	(61.0)
Acquisition and disposal of subsidiaries/activities/ buy-outs	7.6	(1.3)	(0.9)	(36.1)	(30.7)
Other	0.3	1.6	4.3	(7.3)	(1.1)
Net cash flow from investing activities	**(4.2)**	**(16.0)**	**(11.9)**	**(60.7)**	**(92.8)**
Net cash flow from financing activities	**(48.8)**	**(11.0)**	**(234.7)**	**(330.2)**	**(624.7)**
Net increase/(decrease) in cash, cash equivalents and current borrowings	**16.6**	**(179.6)**	**(28.3)**	**2.4**	**(188.9)**
Cash, cash equivalents and current borrowings at beginning of period	**300.1**	**315.7**	**140.2**	**110.0**	**300.1**
Net increase/(decrease) in cash, cash equivalents and current borrowings	16.6	(179.6)	(28.3)	2.4	(188.9)
Translation (losses)/gains	(1.0)	4.1	(1.9)	(3.4)	(2.2)
Cash, cash equivalents and current borrowings at end of period	**315.7**	**140.2**	**110.0**	**109.0**	**109.0**
Free cash flow	**57.8**	**(167.3)**	**207.3**	**368.7**	**466.5**

ten years of randstad

The figures are based on IFRS since 2004. Comparative figures for other years have not been adjusted.

amounts in millions of €, unless otherwise indicated	2012	2011
Revenue	17,086.8	16,224.9
Growth %	5.3%	14.4%
Gross profit [1]	3,107.3	2,953.9
EBITDA[1]	547.7	633.6
EBITA[1]	463.6	553.1
Operating profit/(loss)[1]	127.6	249.7
Net income attributable to holders of ordinary shares before amortization and impairment acquisition-related intangible assets and goodwill	300.3	417.3
Growth %	(28.0%)	4.5%
Net income [2]	36.7	179.0
Growth %	(79.5%)	(38.0%)
Net cash flow from operations	528.6	519.5
Free cash flow	466.5	435.2
Depreciation, amortization and impairment property, plant and equipment and software	84.1	80.5
Additions in property, plant and equipment and software	63.5	85.5
Amortization and impairment acquisition-related intangible assets and goodwill	336.0	303.4
Shareholders' equity	2,724.9	2,898.4
(Net debt) / net cash	(1,095.7)	(1,302.6)
Operating working capital	527.6	631.6
Average number of staffing employees	581,700	576,800
Average number of corporate employees	29,320	28,700
Number of branches, year-end	3,191	3,566
Number of inhouse locations, year-end	1,305	1,145
Market capitalization, year-end	4,785.3	3,907.9
Number of ordinary shares outstanding (average in millions)	171.9	170.8
Closing price (in €)	27.81	22.86
Ratios in % of revenue		
Gross profit[1]	18.2%	18.2%
EBITDA[1]	3.2%	3.9%
EBITA[1]	2.7%	3.4%
Operating profit[1]	0.7%	1.5%
Net income before amortization and impairment acquisition-related intangibles and goodwill	1.8%	2.6%
Net income	0.2%	1.1%
Basic earnings per ordinary share (€)	0.17	1.00
Diluted earnings per ordinary share (€)	0.17	1.00
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill (€)	1.73	2.42
Dividend per ordinary share (€)	1.25	1.25
Payout per ordinary share in % [3]	59%	53%

1 The results as presented in this overview are reported results. As such, they have not been adjusted for one-offs, integration costs or acquisition-related costs.
2 For the years 2005, 2006 and 2007, net income includes dividend on preferred shares as financial expenses under net finance costs.
3 Starting 2008: on basic earnings per ordinary share, adjusted for the net effect of amortization and impairment acquisition-related intangible assets and goodwill and one-offs.

