annual review 2010

working on a dream

randstad

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

contents

This annual review is a summary of the full English annual report. The full English report is available as online version on www.randstadannualreport.com and downloadable as PDF through our website www.randstad.com. The printed version can be ordered through our website or per email: corporate.communications@randstadholding.com.

As the summary of the consolidated financial statements does not contain all the required disclosures in accordance with IFRS as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code, examination of the summary of the consolidated financial statements cannot substitute the examination of the annual report 2010 of Randstad Holding nv. For the insight required in order to form a sound judgment with respect to the financial position and results of the company and sufficient insight into the scope of the auditor's opinion, the summary of the consolidated financial statements should be considered in conjunction with the full annual report 2010 of Randstad Holding nv, from which they were derived, together with the accompanying independent auditor's report, issued on February 15, 2011.

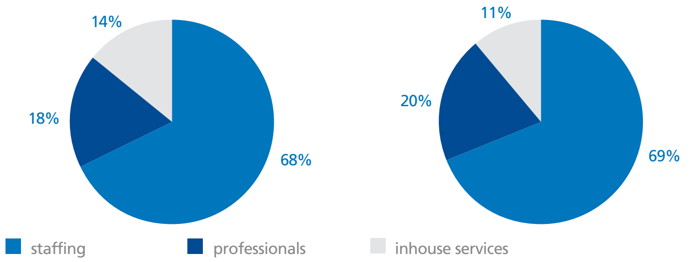
please
turn over
for
key points

Safe Harbor statement

This document contains forecasts on Randstad Holding nv's future financial performance, results from operations, and goals and strategy. By definition, forecasts 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 forecasts. 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 forecasts. They are made at the time of publication of the annual financial statements 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 forecasts published here will prove correct at a future date.

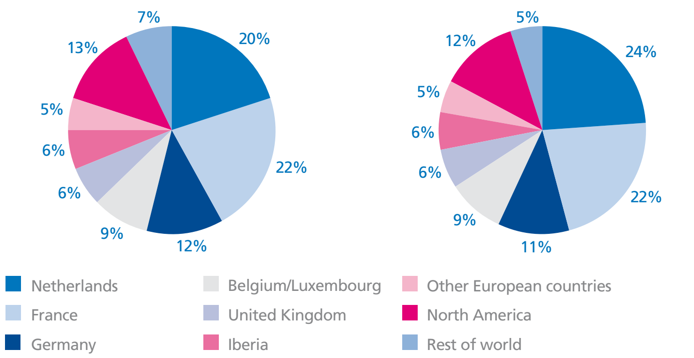
Revenue split by service concept

2010: revenue € 14,179.3 million | 2009: revenue € 12,399.9 million



Revenue split by geographical area

2010: revenue € 14,179.3 million | 2009: revenue € 12,399.9 million



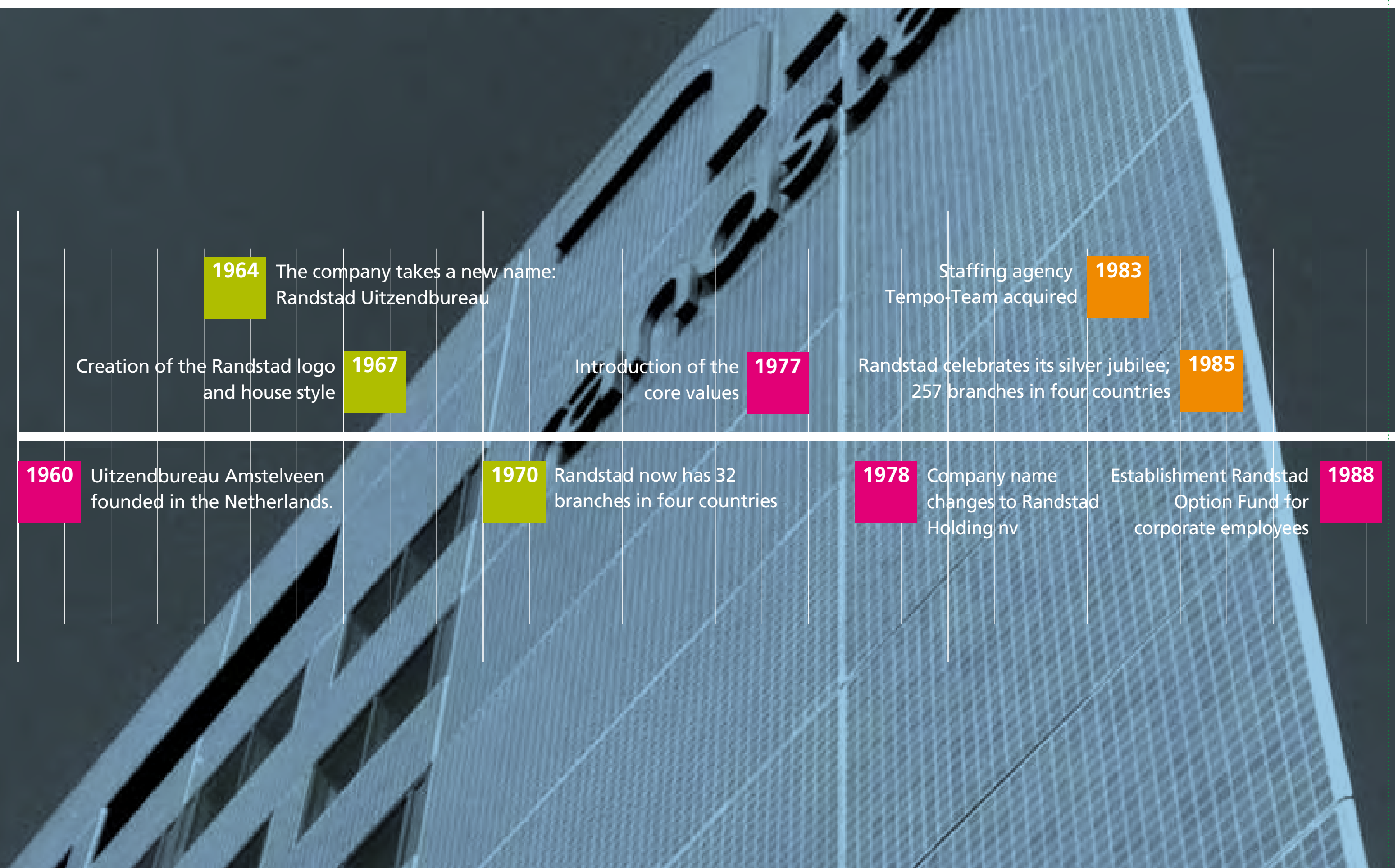
working on a dream

Randstad is celebrating its 50th anniversary

The theme of this year's annual report shares its title with the book we published in 2010 to mark Randstad's 50th anniversary. We review some of the highlights that have shaped our company and some of the lessons we have learned along the way. And how we're continuing to work on turning the dream of shaping a better and more sustainable world of work into reality.

key points 2010

- Revenue increased by 14% to € 14.2 billion, based on classical recovery patterns
- Operational leverage was strong, resulting in solid profitability and EBITA margin reached 3.6%
- Net income increased by 327% to € 288.5 million
- Strong footprint in Japan, following the acquisition of FujiStaff
- Cash flow was strong and leverage ratio of 1.5, well within our targeted range of between 0 and 2
- Proposed dividend of €1.18 per ordinary share; payout ratio of 60%



1960 Uitzendbureau Amstelveen founded in the Netherlands.

1964 The company takes a new name: Randstad Uitzendbureau

1967 Creation of the Randstad logo and house style

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 agency Tempo-Team acquired

1985 Randstad celebrates its silver jubilee; 257 branches in four countries

1988 Establishment Randstad Option Fund for corporate employees

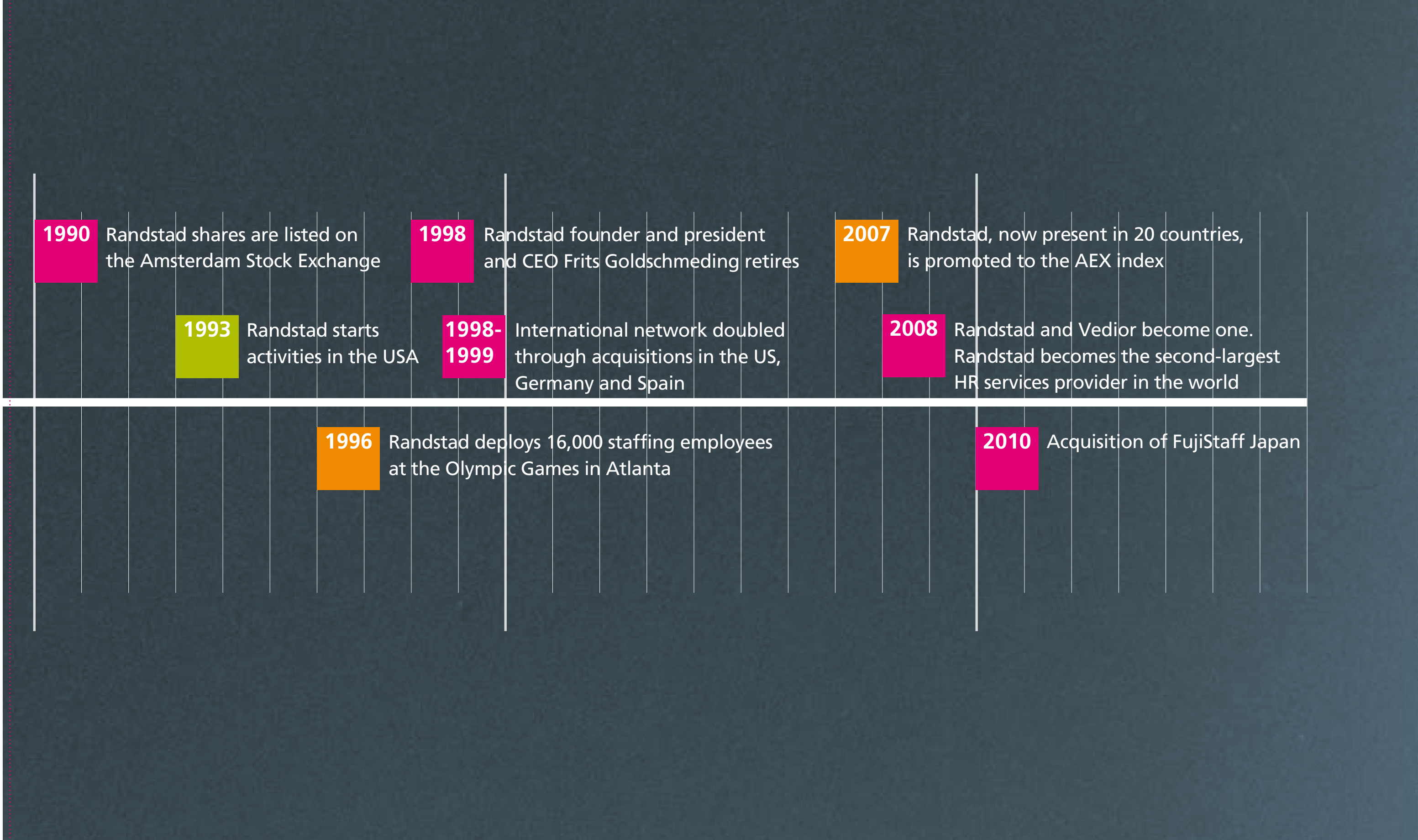
core data

in millions of €, unless otherwise indicated	2010	2009	Δ%
Key financials			
Underlying[1]			
Revenue	14,179.3	12,399.9	14
Gross profit	2,658.7	2,414.2	10
EBITA[2]	509.6	315.7	61
Actual			
Revenue	14,179.3	12,399.9	14
Gross profit	2,669.3	2,421.3	10
EBITA[2]	513.6	252.4	103
Net income	288.5	67.6	327
Free cash flow[3]	309.3	698.1	(56)
Net debt[4]	899.3	1,014.7	(11)
Shareholders' equity	2,850.8	2,491.0	14
Ratios (in % of revenue)			
Underlying			
Gross margin	18.8	19.5	
EBITA margin	3.6	2.5	
Actual			
Gross margin	18.8	19.5	
EBITA margin	3.6	2.0	
Net income margin	2.0	0.5	

	2010	2009	Δ%
Share data			
Basic earnings per ordinary share (in €)	1.65	0.36	358
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs (in €)	1.96	1.21	62
Dividend per ordinary share (in €)	1.18	-	-
Payout per ordinary share (in %)[5]	60	-	-
Closing price (in €)	39.50	34.90	13
Market capitalization, year-end	6,716.9	5,917.6	14
Enterprise value, year-end[6]	7,616.2	6,932.3	10
Employees/outlets			
Average number of staffing employees	521,300	465,600	12
Average number of corporate employees	25,680	27,640	(7)
Number of branches, year-end[7]	3,085	3,182	(3)
Number of inhouse locations, year-end[7]	1,110	947	17

1 Underlying: actual gross profit and EBITA adjusted for one-off items, such as restructuring costs and certain incidental benefits or charges in respect of, for example, social security and wage tax.
2 EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill.
3 Free cash flow is the sum of net cash flow from operating activities and investing activities, adjusted for cash flows from acquisitions and disposals of subsidiairies 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: market capitalization adjusted for 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.

Randstad head office in Diemen, the Netherlands



profile

Randstad is one of the world's largest providers of HR services

Our services

We match people with companies that will develop their potential, and match companies with people who will take their business to the next level.

In addition to our temporary and permanent placement staffing services, the provision of temporary and seconded professionals and the search & selection of middle and senior managers, we offer specialized HR Solutions and provide dedicated onsite workforce management with inhouse services.

Randstad believes in offering a comprehensive range of HR services to our clients. The balance in our service portfolio between general staffing and specialized professionals, and between temporary and permanent placement, is unique in our industry. We play a pivotal role in shaping the world of work, leveraging the true value of human capital for the benefit of our clients, candidates, employees and investors.

Our global presence

Randstad was founded in the Netherlands in 1960 and has grown and expanded ever since. We operate in 43 countries, representing more than 90% of the global HR services market. Randstad is market leader in the Netherlands, Belgium, Luxembourg, Germany, Poland, Iberia, Canada and India. We also have top three positions in Argentina, Chile, France, Greece, Mexico, Switzerland and the UK, together with major positions in Australia and the United States.

Our mission

Shaping the world of work

Staffing and HR services represent one of the world's fastest-growing industries. The global markets for these services are now worth around € 272 billion. Yet staffing and other HR services are still in their infancy, even in many major economies. As in other young and growing industries, its global leaders must actively develop these markets. They must take responsibility for stimulating growth, introducing innovations, and developing their structures and regulatory environment. In doing so, they can ensure that strong, long-term worldwide growth rates will continue for many decades to come.

In Randstad today, many of the industry's pioneers have come together to form such a global leader. We provided work for over 500,000 people around the world every day in 2010. We will continue to shape the markets of tomorrow and develop growth opportunities wherever they present themselves. By giving employees the work they are best suited for, and by finding candidates for employers who make the best fit with their organization. And by doing so, providing true value to society as a whole.

In short, our mission is to take the lead in **shaping the world of work.**

Our culture

'Good to know you'

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

In our 50th anniversary year, 'Good to know you' continues to represent the Randstad culture – what we stand for, and how we behave. It invokes our core values of to know, serve and trust. 'Good to know you' exemplifies the pleasure we take in working together to provide excellent service to our clients and candidates. We mean it, it is at the heart of everything we do, and it is certainly how we want to be known.

Our strategic approach

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

Strong concepts

We offer five strong service concepts to our clients and candidates: staffing, professionals, search & selection, HR Solutions (including managed services) and inhouse services.

Best people

All our corporate employees benefit from the focus on their development and the opportunities we provide to achieve their potential.

Our core values

Randstad is known for continuing to adhere to and live by the core values established in its early days: *to know, serve and trust*, *striving for perfection* and *simultaneous promotion of all interests*.

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

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

and 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 interests
We see the bigger picture, and take our social responsibility seriously. Our business must always benefit society as a whole.

Our collective identity is maintained by our shared commitment to these values, which together form a virtuous circle. 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 continually striving for perfection and 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, our ability to achieve our mission, and our reputation for integrity, service and professionalism are based on them.

Excellent execution
We have blueprints for the many best practice-based processes we execute each day. Perfection is often in the details, so we take pride in getting them right.

Superior brands
Our focus on recognizable and superior brands ensures that clients and candidates know who we are and that our people act in the knowledge that they represent a world leader in HR services.

These strategic building blocks are described in detail on pages 15 – 18.

Our field steering model for staffing

The unit structure we deploy in most countries in the staffing segment is a good example of a feature that distinguishes Randstad. Each unit addresses a geographic area or segment and consists of two consultants who are responsible for both client service and candidate selection. They work as a team, ensuring one is always available to their clients and candidates, and are often dedicated to specific specialties. The consultants serving clients are the same people who recruit candidates for them and make the match. They are experts in the local labor market, and become experts in their clients' businesses, understanding their needs and the candidate profiles that will best meet them.

Our field steering model for professionals

To ensure excellent execution and optimal results for clients and candidates, a team model has been developed for the professionals segment, which is based on best practices worldwide. The teams comprise four or five consultants and a team leader, focused on a specific sector or skill set and with both sales and recruitment roles. As different processes are involved, each team deals with either permanent or temporary placement. They share a single company and candidate database and branch management provides overall direction to stimulate an integrated market approach. The performance-oriented teams are driven by individual accountability and transparency in the recognition of both team and personal achievements.
Our consultants, candidates and client line managers all share the same sector and specialist expertise, enabling us to build mutually fruitful long-term relationships.

profile

Service concepts

Main brands

staffing

Temporary staffing, permanent placement and specialties – specific market segments on which dedicated units focus – represent our core business. These services are offered through our well-known network of high street and suburban branches. We deploy our unique unit structure in most countries, where each unit consists of two consultants who are responsible for both client service and candidate selection.

randstad

tempo-team

HR Solutions

A key offering within HR Solutions is Randstad Managed Services, through which we take on primary responsibility for the organization and management of a client's contingent workforce. Also included within HR Solutions is a comprehensive range of HR project management, recruitment process outsourcing, consultancy and various related HR offerings, such as outplacement, career management and HR administration outsourcing.

randstad

tempo-team

randstad managed services

professionals

For middle and senior management positions, we recruit supervisors, managers, professionals, interim specialists and consultants with professional qualifications. These can be engineers, IT, finance or healthcare specialists and professionals from a large number of other disciplines, such as HR, education, legal and marketing & communications.

randstad

SAPPHIRE a Randstad company

randstad care

expectra groupe randstad

randstad Construction | Property | Engineering

YACHT a Randstad company

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 that are usually fee-based.

inhouse services

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

randstad

tempo-team

Statistics

Geographic spread revenue staffing (incl. HR Solutions)

in % of revenue

Total in millions of €	9,582.1
Netherlands	20.7%
France	25.4%
Germany	11.1%
Belgium & Luxembourg	10.1%
United Kingdom	1.1%
Iberia	8.4%
Other European countries	6.2%
North America	9.4%
Rest of world	7.6%

Geographic spread revenue professionals

in % of revenue

Total in millions of €	2,594.7
Netherlands	13.0%
France	17.1%
Germany	11.9%
Belgium & Luxembourg	2.3%
United Kingdom	18.9%
Iberia	0.1%
Other European countries	1.5%
North America	28.3%
Rest of world	6.9%

Geographic spread inhouse services

in % of revenue

Total in millions of €	2,002.5
Netherlands	25.1%
France	9.4%
Germany	17.7%
Belgium & Luxembourg	15.2%
United Kingdom	10.4%
Iberia	2.4%
Other European countries	6.3%
North America	10.9%
Rest of world	2.6%

Branches and inhouse locations

Staffing and professionals branches, year-end

	2010	2009
Netherlands	444	451
France	807	925
Germany	303	262
Belgium & Luxembourg	212	221
United Kingdom	197	212
Iberia	218	235
Other Europe	255	266
North America	372	371
Rest of world	277	239
	3,085	**3,182**

Inhouse locations, year-end

	2010	2009
Netherlands	289	303
France	98	63
Germany	200	166
Belgium & Luxembourg	162	108
United Kingdom	92	80
Iberia	39	30
Other Europe	61	74
North America	128	123
Rest of world	41	0
	1,110	**947**

The company that Frits Goldschmeding and Ger Daleboudt founded started with an old bicycle and 500 Dutch guilders. They had a dream of a flexible employment market that would benefit employers, employees and society at large. A dream that would take Randstad from a student room in 1960 to the Stock Exchange in 1990.

1960 Frits Goldschmeding (left) and Ger Daleboudt, founders of Randstad

dream

from a **bicycle** to the Stock Exchange

Flexible work provided through employment agencies was still a little-known phenomenon when Frits Goldschmeding wrote a dissertation on the subject as an Economics student. But he saw that flexibility could play a much larger role in the employment market. It would benefit employers by enabling them to bring in the staff with skills they needed quickly, easily and for the time they needed them. Employees would benefit from the new job options they would have. More flexibility would lubricate the economy and increase prosperity for everyone. So he and a student friend decided to set up their own employment agency.

Making the perfect match between client needs and candidate skills was as much a characteristic of their first contracts as it remains for Randstad today. By the end of the sixties it had enabled them to open branches in Belgium, the UK and Germany. Sales had climbed from € 81,000 in 1962 to € 23 million in 1970. Innovation is another enduring hallmark that was exhibited early on. Randstad's unique unit structure was introduced that year, with pairs of staffing consultants responsible for both client service and candidate selection.

Our founder's vision of the sustainable role that Randstad would play in society had been with him since the company's inception. It was gradually formalized during the seventies into the core values that still guide us today. Long before the concept of corporate social responsibility became common currency, he recognized the wider value that Randstad's core business did and must provide. The sustainable growth of the company depended on the simultaneous promotion of the interests of all its stakeholders, including society as a whole.

Randstad had to face and learn from its first major recession from late 1979 to early 1982. Although we had to close some branches and sadly let some people go, our large size and market leadership in the Netherlands enabled us to manage through the downturn in much better shape than most of our competitors. Randstad's growth until then had been achieved organically, expanding using its successful 'lily pad' model. In the summer of 1982, however, the 'economic barometer' the company had developed to monitor market developments showed this would be an ideal time to make an investment. The opportunity arose that September when Tempo-Team, which had incurred significant losses as a result of the economic crisis, approached Randstad as a potential buyer. The acquisition was completed in 1983.