							non-IFRS
2010	2009	2008	2007	2006	2005	2004	2003
14,179.3	12,399.9	14,038.4	9,197.0	8,186.1	6,638.5	5,764.2	5,257.4
14.4%	(11.7%)	52.6%	12.3%	23.3%	15.2%	9.6%	(3.4%)
2,669.3	2,421.3	2,972.3	2,029.7	1,730.6	1,405.2	1,218.2	1,088.9
598.9	346.0	744.0	605.6	484.2	339.2	267.8	174.2
513.6	252.4	644.0	554.4	436.1	299.1	226.4	120.8
341.2	93.8	(34.7)	539.6	423.6	290.9	225.6	118.2
399.2	170.0	652.5	395.0	368.9	249.1	203.3	79.6
134.8%	(73.9%)	65.2%	7.1%	48.1%	22.5%	155.4%	35.8%
288.5	67.6	18.4	384.9	360.3	241.9	202.7	77.1
326.8%	267.4%	(95.2%)	6.8%	48.9%	19.3%	162.9%	35.7%
369.2	742.7	760.1	401.4	409.6	238.2	264.7	223.6
309.3	698.1	672.7	328.4	350.0	180.3	230.3	231.4
85.3	93.6	100.0	51.2	48.1	40.1	41.4	53.4
60.7	48.5	92.0	74.4	61.8	62.0	43.8	34.7
172.4	158.6	678.7	14.8	12.5	8.2	0.8	2.6
2,850.8	2,491.0	2,416.9	1,021.6	790.3	536.2	507.1	353.8
(899.3)	(1,014.7)	(1,641.0)	(144.2)	250.3	206.0	149.0	(18.3)
525.5	395.2	711.5	409.5	354.5	398.7	303.0	248.0
521,300	465,600	555,600	369,200	312,300	254,400	224,600	202,500
25,680	27,640	28,230	17,570	15,380	13,430	12,260	12,280
3,085	3,182	4,146	1,889	1,827	1,708	1,633	1,600
1,110	947	1,087	997	843	703	687	642
6,716.9	5,917.6	2,466.9	3,150.7	6,083.4	4,243.9	3,347.2	2,223.4
169.9	169.6	148.6	116.4	115.8	115.4	115.3	115.3
39.50	34.90	14.55	27.02	52.40	36.69	28.95	19.23
18.8%	19.5%	21.2%	22.1%	21.1%	21.2%	21.1%	20.7%
4.2%	2.8%	5.3%	6.6%	5.9%	5.1%	4.6%	3.3%
3.6%	2.0%	4.6%	6.0%	5.3%	4.5%	3.9%	2.3%
2.4%	0.8%	(0.2%)	5.9%	5.2%	4.4%	3.9%	2.2%
2.8%	1.4%	4.6%	4.3%	4.5%	3.8%	3.5%	1.5%
2.0%	0.5%	0.1%	4.2%	4.4%	3.6%	3.5%	1.5%
1.65	0.36	0.07	3.31	3.11	2.10	1.68	0.59
1.63	0.36	0.07	3.30	3.10	2.09	1.68	0.59
2.32	0.99	4.38	3.38	3.17	2.15	1.68	0.62
1.18	-	-	1.25	1.25	0.84	0.66	0.25
60%	-	-	38%	40%	40%	39%	42%

glossary

operational glossary

Aging population
The process in which the working population is shrinking due to an increasing number of people leaving the labor market because of their age.

Agency work
Agency work is a special form of temporary work, where generally the employer does not hire the employee directly on a contract with a limited duration, but through a private employment agency. The employee is mostly hired directly by the employment agency, mostly on a temporary basis but sometimes on a permanent contract. During the contract period the employee can be assigned to different user companies.

Branches
Branches are physical office locations from which our consultants operate.

Branding
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. 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 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.

Blue-collar worker
Within Staffing we typically divide the market in blue-collar and white-collar work. The distinguishing factor is difference in skill sets. Blue collar is predominantly geared towards industrial and technical job profiles.

Ciett
Our worldwide industry federation, officially known as International Confederation of Private Employment Agencies.

Eurociett
Our European industry federation, officially known as European Confederation of Private Employment Agencies.

Candidate
Other term for the people we put to work at our clients (temporary and permanent employees).

Concepts
Our concepts represent the services we offer to our clients. We standardize the working processes per concept in order to easily copy and paste them across our operations around the world.

Consultant
A consultant is a front-office employee who is located at one of our outlets, directly meeting the demands of clients and candidates.

Deregulation
A driver of market growth we try to influence as much as possible is deregulation. While deregulation is a well-known and accepted term, we stress that we are not looking for a system without rules. In fact, we strive on the one hand for the lifting of unjustified restrictions in overregulated markets, and on the other for a fair and effective regulatory environment in markets where this has yet to be introduced.

Dividend policy
Our current dividend policy is to pay € 1.25 per ordinary share if the payout as percentage of adjusted earnings per share is between 30%-60% and our financial position allows for it. While we maintained our current dividend policy over 2012, we will offer shareholders a choice between shares and cash. As from 2013, we will introduce a new dividend policy which aims at a payout ratio of 40%-50% of adjusted earnings per share. We will also offer shareholders a choice between shares and cash dividend. At the same time we aim to install antidilution measures, such as share buy-backs, when our financial position allows for it.

Employees working/candidates/staffing employees
The number of temporary employees currently working for our clients.

Field steering
Our field steering model is used to manage and direct performance across our businesses. By embedding operational performance tools at every level of our organization, the field steering model helps operational managers to take the right decisions, at the right time, and translate them into action. Managers receive up-to-date, accurate reports on a weekly basis, covering a range of key performance indicators. These data enable us to manage our units and teams in the field by adapting to changing client and market demands as they occur.

FTE
Full-time equivalent.

Inhouse location
An inhouse location is a branch that is located at a client's premises, where our consultants work on-site dedicated to that specific client.

Managed Services Provider (MSP)
An MSP is a company that takes on primary responsibility for managing an organization's contingent workforce program. An MSP may or may not be independent of a staffing supplier.

Outlets
Outlets are the number of branches and inhouse locations.

Outplacement
Within outplacement we counsel and support organizations in situations when a contract between an employer and an employee has to be ended because of a strategic decision or other reasons. We assist employees in their search for a suitable job to make the transition as smooth as possible.

Outsourcing
Outsourcing is the sustainable transfer of several client activities with output responsibility both in the production/ logistics and administrative environment.

Penetration rate
The penetration rate is the percentage of flexworkers in the total working population.

Permanent placement
Apart from attracting candidates for temporary jobs, we also service clients by recruiting candidates for permanent positions. The process involved is referred to as permanent placement.

Professionals
Professionals is the service we offer to our clients where we offer a broad and deep range of candidates with an academic or equivalent degree on a temporary or interim basis, as well as on a permanent placement basis through search & selection.

Recruitment
The process of hiring candidates for permanent positions.

Recruitment Process Outsourcing (RPO)
RPO is the transfer of operational responsibility for one or more recruiting functions or tasks, including recruitment administration, from the client to a service provider.

Secondment
Secondment refers to a Staffing variant where we are the legal employer of the temporary worker.

Specialties
Specialties are the specific market segments that dedicated units in our Staffing business focus on, such as, for instance, healthcare, transport, airports and call centers. The knowledge, experience and expertise we gain by focusing on these specialties translate into added value for clients, flexworkers and candidates.

Staff turnover
The number of corporate employees leaving our company.

Staffing
A service we offer to our clients where we match candidates with temporary positions at our clients.

Temporary work
Compared to part-time work, an even more flexible form of labor is temporary work. This includes both agency workers and limited duration contract workers.

Two-tier board structure
A governance structure where the board is split between an Executive Board and a Supervisory Board. The Executive Board is responsible for developing, driving, executing and achieving the approved strategy and strategic targets, while the Supervisory Board acts in the interest of the company by supervising and advising the Executive Board.