A more open-minded approach to employment agencies in general and to temporary staffing in particular was becoming evident. Combined with the efforts of our employees, this contributed to a period of spectacular growth. From 1983 to 1985 alone, Randstad's revenue grew from € 204 million to € 518 million. At the end of the eighties the decision was taken to prepare the company for a public stock offering. Among other benefits, this would provide Randstad with access to the capital markets and enable further international expansion. Trading in Randstad shares on the Amsterdam Stock Exchange began on June 5, 1990, and that year the company registered sales of over € 1.1 billion.

realize

2008 the globe that visualizes Randstad's mission 'Shaping the world of work'

Brian Wilkinson
(1956, British)

Jacques van den Broek
(1960, Dutch)

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

Brian Wilkinson
- Joined Randstad in 2008
- Appointed to the executive board in 2008

Jacques van den Broek
- Joined Randstad in 1988
- Appointed to the executive board in 2004

Ben Noteboom
- Joined Randstad in 1993
- Appointed to the executive board in 2001
- Appointed as CEO and chairman of the executive board in 2003

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

Rob Zwartendijk
(1939, Dutch)

Fritz W. Fröhlich (1942, German),
chairman of the supervisory board

Giovanna Kampouri Monnas
(1955, Greek)

Henri M.E.V. Giscard d'Estaing
- Member of the supervisory board since 2008
- Current term of office 2008 - 2012

Rob Zwartendijk
- Member of the supervisory board since 1999
- Current and final term of office 2008 - 2012

Fritz W. Fröhlich
- Member of the supervisory board since 2003
- Current term of office 2007 - 2011

Giovanna Kampouri Monnas
- Member of the supervisory board since 2006
- Current term of office 2010 - 2014

executive board

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

- Joined Randstad in 2001
- Appointed to the executive board in 2001
- Appointed as vice-chairman of the executive board in 2006

Leo Lindelauf (1951, Dutch)

- Joined Randstad in 1979
- Appointed to the executive board in 2001

Greg Netland (1962, American)

- Joined Randstad in 2008
- Appointed to the executive board in 2008

supervisory board

Frits J.D. Goldschmeding (1933, Dutch) vice-chairman of the supervisory board

- Member of the supervisory board since 1999
- Current and final term of office 2007 - 2011

Beverley C. Hodson (1951, British)

- Member of the supervisory board since 2008
- Current term of office 2008 - 2012

Leo M. van Wijk (1946, Dutch)

- Member of the supervisory board since 2002
- Current and final term of office 2010 - 2014

message from the **CEO**

Dear stakeholder,

The year 2010 was in many ways a special year. After the deepest and fastest global market deterioration in our history, we have returned to good growth again. Overall we are in excellent shape. Revenue grew by 14% to € 14.2 billion and we further strengthened our financial position. This was the year that our company turned 50, and we were able to bring all employees together to celebrate our past as well as our future. Let me cover each of these main topics one by one.

As we predicted, the structural growth drivers in our markets are intact. More opportunities will arise in the coming years as the gradual removal of limitations in a number of countries continues.

In 2010 we saw a classical recovery pattern. Our US staffing business started growing again in late 2009, and in March 2010 the professionals segment in the USA also returned to growth. In Europe, our German and French businesses bounced back as well, initially driven by the industrial sector.

Not all markets recovered equally though. The Dutch market is very services-oriented and late-cyclical, and it moved much slower. Trends here were positive by the end of the year, however, and we expect further improvement in 2011. In the UK, a number of important segments were flat or continued to decline during 2010. Nevertheless, we expect the UK to be a solid contributor to profit in 2011.

We also accomplished our target to get a strong footprint in Japan, the second-largest staffing market in the world. The acquisition of FujiStaff, an excellent company with a good track record, will give us a much better position here. We look forward to further developing our service offering and to realizing the growth potential with our new colleagues in Japan.

Major rebranding projects in France, the UK, Portugal and a large number of smaller companies were concluded successfully, strengthening the Randstad and the Tempo-Team brands. We also made important progress in defining and sharing best practices in the professionals segments. Based on our overall strategy, we focused once again on operational excellence and market share gains.

> 'Our improved profitability and financial position have enabled us to propose to our shareholders to reinstate dividend payments.
>
> I thank all our employees for making 2010 such a good year by continuing to deliver the best service to our clients and our candidates.'

Revenue

in millions of €

		Δ%
2008 pro forma	16,991.6	(4)
2009	12,399.9	(27)
2010	14,179.3	14

EBITA

in millions of €

		Margin
2008 pro forma	834.4	4.9%
2009	315.7	2.5%
2010	509.6	3.6%

Net debt

in millions of €

		Leverage ratio
2008	1,641.0	1.8
2009	1,014.7	2.5
2010	899.3	1.5

With the return to growth and the ability to use the overcapacity in our network, our operational result, or EBITA, improved by 61% to € 509.6 million. The EBITA margin climbed from 2.5% to 3.6%. We expect this to continue, because after the initial volume growth the pressure on margins is gradually easing. Therefore we are fully committed to our strategic target of 5% to 6 %.

Our net debt position has improved significantly, and we expect it to continue to improve in 2011. With the leverage ratio at 1.5 we are well within our targeted range of between 0 and 2. I am very satisfied, therefore, that we will propose to our shareholders to reinstate dividend payments.
The dividend will amount to € 1.18 per ordinary share.

We stepped up our employee engagement activities in the lead-up to the formal celebration of our company's 50th anniversary. Across the world, employees participated in the same activities and challenges under a common banner: 'Randstad 50 Club Gold'. Attention was given to our core values, our partnerships with organizations such as VSO, our company history and the beliefs that drive our company. Employee motivation ratings improved dramatically.

Fifty years on, the dream with which our company began, is still very much alive. This is important, as the need for flexibility in the world of work will only rise, and new challenges will appear soon. Examples are the demographic shift in Europe, and the predicted shortage of talent in a number of segments. More than ever, our company will be at the heart of one of the most important aspects of building a sustainable world for all: flexible and easy access to the right candidates and jobs for as many people as possible, all over the world.

I thank you for your support during this important year, and with your continued involvement, we will be able to continue to shape the world of work in 2011 and well into the future.

Ben Noteboom

1970s
Randstad's
head office

report from the **executive board**

In 2010, Randstad made significant progress towards its long-term operational and financial targets. After focusing on the integration of Vedior and weathering the economic downturn, 2010 was all about recovery and profitable growth.

1960s
A consultant in a Randstad branch

highlights

In the year in which we celebrated our 50th anniversary, we saw the beginning of a new growth cycle. The vast majority of our operations returned to growth in the second quarter on the back of a classical recovery. This was visible from both a geographical perspective – starting in the US late in 2009 – and from a segmental perspective, with our industrial segment, led mainly through our inhouse offering, first to grow again. While organic revenue growth in the first quarter was still minus 1%, it accelerated thereafter by 14%, 16% and 17% in the three remaining quarters. As we provide a diversified portfolio of services in all large staffing markets, we were ready to benefit from the recovery. We will continue to do so by further expanding our offering through specialties to fully benefit from continued growth in clerical and specialized temporary staffing. We will also expand in professionals by gradually 'copying & pasting' our newly developed professionals concept.

In 2010 we expanded our business in Japan, the world's second-largest staffing market, through the acquisition of FujiStaff. We are now the sixth-largest HR services provider in Japan. The results of FujiStaff are consolidated as from October 20, 2010. FujiStaff generated revenue of € 461 million in the fiscal year ending March 31, 2010.

We also continued to rebrand various operating companies in our professionals segment to Randstad, while in Portugal we rebranded our staffing operations to Randstad and Tempo-Team. We continue to benefit from our superior brands, as evidenced by growing brand awareness scores.

As we continued to invest in our people, we were able to retain the best. A new record number of internal promotions were made during the year, while the people survey confirmed an increased level of engagement among our staff.

The commitment and efforts of all our people in our branches and back offices enabled us to maximize the benefits provided by the improved market conditions. We thank them all for contributing to our strong performance in 2010.

All efforts resulted in sound profitability and a better financial position, enabling us to propose to our shareholders the reinstatement of dividend payments.

Our 50th anniversary year can be summarized as follows:
- total revenue of € 14,179.3 million, an increase of 14% compared to € 12,399.9 million in 2009;
- gross profit increased to € 2,658.7 million, or 18.8% of revenue, compared to € 2,414.2 million (19.5% of revenue) in 2009;
- operating expenses of € 2,149.1 million, an increase of 2% compared to € 2,098.5 million in 2009;
- EBITA of € 509.6 million, or 3.6% of revenue, an increase of 61% compared to € 315.7 million (2.5% of revenue) in 2009;
- net income of € 288.5 million, an increase of 327% compared to € 67.6 million in 2009;
- diluted EPS before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs of € 1.96, an increase of 62%, compared to € 1.21 in 2009;
- net debt at year-end was € 899.3 million, with a leverage ratio of 1.5, compared to € 1,014.7 million and a leverage ratio of 2.5 at the end of 2009. The covenants of the syndicated facility allow for a leverage ratio of up to 3.5; and
- we propose to our shareholders to reinstate dividend payments that will amount to € 1.18 per ordinary share.

2005
Randstad
tv commercial
'good to
know you'

strategy

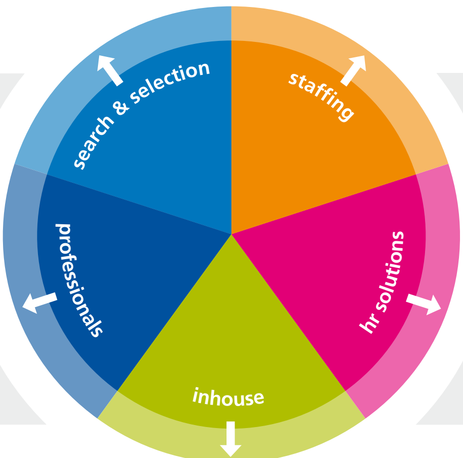
Our markets have shown structural growth since the company was established in 1960. Going forward, internal and published studies indicate continued structural growth in our markets. We will continue working on our performance by remaining focused on our strategic goals. Our strategic agenda has a number of primary components, which are visualized in the diagram below.

The building blocks on the left represent the strategic ingredients for success. The external growth drivers are found on the right. In combination they enable us to grow our business in all five service offerings, shown in the center, and to reach our strategic financial targets, which are listed on the bottom. Our strategic targets were established in 2002 and have only needed minor updates since then.

Growth drivers & strategy

Building blocks

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



Growth drivers

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

targets

- EBITA margin of 5% to 6% through the cycle, not below 4% in normal downturn
- mid-term EBITA margins of 4% to 5% for inhouse services, 5% to 7% for staffing and > 10% for professionals
- continuous market share gains
- sound financial position; leverage ratio of between 0 and 2

Strategic building blocks

Strong concepts

Our service concepts are based on best practices and proven procedures, ensuring efficient working methods and excellence in service delivery. They can rapidly be replicated and leveraged in other markets, and are relatively easy to adapt to meet specific needs. The consistency of our service concepts and their quality around the world means our international clients know they can trust Randstad to meet their needs anywhere. A progress update per concept is set out below.

Key figures by concept

in millions of €

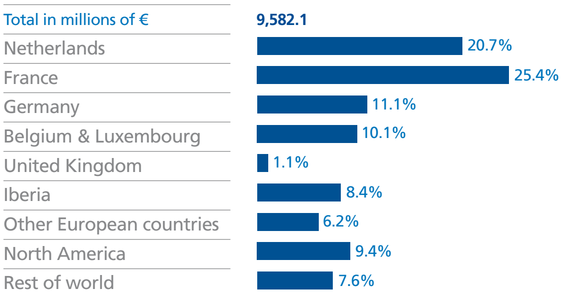
	Revenue		Growth	
	2010	2009	Total	Organic
Staffing	9,582.1	8,614.7	11%	10%
Professionals	2,594.7	2,474.1	5%	1%
Inhouse services	2,002.5	1,311.1	53%	45%
	14,179.3	**12,399.9**	**14%**	**12%**

Staffing and specialties

In many countries our staffing consultants have a dual role, not only serving their clients but also recruiting the candidates and making the match. This sets us apart from many competitors with separate sales and recruitment forces, and enables us to make a better client/candidate match. Because we focus on recruiting well-educated professionals as our consultants, they are known for their uniquely high caliber. Furthermore, we preserve and document knowledge and best practices in our business concepts, to ensure that clients receive an offering that has been proven to work. Our service offering in staffing includes many specialties: specific market segments on which dedicated units focus, such as healthcare, transport, airports and contact centers. Specialties leverage our extensive branch network, our brands and front-office processes to make an above-average contribution to EBITA.

Geographic spread revenue staffing (incl. HR Solutions)

in % of revenue



Progress in 2010

Performance management was given renewed focus at all levels across our operating companies. We extended our unit steering model, aligned it more closely with financial reporting, and relaunched it as our 'field steering program'. We kept our distribution infrastructure largely intact during the downturn, accepting overcapacity in some locations. We were able to use this to grow profitably as market conditions improved.
Staffing revenue grew strongly throughout 2010 on the back of a traditional recovery led by industrial segments. Although we saw a 2% decline in the first quarter, we witnessed 13% growth in each subsequent quarter. On a full-year basis, revenue grew by 10% organically. Revenue growth was largely driven by demand from industrial clients for most of the year. Although lagging initially, the administrative segments returned to growth in the third quarter. Contact centers continued to perform strongly throughout 2010.

HR Solutions

Our HR Solutions offering is designed to free up the time of our client HR managers, enabling them to concentrate on their company's essential strategic HR issues. They are derived from and developed out of Randstad's extensive experience in HR services.

A key offering within HR Solutions is represented by Randstad Managed Services (RMS), through which we take on primary responsibility for the organization and management of a client's contingent workforce. Services in this area are typically described within our industry as being supplied by a Managed Service Provider (MSP). These services are particularly useful for companies that want to have a single point of contact that can ensure transparency and compliance in their large volumes of professional skills from many different suppliers. RMS has experience with most vendor management system (VMS) technologies that are used to automate the hiring process flow and provide the client with statistical management information.

Also included within HR Solutions is a comprehensive range of HR project management, recruitment process outsourcing, consultancy and various related HR offerings, such as outplacement, career management and HR administration outsourcing.

Progress in 2010

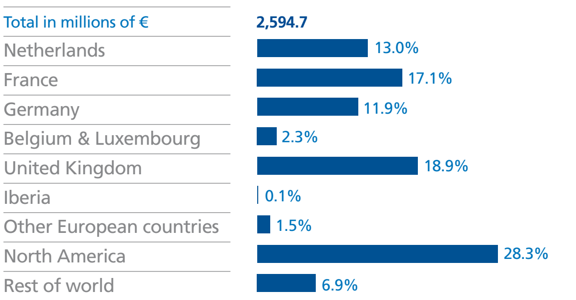
RMS and recruitment process outsourcing performed very well during the year, with significant new client wins in North America, Europe and the Asia Pacific region. The 2010 VMS and MSP Supplier Competitive Landscape report by Staffing Industry Analysts ranked RMS as the global number two 'MSP Master Supplier' and the number three 'MSP Hybrid Supplier'. We are expanding our global RMS organization to be ready for the increasing number of global Managed Services requests anticipated in the market. In 2010 we introduced Randstad Consultancy, which focuses on workforce optimization. We provide clients insight into how a sustainable high performance workforce can be created through the optimization and synchronization of the working processes, planning dynamics and HR values.

Professionals and Search & Selection

We have the broadest and deepest offering in a wide range of professionals sectors and geographies. Most of our businesses offer both professionals on a temporary or interim basis as well as through permanent placements (Search & Selection). We place professionals such as engineers, IT, healthcare and finance specialists, while we also operate in sectors such as HR, education and legal.

Geographic spread revenue professionals

in % of revenue

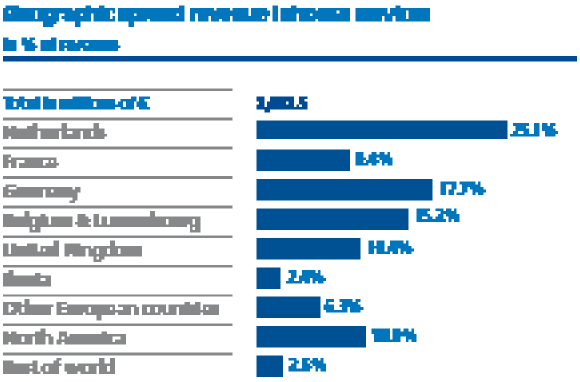


Progress in 2010

We defined best practices for our service offerings in the professionals segment, enabling us to apply these across our markets. Based on these, professionals concepts have been described for all professionals business lines. They were validated across various operating companies during 2010, and operational and financial performance has improved. On that basis we started to implement these concepts worldwide through a gradual 'copy & paste' process.
We have also defined a large accounts delivery model for professionals. We continued the rebranding of various professionals businesses during the year and continued integrating back offices where possible.
In line with historical patterns, the professionals segment initially lagged the other segments but, after turning the corner in the second quarter, growth strengthened in the second half of the year, with 8% and 9% growth in the third and fourth quarter respectively. Overall, our professionals revenue grew by 1% in 2010. The recovery was led by our US professionals businesses, based on a strong performance in IT, finance & accounting and healthcare. The UK and Dutch professionals businesses both still declined, impacted by the late-cyclical nature of the services-based economies in which they operate, as well as by their relatively greater dependency on the public sector, in which significant cutbacks were made.

Inhouse services

Our inhouse services concept meets the structural needs of companies for large volume workforces with client-specific skill sets. We work on site exclusively for each client and tailor our processes to their specific requirements, improving workforce flexibility, retention, productivity and efficiency. Our dedicated workforce consultants and process managers provide just-in-time staffing, focusing mainly on contact centers and on the FMCG, manufacturing and logistics segments.



Progress in 2010

The recovery in inhouse services, which had already started towards the end of 2009, continued in 2010. Organic growth accelerated from 30% in the first quarter to 50% in the second quarter. This high growth level was maintained in the third and fourth quarter with 55% and 51% respectively. For the whole year our inhouse business grew by 45%. Growth was primarily driven by a pick-up in demand from our client base in the industrial and logistics segments. We also continued to introduce our inhouse concept to the former Vedior client network, for example in France. In the UK we were successful in leveraging our size and exposure to large clients by introducing our inhouse concept and opened many new sites. Overall we added 163 inhouse locations in 2010, of which 41 were through the acquisition of FujiStaff.

Best people

'Best people' acknowledges the importance of our corporate staff in maintaining and building on our success and position in the market. The true value of any business is in its people and we are very proud of our employees. At all times, even the difficult ones, we continue to invest in them and create the circumstances in which they can grow and provide excellent performance, as they certainly did again in 2010.

Talent management

Senior management were deeply involved in talent management activities, with existing talent retention programs expanded further. The need for a local and global approach to the flow of staff and talent management is all the greater given our continued ambition to fill 80%

of management positions from within, a target which we exceeded in 2010. Talent management initiatives also include global talent reviews, undertaken across all countries in 2010, enabling us to track the talent pipeline from a Group perspective.

Corporate staff[1]

	average 2010	average 2009	Δ%
Netherlands	5,250	6,120	(14)
France	3,900	4,310	(10)
Germany	2,620	2,420	8
Belgium & Luxembourg	2,090	2,040	2
United Kingdom	2,040	2,380	(14)
Iberia	1,460	1,580	(8)
Other European countries	1,560	1,640	(5)
North America	2,880	3,120	(8)
Rest of world	3,730	3,880	(4)
Corporate	150	150	0
	25,680	**27,640**	**(7)**

1 Corporate staff = corporate employees + temporary staff own use

Randstad Institute

Almost 400 top managers from around the world participated in 15 different talent development programs at the Randstad Institute, our internal business school, throughout the year. The updated programs are created in cooperation with leading business schools such as INSEAD in France and TiasNimbas in the Netherlands. Having expanded the number of senior executive Randstad Institute programs in 2009 to reflect the wider scope of the Group, these were maintained in 2010 to ensure the wealth of internal knowledge continued to be shared and senior talent retained.

Career development

We encourage employees to help define their own career development. Tools include regular individual development planning meetings, and the intranet is used to communicate training and development opportunities to staff at all levels. A global internal vacancy database enables employees to quickly learn about local and international career opportunities. International career opportunities were stimulated in 2010, leading to a record number of international movements.

Employee engagement

We hold a global employee survey each year to measure engagement. With 20,016 colleagues filling out the questionnaire, participation rose from 66.8% in 2009 to 74.7% in 2010. The survey measures satisfaction, pride, intention to stay and likelihood to recommend Randstad, together with another 17 individually measured key engagement drivers. The outcomes help management to determine which factors will most effectively raise engagement levels in each employee group. In 2010 the survey showed that engagement scored 7.4 on a scale of 10 (7.1 in 2009). Employees also indicated that they are proud to work at Randstad, with 42% giving pride a score of 9 or higher (38% in 2009). Ambition, job content and freedom were clearly the drivers with the highest scores. In view of the economic crisis and the significant degree of organizational change our employees had been through, we were not surprised that growth, career and pressure at work scored lowest. Employee engagement is further stimulated by a share purchase plan for all employees and a performance share plan for a group of senior managers.

Randstad 50

During the year, we celebrated our 50th anniversary with a series of internal events, culminating in an all-employee event on October 2nd. This event was held at 22 locations around the world and around 92% of all corporate staff participated. A subsequent employee survey following the events indicated a further rise in engagement.

Excellent execution

All of our activities are supported by best practices, translated into standardized work processes that enable us to spend more time with clients and candidates and thus gain market share. We can rapidly copy and paste our concepts, because the processes and execution they require are fully developed and can be replicated with only minor adjustments for local markets. Front and back office processes and branding are standardized where feasible to facilitate excellent execution. We organize IT at the country level, since differences in HR and staffing regulations mean that most synergies are realized through collaboration between operations in one country. Similarly, while we strive for one back office shared service center per country, more may be maintained for pragmatic reasons.

The excellent execution of our consultants is measured by the productivity of the unique units and teams they work in, as described on page 3. The field steering models we employ in our business are designed to optimize productivity as measured by employees working and/or gross profit per unit or team. Productivity improvements are essential to generate strong conversion of gross profit growth into EBITA growth.

We have also created and implemented a blueprint across our companies, called 'contract-to-cash'. This blueprint includes guidance for contract terms and it describes best practices for invoicing and collection processes.

Progress in 2010

As we returned to growth we focused on leveraging overcapacity in our network. Productivity improvements are key in this stage of the recovery. Productivity, measured in gross profit per FTE, increased by 19% compared to 2009. Profitability improvements follow those in productivity. Although the speed of recovery differs per segment and per country, at an early stage of the recovery we require the incremental conversion rate (the percentage of additional gross profit versus the previous year that is converted into EBITA) of a company to be close to 100%. Once recovery is more developed, a conversion rate of 50% is required. In 2010 our incremental conversion rate was 79%.

We also continued to standardize the management of receivables in every country where we operate. Our strong focus on days sales outstanding (DSO) continued to generate improvements, as our moving average DSO improved from 58.1 days in 2009 to 54.6 days in 2010. We continued to integrate back offices where feasible in 2010, in our US Professionals operations and in the UK for example, where we also continued rebranding the professionals businesses to Randstad. Our integrated risk and opportunity management processes, detailed on pages 56 – 61, helped us to manage our risks adequately and represent another component of this building block.

Superior brands

Our superior brands are a guarantee to our clients that they will receive the highest quality of service and the best employees worldwide. Superior brands give us better pricing options and the spontaneous awareness that facilitates selling, prospecting and the introduction of new products and services. They make it easier for us to recruit and retain the best candidates and corporate employees, while they enhance our visibility and credibility with regulators and legislators. In the vast majority of our markets we use Randstad as our main brand, and when size allows we introduce Tempo-Team as a second brand.

The clear benefits of our brand strategy are that one main brand helps to build awareness and facilitates cross selling and the introduction of new services. It also has major advantages for our online strategy. Efficiency benefits are realized by sharing experiences across companies, the larger momentum behind our joint sponsorship initiatives and the cost savings enabled by the shared campaign materials, photo database and know-how.

Progress in 2010

Most of the rebranding projects that had started in 2008 and 2009 were nearing completion in 2010. The common systems that had been built up in previous years once more proved their utility by allowing us to roll out and monitor such programs with great speed and efficiency.

In the course of the year, the continuing media campaigns in France drove a significant rise in brand awareness as well as in client and candidate preference and Net Promoter Scores (NPS). NPS is a widely used loyalty metric, which we obtain at Randstad by asking our clients and candidates about the likelihood of them recommending us to others.