Vendor Management System
A VMS is an internet-enabled contingent worker sourcing and billing application that enables a company to procure and manage a wide range of contingent workers and services in accordance with client business rules.

White-collar worker
Within Staffing we typically divide the market in blue-collar and white-collar work. The distinguishing factor is difference in skill sets. White collar is predominantly geared towards administrative job profiles.

financial glossary

Amortization (and impairment) of acquisition-related intangible assets
Upon acquisitions Randstad identifies intangible assets, such as customer relationships, brand names and candidate databases. These acquisition-related intangible assets are amortized over 1 to 8 years, on average, leading to an annual non-cash amortization charge which is included in operating profit.

Capital expenditures
Part of cash flow from investing activities. Amounts incurred for investments in property, plant and equipment (e.g., furniture, computer hardware) and software.

Cash flow from operating activities
EBITDA adjusted for changes in working capital, taxes on income, movements in other balance sheet positions, such as provisions, and certain other non-cash items.

Closing price
Share price of Randstad at the end of a certain trading day at Euronext where an ordinary share of Randstad is listed.

Cost of services
Expenses which are directly attributable to revenue. These costs mainly include expenses related to staffing employees, such as wages, social security charges and taxes.

Diluted earnings per ordinary share
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.

Dividend on ordinary shares
Part of net income attributable to holders of ordinary shares that will be distributed to holders for ordinary shares.

DSO (Days Sales Outstanding, moving average)
This KPI represents the number of days before we are able to convert sales into cash (received from our customer).
Formula: trade receivables (before provision doubtful debts) over the last 12 months divided over the revenue over the last 12 months, including value added tax multiplied by 365/12.

EBITA
Earnings Before Interest, Taxes and Amortization (and impairment of acquisition-related intangible assets and goodwill). It is basically the same as operating profit adjusted for amortization charges on acquisition-related intangible assets. This is the key performance indicator when looking at the profitability of our business.

EBITA margin
EBITA as percentage of revenue.

EBITDA
Earnings Before Interest, Taxes, Amortization and Depreciation. It is basically the same as operating profit adjusted for amortization and impairment charges on acquisition-related intangible assets and goodwill, depreciation, amortization and impairment of property, plant and equipment and software.

Enterprise value
Market capitalization plus net debt.

EPS (basic Earnings Per Share)
Net income attributable to holders of ordinary shares divided by the weighted average number of ordinary shares outstanding.

Free cash flow
Free cash flow is the sum of net cash flow from operating activities and investing activities adjusted for cash flows for acquisitions and disposals of subsidiaries and associates.

Gross profit
Revenue minus cost of services.

Gross margin
Gross profit as percentage of revenue.

IFRS
International Financial Reporting Standards.

Incremental conversion ratio
Additional EBITA in a year, when compared with the previous year, as percentage of additional gross profit in a year, when compared with the previous year. We target at an incremental conversion ratio of 50%, in case of growth in gross profit.

Leverage ratio
EBITDA divided by net debt. We aim at a leverage ratio of between 0 and 2x EBITDA which is commensurate to an investment grade rating. The syndicated loan documentation allows us a leverage ratio of 3.5x EBITDA.

Liquidity of shares
Total number of shares traded on Euronext.

Market capitalization
Total shares outstanding multiplied by the share price of Randstad.

Net debt
Cash and cash equivalents minus current borrowings and non-current borrowings.

Net finance costs
Net finance costs include net interest expenses in relation to our net debt position, foreign currency exchange results, net interest expenses due to passage of time, and other items.

Net income
Operating profit minus net finance costs, share of profit (or loss) of associates, and taxes on income.

Net income attributable to holders of ordinary shares
Net income adjusted for the dividend on preferred shares, as well as for results of non-controlling interests.

Net income attributable to holders of ordinary shares before amortization and impairment of acquisition-related intangible assets and goodwill
Net income attributable to holders of ordinary shares adjusted for amortization and impairment of acquisition-related intangible assets and goodwill after taxes.