In the UK, the major professionals businesses joined forces and aired their first joint national TV campaign under the main Randstad brand. The campaign was supplemented by a host of other media and activities, such as the use of our Williams F1 sponsorship and the presence of the Clipper Stad Amsterdam in London Docklands. The results were very encouraging, with the awareness and consideration in almost all specialist segments easily outperforming the scores of the original brands after only a few months. This was also facilitated by the fact that the joint budget allowed the use of much more powerful marketing methods than separate brand initiatives would have done.

In Portugal, a major rebranding project involving two brands was executed. The pause in the use of the Randstad brand there had stemmed from the merger, at Group level, with Vedior in 2008. The rebranding of Vedior to Tempo-Team was completed before the summer, and the project continued immediately thereafter with a major campaign to rebrand Select into Randstad. The results of the Tempo-Team campaign were good, and those of the Randstad campaign even better. In a few short months, Randstad established itself as the clear brand leader in Portugal in almost all aspects, in line with our market share position.

In the Netherlands, the country where it all began 50 years ago, a national campaign using the golden 50 years jubilee theme drove awareness and client consideration to a new record for the past decade.

Randstad's 50th anniversary was also used for a major global internal branding campaign called 'R50 Club Gold' that made heavy use of web platforms and culminated in a 24-hour linked sequence of 22 all-personnel events across the world. The campaign was awarded the European Excellence Award for Internal Communications in December 2010.

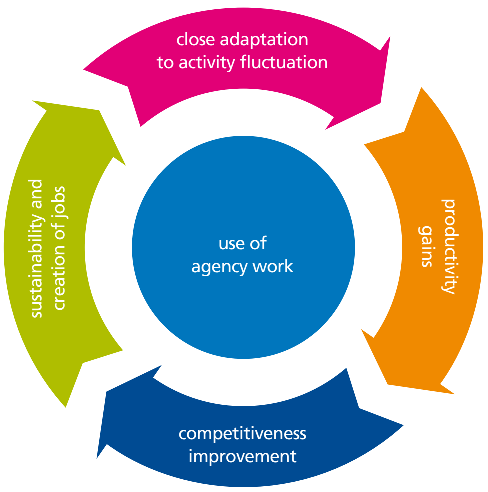
Our renewed country Internet platforms jointly attracted 28% more traffic than in 2009. In some cases the Randstad job boards now attract similar levels of traffic as major external job boards do. The bundling of traffic of previously separate brand sites is also a factor in this development. Our marketing expenditures reflect this, as investment in web-related marketing tools is increasing, whereas the relative share of investment in external job boards is shrinking. This creates room for an even stronger brand presence everywhere.

Strategic growth drivers

Need for flexibility

One of the most important drivers of long-term structural growth in our markets is the need of both our clients and candidates for flexibility. There is a growing recognition that a more flexible workforce helps our clients to improve productivity and be more competitive. The depth of the economic downturn in 2009 – together with the speed of the subsequent recovery in several markets – has made it clear to many companies that more flexibility enables them to adjust to changing volumes in their business more effectively. Flexibility is therefore expected to be higher on the strategic agenda of our clients in the years ahead. There is tangible evidence that clients are structurally increasing the flexible component of their workforce. The increasing demand for more flexibility from candidates takes many forms. Examples include the growing interest in working from home, self-employment, working part-time and working alternative hours.

Flexibility



Demographics

Studies by SEO Economic Research (*Mind the Gap* and *Bridging the Gap*) that we supported revealed that aging and declining population growth will cause an enormous scarcity of people with vital skills in most developed countries in the future. Unless participation rates, productivity and employee mobility are improved, it is estimated that there will be a potential employment gap of 35 million people in the EU labor market alone by 2050. As well as this quantitative gap, skills shortages will play an equally important role, as the demand for employees with specific skills continues to intensify.

An important potential driver of participation is to make the standard employment relationship more flexible, focusing on employment security rather than job security ('flexicurity'). Part-time work, fixed-term contracts, temporary agency work and self-employment are becoming more common. Temporary agency work may play an increasing role in providing intermediate employment, driving participation through its stepping-stone function.

The impact of temporary agency work is often measured by the 'penetration rate' (the percentage of agency employees in the total working population). It is only in the most developed flexible employment markets, such as the UK, the Netherlands and France, that penetration rates exceed 2%, so the potential structural growth over the longer term is enormous. The need for flexibility and deregulation are clear drivers, but there is also clear evidence that countries where staffing acts as a lubricant in the employment market – those with relatively high penetration rates – have lower unemployment rates.

Deregulation

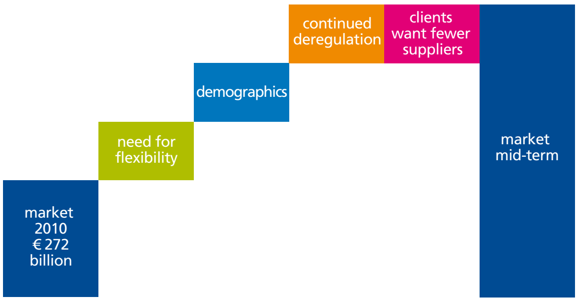
Another driver of market growth is deregulation, a factor we try to influence as much as possible. While deregulation is a well-known and accepted term, we stress that we are not looking for a system without rules. In fact, we strive on the one hand for the lifting of unjustified restrictions in overregulated markets, and on the other for a fair and effective regulatory environment in markets where this has yet to be introduced. New opportunities continue to open up as governments increasingly recognize the need for flexibility in their employment market. In terms of the countries that together contribute a large portion of Randstad's revenue, a major step forward was taken in 2008, when the European Parliament adopted the Agency Work Directive. It recognizes the positive role of agency work, provides more flexibility, and must be implemented by all EU member states in their national legislation by 2012. A very positive aspect of the Directive is the obligatory revision of all restrictions on the use of temporary agency employees by 2012 and the subsequent lifting of those that are unjustified or disproportionate, such as the bans on the use of temporary agency employees in the public sector. France lifted the public sector ban in 2009, while Spain has announced that their public sector will be opened to agency workers as of April 1, 2011. The removal of restrictions in terms of contracts and sectors we can serve will significantly accelerate growth in many of our key European markets. We discuss the legislative environment in which we operate in more detail on pages 27 – 28.

Clients look for a total offering from fewer suppliers

Clients are increasingly looking for fewer suppliers, and from those suppliers they tend to use a broader range of HR services, from staffing services through the recruitment of professionals to outsourcing and the provision of managed services. This will not necessarily enlarge the market, but as Randstad has a uniquely comprehensive portfolio of services and a strong presence in almost all major markets, we are well placed to gain market share because of this trend.

More clients are looking for global solutions, establishing international staff procurement organizations. Our international account management team focuses on global client solutions, driven by the pursuit of further consolidation, transparency and compliance and offering cross-border service agreements based on quality and cost efficiency. Today more than 20% of our sales volume is generated by international clients. The team leverages the Group's knowledge and capabilities across local markets using an approach that is applied consistently worldwide. Dedicated and specialist teams focus on specific industries, including life sciences, energy, FMCG, technology and logistics. All service concepts are offered, from staffing and inhouse to professionals and managed services. The global client solutions team has experienced an increasing interest for services provided in emerging markets and continued to make a significant contribution to total revenue in 2010.

Future external growth drivers



Strategic financial targets

Our strategic targets are:
- EBITA margin of 5% to 6% on average through the economic cycle; not below 4% in normal downturns;
- mid-term EBITA margin targets for the segments of 4% to 5% for inhouse services, 5% to 7% for staffing and at least 10% for professionals;
- continuous market share gains;
- maintaining a sound financial position (leverage ratio, or net debt divided by EBITDA, of between 0 and 2).

Our overall financial goal remains to achieve an average EBITA margin of 5% to 6% through the cycle. This ensures the Group's financial position, and the 4% minimum should reduce volatility but still allow us to invest when appropriate. Maintaining a leverage ratio of between 0 and 2 is commensurate with an investment grade rating and important for continuity.

Our EBITA margin in 2010 was 3.6%, close to our ambition level of at least 4%. The minimum 4% EBITA margin we aim to achieve was set for a normal downturn scenario in which revenue declines by 10% for two consecutive years, followed by a 5% decline in a further year. The revenue decline during 2009 was steeper within a single year than this stress case scenario had anticipated totaling over three years.

We intend to reach the 5% to 6% range as soon as possible. The speed and magnitude of the recovery plays a role in this respect. As we experienced a classical recovery pattern in our industrial segments, mainly serviced through our inhouse concept, these started to grow first. As lower-margin business starts to grow first, it takes longer, after such a severe downturn, to restore profitability levels. As growth in our higher-margin clerical and specialty businesses and our professionals business returned to growth later in 2010, we are confident that our profitability will improve accordingly.

We undertook major efforts during the course of 2009 to protect our profitability. As we moved into 2010, we improved our market focus. During the second half of the year this started to pay off, with market share gains in most of our markets.

Solid profitability and a strong focus on cash generation enabled us to improve our net debt position from € 1,014.7 million to € 899.3 million. The leverage ratio improved accordingly from 2.5 to 1.5, so within our intended targeted range of between 0 and 2. As a result we will propose to our shareholders that dividend payments on ordinary shares be reinstated.

With our diversified exposure to all segments and major countries and our strong balance sheet, we are confident that we will reach our financial targets.

Strategy through economic cycles

Underlying our EBITA targets is full awareness of the challenges and opportunities presented by economic cycles. During the recent downturn we achieved significantly better financial results than we were able to during the last, much milder, downturn. At its lowest point, EBITA margin was at 2.5%, compared to 1.8% in the previous downturn. Despite a much more severe revenue decline, profitability was maintained in almost all countries, whereas in the previous downturn profitability was dependent on the Netherlands only.
The value of the careful preparations we had been making since 2006 was certainly the main driver behind the successful performance during the recent downturn. We used the opportunity to implement some structural changes in our organization, but we also learned new lessons.

What we have learned from the downturn

Despite the magnitude of the required cost savings and the speed at which they were realized across companies, it still took too long in some regions. In some cases this was due to external circumstances, such as having to wait for the approval of unions in France. In others, such as in Belgium and Italy, we could have reacted more quickly, although this would have incurred higher costs.

The recent downturn also confirmed our ambition to operate in larger offices. In smaller offices it is more difficult to realize cost savings, as any significant reductions in those offices entails exiting markets. Some market focus was lost in general as a result of the focus on and speed of cost reductions. This has since been restored and market share gains were realized in most of our markets as conditions improved. Marketing was often used as a relatively easy way to realize cost savings. However, marketing investments are strategically important to keep top of mind awareness and Net Promoter Scores up to grow our market share.

When we acquired Vedior our leverage ratio was above 2.0, which was relatively high, especially at the start of a downturn as severe as that of 2009. Throughout 2010 we continued to make structural improvements in our businesses while examining new investment opportunities. Although we have returned to growth, we cannot ignore the possibility of a new downturn, and this is being taken into account in investment and financing decisions going forward.

How we manage through the cycle

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

Revenue

Our wide geographic spread and diversified business mix helps us to manage the risk of revenue volatility in a downturn. Having returned to growth we also benefit from our diversified mix.

Direct costs

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

Operating expenses

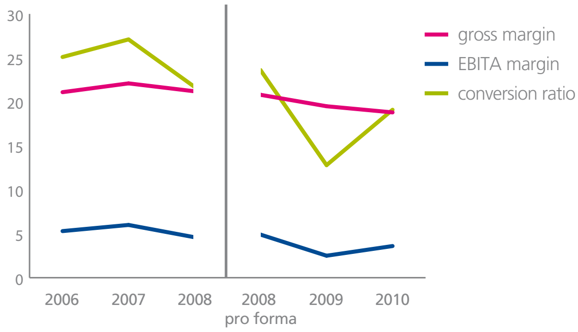
In general, the more flexible the indirect cost base, the lower the risk. Personnel costs are the largest contributor to indirect costs. Through the use of our field steering model, we know when and where we have to increase or reduce staff numbers. Most savings in personnel expenses in the recent downturn were achieved through natural attrition, as consultants who left the organization were not replaced. Bonus and commission schemes are equally flexible. Especially in the professionals businesses in the US and the UK, 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 indirect cost is represented by accommodation costs. These costs are kept flexible by limiting the lease term 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 so that costs partly reflect processed volume. 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 that can be used internationally.

1965
One of the first Randstad branches

Key performance indicators

In addition to our field steering model that we apply at the unit or team levels, we use 'simple' metrics, such as the conversion ratio (the percentage of gross profit that is converted to EBITA) and the recovery ratio (the percentage of lost gross profit that is recovered through reduced operating expenses), in managing our cost base. Successful cost control involves reacting in time, based on transparent reporting and review procedures. Further information on how we measure performance can be found on page 26.

Gross margin, EBITA margin and conversion ratio



As a listed company, Randstad had the funds to expand, and expand we did. By the beginning of the new millennium the company had become a truly international player. But we were to learn some important lessons along the way.

1996 A Randstad employee during the Olympic Games in Atlanta

region

going **global** and learning **lessons**

Until the beginning of the nineties, Randstad had primarily been a Dutch company with branches in Belgium, Germany, France and the UK. In 1991, the operating companies in the Netherlands generated more than three-quarters of Group revenue. But going public had provided the business with access to expansion capital, and work began that year on establishing a more internationally oriented strategy for Randstad. The executive board introduced ambitious plans in January 1992 based on its principles of continuity, growth and profitability. The target was to obtain 25% of our sales in the Benelux countries, 25% in the rest of Europe, 25% outside of Europe, and 25% from activities other than staffing.

Such a transformation of the geographic profile of the business would require acquisitions, and the ideal opportunity was presented that spring. While also based in the Netherlands, Flex Group had rapidly expanded throughout Europe over the previous four years. Problems with an agency it had taken over in France combined with the recent downturn forced management to sell the company. By April, the acquisition of Flex Group had become Randstad's largest to date. We had become the second-largest staffing company in Europe.

A key question that Frits Goldschmeding's student dissertation had set out to answer was whether the employment agency concept that had originated in the US could be applied as successfully in Europe. The new expansion plans now included taking Randstad to America. Atlanta, Georgia was chosen as the launching point for the company's next big international move. In March 1993, Atlanta-based TempForce was acquired and renamed as Randstad Staffing Services. Jane Jones Enterprises in the neighboring state of Tennessee was added in December, and by mid-1994 Randstad Staffing Services had 32 branches across the two states. In 1996, Randstad became the first HR services company to be an official sponsor of the Olympic Games, and provided the Centennial Games in Atlanta with around 16,000 temporary workers.

world

1993 Randstad goes America

In 1998, having reached the statutory retirement age, Frits Goldschmeding retired and Hans Zwarts took on the daunting challenge of taking over the helm from its founder as CEO. Industry consolidation had accelerated during the nineties and, following multiple acquisitions elsewhere, that year Randstad also announced the purchase of the medium-sized US staffing firm Strategix. During the next three years, however, a number of challenges brought a sudden end to many years of double-digit growth. Together with integrating acquisitions, Randstad had been introducing organizational changes on multiple fronts. At the same time we had been diversifying into expensive Internet-based joint ventures. Not only were these relatively far from our core competences, but also the bursting of the dot-com bubble dashed their hope of bearing fruit.

By 2001, Randstad had largely achieved its ambition to become a major international player, with around 60% of our nearly €6 billion in revenue being generated outside our home market. Yet a declining growth rate, share price declines and a series of profit warnings resulted in Hans Zwarts stepping down. We had learned some lessons we would never forget.

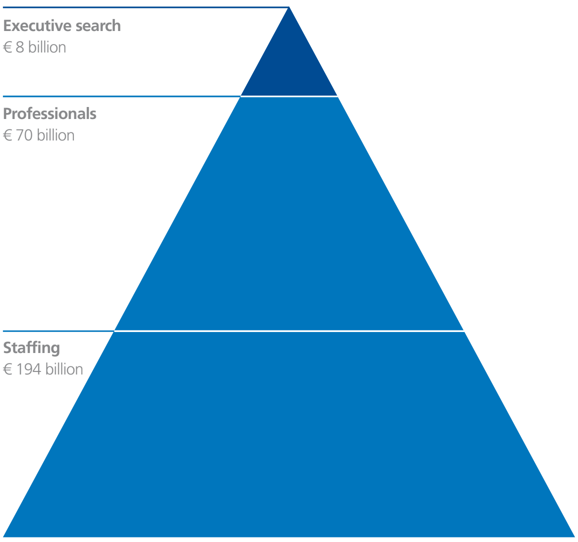
1984
Jane, the new face of all promotional campaigns

how we apply our **strategy** in our **markets**

Our service portfolio and the global HR industry

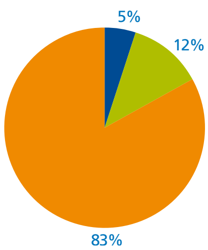
Dividing the global HR services industry into three segments provides a clear picture of our markets and how our services are positioned. In the staffing segment, worth an estimated € 194 billion, the main focus is on recruiting workers with a secondary education. Staffing, including inhouse services, accounts for around 82% of Randstad's revenue. The professionals segment, providing about 18% of our revenue, is worth about € 70 billion. Here, candidates with a university or equivalent education, often with significant previous work experience, are recruited for positions that are usually intellectually challenging. Randstad does not focus on the executive search segment, in which highly experienced individuals are recruited for executive positions. Worth around € 8 billion, this segment is mainly serviced by highly specialized companies.

Global HR services market 2010



Global market share

Randstad	5%
Adecco/Manpower	12%
Total top 3	17%
Rest of market	83%
Total	100%

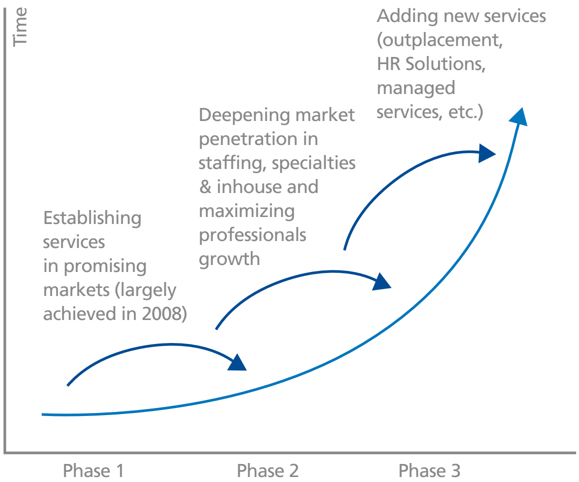


Market differentials

Each country in which Randstad operates has its own specific characteristics. Firstly, the staffing markets are in different phases of development. Labor laws and penetration rates differ, and markets can be in different stages of the economic cycle. However varied they may be, they all have opportunities for growth. Although Randstad is one of three global firms in the HR services sector with sales well above € 10 billion, we only have a 5% share of the total global HR services market.

Secondly, Randstad itself is in different phases of development within our various markets. The graph below illustrates the three phases through which we establish, develop and 'copy & paste' our strong service concepts, competences and best practices as our market presence expands and as HR services markets grow and mature. We are active in countries representing more than 90% of the global HR services market. Following the expansion of our global footprint in 2008, our priority has been to expand in the countries we cover rather than to add markets.

'Copy & paste' organic growth strategy: three phases



In countries that have markets that are growing and maturing, our services are gaining recognition. Often, this is because we contribute to flexibility in the workplace and open up the labor market for the young or unemployed. Deregulation has usually occurred in the past decade in these markets, and here we deepen our penetration in staffing and inhouse services while maximizing the growth of our professionals activities. Penetration rates are usually higher for markets where staffing has long been a reputable solution for flexibility in the workplace. Examples are Belgium, the Netherlands, the UK and the US. Market characteristics differ, but the working environment is both well and flexibly regulated. The business environment and potential candidates know and value the services Randstad offers. Growth can be achieved in a different way here, as they are ready for differentiated staffing propositions and additional added value services, such as outplacement, HR Solutions and managed services.

Gross margin differentials

A further distinguishing factor between individual markets is gross margin. The level of gross margin we can achieve in each market depends on the level of added value. In general, added value relates to service levels, risk and cost factors. The table herafter explains some of the factors that influence gross margin.

Gross margin differentials explained by added value experienced

	NL	GE	FR	US	BE
Outsourcing HR activities	+	+	+/-	++	+
Specialties/professionals	++	+/-	+	++	+
Flexibility	++	++	++	+/-	++
Idle time management	+/-	++	n.a.	n.a.	+/-
Lower total labor cost	+	+	+/-	+/-	n.a.
Social acceptance/quality	++	+/-	-	+/-	++

Several of the differentials are integral so it cannot be assumed that gross margins will converge to a significant extent.
The added value of outsourcing experienced by clients includes Randstad taking responsibility for finding, interviewing and testing candidates, and arranging their medical insurance and payroll administration. In turn this enables clients to have a smaller HR department that can focus on activities that add further value, such as talent development. In the US and the Netherlands it is common for Randstad to handle the whole recruitment process and manage several other HR functions as well, which drives gross margin. Outsourcing of these HR activities has been less common in France, but it is developing here too.

More of the units in our staffing business in well-developed markets are dedicated to specialties, enabling us to add value by meeting clients' specific needs across the board. The relative importance of the professionals offering also differs by country. In the US and the UK, professionals make up a large part of the total market and are a clear gross margin driver for the sector as a whole. In many other markets, this offering is far less developed. Our professionals offering consists of the permanent placement and temporary staffing of highly educated people. To fulfil 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 continental Europe, labor markets tend to be highly regulated and employee dismissal often requires a severance payment. Our services provide clients with flexibility in these markets and the shift of risk is thus added value. We can supply the numbers of people they need exactly when they need them, even for part of a day, matching their planning needs and so greatly enhancing productivity. Idle time risk is also reflected in gross margin. This has a positive impact on gross margin in the Netherlands and Germany.

The combination of improved flexibility, security for temporary staff and competitive total labor cost achieved through a collective labor agreement for the staffing industry is among the key reasons why clients in the Netherlands and Germany work with staffing companies. Through the use of a sector-wide collective labor agreement, processing costs are lower. In general, it is easier to deploy temporary staff,

2009
A consultant and a candidate in a Randstad branch

as in a defined period they receive the same pay rate, no matter in what sector they work. Such sector-wide collective labor agreements that help the HR services sector to reduce cost, a reduction that can be passed on to the clients, do not exist in other markets. In France, for example, unit labor cost per hour for staffing is even higher than for permanent employees, because equal pay with permanent employees is required during the assignment and additional payments are required at the end of an assignment. This indirectly impacts the French gross margin negatively. On balance, staffing is still cheaper for employers in France as they only pay for actual hours worked.

How we grow our business

In all our current markets, we work on the basis of our strategic building blocks. Profitable organic growth is pursued and achieved by introducing appropriate strong concepts, driven by best people and excellent execution using standardized processes. In staffing we use our unique structure of two consultants and in professionals we apply a team structure of four to five consultants. The growth model, or field steering model, we usually apply is known as the 'lily pad', where more lilies grow from a common stem until they cover an entire pond.

Staffing

First, we research the local market thoroughly. Once we have identified an area with sufficient market potential, a team of two consultants starts up a 'unit', the structure we use to grow our business. A third consultant is added when the unit reaches maximum capacity. Then we add a fourth consultant and split the unit into two. As the business grows, more and more units are added, including specialties and new services. Once we have covered a particular area thoroughly, we consider opening a new branch. There are strict criteria for the expansion of our branch networks. As our business and market share in the first location grows, we move into an adjacent area where we repeat the growth model.