Operating expenses
Operating expenses comprise personnel and accommodation expenses in relation to the activities at the outlets and the various headoffices, IT expenses, other general and administrative expenses, as well as the amortization and

impairment of acquisition-related intangible assets and goodwill.

Operating expenses margin
Operating expenses as percentage of revenue.

Operating profit
Gross profit minus operating expenses.

Operating working capital
Trade and other receivables (excluding current part of held-to-maturity investments) minus trade and other payables.
The level of working capital is related to the timing of the invoicing and payrolling processes (weekly or monthly). In addition, the payment terms we negotiate with clients and the effectiveness of our collection processes are equally important.
Liabilities, such as social security charges, wage tax and value added tax are settled every month and in some countries on a quarterly basis. Payment terms are often determined by law and therefore difficult to influence.

Payout per ordinary share
Dividend on ordinary shares divided by net income attributable to holders of ordinary shares before amortization and impairment of acquisition-related intangible assets and goodwill and one-offs after taxes.

Productivity
We measure productivity in three ways:
- number of temporary workers per staff member (EW/FTE)
- gross profit per staff member (GP/FTE)
- gross profit in relation to personnel expenses (GP/PE)

Recovery ratio
The total year-on-year change in operating expenses as percentage of the decline in gross profit. We target at a recovery ratio of 50% in case gross profit declines.

Revenue
We distinguish three categories of revenue: revenue from temporary billings, permanent placement fees, and other revenue.

Revenue from temporary billings
Revenue from temporary billings includes the amounts received or receivable for the services of temporary staff including the salary and salary-related employment costs of those staff. These revenues are generally based on the number of hours worked by the temporary staff.

Permanent placements
Revenue from permanent placements includes the fee received or receivable for the services provided. The fee generally being calculated as percentage of the candidate’s remuneration package.

Other revenue
This category includes revenue for services such as payrolling, outplacement, outsourcing, managed service provider, consultancy, and related HR offerings.

Revenue categories
Revenue categories are service concepts: Staffing (including HR Solutions), Inhouse Services and Professionals.

Segment reporting
Segments are geographical areas and are reported in line with internal reporting.

Share of profit/loss of associates
Associates are companies where Randstad Holding nv has significant influence, but no control, over the financial and operational policies, generally accompanying shareholding of between 20% and 50% of the voting rights. Our share of profit or loss of the associate is presented in this line of the income statement.

Syndicated credit facility
As of December 31, 2012, Randstad has a € 1,620 million multicurrency syndicated revolving credit facility at its disposal. The facility will mature in May 2013. In July 2011, Randstad secured a new revolving multicurrency credit facility of € 1,300 million, with a forward start structure. In 2012, we added ICBC bank to this syndicate. The total facility of € 1,420 million will become available in 2013 and the majority will mature in 2017. In addition, we secured a Japanese syndicated credit facility with a group of Japanese banks. The facility amounts to 8 billion Japanese yen, or approximately € 70 million, and will mature in 2016. The loan documentation of all credit facilities allow a leverage ratio of 3.5 times EBITDA, although we aim for a leverage ratio of between 0 and 2, which is commensurate with an investment grade rating and is important for continuity.

Taxes on income
Taxes on income comprise current taxes and the realization of deferred taxes. 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 of the applicable year. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating taxes on income.

Velocity of shares
Velocity represents the average holding period of a share Randstad. It is measured as the total number of shares traded divided by the average number of shares outstanding.

memberships, partnerships, and participations

Ciett

Through our membership in Ciett, the International Confederation of Private Employment Agencies, we strive for well-regulated working conditions for our corporate employees and candidates.

Eurociett

Through our membership in Eurociett, European Confederation of Private Employment Agencies, we strive for well-regulated working conditions for our corporate employees and candidates.

CSR Europe

CSR Europe is a leading European business network for corporate social responsibility, with more than 60 leading multinational corporations as members. Randstad is involved in CSR Europe projects in the areas of skills for employability, mainstreaming diversity and well-being in the workplace.

Global Reporting Initiative

Randstad is a registered organizational stakeholder of the Global Reporting Initiative (GRI) and supports its mission to develop globally accepted sustainability reporting guidelines through a global, multistakeholder process.

VSO

Our partnership with Voluntary Service Overseas combines the strength of two organizations driven by a common aim: to help alleviate poverty across the globe by sharing skills and expertise with local communities. VSO focuses on sustainable development and places volunteers through partners in developing countries. Randstad supports VSO by providing expertise, funding, and most of all, through our employees who can volunteer themselves.

FTSE4Good Index

Randstad Holding is a constituent company in the FTSE4Good Index Series. Companies in this Index Series are recognized for working towards environmental sustainability, developing positive relationships with stakeholders, and upholding and supporting universal human rights.

UN Global Compact

The United Nations Global Compact is a voluntary business initiative for companies committed to aligning their activities with ten universally accepted principles in the areas of human rights, labor, environment and anticorruption. As signatories of the Compact since 2004, it is Randstad's firm belief that responsible business promotes the development of markets, commerce, technology, and finance for the benefit of economies and societies everywhere.

International Integrated Reporting Committee

Randstad is a member of the pilot initiative from the IIRC, to exchange good practice with other companies and investors, thereby supporting the development of IIRC's proposed framework for integrated reporting.

INSEAD

Randstad chairs and co-funds the alumni sustainability executive roundtables of the INSEAD Social Innovation Centre, where business leaders share experiences on advancing the sustainability agenda.

Dow Jones Sustainability Index

The DJSI tracks sustainability in leading companies around the globe. In cooperation with SAM (Sustainable Asset Management), whose mission is to promote sustainability in the investment community, it ranks companies according to detailed criteria. The scoring system looks at economic, environmental and social performance, and Randstad's ongoing engagement with the DJSI is one of the ways we benchmark our sustainability performance and endorse quality measurements.

certifications, rankings, and awards

Certifications

- Randstad Belgium and Randstad Italy hold the Social Accountability SA 8000 accreditation. Randstad , Tempo-Team , Yacht and Facilities in the Netherlands, Randstad Sweden, and Randstad Mexico hold the ISO 14001 environmental management certification.
- Randstad in France, Germany included Professionals, Belgium included Tempo-Team, UK, Sweden, Spain, Italy, Greece, Poland, Hungary, China, India, Japan, Australia, Argentina, Mexico and the companies in the Netherlands are certified under the ISO 9001 label for quality management. The Dutch Facilities company was recently awarded the ISO 50001 certification for energy management.
- Randstad Belgium, Randstad France and Randstad Italy, and Randstad Holding's Group HR department continue to be certified with the Gender Equality European Standard (GEES) for their professional equality practices. Randstad Mexico has held the Gender Equity Model certification since 2010. Randstad France's Diversity Label was renewed for another four years.
- Randstad and Tempo-Team in the Netherlands were certified by FIRA Rating System for sustainability assurance based on ISO 26000, consulted by purchasing organizations.