Professionals

In professionals the same dynamics apply. The primary focus in professionals is on a limited number of job profiles in one or multiple business lines and/or industries. We start with a small team of at least two consultants which initially focuses on one specific business line and offers both temporary staffing and permanent placements. As business grows and targets are met, we add consultants until the team consists of four to five consultants and a team leader. Later on the team is split into two and each team specializes on certain profiles and business lines. Further expansion is done based on strict criteria and ranges from specialization to expansion of geographical coverage.

Managing through the cycle

To manage through the cycle, this controlled growth model can be reversed for controlled contraction when working candidate numbers fall, by merging mature units or teams and then reducing FTE numbers. The field steering models were used in this way to reduce operating expenses in line with declining revenue in 2009.

How we measure performance

Over the years we have developed an extensive performance management system. As direct reporting lines exist between the executive board and the management teams of operating companies, the planning and control cycle is more operationally driven. As part of our field steering models, our day-to-day performance overview includes KPIs showing our growth, productivity, profitability, working capital and cash flow. A variety of tools are provided 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 into our risk and control framework as set out on pages 56 to 61.

Performance management

The performance of each company is measured at various moments during a year:
- on a weekly basis: temp volumes per operating company;
- on a monthly basis: income statement including selected non-financial data;
- on a quarterly basis: income statement, balance sheet, cash flow and non-financial data;
- each month a forecast is discussed.

The executive board members discuss performance each month in a review meeting with the management team of a company. The agenda includes not only financial and operational performance but also topics such as risk management and the progress on strategic goals. Internal and external benchmarks are often used to challenge performance and to identify points for improvement. Besides our monthly control cycle, we have a yearly strategic planning cycle during spring and our operational planning cycle runs in autumn.

Key performance indicators

Key performance indicators are used to monitor performance against budgets, forecasts, the previous year and the progress on our strategic goals.

Weekly temp volumes

As the majority of our business is done through temporary staffing, we measure the weekly temp volumes. This is an important indicator within our field steering model and measures the success of the units.

Market share

Making continuous market share gains is one of our strategic targets. Through our field steering model we measure performance at the lowest possible level, as our units operate in local geographical markets.

Profitability

Profitability is another important measure of success. It highlights the quality of our top line and operational efficiency. It remains our overall financial goal to achieve an average EBITA margin of 5% – 6% through the cycle.

Gross margin

We focus on temp margin and the contribution of permanent placements and other fee businesses. The temp margin relates to the level of gross profit generated through temporary staffing.

Cost control

Personnel costs are the largest contributor to operating expenses. Through the use of 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 how gross profit is converted into EBITA. At an early stage of the recovery we require the incremental conversion rate of a company to be close to 100%. Once recovery is more developed, a conversion rate of 50% is required. In 2010 our incremental conversion rate was 79%.

Productivity

Excellent execution is measured through the productivity of our units and teams. We measure productivity in three ways: the number of temps per consultant, gross profit per staff member and gross profit in relation to personnel expenses. Productivity improvements are key to achieving our profitability targets.

Working capital

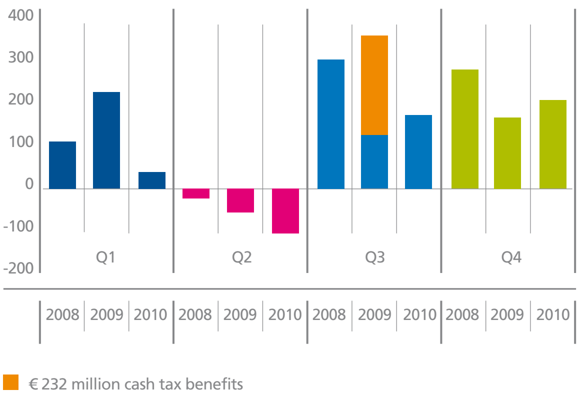
Within the Group there is a strong focus on DSO and working capital, which are also reflected in the bonus targets set for our senior management. As a further incentive, through a simplified EVA method, operating companies are charged for their use of operating working capital. Within working capital, trade receivables represent the component that is most important for us to influence. Our liabilities mainly comprise wage tax and social security payments to tax authorities, and those payment terms are clearly more difficult to change.

Cash flow generation

Better profitability and more efficient use of working capital result in sound cash generation, which we measure through 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. Whereas 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 below.

Free cash flow development

in millions of €



The recent downturn caused the unwinding of working capital due to a severe decline in revenue, especially in the second half of 2008 and the first quarter of 2009. As we returned to growth, working capital requirements increased and therefore free cash flow was relatively low in the first half of 2010.

The legislative environment

In addition to labor markets functioning well and long-term economic growth, a fair and effective regulatory framework is a key driver of staffing industry growth. More information about our labor market relationships can be found on page 49.

On a global level, private employment agencies are regulated by ILO Convention No.181 and Recommendation No.188. This Convention, adopted in 1997, defines common minimum standards for private employment agencies, explicitly recognizing the importance of flexibility in the functioning of labor markets. Only 23 countries worldwide, including 14 EU countries, have ratified the Convention to date, however. A number of emerging markets, such as Turkey, India, Mexico and Malaysia have yet to ratify the Convention, for example, and have yet to establish an effective legal framework to sustainably develop a staffing business based on a legally unique triangular relationship. Proper regulation is necessary in order to develop this young industry in these countries, prevent unfair competition and distinguish quality, decent agency work from other irregular and often illegal forms of flexible labor.

We very much welcome the Global Dialogue Forum on Private Employment Agencies that will be organized by the ILO in October 2011 to further promote ratifications. Well-regulated agency work creates jobs. In more mature staffing markets, agency work is often heavily regulated. The nature of the regulation varies from one market to another however. Temporary staffing at the national level is mostly regulated on the one hand by specific regulation regarding the establishment and provision of staffing services and on the other by general labor and employment law provisions. This is complemented by collective labor agreements concluded by representative social partners and industry self-regulation. The shared principle and aim of all temporary staffing regulation should be to balance the protection of workers and flexibility within the labor market, the so-called 'Flexicurity model'.

The UK, the US, Australia and Japan have the world's most liberal recruitment market, although Japan's previous government proposed the enhancement of agency worker rights by banning certain types of very flexible contracts. We hope that the new government will adapt the proposal in such a way that it will not diminish flexibility solutions for companies, as this would not only lead to a decrease in competitiveness but also to an increase in undesirable substitution by grey and black work.

Latin America and Northern Europe have long-established staffing markets. Here, as in the younger markets in Southern and Eastern Europe, social partners, especially unions, play an active role in labor market regulation. Social acceptance by all stakeholders of temporary staffing is key to a further relaxation of the legal environment and in turn to the development of alternative work arrangements and additional, complementary HR services. The overriding trend is for legal restrictions on staffing activities to be lifted further. These restrictions are often outdated and counter-productive to the effective functioning of labor markets.
A strong case is provided by the recent economic crisis, which has shown that countries with unreformed, stagnant labor markets have exhibited higher unemployment rates and have found recovery more difficult to achieve.

Over the last decade, governments and unions have consistently shown a greater awareness and acceptance of the benefits and added value of agency work for the labor market. The positive contribution that the staffing industry brings to the labor market – their stepping stone function, their contribution to job creation and to decreasing long-term unemployment – is increasingly recognized. In mature markets, the staffing industry often contributes to active labor market policies, by co-operating with public employment services and government programs to achieve a more inclusive and transitional labor market.
Legal restrictions on the temporary staffing market can be divided into four categories: maximum length of assignments, reason of use for the assignment, set levels of pay and other benefits or sector prohibitions. In the EU, the Agency Work Directive (AWD), setting minimum employment conditions for agency workers, must be implemented by EU member states in their national regulations before 2012. The AWD introduces the principle of equal treatment at the user company level within the EU. Derogations from this principle are possible by collective labor agreements or, in countries such as the UK and Ireland, where there is no established national system of collective bargaining, by tripartite agreement. The UK government has announced that implementation of the AWD in their national regulations, introducing the new grace period and subsequent application of 'user pay' after 12 weeks in one assignment, will take place in October 2011, as this will provide business with the maximum time possible to adjust to the new regulations.

In the Netherlands and Germany, collective labor agreements for the staffing industry are already in place. These derogate from the legal equal treatment principle in that they set minimum wage levels for temporary workers and therefore help to promote flexibility in labor conditions. In the Netherlands a grace period of 26 weeks applies before equal pay sets in. In Germany there is no time limit to the derogation. The influence of the AWD on current regulation will be very limited in Southern and Central European markets, where wage levels are already legally on par with those of permanent workers in the user company.

A particularly positive aspect of the Directive is the obligatory revision of all restrictions on temporary agency work before 2012, and the subsequent lifting of those that are unjustified or disproportionate, such as sectoral bans on the use of temporary agency workers. France finally opened its public sector to agency work in 2009. Spain announced major labor market reforms for the agency work sector, anticipating the implementation of the AWD, including the opening up of its public sector to agency workers as of April 1, 2011. It is hoped that Belgium will soon also adopt this good practice.

1996
Randstad, official sponsor of the Olympic Games

country reviews

Netherlands

in millions of €	2010	2009	organic Δ%
Revenue	2,826.7	2,962.9	(4)
EBITA	180.7	201.1	(18)

Randstad is the clear overall leader in the supply of HR services in our original and highly developed home market. Our operating companies in the Netherlands, principally Randstad, Tempo-Team and Yacht, provide the full range of the Group's service concepts. The Dutch HR services market, more late-cyclical than in many other countries, continued to decline in the first half of the year, but returned to moderate growth from then on. For the year as a whole the market grew by 1%. Revenue of Randstad and Tempo-Team also followed this pattern, although at a slightly slower pace. This follows our focus in 2009 and 2010 on protecting our profitability, which was maintained at a high level. Yacht, even more late-cyclical, was impacted by its large exposure to the public sector, and an improvement program was begun in 2010. The EBITA margin of our Dutch companies overall was 6.4% for the year, compared to 6.8% in 2009.

Randstad Netherlands lost market share during the summer months, but the gap became smaller towards the end of the year. By focusing on segments and clients that offered sustainable revenue and reasonable margins in combination with steering on productivity and tight cost control, profitability was maintained at a high level. The industrial segment underperformed the market throughout 2010. Construction, contact centers and financial services also had a difficult year, especially during the first half, but the technical and healthcare divisions outperformed the market in the second half. Randstad Inhouse, serving large industrial clients, showed significant growth from the second quarter onwards. Despite an increasingly competitive market, its P/flex payroll services performed very well in 2010. A dedicated Randstad Training Center was opened and a new Leadership Development Program was launched. Client and candidate satisfaction was further improved. Key priorities for 2011 include regaining market share, especially in the industrial segment, and expanding the professionals segment.

Tempo-Team holds a strong number two position in the Netherlands. Revenue started to grow again in the second half of 2010. After outperforming the market over the previous years, however, Tempo-Team lost some market share in 2010, mainly resulting from terminating less profitable contracts. Due to further cost containment, solid profitability was maintained, while DSO also improved. Tempo-Team's inhouse services performed well and showed growth. While segments such as industrial and food performed well, revenue in the professionals segment was under pressure due to difficult market conditions. Outsourcing was introduced as a new capability and a new marketing campaign was launched. Tempo-Team will focus on regaining market share in 2011, profitable growth in its key segments and improved cross-selling between its capabilities.

Yacht is active in the professionals and interim management services segment. Being more late-cyclical and geared towards the public sector, it only began contracting markedly in 2009, but for the same reasons this market segment continued to decline throughout most of 2010. The financial services and high-tech industrials segments did well. While Yacht outperformed the market in local government, this sector declined by 40% during the year. The healthcare and central government sectors faced substantial pressure. Additional focus on key accounts helped to mitigate the severe decline.

Development main geographic markets, 2010
in millions of €

	Revenue 2010	Revenue 2009	Organic growth %	Market growth %	Δ%	EBITA margin % 2010	EBITA margin % 2009
Netherlands	2,826.7	2,962.9	(4)	1	(5)	6.4	6.8
France	3,067.3	2,691.6	15	16	(1)	2.9	0.4
Germany	1,728.6	1,320.7	31	25	6	6.2	4.2
Belgium & Luxembourg	1,327.8	1,191.4	11	11	0	4.7	4.4
United Kingdom	802.3	753.3	3	3	0	0.8	0.8
Iberia	861.0	796.4	8	8	0	2.1	1.8
Other European countries	761.4	603.5	21	n.a.	n.a.	2.5	0.1
North America	1,848.2	1,450.3	19	16	3	3.4	1.5
Rest of world	956.0	629.8	19	n.a.	n.a.	0.9	(0.7)
	14,179.3	**12,399.9**	**12**			**3.6**	**2.5**

The organization was significantly strengthened by the implementation of the professionals concept and through enhancements in accountability and sales focus. For the year ahead, Yacht's key objective will be to return to growth and gain market share. We announced the divestment of Voxius, a small professionals business, in October.

France

in millions of €	2010	2009	organic Δ%
Revenue	3,067.3	2,691.6	15
EBITA	90.0	11.8	416

In France, where Randstad is the third-largest HR service provider, overall revenue returned to growth during the first quarter and then accelerated through the rest of 2010. While performance was initially below that of the market, the gap was closed by June and market share was being regained as of September. An intensive advertising campaign increased brand awareness significantly.

The manufacturing sector was the main driver of growth in the French market throughout the year, led by the automotive segment, where the manufacturers and their suppliers benefited from a governmental recovery plan. While less marked, improvements could be seen in services and other sectors by the third quarter. The construction sector remained flat, however, with the postponement of a number of public investment plans and commercial real estate projects.

Staffing, inhouse and permanent placements were first to gain momentum. The size of branches was increased and there was stronger external focus, with more sales activities in specialties. Together with the implementation of the field steering model, this in turn led to higher quality of service and greater productivity. We announced the divestment of Selpro, a small staffing business, and Vedior Front RH, a small HR consultancy business, in July. This was in line with our strategy of focusing on a limited number of brands, a strong unified culture, and harmonized concepts and processes.

Our inhouse concept proved to be increasingly popular. Many new inhouse locations were opened, both for new clients and by transferring large accounts out of the former Vediorbis network. Inhouse revenue more than doubled in the second half of 2010, and there were 98 inhouse locations by the end of the year (63 in 2009).

Following two years of decline, the French professionals business returned to limited growth in March, before accelerating to a double-digit rate in the second half of 2010. Permanent placement fees also grew strongly from the second quarter onwards.

For the year as a whole, revenue grew by 15% organically. The EBITA margin amounted to 2.9%, compared to 0.4% in 2009. The EBITA margin would have amounted to 1.7% excluding the € 39.2 million related to a change in French business tax ('taxe professionelle'), with the associated expenses, starting 2010, included in taxes on income, whereas in previous years these expenses were included in cost of services. A further reduction in DSO across the operation was achieved during the year. As well as a continuing focus on our successful inhouse concept going forward, our managed services and recruitment process outsourcing capabilities in France are being further developed to serve the growing demand in these areas. The French subsidy system regarding low wage labor was revised on January 1, 2011. This will lead to increased costs of all types of low wage labor including temporary staffing, which will be passed on to clients as much as possible.

Germany

in millions of €	2010	2009	organic Δ%
Revenue	1,728.6	1,320.7	31
EBITA	106.5	55.2	93

Randstad is the clear market leader in Germany in the supply of HR Services, and in 2010 we were again able to increase our market share. Revenue growth reached 40% by the second quarter.

1970s
The streamlined interior of a Randstad branch

A rapid recovery across all industrial segments drove growth in staffing and inhouse. Many customers in the automotive, logistics and engineering industries returned in 2010. Execution was strong, with our German businesses growing faster than the market throughout the whole year. As overcapacity was used, we started to hire new consultants while idle time was further reduced.

Many existing and new clients in Germany were looking to work with a single HR services partner, and many new contracts were won as a first level supplier or master vendor. The growing need for flexibility also led to a very good performance of specialties, such as contact centers.

Team BS was further expanded in the German market, and the network had doubled by the end of 2010. Team BS will be rebranded as Tempo-Team in 2011.

The collective labor agreement (CLA) for the staffing industry with which we work was renewed in March. The increases in pay rates involved were accepted by our clients. The different staffing sector CLAs that exist were also aligned more closely. We welcome these developments, as they create a level playing field for the industry and help to improve its image.

In professionals, growth in the IT business was very strong throughout the year. Our IT freelancer business GULP continued its profitable growth and gained market share. Yacht Teccon, our engineering business, returned to limited growth in the second half and idle time was reduced. The aerospace segment remained slow throughout the year.

Organic revenue growth for the year overall amounted to 31%, while the EBITA margin reached 6.2%, compared to 4.2% in 2009.

Belgium & Luxembourg

in millions of €	2010	2009	organic Δ%
Revenue	1,327.8	1,191.4	11
EBITA	62.9	52.5	20

Belgium and Luxembourg are two more markets in which the Group has clear leadership and where we offer the full range of our concepts. Both Randstad and Tempo-Team returned to growth in March. During the second half of 2010, Randstad strengthened its leading position further, led by the very good performance of its significant inhouse business. This was driven by strong demand from a number of industries that had been heavily impacted by the crisis, such as automotive, logistics and building materials. Randstad Managed Services was launched in Belgium to serve large clients in professional segments such as pharmaceuticals and electronics. Permanent placement fees began to recover in 2010, and the full-year results for professionals substantially improved compared to 2009.

Tempo-Team in Belgium was slightly behind market, due to its greater focus on the administrative segment. Tempo-Team began the implementation of the field steering model after the summer. As market leader in Luxembourg, Tempo-Team managed to both gain some additional market share and greatly improve profitability in 2010. Randstad also gained market share in Luxembourg.

Overall, organic revenue grew by 11% for the full year. The EBITA margin improved to 4.7% from 4.4% in 2009.

Main market positions, 2010

in billions in local currency

Regions	Market size[1]	Market share in %	Market position
Netherlands	12.5	23	1
France	17.9	18	3
Germany	15.1	11	1
Belgium & Luxembourg	4.6	29	1
United Kingdom	18.1	4	3
Spain (staffing only)	2.2	20	1
US	107.3	2	6

1 Based on country data, 2009 figures, and estimated growth rates

United Kingdom

in millions of €	2010	2009	organic Δ%
Revenue	802.3	753.3	3
EBITA	6.5	5.7	(12)

Our inhouse business almost doubled during 2010 and gained market share, with both higher volume from existing clients and many client gains. The UK public sector had held up well during the recession, due in large part to the government policy of increasing spending. The new government's 2010 public sector spending review reversed this policy, however. By the third quarter, while gains were made in some specialties, slow demand from the public sector was impacting our staffing business.

The UK represents around 20% of the global professionals market, and Randstad's combined professionals businesses rank fourth-largest there.
Revenue in the professionals segment continued to contract on a year-on-year basis during 2010, but permanent placement fee income grew well. The public spending cuts also impacted our professionals business. In addition to pressure on healthcare, cuts in education and infrastructure spending took their toll on these businesses. Smaller segments such as finance, HR and media returned to growth, and construction & engineering performed well in a very difficult market. The first phase of the integration and rebranding of Joslin Rowe, Martin Ward Anderson, Hughes-Castell and Pro Law as Randstad Financial & Professional was initiated in 2010. All legacy managed services businesses were integrated and rebranded as Randstad Managed Services, and a number of major new contracts were won. The outlook for this comprehensive new value proposition is good.
With all major businesses in our professionals segment now branded as Randstad, we launched our first national TV campaign in the UK. The campaign was supplemented by a host of other media activities, and the results were very encouraging. Throughout 2010 we continued to rationalize our cost base in line with revenue development. We combined offices in major cities into one large Randstad location and we gradually started to integrate back offices and IT platforms.

Overall UK revenue grew by 3% organically for the full year, while the EBITA margin remained at 0.8%.

Iberia

in millions of €	2010	2009	organic Δ%
Revenue	861.0	796.4	8
EBITA	18.0	14.2	27

Economic activity and business confidence remained lower in Spain and Portugal than in most of Europe. Early double-digit growth in Portugal, where we are market leader, slowed somewhat towards the end of the year, while growth in Spain remained stable throughout the year. We nevertheless managed to outperform the Spanish market in the staffing segment. The much-anticipated labor legislation reform in Spain will slowly open up the public administration and construction markets to staffing services, but the current condition of these markets means this will have a limited impact in the near term. This reform also brought additional restrictions to the outsourcing business.

The Vedior network in Portugal was rebranded to Tempo-Team and the larger Select business was rebranded to Randstad by the end of 2010. The latter had not been permitted earlier, following the divestment of Randstad Portugal to obtain clearance from the EU for the merger with Vedior at the Group level in 2008. A significant reduction in DSO during the year was a great achievement in the continuing recession in Portugal.

In total the Iberian business grew 8% organically over the year, while the EBITA margin improved to 2.1% from 1.8% in 2009.

Other European countries

in millions of €	2010	2009	organic Δ%
Revenue	761.4	603.5	21
EBITA	19.2	0.7	2,500

Growth in almost all other European countries rebounded strongly from the beginning of 2010 and was solid across the board from the second quarter onwards.

Growth in Italy returned in April, and momentum then built and performance was ahead of the market later in the year. Meeting the increasing need of Italian clients for flexibility, staffing and inhouse services performed particularly well. This was assisted by changes to employment legislation in response to the crisis. The professionals concept was successfully introduced in 2010.

The limited growth that had already returned to our Polish business at the end of 2009 was maintained throughout 2010. Staffing, inhouse services and HR solutions all performed well in Poland, outperforming the market in the second half of the year. Permanent placements in both professionals and staffing lagged somewhat, and will be given additional focus in 2011. Two positive changes to Polish labor market legislation were introduced in 2010. The first extended a temporary worker's employment period for a single client from 12 to 18 months, while the second reduced the frequency with which statutory employment certificates must be issued.

Randstad Switzerland returned to growth in the second quarter, with revenue overall improving at double-digit rates from then on, in line with the market. Productivity and

2009
Randstad Professionals worldwide print campaign

profitability both improved significantly. Inhouse services did particularly well and outperformed the market, with new site openings for major international clients. The logistics, food and manufacturing segments all performed very well, the watch industry began to recover, and Switzerland was one of the few markets where construction showed continuous growth. Negotiations for the implementation of a collective labor agreement for the Swiss temporary staffing sector, which had been expected in 2010, proved not to be successful.

The expansion of our service offering in Scandinavia continued. We introduced professionals services in Denmark and Sweden, while it was expanded in Norway, creating a strong regional platform in the engineering, IT and financial segments. Inhouse services provided steep increases in revenue in both countries. The acquisition of Profipower also gave Randstad leadership in the professionals segment in Hungary. Revenue doubled in the Czech Republic, where we announced the acquisition of the staffing activities of Start People in September. Both these acquisitions support our ambition to obtain relevant scale in these countries.
We continued to outperform the market in Turkey with a clear focus on professionals. Despite the continuing downturn in Greece, our revenue there grew by over 40% during 2010, giving Randstad leadership in a number of segments.

For this group of countries as a whole, revenue grew organically by 21% in 2010, while the EBITA margin reached 2.5%, compared to 0.1% in 2009.

North America

in millions of €	2010	2009	organic Δ%
Revenue	1,848.2	1,450.3	19
EBITA	62.0	22.3	154

Our combined US staffing and inhouse services business, which had already returned to growth by November 2009, continued to grow very strongly and well ahead of the market throughout the year. Market growth followed the classical cyclical patterns of staffing recovering first, with strong growth in the industrial segment, clerical and SME segments. The substantial revenue gains were also mirrored by profitability improvements, facilitated by strong leverage in the business enabled by the cost reductions of the year before. Despite these, we managed to retain key talent and maintain our network without leaving any critical markets. Client retention was also excellent and a number of major new clients were added.