Rankings and awards

- For the *ninth* consecutive year, Randstad Holding participated in the Dow Jones Sustainability Index. In 2012, Randstad was ranked among the top-30 of the best performing peer companies for the Europe Index.
- In 2012 again, for the fourth consecutive year, Randstad Mexico was granted the annual ESR distinctive by the Mexican Center for Philanthropy, for their commitment to CSR programs. They furthermore received recognition for good quality standards from the Mexican Association of HR Companies.
- In the elections for 'Great Place to Work', Randstad Spain was listed amongst the first fifty companies in the country and as the first in the industry. IT ComputerWorld recognized their CIO as 'CIO of the year' in the private sector.
- Randstad Belgium got awarded 'Best Interim Management Management Company' and Galilei got awarded 'Best Career Transition & Outplacement Company' at the 'HR Excellence Awards 2012'.
- Randstad Sourceright: European winner for the 'HROA EU Customer Relationship of the Year'.
- Randstad Germany was given the 6th 'Hanse Globe Award by the Logistics Initiative Hamburg eV'.
- Randstad Australia was very proud to triumph at the 'Seek Annual Recruitment Awards' (SARA) on in the large specialist recruiter category. Randstad New Zealand became second in the New Zealand SARA.
- Randstad Spain received the prestigious 'Telefónica Ability Award' and became part of a selective club of companies that have included disabled people as an important part of their productive and operative cycle.
- Randstad US, Professionals 'Inspiring Experts' campaign was a winner in the '2012 American Staffing Association Staffing VOICE Awards' competition and a '2012 Staffing VOICE Communications Crystal Award' winner within the 'Public Service-Excellence' category.
- Randstad Sourceright was placed in the 'Global HRO Baker's Dozen' for MSP (May) and RPO (September).
- Randstad Japan was no. 1 in 10 category (out of 17) in 'Temporary Staffing Satisfaction Survey' done by HR Business Magazine. Randstad Japan received a number 1 ranking by candidates in 10 out of 17 items, organized by monthly magazine 'HR Staffing Business'.
- The Randstad Holding investor relations team received two awards at the annual 'European Investor Relations Magazine Awards'. The awards were granted in the categories: 'Best investor relations by a Dutch company' and 'Best investor relations in the European business services sector'.
- Tempo-Team the Netherlands received a Dutch advertising award (San) for its campaign about 45+ labor market participation.
- Randstad Luxembourg received the 'Corporate Health' award. This recognizes the company's efforts in promoting the health and well-being of its employees.
- Randstad China got awarded 'Best HR Services Branding in Greater China 2011-2012' by the magazine Human Capital Management.
- Randstad Spain and Randstad Canada got the 'Best Workplace Award' from the 'Best Place to Work' organization.
- Randstad is one of Fortune's 'World's Most Admired Companies' in the 'Temporary Help Industry' category.
- Randstad Portugal was awarded first place for the 'Best Portuguese Human Resources Provider' of 2012, promoted by APG, in the categories 'Temporary Work' and 'Outsourcing'.
- Randstad Canada was awarded one of the best workplaces in Canada by the 'Great Place to Work' institute Canada for the sixth year in a row.Randstad US won the 'Best of Staffing' award 2012.
- In the Budapest 'Business Journal Book of Lists' (the most prestigious English periodical publication) Randstad is the number 1 recruitment company.
- The Randstad Groupe France was awarded best company for high level of social responsibility in the 'high schools' category of the Universum TOP 100 2012 in France.

key people

(situation as of February, 2013)

holding

Robert Bogaardt, Group treasury
Robbin Brugman, Group business concept development
Frans Cornelis, Group marketing & communications
Rob Fenne, Group accounting
James King, Group legal
Margriet Koldijk, global client solutions
Han Kolff, Group control, strategy and M&A
Hans van der Kroon, Group tax
Sieto de Leeuw, Group social & public affairs
Mariëlle de Macker, Group HR
Cor Versteeg, Randstad strategic sourcing
Hans Wanders, Group CIO, innovation & shared services
Netherlands

North America

USA
Linda Galipeau

Staffing, Linda Galipeau
Professionals, Dan Foley

Canada
Jan Hein Bax

The Netherlands

Randstad
Chris Heutink

Tempo-Team
Kees Stroomer

Yacht
Peter Hulsbos

France

Randstad Groupe France
François Béharel

Germany

Germany
Eckard Gatzke

Randstad Staffing, Eckard Gatzke
Randstad Professionals, Stephanie Vonden
Tempo-Team, Uwe Beyer
GULP, Michael Moser

Belgium & Luxembourg

Belgium & Luxembourg
Herman Nijns

Randstad Belgium, Herman Nijns
Tempo-Team Belgium, Marc de Braekeleer
Randstad Luxembourg, Jean-Pierre Mullenders