The relatively strong recovery of the US market in 2010 enabled us to fully leverage the synergies between Randstad's traditional strengths in staffing with the professionals expertise of the former Vedior businesses.

In our more late-cyclical US professionals business, overall growth returned in March, including permanent placement fees. From then onwards, professionals turned in double-digit growth rates, led by IT, followed by finance and accounting and later joined by life sciences. Major efficiency improvements were achieved, in part through the centralization and integration of back office functions and technology. Randstad Managed Services also showed very strong growth, especially in the second half of the year, due to new customer wins and an increase in volumes in existing accounts.
Our US professionals staff had never participated in a global corporate initiative such as the 50th anniversary celebrations in 2010, and they proved to be an experience that reinforced their feeling of being part of the worldwide 'Randstad family'.

We also returned to growth in Canada in March, and from then on strong double-digit revenue growth enabled Randstad to further strengthen its market leadership position. Classical patterns were followed here too, with very strong growth in our staffing business coming out of the downturn, followed by a return to growth in the professionals business led by a solid year from IT and a good recovery from engineering.

For North America as a whole, revenue grew by 19% organically in 2010, compared to a 26% decline the year before. The overall EBITA margin improved to 3.4% (1.5% in 2009), approaching the profitability achieved in 2008.

Rest of the world

in millions of €	2010	2009	organic Δ%
Revenue	956.0	629.8	19
EBITA	8.8	(4.2)	155

For all other countries combined, other than those in Europe and North America, organic revenue growth amounted to 19%, against minus 11% in 2009. The EBITA margin amounted to 0.9% (minus 0.7% in 2009). Below we focus on the largest activities within this area.

Against the background of a slow economy, our Japanese business returned to growth in March. Limited growth continued throughout 2010, with our staffing business clearly outperforming the market. Although declining overall in line with the market during the year, search & selection performed well in the second half. The announcement in August of our acquisition of the outstanding shares in FujiStaff was one of the highlights of a special year for Randstad. We now rank sixth in the world's second-largest HR services market. FujiStaff and Randstad have a long-standing relationship, with the first contacts established in 2004. Early in 2008 we launched a joint project, the Global Staffing Research Center, to survey and analyze the significance of HR services businesses in the labor market. In November 2008, Randstad acquired a 10% stake from the founding shareholders. In two steps, in 2009 and early in 2010, this stake was increased to 20.5%. Since mid 2009 Randstad has held a seat on the board of FujiStaff. The integration of the Randstad and FujiStaff businesses is expected to complete by the second quarter of 2011. The combination will enable more services to be offered to clients and candidates in terms of capabilities and locations. FujiStaff generated a revenue of € 461 million in the fiscal year ending March 31, 2010. FujiStaff has 104 outlets, 1,220 FTEs, and around 85% of its revenue comes from staffing and inhouse. The results of FujiStaff are consolidated as from October 20, 2010.

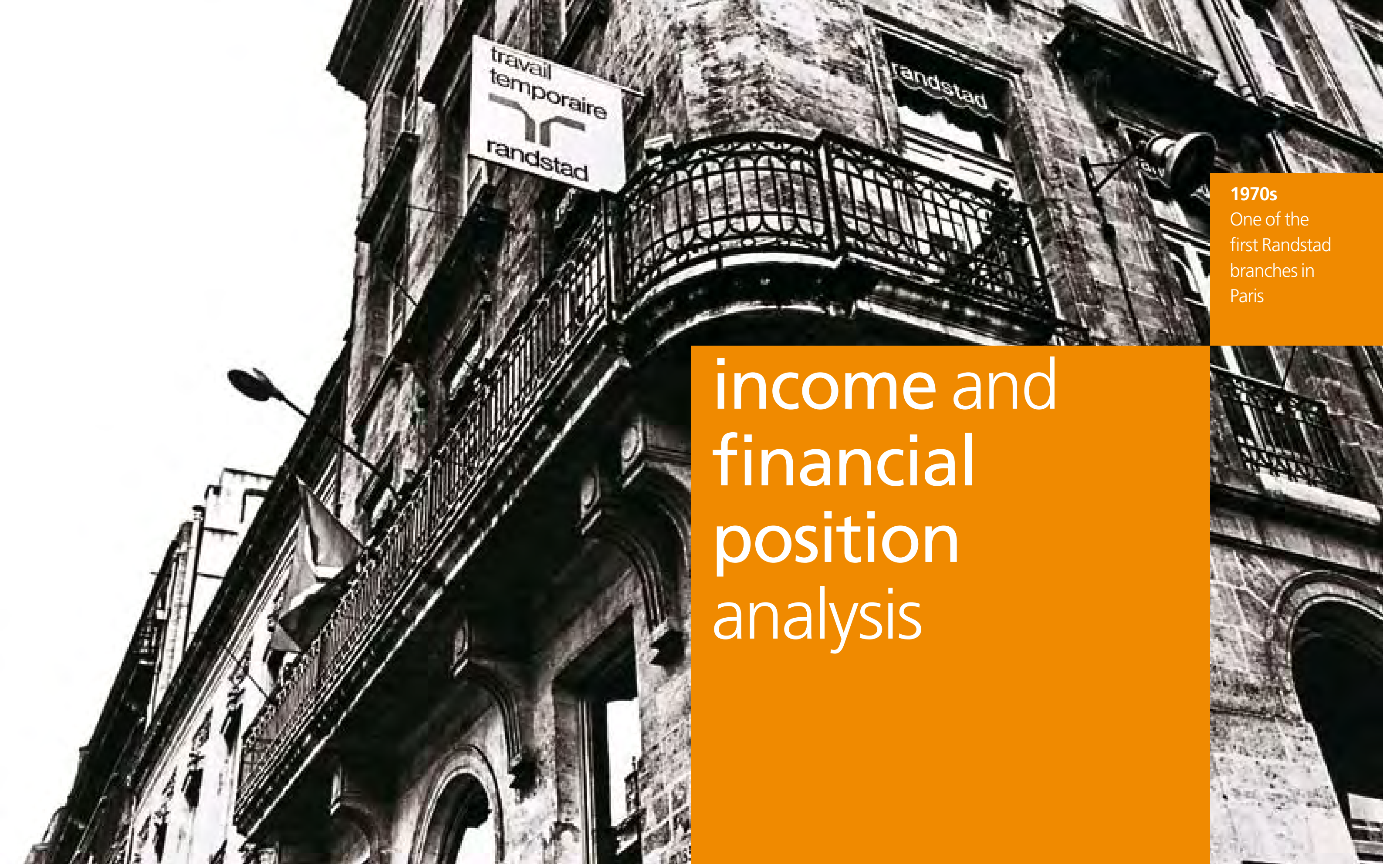
Our operations in Australia and New Zealand returned to growth during the first quarter. This accelerated to double-digit rates from then on, with permanent placement fees growing faster. The successful integration and rebranding program was completed in August, with Hughes-Castell becoming Randstad Legal. The Randstad brand is gaining momentum in the Australian and New Zealand markets, with the highest levels of increase in prompted awareness across the recruitment industry. Construction, property & engineering and banking & financial services were two of many professionals segments that recovered well, followed by improved performance of staffing businesses in the second half. The first Australian inhouse site went live during the year, and this business is expected to grow strongly. The Australian recruitment market is continuing to develop, with increasing client interest in our managed services and recruitment process outsourcing offerings.

Growth in our market-leading Indian business, Ma Foi Randstad, continued to be solid in 2010. In an economy growing faster than most, both permanent placement and staffing recovered strongly during the year. The Ma Foi Randstad brand was extended across the portfolio and has been well received by the market. The payroll and consulting businesses grew very well. Traffic on our website continued to grow significantly. With an increased focus on branding, people development, productivity, investment in IT processes and key account management, Ma Foi Randstad is set to ride the wave of the Indian market's positive outlook during 2011.

Steady growth was also maintained by Randstad China. The core search & selection and payroll service businesses both performed well, while strict cost and productivity management resulted in good profitability. Leading segments were FMCG, technology and manufacturing. Although flexible staffing represents a relatively new service to Chinese companies, we are building our presence and demand is increasing. Our small operation in Hong Kong grew rapidly during 2010. Here the search & selection business performed well and the staffing concept was implemented in the second half of the year.

Throughout 2010 our businesses in Latin America showed very strong growth in Argentina and Brazil and significant growth in Mexico, Chile and Uruguay. We gained market share in Brazil during the year and maintained our share in the other markets. Most of our current activities in Latin America involve agricultural, industrial and clerical staffing, but we are also growing our professional staffing and permanent placement business in the region. Following the rebranding of the Mexican businesses to Randstad in 2009, we completed the rebranding in Chile in 2010.

Stability began to return to the Gulf region in 2010 in the aftermath of the financial crisis. Randstad's Dubai-based operation is focusing on strengthening its teams servicing those sectors that represent the greatest opportunities, such as banking & finance, construction & property and pharmaceuticals & life sciences.



1970s
One of the first Randstad branches in Paris

income and financial position analysis

Income statement

Consolidated income statement

in millions of €

	2010	2009	Δ%
Revenue	**14,179.3**	**12,399.9**	**14**
Cost of services	11,520.6	9,985.7	
Gross profit, underlying	**2,658.7**	**2,414.2**	**10**
Personnel expenses	1,515.3	1,460.4	
Other expenses	633.8	638.1	
Operating expenses, underlying	**2,149.1**	**2,098.5**	**2**
EBITA, underlying	**509.6**	**315.7**	**61**
EBITA, reported	**513.6**	**252.4**	**103**
Amortization of intangible assets	172.4	158.6	
Operating profit	**341.2**	**93.8**	**264**
Net finance costs	(23.8)	(48.9)	
Share of profit/(loss) of associates	0.6	(0.5)	
Income before taxes	**318.0**	**44.4**	
Taxes on income	(29.5)	23.2	
Net income	**288.5**	**67.6**	**327**
Gross margin	18.8%	19.5%	
Operating expenses margin	15.2%	16.9%	
EBITA margin	3.6%	2.5%	

For a meaningful analysis of our results, we look at the underlying results, which exclude one-off items such as restructuring costs and certain incidental benefits or charges in respect of, for example, social security and wage tax.

Additional information on the income statement, balance sheet and cash flow statement is included in the notes to the financial statements, available on our website www.randstandannualreport.com.

Revenue

Group revenue increased by 14.3% to € 14,179.3 million. Organic growth was 11.8%, while currency effects added 2.1%. Acquisitions and disposals had a net effect of 0.4%, which includes the acquisition of FujiStaff in Japan (see page 34), small acquisitions in the Czech Republic and Hungary and the divestment of Selpro and Vedior Front RH in France and Voxius in the Netherlands. During 2010 we saw signs of cyclical and structural growth trends in our markets, while the regular seasonal pattern reappeared.
The recovery was broad-based and followed classical patterns. These trends were also visible in our revenue mix. The cyclicality of the respective revenue categories, especially permanent placements, is shown below.

Year-on-year growth

Revenue from temporary staffing services increased by 11.7%, while permanent placements, mainly generated in the professionals businesses, grew by 11.3%. Permanent placements made up 1.7% of revenue. Revenue from temporary staffing services is clearly less volatile than permanent placements.

In March 2010, our Group revenue grew for the first time since June 2008. The acceleration in growth during the year is shown in the table below. Throughout 2010, the comparison to 2009 became more challenging. Nevertheless, we continued to show strong growth rates in 2010, especially in the fourth quarter.

Organic growth

in %

	Q1	Q2	Q3	Q4	Full year
Geographical areas					
Netherlands	(14)	(5)	0	4	(4)
France	1	18	19	21	15
Germany	10	40	40	32	31
Belgium & Luxembourg	(2)	13	17	17	11
United Kingdom	(6)	1	9	9	3
Iberia	7	11	6	9	8
Other European countries	0	27	31	28	21
North America	9	22	23	21	19
Rest of the world	11	24	20	19	19
Concepts					
Staffing	(2)	13	13	13	10
Inhouse	30	50	55	51	45
Professionals	(11)	1	8	9	1
Group	**(1)**	**14**	**16**	**17**	**12**

The industrial and logistics segments showed a clear rally at the start of 2010, visible in healthy growth rates in the vast majority of our inhouse business. This was followed by a strong rebound in our staffing businesses. Our more late-cyclical clerical and professionals businesses finally returned to growth in the third quarter. Please refer to pages 15 – 18 for more information on progress by concept. Of the major regions, North America continued its strong recovery, which had already started in November 2009, with 19% organic growth. Growth in continental Europe was led by Germany and France as these economies have a large exposure to industry. Our Dutch businesses, which are exposed to the more service-oriented and more late-cyclical Dutch economy, returned to growth in September. Our professionals business in the UK suffered from its exposure to the public sector and returned to growth in the fourth quarter. More detailed information on the performance by country is included on pages 29 – 34.

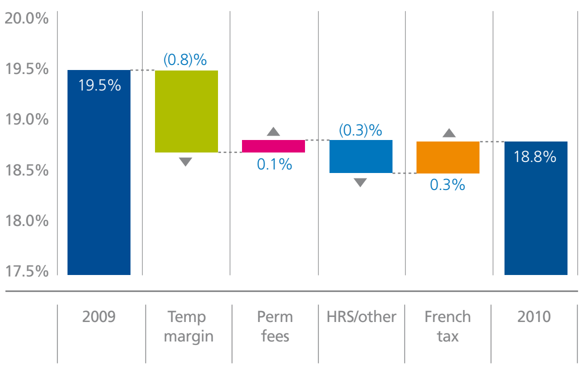
We employed 521,300 staffing employees on average per day in 2010, an increase of 55,700 or 12% compared to 2009.

As the continuing recovery follows a classical pattern, with diverging trends for different countries and segments, it confirms our belief that our strategy of diversification is effective.

Gross profit

Gross profit amounted to € 2,658.7 million, up 10%. In the second quarter we made an adjustment to gross profit of € 10.6 million, largely based on the refund of Dutch social security premiums relating to prior years. The gross margin amounted to 18.8%, compared to 19.5% in 2009. Our gross margin largely depends on the trends in the margin we generate on our temporary staffing services, also referred to as the temp margin, as well as the contribution from permanent placements. The graph hereafter shows the change in gross margin.

Change in gross margin



The temp margin decreased by 0.8% during 2010, although it stabilized in the course of the second quarter. The reduction was mainly a result of higher volumes on contracts that were renewed in 2009, as well as changes in our business mix. The industrial segments moved much faster than the administrative and professional segments, while the geographic mix also had a negative impact. In the Netherlands and Germany, where we have candidates on contract (both for defined and undefined periods), idle time decreased in the staffing businesses while it stabilized in the professionals business. Overall, the impact of idle time on our Group results was limited.

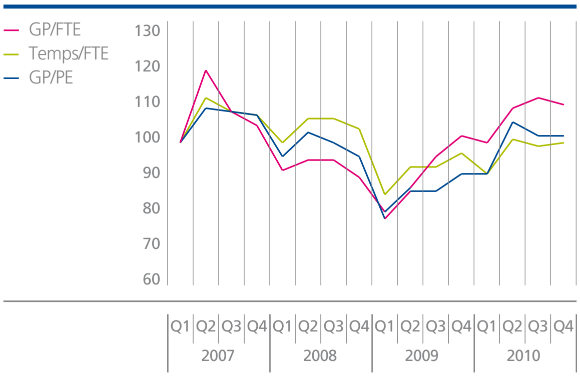
At Group level, the contribution from permanent placements, or perm fees, gained momentum during the year. Following a reduction of 7% in the first quarter, perm fees steadily grew by 16% in the second quarter, 24% in the third quarter and 20% in the fourth quarter. Perm fees made up 7.6% of gross profit, compared to 7.1% in 2009. As a result, the growth in perm fees added 0.1% to the gross margin. During 2010 a change occurred in French business tax, which resulted in a reclassification of a business tax component from cost of services to taxes on income. This change had a positive impact of 0.3% on our gross margin, while it had no effect on net income or cash. Other mix effects, foreign exchange rates and the somewhat slower performance of other fee-based businesses, like outplacement, had a combined negative effect of 0.3%.

The trend in gross margin is monitored closely but is not a concern, as the pattern we observe is usual at this stage of the cycle. Gross margin is not a strategic target as such, as productivity per segment or geography can show significant differences. We steer on conversion of gross profit into EBITA, in order to realize our EBITA margin targets.

Productivity

Productivity improvements are essential in achieving our profitability targets. We measure productivity in three ways: number of temps per staff member (Temps/FTE), gross profit per staff member (GP/FTE) and gross profit in relation to personnel expenses (GP/PE).
Productivity (GP/FTE) improved by 19% in 2010. Based on a traditional recovery pattern, we were able to leverage overcapacity. In the initial phase of a recovery, overcapacity exists as consultants are able to handle growing volumes. As our business grows we gradually start adding consultants. We then use overcapacity in our branches as desks remained available and there is no need to open new branches. Inhouse locations are opened where needed as these relate to specific demands from clients. Productivity improvements reflecting the use of existing overcapacity are shown in the graph below.

Productivity, indexed



Operating expenses

Underlying operating expenses amounted to € 2,149.1 million, up 1% organically. Currency effects caused an increase of € 48 million, or 2%. Acquisitions and disposals caused a decrease of 1%. Operating expenses have been adjusted for restructuring charges of € 6.6 million as we continued to optimize the organization.

in millions of €	2010	2009
Personnel expenses	1,515.3	1,460.4
Advertising and marketing	113.0	96.8
Accommodation costs	185.3	195.2
Other operating expenses	251.7	257.6
Depreciation, amortization and impairment charges PPE and software	83.8	88.5
Operating expenses, underlying	**2,149.1**	**2,098.5**
Average corporate staff	25,680	27,640
Branches, year-end	3,085	3,182
Inhouse locations, year-end	1,110	947

Personnel expenses increased by 4%, mainly as a result of higher bonuses and commissions. In specific cases where the speed of recovery was high, such as in Germany, we began to hire new people based on our lily pad model. On page 17 an overview of corporate staff by region is shown. In Japan we added 1,220 FTEs through the acquisition of FujiStaff, and Selpro in France employed 120 FTEs at the time of divestment.

We also started to invest through marketing activities to accelerate growth in certain regions, while we continued to rebrand our professionals companies. During 2010 we had country-wide marketing campaigns in the UK and France. Further information is included in the section 'superior brands' on page 18. We continued to create larger branches without leaving markets by combining offices. In the UK, for example, we started to combine individual offices in larger cities into one Randstad location. Accommodation costs decreased by 5% as a result. In Japan, through the acquisition of FujiStaff, we added 63 branches and 41 inhouse locations. In France we divested Selpro with 40 branches. On page 5 an overview is included showing branches and inhouse locations by region. At the end of the year we operated 3,085 branches and 1,110 inhouse locations.

Other operating expenses, mainly IT costs, decreased by 2%. Depreciation and amortization charges decreased by 5% as a result of slower investments in branches and IT in recent years. We depreciate/amortize assets over 3 to 5 years.

EBITA

Underlying EBITA improved by 61% to € 509.6 million, with the EBITA margin reaching 3.6% compared to 2.5% in 2009. It remains our overall financial target to achieve an average EBITA margin of 5% to 6% through the cycle as soon as possible.
Conversion of additional gross profit into EBITA was 79%, which is in line with our target, as set out under excellent execution on pages 17 – 18, and reflects strong execution and optimal use of our over capacity.

1970s
The first computer used by Randstad

Operating profit

Operating profit is EBITA including the non-cash amortization and impairment charges on acquisition-related intangible assets. The majority of these assets was capitalized upon the acquisition of Vedior.
The total charge was somewhat higher than last year, as the rebranding of professionals businesses was almost completed and brand names were amortized accordingly. As a result, operating profit increased by 264%.

Net finance costs

For the full year, net finance costs amounted to € 23.8 million, compared to € 48.9 million in 2009. Net finance costs mainly include net interest expenses in relation to our net debt position of € 29.2 million (2009: € 46.2 million). These expenses decreased significantly following the sharp reduction in our net debt position 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. Other items included in net finance costs are foreign exchange gains, interest expenses due to passage of time and other items.

Taxes on income

The effective tax rate before amortization of acquisition-related intangible assets and one-offs amounted to 17% in 2010. When adjusted for a revaluation of deferred tax assets of € 60 million, which is triggered by the improved performance and outlook of our US operations, the adjusted effective tax rate was 29%. This is higher than the guidance of 20% – 22% we provided last year. The change in French tax law had an effect of around 7%. Another upward effect during the year was caused by a changed geographical mix with above average tax rates in countries with highest growth. Finally, as our results improve, the effect of tax-exempt income resulting from tax efficiencies in the Group decreases.

Net income, earnings per share and dividend

in millions of €	2010	2009
Net income for ordinary shareholders	**280.8**	**61.1**
Amortization and impairment intangible assets and goodwill	172.4	158.6
Integration costs	-	15.9
One-offs	(64.0)	47.4
Tax effect on amortization and impairment acquisition-related intangible assets and goodwill and integration costs and one-offs	(53.3)	(75.8)
Net income for ordinary shareholders, underlying	**335.9**	**207.2**
Basic EPS	€ 1.65	€ 0.36
Diluted EPS	€ 1.63	€ 0.36
Underlying diluted EPS	€ 1.96	€ 1.21
Proposed dividend (€)	1.18	-
Payout ratio (%)	60	-

Net income, of which € 280.8 million is attributable to holders of ordinary shares, amounted to € 288.5 million, an increase of 327%. Diluted EPS increased by 353% to € 1.63 (2009: € 0.36).

As the leverage ratio improved to 1.5 we will propose that the dividend payments on ordinary shares be reinstated. We propose a dividend payment of € 1.18 per ordinary share. This means a payout ratio of 60%, in line with our policy.

Balance sheet

Assets

in millions of €

	2010	2009
Property, plant and equipment	155.6	150.5
Intangible assets	3,162.1	3,158.1
Deferred income tax assets	520.4	465.3
Financial assets	74.4	65.3
Associates	1.1	17.9
Non-current assets	**3,913.6**	**3,857.1**
Trade and other receivables	2,788.3	2,266.3
Income tax receivables	51.7	64.6
Cash and cash equivalents	285.3	270.1
Current assets	**3,125.3**	**2,601.0**
Total assets	**7,038.9**	**6,458.1**

Our balance sheet total increased from nearly € 6.5 billion at the end of 2009 to € 7.0 billion by the end of 2010, mainly driven by the requirement for working capital to support the growth in our business.

Property, plant and equipment

Property, plant and equipment includes the furniture and refurbishment of our offices (55%), IT equipment for our employees (17%) and property (28%). Following the closure of offices early in the year and the relatively low amount of investments, the book value of furniture, refurbishment and IT equipment decreased from € 126.6 million to € 112.1 million. The book value of property almost doubled from € 23.9 million to € 43.5 million, caused by the acquisition of FujiStaff in Japan. The remaining property value is mainly related to our corporate head office.

Intangible assets

Intangible assets include goodwill on acquisitions (76%), customer relationships, brand names and candidate databases (22%) and software related to the front and back office systems (2%). Customer relationships, brand names and candidate databases are amortized over 5 to 7 years on average, leading to an annual non-cash amortization charge of € 172.4 million.
The acquisition of mainly FujiStaff added € 56.4 million to goodwill and € 70.0 million to customer relationships, brand names and candidate databases.

Deferred income tax assets and income tax receivables

in millions of €	2010	2009
Goodwill	64.1	79.6
Tax loss carry-forward	243.5	172.2
Temporary differences	212.8	213.5
Deferred income tax assets	**520.4**	**465.3**
Income tax receivables	51.7	64.6

Deferred income tax assets include tax assets arising from goodwill (12%) that have been directly charged against equity at acquisition date prior to 2004. This part gradually decreases by the amortization of goodwill for tax purposes only.
Tax assets related to tax loss carry-forward originate from (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 tax assets can be utilized. The increase of € 60 million is mainly due to the improved performance and outlook of our US businesses and an increased probability regarding the utilization of these assets.

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.

Financial assets

Financial assets mainly include loans that are granted interest-free annually to French institutions in relation to the payment of certain social security charges. These loans have a repayment term of 20 years each and the average remaining term is 12 years.
Also included in this category are equity securities of € 5.8 million which are held by FujiStaff.

Associates

Associates in 2009 mainly related to our stake in FujiStaff, which is now fully consolidated and therefore no longer held as an associate at December 31, 2010.

Operating working capital

in millions of €	2010	2009
Trade and other receivables	2,786.5	2,265.1
Trade and other payables	2,261.0	1,869.9
Operating working capital [1]	**525.5**	**395.2**
As % of revenue	3.7%	3.2%
Days sales outstanding (moving average)	54.6	58.1

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

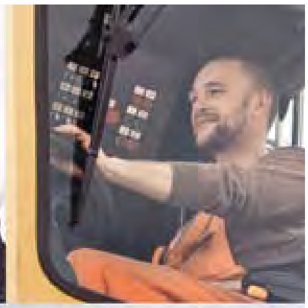
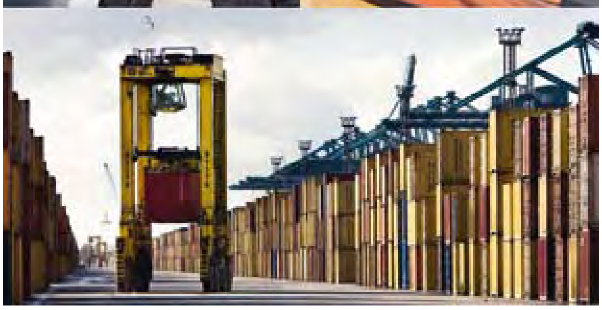
The level of working capital is related to the timing of the invoicing and payrolling processes. In most of our staffing and inhouse businesses these run every week and in professionals businesses these run every month. In addition, the payment terms we negotiate with clients and the effectiveness of our collection processes are equally important.

Liabilities, such as social security, 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.

In line with the growth of our business, working capital increased by 33% from € 395.2 million to € 525.5 million. As a percentage of revenue, working capital increased from 3.2% to 3.7%, which is mainly attributable to the consolidation of the acquisition of FujiStaff as from October 20, 2010.

Our DSO improved by 3.5 days to 54.6 days, which was mainly a result of further improvements in our internal collection processes. We aim to make further improvements in 2011. The aging of trade receivables was also given considerable attention, as clients tended to pay later and continued to demand longer payment terms. Our exposure to bad debt remained limited and only 0.15% of revenue (2009: 0.17%) was written off as these receivables were considered to be uncollectable. Our trade receivables portfolio is very diversified geographically, in segmentation and in client base.

2008
Randstad
'true value'
European
tv campaign

Net debt

in millions of €	2010	2009
Cash and cash equivalents	285.3	270.1
Less: Non-current borrowings	1,108.5	1,244.2
Less: Current borrowings	76.1	40.6
Net debt	**899.3**	**1,014.7**
EBITDA, underlying	594.7	406.0
Leverage ratio	1.5	2.5

The net debt position was reduced by € 115.4 million to € 899.3 million. Strong operational performance resulted in a free cash flow of € 309.3 million. We used our free cash flow to finance the acquisition of FujiStaff in Japan and to strengthen our financial position, as no dividend was paid on ordinary shares in 2010. As a result, the leverage ratio (net debt divided by EBITDA) was 1.5 at year-end and well within our targeted range of between 0 and 2, which implies an investment grade rating. The syndicated loan documentation allows us a leverage ratio of 3.5 x EBITDA, which provided a cushion in managing through the cycle (see page 21). The improved financial position enabled us to do smaller acquisitions and it enabled us to propose to our shareholders that the dividend payment on ordinary shares be reinstated.

Debt repayment schedule

in millions of €

	term	revolver
May 2012	105	
November 2012	135	
May 2013	135	~ 720

■ term ■ revolver

Our total debt facility amounts to € 1,995 million and consists of two parts. The term facility now amounts to € 375 million, while the revolving part still amounts to € 1,620 million. Following earlier repayments in 2009 and 2010, the first mandatory repayment will be due in May 2012 and will amount to € 105 million. With the revolving facility available until May 2013, financial flexibility is high.

The standby securitization facility launched in August 2009 will expire in March 2011. Given our strong balance sheet position, we have not used this facility.

Equity and liabilities

in millions of €

	2010	2009
Shareholders' equity	2,850.8	2,491.0
Non-controlling interests	1.6	1.5
Total equity	**2,852.4**	**2,492.5**
Non-current borrowings	1,108.5	1,244.2
Deferred income tax liabilities	444.4	474.7
Employee benefit obligations	21.5	14.6
Provisions	57.5	58.0
Other non-current liabilities	56.8	73.7
Non-current liabilities	**1,688.7**	**1,865.2**
Current borrowings	76.1	40.6
Trade and other payables	2,261.0	1,869.9
Income tax liabilities	37.4	22.5
Provisions	76.5	112.3
Other current liabilities	46.8	55.1
Current liabilities	**2,497.8**	**2,100.4**
Total equity and liabilities	**7,038.9**	**6,458.1**

Equity

Shareholders' equity increased following profit generation during the year, while no dividend over 2009 was paid on ordinary shares.

Deferred income tax liabilities and income tax liabilities

in millions of €	2010	2009
Recapture obligations and other	166.5	201.0
Temporary differences	277.9	273.7
Deferred income tax liabilities	**444.4**	**474.7**
Income tax liabilities	37.4	22.5

Recapture obligations ensue from the incorporation in the Netherlands of tax losses incurred in Germany and a liability to the Dutch tax authority of € 131 million, to be paid in 2012, relating to the decrease in valuation in 2009 of certain non-Dutch subsidiaries. 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. Income tax liabilities mainly include liabilities related to income tax payable to tax authorities.

Other current and non-current liabilities

in millions of €	2010	2009
Employee benefit obligations	21.5	14.6
Provisions for restructuring	28.2	60.8
Provisions for workers' compensation	40.5	38.5
Other provisions	65.3	71.0
Other liabilities	103.6	128.8
	259.1	**313.7**

Employee benefit obligations relate to defined benefit (pension) plans in a limited number of countries. The increase of these liabilities stem from the acquisition of FujiStaff. As a policy, the vast majority of our employees have a defined contribution pension plan for which liabilities are included in working capital. Provisions include costs of restructuring programs, workers' compensation schemes, which mainly exist in North America, and other provisions. As certain restructuring programs were completed, the provisions were reduced through payments. Other provisions mainly consist of provisions for claims of third parties and remained at the same level as 2009. Other liabilities include liabilities with respect to put and call options with holders of non-controlling interests as well as deferred payments from acquisitions. Other liabilities decreased by € 25.2 million, mainly due to the fact that we continued our strategy to gain full ownership over our subsidiaries.

Cash flow statement

Net cash flow from operating activities

Strong operational performance and changes in working capital requirements were important drivers for our cash flow generation in 2010. With growth returning in our business, working capital requirements increased accordingly, whereas in 2009 the slowdown in revenue led to unwinding of working capital. The increase in working capital requirements was partly offset by the improvement of DSO by 3 days. Income taxes paid amounted to € 102.9 million, or 21.0% of income before tax and amortization of intangible assets, in line with our guidance. The change compared to 2009 is related to an increase in our profitability and a receipt from the Dutch tax authority in 2009.

Net cash flow from investing activities

Net capital expenditures increased to € 55.6 million. Following rebranding in France, the UK and Belgium, we also had to refurbish the offices while we continued to invest in our IT infrastructure.

In 2010, we acquired an additional 75% of the outstanding shares of FujiStaff in Japan. We also announced the acquisition of ProfiPower in Hungary, the staffing activities of Start People in the Czech Republic and the divestment of Selpro and Vedior Front RH in France and Voxius in the Netherlands. All acquisitions and divestments were settled in cash.

Net cash flow from financing activities

Based on our strong cash generation we were able to repay € 187.4 million of our total facility (2009: € 1,176.1 million). As a result of our lower net debt position the net finance expenses paid reduced to € 17.3 million (2009: € 40.7 million). Interest payments remained at a low level, as we pay based on floating interest rates. The dividend on preferred shares was € 7.2 million and at the same level as previous years. In 2010 and 2009 we did not pay dividend on ordinary shares.

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. Additional information on the movement of free cash flow during a year is included on page 27.

Consolidated cash flow statement

in millions of €

	2010	2009
EBITA, reported	**513.6**	**252.4**
Depreciation, amortization and impairment on property, plant and equipment and software	85.3	93.6
EBITDA	**598.9**	**346.0**
Non-cash items	(32.7)	2.1
Cash flow from operations before working capital and income taxes	**566.2**	**348.1**
Working capital	(94.1)	309.0
Income taxes (paid)/received	(102.9)	85.6
Net cash flow from operating activities	**369.2**	**742.7**
Capital expenditures, net [1]	(55.6)	(38.6)
Net acquisitions [2]	(127.3)	(10.5)
Other	(4.3)	(6.0)
Net cash flow from investing activities	**(187.2)**	**(55.1)**
Net cash flow from financing activities	**(207.0)**	**(1,224.0)**
Net decrease in cash, cash equivalents and current borrowings	**(25.0)**	**(536.4)**
Free cash flow	**309.3**	**698.1**

1 Net additions in property, plant and equipment and software.

2 Net acquisitions of subsidiaries and associates.

Randstad realized that it had tried to take on too much at once. The time had come to rediscover the principles that had guided us from our beginnings. Restated as our strategic building blocks, they were to form the foundation for a return to sustainable growth.

1970s consultants in a Randstad branch

focus

back to **basics** and back to **growth**

Cleem Farla was asked to succeed Hans Zwarts as CEO and took up the position on January 1, 2002. He had begun his career at Randstad in 1973 as a branch manager. A board member since 1990 with responsibility for key international operations, he knew the business like no other. He and his executive board colleagues agreed the company had tried to take on too much at once and needed to get back to basics. Randstad needed to return its focus to its core competence of matching candidate skills with client needs.

By February 2002 they had restated the principles that had originally guided the company as its four strategic building blocks of strong concepts, best people, excellent execution and superior brands. Good leadership, supported by employees keen to follow the new course with confidence and conviction, enabled the new CEO and his team to quickly reverse the company's downward spiral. August brought the unexpected bad news of Cleem Farla's serious illness, however, and he stepped down temporarily. It became clear early in 2003 that he would not be coming back, although he continued to act as an advisor until his death in 2007. Ben Noteboom, who had been standing in for him for the previous few months, was appointed as CEO in March 2003.

Soon after he had joined Randstad ten years earlier, Ben Noteboom had been tasked with integrating subsidiaries of the recently acquired Flex Group into Tempo-Team in the Netherlands and Randstad in France. These successful integrations were to provide him with experience that would prove to be very useful. He went on to develop the company's innovative and successful inhouse services concept, which remains unique in the HR services industry.

The renewed focus on the core business, the crystal clear strategy and the dedication and commitment of our employees resulted in a net profit of € 77.1 million in 2003, a 36% improvement from the year before. Over the next few years, we both reinforced our strong positions in established markets and entered many new ones, including India and China, performing better than our immediate competitors. By 2005 we had turned the € 500 million deficit from 2001 into a cash surplus of € 200 million.

Randstad surpassed its rival Vedior in 2006 to become the third-largest staffing and recruitment company in the world. Revenue exceeded € 9 billion in 2007. In October of that year, Ben Noteboom and Tex Gunning, Vedior's CEO, began talks about combining the complementary strengths of the two companies. They signed a letter of intent on December 2, 2007, for the acquisition of Vedior by Randstad for the price of € 3.51 billion. Approval by the European Commission followed, and the statutory legal merger became effective on July 1, 2008. That year Randstad became the world's second-largest provider of HR services.

grow

2007 Randstad announces the merger with Vedior

1990
Randstad listed at the Amsterdam Stock Exchange

investor relations & Randstad shares

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 recognize our open and transparent communications style and our aim to be best in class in disclosure and in providing insight into the business. These efforts ensure accurate valuation for the shares over time.

Communications 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. We adhere to the legal obligations relating to confidentiality. In that respect 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 communications style. Our policy regarding bilateral contacts with shareholders can be found in the corporate governance section of our corporate website.

Communications activities

Each quarter Randstad organizes analyst meetings or conference calls to discuss results, supplemented by press conferences twice a year. Analyst meetings and conference calls are also webcast. Furthermore, in November 2010, Randstad organized an analyst & investor conference in the UK. Topics discussed included company strategy, progress versus financial targets, development of the professionals concept and updates on our UK, German and Dutch businesses. Conferences like this help investors and analysts gain a better understanding of the way we work and are an opportunity to meet the executive board and other key managers. The presentations held at this conference can be found on our corporate website. Road shows for institutional investors were organized in the Netherlands, the US, the UK, France, Belgium, Germany, Switzerland, Italy and Canada. A large number of one-on-one investor meetings were conducted at our head office in the Netherlands.
In addition, Randstad presented at several investor conferences in the Netherlands, the UK, the US and France. We set up a web-based community call to answer questions from private investors while we were present at an annual event of the association of Dutch retail investors (VEB).

Randstad shares

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

Share capital

During 2010 the number of issued and outstanding shares increased slightly as shares were issued in relation to management performance option and share plans.

Share capital

	Numbers year-end (in millions)		Nominal value
	2010	2009	per share
Ordinary shares	170.0	169.6	€0.10
Type-B preferred financing shares	25.2	25.2	€0.10
Total number of shares	**195.2**	**194.8**	**€0.10**

Voting rights

The ordinary shares have equal voting rights (one share, one vote). The voting rights on the type-B preferred shares are aligned with the historical capital contribution (one share, one-seventh vote).

Major shareholders

	2010	2009
F.J.D. Goldschmeding	30-40%	30-40%
ING	10-15%	10-15%
ASR	5-10%	0-5%
Stichting Randstad Optiefonds	5-10%	0-5%
Alliance Bernstein	0-5%	5-10%

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 above are a combination of (depositary receipts of) ordinary shares and (depositary receipts of) type-B preferred financing shares.

Indicative free float spread

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 6% of our ordinary shares are held by private investors.

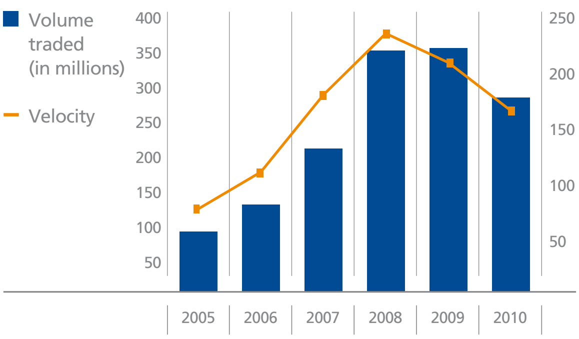
Indicative geographical spread ordinary shares (free float)

Total in percentage	100%
Netherlands	14%
United Kingdom	18%
North America	49%
France	7%
Other European countries	11%
Rest of world	1%

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 280 million in 2010 over various trading platforms. 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 from 75% in 2005, to over 200% in the past few years. This implies that the average holding period is around six months for the total number of outstanding shares, or approximately three months for the free float.

Share volume traded and velocity



Indices

The Randstad Holding ordinary share is included in many indices, including the Euronext AEX index, Euronext 100, Dow Jones Stoxx TMI, MSCI Europe and the Dow Jones Stoxx Sustainability Index. Inclusion in large indices is important because it improves visibility and liquidity.

Earnings per share reporting

Randstad reports earnings per share on a fully diluted basis. We focus on earnings per share before amortization 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.

	Q1	Q2	Q3	Q4	Full year
2010	**€0.28**	**€0.45**	**€0.59**	**€0.64**	**€1.96**
2009	€0.05	€0.27	€0.42	€0.47	€1.21
2008	€0.65	€0.90	€0.91	€0.72	€3.21
2007	€0.63	€0.83	€0.97	€1.04	€3.47
2006	€0.43	€0.64	€0.92	€0.99	€2.98

Before amortization, impairment, integration costs and one-offs.

Dividend policy

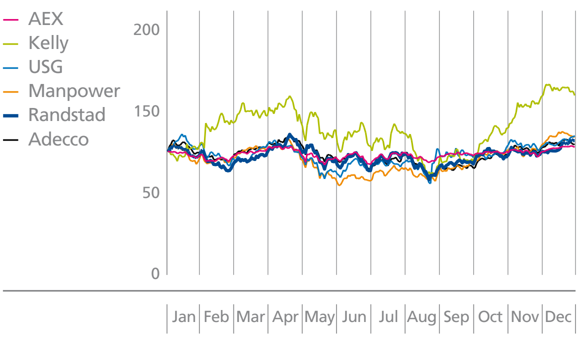
In 2007 we updated our dividend policy. We aimed at a floor in the dividend of € 1.25 and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill and one-offs, provided that the financial position (measured by the leverage ratio) would allow for it. We stress tested the financing of the Vedior acquisition and, based on a scenario of 5% revenue decline in H2 2008, 10% declines in both 2009 and 2010 and another 5% in 2011, we believed we would be able to pay this dividend. However, the revenue decline was far more severe in the initial stages of the downturn.
In combination with the financial leverage and the increased costs of capital, we did not pay a dividend over 2008 and 2009 in order to strengthen the balance sheet. With the leverage ratio at the end of 2010 back within our target range of between 0 and 2, we propose to pay a dividend of € 1.18, based on the maximum 60% payout.

1990 June 5,
Randstad flag
on top of the
Amsterdam
Stock Exchange

	2006	2007	2008	2009	2010
Closing price (€)	52.40	27.02	14.55	34.90	39.50
TSR (%)	45%	(46)%	(42)%	140%	13%
High (€)	57.55	63.18	30.00	35.57	42.00
Low (€)	36.35	24.72	11.15	9.36	27.50

Market capitalization of ordinary Randstad shares amounted to € 6,716.9 million on December 31, 2010, compared to € 5,917.6 million on December 31, 2009.

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

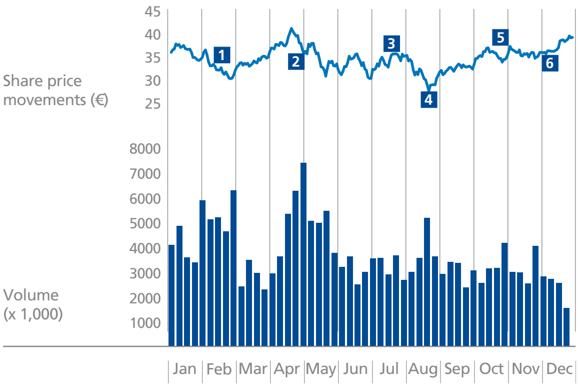


Per share data

	2006	2007	2008	2009	2010
Dividend (€)	1.25	1.25	-	-	1.18
Payout (%)	40%	37%	-	-	60%
EPS [1]	€ 2.98	€ 3.47	€ 3.21	€ 1.21	€ 1.96
Free cash flow	€ 3.02	€ 2.82	€ 4.64	€ 4.08	€ 1.80
Equity	€ 6.82	€ 8.78	€16.23	€14.56	€16.59
EBITA, underlying	€ 3.77	€ 4.76	€ 5.60	€ 1.84	€ 2.97

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

Share price development Randstad Holding ordinary shares



1 February 18: Full year results
2 April 28: Q1 results
3 July 29: Q2 results
4 August 13: Announcement acquisition FujiStaff
5 October 28: Q3 results
6 December 3: Analyst & investor day

Share price development

The share price ended the year at € 39.50, 13% above the 2009 closing price of € 34.90. As no dividend was paid out, total shareholder return (TSR) was 13% as well. The share price rose in the first part of the year, reaching a high of € 42.00 in May. Despite strengthening revenue trends during the year, the average analyst earnings forecast for 2011 and beyond came down somewhat during the summer months, based on reduced economic growth forecasts. As a result, the share price fell and, in combination with general stock market trends, reached a low of € 27.50 in August. With fear of a double-dip fading thereafter, based on positive macroeconomic data, the share price recovered during the fall.

2009
VSO volunteer Mignon Schaap, working for an NGO in Namibia.

sustainability

Introduction

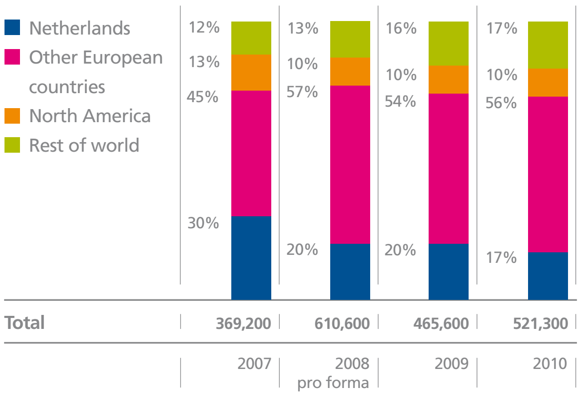
Sustainability has been one of the core values of Randstad since it was founded. As stated in 1978, we must function in such a way that the interests of all people who are directly and indirectly involved are served. As we are active in the world of work, this means we have a wide variety of corporate and non-corporate interests to serve. For us, corporate social responsibility means that we must strive to conduct all our activities, both inside and outside the corporate environment, in a sustainable manner.

Our role in society

Randstad's interests and those of the wider society have always been one and the same. The prosperity of our business, the economy and society at large are all very much connected to work. As one of the global leaders of an industry dedicated to creating and facilitating work, Randstad is proud of the key role we play in contributing to sustainability, social and economic growth, and well-being around the world.

Striving to lead in shaping the world of work means Randstad plays a key role in shaping a more sustainable future. We are very mindful that our mission brings with it a duty to continue to develop the markets for staffing and other HR services according to the highest standards of fairness, integrity and social responsibility. Doing so not only promotes greater diversity and social cohesion in employment markets but also reduces undeclared work and tax evasion. Countries with higher staffing penetration rates (with more people in the employment market working through staffing agencies) typically have lower unemployment overall and fewer people suffering long-term unemployment in particular. The flexible employment solutions we provide help to address the growing challenges of structural skills shortages, declining population growth and an aging workforce.

Average number of staffing employees working per day, 2007-2010



Value for our candidates

Making a perfect match between candidates and client needs – between the supply of and the demand for talent and skills – was the basis of the business that Frits Goldschmeding founded 50 years ago, and it remains what Randstad is all about today. Connecting our candidates with suitable employment opportunities not only brings independence for them and their families, but also job satisfaction, dignity and respect. Both temporary and permanent placements offer opportunities for gaining experience and improving skills and for personal and career development. For many people, temporary work represents their first step on the way to a permanent job. For other candidates, the services we provide enable them to re-enter the workforce, to earn additional income, or to adjust their work-life balance according to their circumstances, needs and wishes. Furthermore, many of the people for whom we find work are those who would otherwise be marginalized by society.