United Kingdom

Mark Bull

Iberia

Spain
Rodrigo Martín Velayos

Portugal
Mário Costa

other European countries

Eastern Europe
Kajetan Slonina

Poland, Kajetan Slonina
Turkey, Altug Yaka
Hungary, Sándor Baja
Czech Republic and Slovakia, Agnieszka Nordbo
Greece, Leigh Ostergard

Italy
Marco Ceresa

Nordics
Paul van de Kerkhof

Denmark & Sweden, Jeroen Tiel
Norway, Camilla Grana

Switzerland
Richard Jager

rest of the world

Latin-America

Brazil
Mário Costa

Chile, Argentina & Uruguay
Rodrigo Martín Velayos

Chile, Pedro Lacerda
Argentina, Andrea Avila

Mexico
Simone Nijsen

Asia

India
E. Balaji

Japan
Marcel Wiggers
Mamoru Inoue

Asia-Pacific
Deb Loveridge

Australia, Deb Loveridge
Singapore, Michael Smith
Hong Kong, Brien Keegan
Malaysia, Jasmin Kaur
China, George Wang

financial calendar

March 28, 2013
Annual General Meeting of shareholders

April 25, 2013
Publication Q1 2013 results (pre-market)
Analyst conference call Q1 2013 results

July 25, 2013
Publication Q2 2013 results (pre-market)
Press conference and analyst presentation Q2 2013 results

October 31, 2013
Publication Q3 2013 results (pre-market)
Analyst conference call Q3 2013 results

February 20, 2014
Publication Q4 2013 and annual results 2013 (pre-market)
Press conference and analyst presentation annual results 2013

April 3, 2014
Annual General Meeting of shareholders

1960 Uitzendbureau Amstelveen founded in the Netherlands

1964 The company takes a new name: Randstad Uitzendbureau

1967 Creation of the Randstad logo and visual identity

1970 Randstad now has 32 branches in four countries

1977 Introduction of the core values

1978 Company name changes to: Randstad Holding nv

1983 Staffing agengy Tempo-Team acquired

1985 Randstad celebrates its silver jubilee; 257 branches in four countries

1988 Establishment of Randstad Option Fund for corporate employees

1990 Randstad shares are listed on the Amsterdam Stock Exchange

1993 Randstad starts activities in the US

1996 Randstad deploys 16,000 staffing employees at the Olympic Games in Atlanta

1998 Randstad founder and president and CEO Frits Goldschmeding retires

1998/1999 International network doubled through acquisitions in the US, Germany and Spain

2007 Randstad, now present in 20 countries, is promoted to the AEX index

2008 Randstad and Vedior become one. Randstad becomes the second-largest HR services provider in the world

2010 Acquisition of FujiStaff Japan

2011 Acquisition of SFN Group

design concept
Dr. Kominski

graphs
BAS! Grafische vormgeving

photography of boards and CEO
Carin Verbruggen

other photography
Local Randstad models
Randstad photo database
Edwin Koutstaal
Sander Stoepker
Georgie Scott/VSO

text and editing
Randstad Holding nv
Baxter Communications BV

project management
Carola La Grouw/Report Company

printing
Drukkerij Tesink, Zutphen

paper
Heaven 42

This annual report is powered by Tangelo Software.

This annual report is available online at www.randstadannualreport.com

Printed with Bio ink

CO_2 neutral
We print CO_2 neutrally

FSC www.fsc.org MIX Paper from responsible sources FSC® C005670

Randstad Holding nv

address
Diemermere 25
1112 TC Diemen
The Netherlands

mailing address
PO Box 12600
1100 AP Amsterdam-Zuidoost
The Netherlands
www.randstad.com

Phone +31 (0)20 569 59 11

e-mail
corporate.communications@randstadholding.com
investor.relations@randstadholding.com

randstad