Value for our clients

For our clients, we are a significant provider of the asset that is most critical for their success: their people. Finding the candidates with the talents and skills they need, when they need them, gives them the necessary flexibility and agility to improve their productivity and competitiveness.
We partner with them throughout economic cycles and as their circumstances change. We also put our knowledge of local employment markets at our clients' disposal, for example by suggesting that they adapt vacancy profiles and even work processes so that the right candidates are matched with the right vacancy. While these adaptations may initially appear to involve losing some efficiency, this is more than offset by the productivity gains that clients obtain by having skilled people in place when and for as long as needed. Similarly, by helping candidates manage their initial expectations and ambitions in terms of sector, client and job profiles, and providing training where necessary, we help them adapt to changing market and client needs.

How sustainability is organized at Randstad

We have a sustainability officer at the Group level and the larger operating companies around the world have their own sustainability managers. In addition to the reporting of our Group-wide sustainability approach and activities integrated into our annual reports, an increasing number of our larger operating companies publish their own detailed sustainability reports each year. In other countries we have long-established organizations that publish their own reports. These include 'Fundación Randstad' in Spain, the 'Institut Randstad pour l'égalité des chances et le développement durable' in France and the 'Ma Foi Foundation' in India. More information can be found on their respective websites.

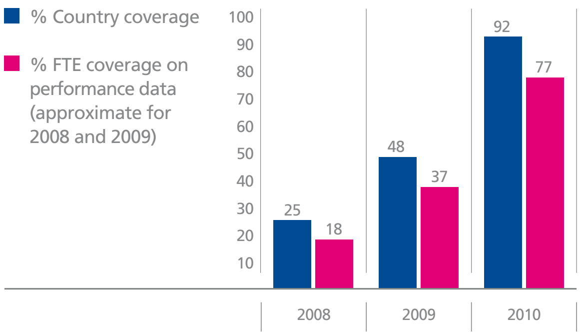
Reporting indicators

We have been reporting on eight specific topics since 2006 that are relevant to the HR services sector, selected from and based on indicators proposed by the Global Reporting Initiative and the UN Global Compact. Together, these topics enable us to provide an overview of our performance in terms of sustainability with respect to the employment market, clients, candidates, employees, the environment and wider society:
- Labor market relationships and social dialogue
- Diversity measures and (re)integration programs
- Career advancement and training
- Health, safety and security
- Client, candidate and employee satisfaction
- Business principles
- Volunteerism
- Environmental measures

Reporting guidelines have been implemented and rolled out in our major geographic regions and operating companies. The reporting guidelines define key performance indicators to be addressed across our operations and establish a protocol for central reporting at regular intervals.
The guidelines help us meet the challenges of measuring and comparing the impact of activities across our markets, which are at times subject to different indicator definitions, benchmarks, social practices, local regulations and approaches to data collection. They introduce common definitions for indicators and align measurement methods through enhanced internal communication about the sharing of best CSR practice.

In 2010 we made substantial progress in the coverage of countries and FTEs across the Group, as shown in the graph below. Coverage is measured based on FTE as percentage of the Group.

Reporting coverage



We also made further steps towards more standardized reporting on all relevant sustainability indicators, especially on training, diversity, energy consumption and business travel.

As we have now reached a more representative coverage in our Group, we are exploring ways to report actual performance data with regard to the indicators we track. We feel that this will provide more clarity on how we are actually progressing in this area. In the next few years, we aim to further develop our sustainability policy and associated performance goals in these areas.

Our 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, candidates and interim professionals.

CSR Europe
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 the mission of the GRI to develop globally accepted sustainability reporting guidelines through a global, multi-stakeholder process.

INSEAD
Randstad chairs the alumni sustainability executive roundtable of the INSEAD Social Innovation Center, where business leaders share experiences on advancing the sustainability agenda.

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 anti-corruption. 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.

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.

AT&T Williams
Our partnership with AT&T Williams keeps us in touch with leading developments in energy efficiencies in the automotive sector, as well as road safety advancements and education programs in technology.

Dow Jones Sustainability Index
The Dow Jones Sustainability Index 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.

Labor market relationships and social dialogue

Randstad's core value 'simultaneous promotion of all interests' lies at the heart of our labor market relationships and stakeholder dialogue. Through proactive collaboration with governmental authorities, industry associations, unions and others, legislation and regulations are influenced in positive ways that stimulate sustainable growth, employment, flexibility and equal opportunities. Our business must always benefit society as a whole.

Building and sharing employment market knowledge and insights

We share our knowledge, insights and experience as a labor market authority in open dialogue with all our stakeholders. This is exemplified by a series of research studies that we commissioned, which were undertaken by SEO Economic Research at the University of Amsterdam. The first major publication describing the results of these, 'Mind the Gap' (2007), revealed that aging and declining population growth are set to cause an enormous scarcity of people with vital skills in most developed economies.

'Drivers of Participation' (2009) analyzed the results and effects of the EU Employment Strategy and national labor market policies aimed at driving labor force participation. It focused on case studies demonstrating how participation rates among the long-term unemployed, older people and women returning to the labor force can and have increased.

The third study, 'Bridging the Gap', was published by Randstad and SEO Economic Research in June 2010. It highlights the quantitative and qualitative future needs of the European labor market and provides recommendations to further increase participation rates. These include a greater focus on groups that have found participation more difficult, focusing on work security ('flexicurity') rather than job security and creating more appropriate and effective financial incentives. These and other research reports can be downloaded from the Randstad website.

Employee participation in social dialogue

Employee participation in social dialogue is promoted through a network of country works councils where managers and employees across the Randstad Group regularly sit down together to address work and HR-related issues. Results of these dialogues are fed into the Randstad European Platform for Social Dialogue that meets twice a year to discuss policy issues and information relevant to Randstad Group companies. UNI-Europa, the representative labor union for skills and services in Europe, is invited to attend the international platform meetings as observers.

A new agreement governing this international platform was implemented in 2010, giving extra attention to the training of the partly renewed council of workers' representatives. Key discussion topics in the platform meetings included the core values and business principles training program, the retention of our workforce and the outcome of the Randstad Global People Survey.

Active dialogue with labor unions

Randstad also actively engages in dialogue with labor unions, both nationally and internationally. At a pan-European level, UNI-Europa and the European Confederation of Private Employment Agencies (Eurociett) meet in the Social Dialogue Committee for the Temporary Agency Work sector, to discuss issues of mutual importance, and to further professionalize and gain more societal acceptance for the industry. Randstad is represented in the Eurociett delegation. Moderated by the European Commission's Directorate-General for

2009
VSO volunteer Marjorie Da Silva, HR advisor for a local NGO in India

Employment, Social Affairs & Equal Opportunities, the committee met four times in 2010. These meetings included presentations by Eurociett and research firm ECORYS of the study 'Agency Workers on the Move' and of 'The Dutch Approach to Flexicurity' by the Dutch trade union.

Other 2010 highlights included the continuation of the joint work in the context of the Eurociett & UNI-Europa European Observatory on cross-border activities within temporary agency work. The joint declaration on vocational training signed in December 2009 was actively promoted and communicated at the European level. A round table was organized in Turkey in December 2010 to bring employers and unions and other stakeholders in the staffing industry together and promote the sectoral social dialogue on temporary agency work.

Dialogue with other stakeholders

Regular dialogue with our clients, suppliers, the financial community, social institutes and the media also allows us to foster the exchange of ideas and information. Establishing communication channels to deepen the mutual understanding around our organization and the value of our industry is also part of our commitment to transparency. An example of this was Randstad's participation in a workshop on employment for older people during the bi-annual EU Demographic Forum in November 2010. We were honored that the European Commission's DG Employment, Social Affairs & Equal Opportunities invited us to do so, as the business world seldom plays a significant part in EU forums. Randstad highlighted the increasing attention it is devoting to the aging workforce by presenting an overview of projects we have designed to bring older people into the labor market.

Diversity measures and (re)integration programs

At Randstad we are strong advocates of equal opportunities and unbiased competence management, irrespective of gender, race, religion and age. By providing the means to build skills and experience, which in turn fosters social inclusion and a sense of self worth, Randstad puts many on pathways to gainful employment.

In the global employment market

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. Our Randstad Institute in France and our foundations in Germany and Spain also 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. By forging links with local community stakeholders, including public, private, NGO and institutional partnerships, we foster a sustainable framework for diversity in the workplace.

Diversa, our joint venture in the US with Integrated Human Capital (IHC), a minority, female-owned staffing firm, offers a unique combination of staffing solutions, managed services and human resources consulting to deliver more comprehensive solutions for companies focused on creating competitive advantage through a more diverse workforce. Randstad Italy commissioned research on diversity management in 2010 related to women in leadership positions. In collaboration with local authorities, schools and catering firms in the Netherlands, Tempo-Team launched the 'KrachtCatering' initiative in 2010 to train, coach and find employment for women with a history of long-term unemployment.

We are one of the pioneers of 'Club Empresas Comprometidas', a business network in Argentina that promotes the inclusion of people with disabilities in the labor market. Randstad Netherlands is one of the ten corporate partners of Cap 100, which helps find rewarding work for talented people with a physical handicap. It is also a partner of Students in Free Enterprise (SIFE), which encourages university students to help the disadvantaged, and Randstad hosted SIFE's national competition at its headquarters in May 2010.

Randstad UK provides financial and non-financial support for the charity 'Tomorrow's People', which helps the disadvantaged find work, and collaborated with 'Job Centre plus' in 2010 to define a welfare-to-work proposition to get people off benefits and into sustainable employment. Randstad Financial & Professional's program to increase employability amongst young inner-city adults received a UK Recruiter Award in 2010.

Unemployment rates among newly graduated college students in Shanghai became particularly severe in the wake of the economic crisis. Randstad China succeeded in helping the authorities to increase the employment rate in 2010 by professionalizing their subsidized internship programs.

Addressing the challenges that the growing numbers 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. Examples include 'Randstad Techniek's' 2010 campaign in the Netherlands to encourage clients to take on more experienced candidates aged over 50, our ongoing 'RandstadPlus' program in France, the peer groups established in Belgium to address the needs of older workers, and our continuing partnership with Force Femmes, a French NGO that fosters business opportunities for women over 45.

Amongst our corporate employees

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. Diversity in our own workforce is also a competitive advantage, helping us to communicate with, understand and meet the needs of clients, candidates and other stakeholders.
At Randstad, we seek out top talent regardless of race, gender, age, sexual orientation, creed, political conviction, disability or social background. We affirm in our globally implemented HR standards that 'diversity is recognized as an added value'. This conviction helps to ensure that we recruit and retain the highest quality staff for ourselves and our clients. Data on diversity within the Randstad Group is covered in our CSR reporting guidelines to further monitor the important role diversity plays in our workforce so we can respond to and benefit from the mix of cultures and types of people that define who we are as a company.

Women in higher management

	% Women in organization		% Women in higher management [1]	
	2010	2009	2010	2009
Netherlands	72.0	73.0	37.1	38.2
France	75.8	76.0	39.9	38.6
Germany	60.3	59.0	38.7	35.3
Belgium & Luxembourg	81.9	82.0	54.3	58.7
United Kingdom	62.1	63.0	42.6	45.5
Iberia	76.5	69.0	50.5	52.5
Other Europe	75.7	77.0	49.3	36.2
North America	60.5	63.0	50.6	44.7
Rest of world	55.8	51.0	43.8	52.4
Total	**68.6**	**68.1**	**44.2**	**44.7**

1 Higher management refers to levels higher than branch, district and account management or commercial management reporting to a regional director.

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 average percentage of women in higher management positions in Randstad and its operating companies remained essentially stable during 2010.

Career advancement and training

Talent development and multi-level training activities are implemented across the Randstad Group through customized course offerings and detailed employee development plans that enable us to identify individual training and development needs and opportunities. Developing both new and existing talent and expertise strengthens both our knowledge and management base. Our investment in our employees is one of the ways we uphold 'best people' as one of our strategic building blocks, enabling our people to create increased value for candidates and clients. Related to this is our ongoing policy of striving to fill 80% of management positions internally. More information on 'best people' can be found on page 16.

Total out-of-pocket training costs

in millions of €

	2010	2009
Corporate employees	16.6	15.8
Candidates	62.7	52.4

Randstad operating companies also have significant budgets for training candidates and corporate employees. Ongoing skills development is essential for employability and sustainability in any workforce. Our training programs are tailored to meet the needs of clients and individual employment markets and include courses specific to contact centers, sales, IT, hospitality and technical skills. Specialized programs leading to additional professional qualifications are also a part of training and development.

We also share our expertise and investment in talent and skills development in many local partnerships. One example is Champs on Stage, a program in which we collaborate with the American Chamber of Commerce in the Netherlands. The program provides mentoring, career counseling and internships to hundreds of prevocational students. Another is an initiative being introduced by Accountants International in the US, collaborating with the California Society of CPAs to assist in educating students at Bay Area High Schools about potential career paths in accounting and finance.

Health, safety and security

As experts in the field of work, we believe that the highest standards of health and safety in the workplace are a right for all employees across the labor market. We adhere to all applicable local standards and regulations. Where there are none, we lobby for their introduction, while continuing to apply our own high standards until sector-wide measures

Certifications, rankings and award highlights

A selection of the certifications, rankings and awards received in 2010 relating to sustainability are listed here.

- Randstad participated in the Dow Jones Sustainability Index for the seventh consecutive year. We received a silver class rating, indicating top performance in the support services peer group.
- Randstad Belgium and Randstad Italy hold the Social Accountability SA 8000 accreditation, while Randstad Netherlands, Tempo-Team and Yacht hold the ISO 14001 environmental management certification.
- Yacht Netherlands achieved the second-highest new entry in the Transparency Benchmark for its sustainability reporting 2009.
- For the second time in a row, Yacht Netherlands was elected Best Interim Management Consultancy Agency by magazine Management Team. They ranked third in the sub-category HRM.
- Randstad France was once again awarded the Diversity Label in March and the Gender Equality Label in October 2010. Randstad is the first HR services company to have obtained and renewed these two French awards. Randstad France also continues to hold the international MASE 'health & security at work' certification.
- Randstad Germany was given an award by the Ministry of Labor in 2010 for its unique project *'Du bist ein Talent'* (You are a talent). It also received an award from the City of Cologne for its sustainability activities, and an award from the the City of Munich for its '50+' project to promote the hiring of older employees.
- At the prestigious UK Recruiter 2010 awards, Randstad Financial & Professional won Best Professional Services Recruitment Agency of the Year and Best Corporate & Social Responsibility Policy. Randstad UK was once again included in the 'Sunday Times Top 100 Companies to work for' list.
- Tempo-Team in Luxembourg was selected to represent the country in the 2010 European Business Awards program, which recognizes innovative companies that positively impact the social environment in which they operate. They also became the first HR services company in Luxembourg to receive the MASE 'health & security at work' certification.
- Randstad won the European Excellence Award in December 2010 for its international 'Randstad 50' project in the category 'Internal Communication'.
- Randstad won the FD Henri Sijthoff Award in November 2010 for the best 2009 annual report from companies listed on the AEX index. The jury noted that its 'social report was exceptionally good'.
- Randstad's investor relations director won the award for Best IR Professional 2010 in the AEX index.

are in place. We recognize that many work-related accidents can be prevented, so the ongoing education of employees, candidates and clients on health and safety issues is a priority for us. Health and safety is also part of the induction programs for new employees, and annual audits are run at many of our sites to verify adherence to our standards. Formal audits at client locations are conducted in areas of our business such as construction, where taking extra health and safety precautions is best practice.

Randstad's operating companies have mechanisms in place to record information on accidents and illness. Targets for reducing workplace accidents and absence due to illness depend on their frequency and duration in individual operating companies. Reporting on accidents and illness is also covered in our CSR reporting guidelines so that standardized definitions are applied.

Randstad has a security policy to manage and respond to security incidents in a timely matter. A secondary objective is to educate staff on how to react to potential threats to security. It is supported by a system on our global corporate intranet.

Client, candidate and employee satisfaction

Engaging our clients

Living by our values means ensuring that we satisfy our clients in all respects. It means knowing them, their companies and their markets well, which in turn enables us to meet their needs better, provide them with excellent service and earn their trust. The integrity, service and professionalism we demonstrate to our clients also represent a cornerstone of our global reputation. Satisfying our clients means meeting their increasing need for flexibility and their wish to use a broader range of HR services, provided by fewer suppliers. Many clients outsource a wide range of transactional HR activities to Randstad, improving efficiency and allowing them to focus on more strategic functions. Our extensive knowledge of local employment markets and specialties enables us to work with clients to adapt job profiles and processes so that the most appropriate candidates can be provided. Our uniquely comprehensive service portfolio, our worldwide presence and the proven expertise of our global client solutions team enable us to meet the demand from more clients for truly global solutions.

Engaging our candidates

By finding work for our candidates that best suits them and their skills, we provide them with job satisfaction. Candidates recognize the Randstad brand for its reliability, service quality and the fact that we are a global labor market authority. As we mentioned above, temporary assignments serve as a 'stepping-stone' to permanent employment contracts, and they appreciate the comprehensive and targeted training programs we provide for them. They not only find rewarding jobs as a result of our services, but also gain experience and new skills, enabling them to move up the career ladder and achieve higher levels of social and economic well-being.

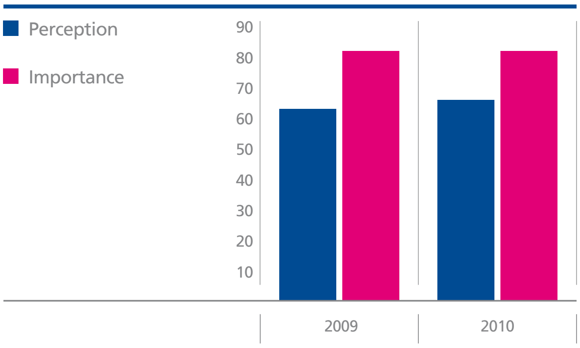
The level of client and candidate engagement with our activities is systematically measured and benchmarked in all major markets and versus all major competitors. A key indicator used for this is the Net Promoter Score (NPS), calculated by deducting the number of respondents who would not recommend the company in question from the number who would. Our goal is to always have an NPS score that is in the top three of a market. Our NPS scores increased in most of our markets in 2010.

Engaging our employees
Randstad conducts a global People Survey each year to research employee engagement levels throughout the Group. The results from the 2010 survey were very positive, and are described on page 17.

For the second time in 2010 we measured staff perception of sustainability in the organization to gain a better understanding of how our own people feel about Randstad's performance. Our employees' perception of how socially involved Randstad actually is has clearly increased. It comes as no surprise that our employees attach great importance to the company's social awareness, as they are at the core of shaping our sustainability initiatives across the Group.

Survey results represent an opportunity for making improvements and further dialogue. The results are shared across all levels in the organization and are actively addressed through local management channels.

Social involvement within Randstad



Business principles
Randstad's business principles are set around and are supportive of our core values (see page 3). They project a positive message, guide us to 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.

Randstad's business principles are communicated via the corporate governance section on our corporate website and internal communication channels across the Group. They are also included in the company introduction package received by every new employee. All corporate employees followed a training program in 2010 covering the company's history and core values. The training also focused on creating awareness of and compliance with the corporate principles and related policies that specifically address anti-trust and the reporting of misconduct within the Randstad Group. During 2011 we will implement a policy regarding anti-bribery, gifts and hospitality.

In order to expedite the reporting of misconduct, including any behavior that constitutes a violation of our business principles, we encourage reporting any infringement 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. Employees are provided with a local dial-in number, information in local languages and access to an independently hosted website. This facility offers the option to report misconduct anonymously while still allowing communication between the two parties.

Misconduct reporting

	2010	2009	2008	2007
New complaints	32	19	34	28
Of which anonymous [1]	9	n.a.	n.a.	n.a.
Referred to other channels/ not legitimate	16	8	15	5
Proven or partly proven [1]	8	n.a.	n.a.	n.a.
Not proven [1]	8	n.a.	n.a.	n.a.

1 Separately measured and reported as from 2010

Proven complaints were related to breach of business principles, non-compliance with internal procedures, intimidation, breach of confidentiality, an accounting issue and improper management practices.

Integrity and ethical behavior are guiding forces behind our personal and professional conduct. As signatories of the UN Global Compact, we strive at all times to uphold its principles in the areas of human rights, labor standards, the environment and anti-corruption, and we cooperate with international and local communities to address them.
In Argentina for example, Randstad has been running extensive programs for some time to work towards the eradication of child labor.

Randstad joined together with nine other corporate members of UN Global Compact Network Netherlands in 2009 to consider the implications of the 'Protect, Respect and Remedy' framework proposed by the Special Representative of the UN Secretary-General on Business and Human Rights, Professor John Ruggie. As part of this project, the member companies were individually assessed. We have shared the lessons learned together through the book 'How to do business with respect for human rights', published in June 2010. These include advice on corporate policy development, risk mapping, stakeholder involvement, impact assessment, implementing processes and tracking performance. A PDF version can be downloaded from the UN Global Compact website: www.unglobalcompact.org.

Volunteerism
While putting over half a million people to work each day benefits society as a whole, the nature of our business means that most of these people are working in developed

economies. Our volunteer programs enable us to extend these benefits to enrich the lives of people in developing countries, while offering Randstad employees and candidates the opportunity to use their professional expertise to fight poverty and develop sustainability in disadvantaged communities.

Our flagship Group-wide program is our ongoing partnership with the NGO Voluntary Service Overseas (VSO), now in its sixth year. It is a natural partnership, since both Randstad and VSO find talent and put it to work where it's needed. VSO are specialists in recruiting and placing volunteers with professional qualifications from around the world to live and work in developing countries.
Randstad Education established a joint initiative with VSO in 2010 called Global Skillshare. This allows primary and special educational needs teachers to share their skills in poorer countries and help make education for all children a reality. Randstad Education is giving teachers the opportunity to work as VSO volunteers by providing the first three months' supply cover to the applicant's school free of charge.

In addition to Randstad employees and candidates serving as volunteers, we also work with VSO and their local partners to improve their internal efficiencies by sharing our knowledge, expertise and best practices with them. One example is the in-kind services that Yacht Interim Professionals provide to the Dutch VSO office. Another is an initiative jointly begun in 2010 by VSO and Randstad called the 'Basic Concept for Capacity Development'. Its objective is to harmonize partnership management tools at local level and create a standardized approach and a flexible tool to address a wide range of development issues.

VSO volunteers Randstad

	2010	2009	2008	2007	2006	Total
Volunteer hours	16,500	13,500	13,200	16,500	15,000	74,700
Volunteers	18	13	13	18	13	75

As well as our global VSO partnership, Randstad companies and their employees around the world are actively involved in supporting national volunteer programs, charities and local community initiatives. Below are a few examples.

In India, Ma Foi Randstad undertakes a wide range of activities under the auspices of the Ma Foi Foundation to help local communities across the sub-continent. One of its initiatives is 'Project Sornam', which by 2010 was providing training, guidance and assistance to almost 2,500 groups of women running their own small businesses. In the US, employee volunteer efforts and monetary donations from our operating companies in the professionals segment support numerous community outreach programs and charities, often related to their particular areas of expertise. Randstad employees in Australia volunteered to support and raise funds for 'id Day' on December 3, an initiative in recognition of the International Day of People with a Disability. Yacht employees in the Netherlands are given five days leave per year to work on community volunteer projects. Through its partnership with People4Change, Yacht sends Dutch professionals to local non-governmental organizations in developing countries to share their knowledge and expertise.

Environmental measures

As our business is all about people, its nature and structure is also reflected in our cost base, the vast majority of which is comprised of the salaries we pay to the people working for our clients and our own corporate staff. The nature of our business means that we have much less impact on the environment than most other companies of our size. All our business is conducted in local markets, and we have many locations close to both clients and candidates, greatly reducing the need for travel and the resulting CO_2 emissions. Despite this structurally minimal impact, we do what we can to reduce it still further.

We participated in 2010 for the third time in the Carbon Disclosure Project, which serves both as an effective tool for self-assessment and as a benchmark for performance. Our scores, published on the project's website at www.cdproject.net, reflect the significant efforts we have made to address environmental concerns.

We began using 100% green energy at our headquarters in 2009 through a procurement agreement with Greenchoice, a leading green energy supplier in the Netherlands, through which only energy wholly-generated through wind, water and solar power is supplied and used. This approach to energy supply is being investigated at the country level as well.

As an example of our impact on the environment we report on the resource usage and waste management at our headquarters, where all Dutch companies are located. Electricity decreased despite more intensive use, thanks to the replacement of fluorescent lighting with high frequency tube adopters in 2009. The use of energy increased due to severe weather in January and December 2010; the overall annual temperature was considerably lower than the long-term average.

In 2011, we will extend our commitment to green energy by installing a wind turbine on the roof of our headquarters. This will decrease the amount of electricity we consume from the national grid. This pilot also aims to explore future possibilities for further reductions.

All our companies recycle, re-use and limit resource and energy use wherever possible. Randstad Italy established the position of Energy Manager in 2010, who is responsible for optimizing energy consumption. Randstad UK instituted a low-emission company car policy and installed energy-saving movement sensor lighting at its headquarters.

2010
Randstad 50 tv campaign: 'everyone is connected to Randstad'

Resource usage and waste management Randstad headquarters

	2010	2009
Water (m^3)	14,000	14,000
Central heating (gJ)	6,600	6,000
Natural gas (m^3)	42,500	27,000
Electricity (mln. kWh)	3.4	3.5
Paper recycled (kg)	59,500	66,700
Cardboard recycled (kg)	12,300	14,430
Glass recycled (kg)	1,200	1,080
Chemical recycled (kg)	670	1,120

Car travel

We undertake efforts wherever possible to reduce our CO_2 emissions as a result of car travel. In the Netherlands, cost-containment measures permitted no orders for new vehicles until the last quarter of 2010. From that point on, only vehicles with A, B or C efficiency labels may be ordered. As a result of this policy, our Dutch fleet will consist solely of these vehicles by the end of 2013. Further information covering the Netherlands is provided below. As our largest country of operation in terms of FTEs, this information provides an indication of usage.

CO_2 car emissions Netherlands

	Gasoline	Diesel	LPG	Total
Fuel volume (ltr)	3,795,513	3,285,073	3,423	7,084,009
Fuel (%)	53.6	46.4	0.0	100.0
CO_2 (kg)	9,071,277	8,606,891	5,510	17,683,678

Efficiency label Dutch fleet

Total number of cars

	2010	2009
A	354	358
A Hybrid	119	97
B	1,436	1,504
C	1,104	1,289
D	436	617
E	52	56
F	9	12
G	1	1
	3,511	**3,934**

2006
Randstad becomes sponsor of the AT&T Williams Formula 1 team

risk and opportunity management

Introduction

Risk and opportunity management is firmly embedded in our strategy and is considered essential for achieving our targets as set out on page 20. We deliberately address risks and opportunities together, as we believe they go hand in hand. We actively stimulate entrepreneurship throughout the organization and encourage our people to identify and seize opportunities. At the same time, we recognize that the risks inherent in entrepreneurship must be assessed and controlled. It involves knowing when to accelerate, as well as knowing when to apply the brakes.

Risk appetite

We have defined our risk appetite on a number of internal and external factors including:
- business performance measures: an EBITA margin target of 5% to 6% on average through the cycle, with a minimum of 4% during normal downturns;
- financial strength in the long term, mainly defined through the maximum leverage ratio;
- access to liquidity in the short term for operational cash flow purposes;
- compliance with Randstad's business principles, policies and relevant laws;
- economic environment;
- reputation.

Risk and opportunity management - Risk appetite

amounts in millions of €

	Change	Impact	On	Assumption versus FY 2010
Revenue	+/-1%	+/- € 27 million	EBITDA	Flat gross margin and no change cost base
Revenue	+1%	+ € 13 million	EBITDA	Flat gross margin and target 50% conversion
Revenue	-1%	- € 9 million	EBITDA	Flat gross margin and target 65% recovery
Gross Margin	+/-0.1%	+/- € 14 million	EBITDA	Flat revenue and no change cost base
Gross Margin	+0.1%	+ € 7 million	EBITDA	Flat gross margin and target 50% conversion
Gross Margin	-0.1%	- € 5 million	EBITDA	Flat gross margin and target 65% recovery
Operating expenses	+/-1%	+/- € 21 million	EBITDA	
USD	+/-10%	+/- € 5 million	EBITDA	Stable revenue and margin in US
GBP	+/-10%	+/- € 1 million	EBITDA	Stable revenue and margin in UK
Interest rate	+/- 100 bp	+/- € 11 million	Financial charges	Average net debt 2010
Net debt	+/- € 100 million	+/- € 1 million	Financial charges	Stable interest rates versus year-end

Securing Randstad's 'in control' position

Our risk and opportunity analysis and risk appetite reflect a cocktail of potential risks and opportunities. We analyze combinations of potential risks and opportunities and use techniques to qualify and quantify risks to establish a direction for our key controls and insurance risk management. The likelihood of certain combinations is impossible to assess, however, and as the potential inherent false security is a risk in itself, we use the quantification of risks with great care.

The table overleaf provides a sensitivity analysis of the various factors that comprise our risk and opportunity analysis and risk appetite.

Risk & control framework

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

The risk & control framework is designed to ensure:
- that the effectiveness of our strategy is carefully monitored; by regularly reassessing our strategic direction, we fully leverage our strategic strengths while ensuring strategy is well embedded in the organization and consistently executed;
- the company's continuity and sustainability, through a number of means including reliable and consistent financial reporting and compliance with laws and regulations;
- excellence in execution; we focus on the most efficient and effective way to conduct our business, enabling us to identify opportunities and avoid mistakes;
- that any material negative financial impact on the income statement and/or cash position is avoided.

The framework's core components are described below.

Tone at the top
Consistently maintaining the correct 'tone at the top' establishes the foundations for effective risk and opportunity management. The attitude and behavior of management, based on our core values as listed on page 3, serves as an excellent example for all Randstad employees to follow. The importance of internal controls to the business is understood and our business principles, which are based upon our core values, are communicated transparently (see also page 53) and published on our website.

In 2010, a 'Reconnecting Program' was launched to reinforce and promote our core values and business principles at all levels of the organization around the world. The business principles were explicitly accepted by all employees and are now an integral part of the induction program for each employee. Employees are encouraged to disclose any cases of inappropriate management behavior or relevant control failures and these are communicated internally to increase awareness and prevent their recurrence.

The Reconnecting Program also emphasized our mission of shaping the world of work. Employees learned about the significant impact the company has made through its history in demonstrating and promoting the benefits of flexibility in the workplace. With Randstad reaching its 50th anniversary, the underlying theme of the program was sustainability. Through raising awareness on key areas, such as the need to comply with competition law and the availability of the misconduct reporting procedures, managers and employees at all levels came to understand their role in creating a stronger and enduring company.

Strategy setting
Our strategy is firmly embedded in the operations. A planning and control cycle is in place to measure how well and consistently we execute our strategy and deliver on our strategic objectives. The planning and control cycle is derived from the strategic planning cycle, in which key performance indicators and milestones are defined to measure actual against planned performance. Typically, operating companies update their strategic plans for the coming years each summer. These plans are discussed with the executive board and are used for the Group's strategic plan. The executive board discusses this strategic plan with the strategy committee and the supervisory board. More information on performance management is included on page 26.

Monitor and control
The identification and analysis of risks and opportunities is an ongoing process that is, by its nature, a critical component of effective internal control. Based on these and combined with our risk appetite analysis, we have determined the key controls within our business processes and their effectiveness is continuously monitored.

A monthly reporting cycle is in place for both financial and non-financial information, and some key operational data are reported on a weekly basis. Every six months the management of all operating companies are required to sign off in-control statements in which adherence to policies and procedures is confirmed. Next to the in-control statement each company reports on their top risk and opportunity areas, including individual action plans and timeframes to respond to them. This report, and risk management in general, are discussed in the quarterly review meeting between the executive board and the management team of an operating company.
In conjunction with the risk appetite analysis, insurable risks are periodically assessed in order to determine which should be transferred to the insurance market. The credit ratings of our insurers and the insurance policy coverage are reviewed regularly.

Best practices, policies and processes

Strict corporate policies govern financial reporting, investment procedures, powers of attorney and authorization structures. Best practices, including control measures, are continuously identified and documented in blueprints, such as the contract to cash blueprint.
The contract to cash blueprint governs some of our most important processes. In 2010 we enhanced this blueprint and we are in the process of tightening controls over some of our main operational risks, such as contractual liability.
The new controls demand greater scrutiny and deeper analysis of liability clauses in client contracts and updated authorization levels for accepting liability. We strive to 'copy & paste' these best practices, policies and processes throughout the organization.

Clear authority structures and powers of attorney are implemented throughout the Group. Executive board approval is required for any non-compliance with the authorization structures and putting powers of attorney in place.

Audit and review activities

Internal and external teams periodically review the effectiveness of the risk & control framework. The Group's business risk and audit department works closely with corporate departments and the external auditors. In 2011, we will reinforce the collaboration of operating companies' audit teams through training programs and by formalizing reporting structures.
The annual internal audit plan includes activities that monitor and report on the effectiveness of key controls in business processes and ensures that identified weaknesses are properly addressed. Results are discussed in review meetings between local management, the executive board and the business risk and audit team. In 2010, for example, attention was given to the payment authorization process across the Group after audit findings revealed control weaknesses in some operating companies.

The risk advisory committee, chaired by the Group CFO, supports management by identifying risks and opportunities and monitors the follow-up of agreed actions. Members of the risk advisory committee include representatives of operations and corporate departments. The committee met five times in 2010. Topics discussed included contractual liability, competition law compliance, payment authorization processes, bribery and corruption and data protection.

The audit committee of the supervisory board is informed of audit results and monitors the risk management and control systems, the quality of the financial information, and the follow-up of recommendations of the external auditor.

Risk mapping

We identify and classify risks, both at Group and operating company level, by mapping risk impact and type of risk.
Within risk impact, we distinguish between torpedo risks and latent risks. Torpedo risks can have an immediate financial impact or immediately threaten the continuity of the Group, while latent risks do not have an immediate impact, but could become torpedo risks if not properly managed.
The types of risk include strategic, operational, financial, and compliance risks. These risks have been discussed with the full supervisory board and the audit committee and are described below.

Risk mapping at Randstad

	Strategic	Operational	Financial	Compliance
Torpedo risks				
Latent risks				
Reputation risks				

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

Management must assess how much risk is prudently acceptable and strive to maintain it within this level.
All relevant risks are analyzed and reviewed in a systematic way according to the risk & control framework. This process is an integral part of the business planning and control cycle.

Strategic risks

Our business is highly susceptible to macro-economic conditions and changes that result in revenue volatility risk. This is a strategic risk, as investing late in an upturn can lead to loss of market share while reacting late in a downturn will damage profitability.

2008
Contact center employee from 'true value' European tv campaign

We have a wide geographical spread and limited dependency on specific regions. We also offer services in segments that run in different economical cycles. Professional services tend to react later to economic changes than staffing for example, and we have exposure to HR Solutions such as outplacement, which can be countercyclical.

Although most markets improved considerably during 2010, we continue to closely manage actual performance, using weekly indicators and with a focus on quick reaction time. This is preferable to using macro data, which tend to lag data already available internally. This is part of our managing through the cycle policy, as described on page 21.

Operational risks

Our personnel represent a key asset for sustaining and further growing our business. Our commercial strength and future growth potential is maintained by carefully monitoring and managing unfavorable shifts in retention rates, especially regarding our consultants. We continued to identify and train future leaders, provide management development training for those with strong potential and fill management vacancies internally within an 80% rule. Stock purchase plans for all corporate employees and performance share plans for senior management are available. These plans create awareness of the Group's performance and enhance commitment. More information on 'best people' is included on page 16.

Other operational risks, for example in secondment, relate to idle time and flexworker sick leave and these risks are tightly controlled. We are also exposed to certain organizational risks such as possible fraud/theft incidents, complexity of integrating acquired companies and the adequacy of fall-back/crisis procedures. Key controls have been identified to mitigate these risks.

IT systems

IT is crucial to our operational continuity. Examples of our dependence on IT include the proper, timely payment to our staffing employees and accurate invoicing to clients. The profile of many of our staffing employees is such that timely (often weekly) payment is a key driver of their choice to work for us. The risks associated with IT are spread, as each country and/or operating company has its own IT system in place, including local payment systems.
To mitigate IT risks, external and internal auditors again paid specific attention to computer controls, the global disaster recovery policy was adhered to and intrusion tests on our local systems were performed in 2010.

Accounts receivable

The largest current asset on our balance sheet relates to the accounts receivable portfolio. The contract-to-cash blue print has been designed and implemented to limit and control credit risk.

Our credit risk exposure to our largest customer is slightly more than 1%. Doubtful receivables are fully provided for and the moving average of DSO (days sales outstanding) improved from 58.1 days in 2009 to 54.6 days in 2010.

The income statement of the operating companies includes an operating working capital charge in order to increase awareness of the cost of capital. DSO is also included in the budgets and targets of senior management.

Financial risks

We are exposed to a variety of financial risks, specifically changes in foreign currency exchange rates, interest rates and liquidity risk. We manage these risks centrally via the Group treasury department under the direct supervision of the Group CFO.

Debt position

To ensure proper financing, our offer for Vedior was made partly in shares, with debt financing of the cash component arranged through a five-year syndicated loan facility, which originally had a maximum capacity of € 2.7 billion.
The net debt position at year-end was € 899.3 million, compared to € 1,014.7 million in 2009. The leverage ratio (net debt end of period divided by the EBITDA of the past 12 months) was at 1.5. The covenants of the syndicated facility allow for a leverage ratio of up to 3.5 x the EBITDA of the last four quarters.

On the basis of our strong cash generation, several mandatory repayments on our term loan were brought forward in 2009 and 2010. The term facility now amounts to € 375 million, while the revolving part still amounts to € 1,620 million, with the whole facility now totaling € 1,995 million. With no mandatory repayment until May 2012, and the revolving facility available until May 2013, financial flexibility is high.

Floating interest rates are considered a natural hedge against the development in operational results. We finance against floating interest rates since in an economic downturn, when our earnings may be under pressure, interest rates will normally trend downwards. During the most recent downturn, interest levels indeed followed this pattern. If we had hedged our floating rate at a fixed rate of 5% at the time of our acquisition of Vedior, our net financing costs in 2010 would have been approximately € 35 million higher.

Cash flow

For cash management and tax planning purposes, sufficient cash positions (€ 285.3 million) and credit lines are maintained with various banks. The Group treasury department regularly and carefully analyzes the credit risks associated with the cash balances and ensures that positions can be adjusted quickly.

The Dutch fiscal stimulus measure, allowing VAT payments on a quarterly rather than a monthly basis, is still in place but did not have significant impact on the cash position in 2010. Its introduction in 2009 had a positive one time impact of around € 80 million.

In August 2009 we launched a standby facility that offers us the opportunity to sell the accounts receivable of our Belgian entities up to a maximum of € 125 million. The facility, which we have not used, will mature in the first quarter of 2011.

Currency rates

Our exposure to foreign currency exchange risk is limited, as both income and expenses are mostly generated locally in the same currencies. As a portion of our consolidated cash flow is generated in currencies other than the euro, currency fluctuations can affect consolidated results. We hedge our cash flow exposure to the main non-euro currencies by borrowing similar percentages of our net debt position in those currencies.

Compliance risks

Compliance risks arise from continuously evolving legal environments. Specific attention will be given in 2011 to a number of areas, including bribery and corruption, data protection and document retention. Group policies regarding various compliance topics are being developed and will be adopted and communicated throughout the Group to enhance the current compliance environment.

Competition law compliance

Given the importance of competition law compliance and the attention it has received in recent years, in 2010 the Group implemented an intensive training program as part of the Reconnecting Program. This was established to ensure all Randstad employees act and represent the company in a professional and responsible way. The training stressed the importance of obeying competition rules and reiterated the potential consequences of failure to comply with such laws.

Candidate screening

One of our primary concerns as a provider of human services materialized in 2009. It was discovered that essential screening checks on candidates at one of our operating companies had not been performed. This could have resulted in significant claims and damage to the Group's reputation.

In response to this finding, an extensive worldwide candidate screening review was launched at the end of 2009 and continued throughout 2010. All major operating companies of the Group have been audited, mostly with satisfactory results. Where areas of risk were detected, prompt action was taken to implement tighter controls and ensure compliance with local regulations and company quality standards. The process will be extended into 2011 to cover smaller companies and to follow up on previous reviews. These reviews have now become a permanent item in our risk control agenda.

Contractual liability

We aim to deliver our services according to our standard terms and conditions. In cases where we agree for specific reasons to deliver them according to non-standard terms, the local and/or corporate legal department is involved and maximum liability and financial exposures are specified as clearly as possible. Pricing levels should be high enough to absorb risk-related costs. Our goal is to balance the contractual risks accepted against the potential rewards obtained.

Tax

By the nature of our business, social security and payroll taxes are a substantial part of our income statement. In addition, corporate income tax and value added tax are equally important. Non-compliance with tax legislation would expose us to significant financial and reputational risks. We face challenges with respect to tax planning, as tax environments worldwide are changing increasingly rapidly, which requires close monitoring of the effectiveness of implemented tax structures and whether opportunities are being missed.

Tax risk management within the Group therefore predominantly focuses on how to identify and control uncertainties and related risks in the areas of tax compliance and tax planning. Considerable time and effort is spent by our Group tax department on creating tax awareness throughout the Group in order to identify and control tax risks.

2006
Randstad opens its first branch in Istanbul, Turkey

Conclusion

The executive board is responsible for Randstad's internal risk management and control systems and for reviewing their effectiveness. These systems are designed to manage the risks that may prevent us from achieving our objectives. However, the systems cannot provide absolute assurance that material misstatements, fraud and violations of laws and regulations can be avoided. Future effectiveness of the systems are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Group's policies and procedures may deteriorate.

The executive board has reviewed and analyzed the strategic, operational, financial and compliance risks to which the Group is exposed, and continuously reviews the design and operational effectiveness of the Randstad internal control and risk management systems. The outcome of these reviews has been shared with the audit committee and the supervisory board, and has been discussed with our external auditor.

The risk management and control systems for financial reporting should ensure consistent and reliable financial reporting internally and externally. Actual performance is regularly measured against annual business plans and budgets approved by the executive board and discussed by them during review meetings with responsible management.

In accordance with best practice provision II.1.4 of the Dutch corporate governance code, Randstad has assessed the design and operational effectiveness of its internal risk management and control systems.

Based on the activities performed during 2010 and in accordance with best practice provision II.1.5, the executive board believes that the risk management and control systems regarding the financial reporting risks have worked properly during 2010, and provide reasonable assurance that the 2010 financial statements, as included in the 2010 annual report, do not contain any errors of material importance.

In accordance with the Dutch Financial Supervision Act, section 5:25c, the executive board declares that, to the best of our knowledge:
- the financial statements for 2010, as included in the 2010 annual report, give in accordance with IFRS as endorsed by the EU, a true and fair view of the assets, liabilities and financial position as of December 31, 2010, and of the income statement 2010 of Randstad Holding nv and its consolidated Group companies taken as a whole;
- the annual report gives a true and fair view of the situation per December 31, 2010, the state of affairs during the financial year 2010 of Randstad Holding nv and its consolidated Group companies taken as a whole, together with a description of the principle risks and uncertainties Randstad Holding nv faces.

Diemen, the Netherlands, February 15, 2011

The executive board,

Ben Noteboom
Robert-Jan van de Kraats
Jacques van den Broek
Leo Lindelauf
Greg Netland
Brian Wilkinson

Rapid growth was suddenly reversed as the global recession of 2009 shook global economies with a force and speed almost no one had foreseen. The lessons we had learned earlier enabled Randstad to react in time. With growth returning to most of our markets, we began to prepare for the world of work of the next decade.

2010 rebranding of VediorBis into Randstad

today

tomorrow

a new world of work

The integration of the Vedior companies ran well ahead of schedule during the downturn. Randstad's field steering model enabled us to swiftly and predictably do what was needed. Nevertheless, the pain associated with having to reduce the number of our employees will be remembered for quite some time. Our performance was much more stable than firms in many industries that were supposed to be far less sensitive to economic cycles.

Growth returned in the USA late in 2009, and some major European economies followed suit. While growth slowed in Asia, it did not stall. As growth returns, many patterns will change in ways that may well be more fundamental than we have seen before. Structural growth will be combined with a much greater appreciation of the benefits of flexibility, by both clients and candidates.

Randstad is now one of only three global firms in the HR services sector with sales well above € 10 billion. Those below them on the league table are all very much smaller. The responsibility for shaping the world of work of the next decade therefore lies squarely with the three leaders.

Key changes in how people will work in tomorrow's world are marked by the fact that now, for the first time ever, more than half the world's population lives in cities. In the original major markets for HR services, the population composition is changing, while the share of professionals working in the service sector is rising rapidly.

Technology is also having an increasing effect on the world of work. Having accelerated communications, the Internet then dominated the mass media. Now the rise of social networks is enabling a multitude of individual interactions that could be much more relevant for the work environment.

Other worldwide developments will impact the world of work in previously unseen ways. These include major changes in mobility, education, an aging European population and the emergence of a fast growing middle class in China, India and Brazil. Randstad is ready for those changes.

By fulfilling our mission, we will continue to add value to society in these changing conditions. Our employee base is young – the vast majority are female, highly educated and in their twenties. In many ways they are excellent role models for what the future will need. Together, we will enhance existing services and add new services that will help our clients meet the challenges of the coming decade. We will play a key role in getting more people employed where they can realize their potential. We will enable employers to create more efficient organizations with better-motivated employees. The dream on which we began working 50 years ago continues to inspire all of us at Randstad today. And it remains just as exciting to be shaping the world of work of the future.

2010 Randstad employees celebrating Randstad's 50th anniversary

consolidated **statement** of **comprehensive income**

The full financial statements are included in the 2010 annual report and available on www.randstadannualreport.com.

in millions of €	2010	2009
Revenue	**14,179.3**	**12,399.9**
Cost of services	11,510.0	9,978.6
Gross profit	**2,669.3**	**2,421.3**
Selling expenses	1,471.1	1,497.2
Amortization and impairment acquisition-related intangible assets and goodwill	172.4	158.6
Other general and administrative expenses	684.6	695.2
General and administrative expenses	**857.0**	**853.8**
Total operating expenses	**2,328.1**	**2,351.0**
Other income	0.0	23.5
Operating profit	**341.2**	**93.8**
Finance income	20.6	20.2
Finance expenses	(44.4)	(69.1)
Net finance costs	(23.8)	(48.9)
Share of profit/(loss) of associates	0.6	(0.5)
Income before taxes	318.0	44.4
Taxes on income	(29.5)	23.2
Net income	**288.5**	**67.6**
Translation differences	*68.8*	*(1.4)*
Other comprehensive income	*0.2*	*-*
Other comprehensive income	***69.0***	***(1.4)***
Total comprehensive income	**357.5**	**66.2**
Net income attributable to:		
Ordinary equity holders of Randstad Holding nv	280.8	61.1
Preferred equity holders of Randstad Holding nv	7.2	7.2
Equity holders	**288.0**	**68.3**
Non-controlling interests	0.5	(0.7)
Net income	**288.5**	**67.6**
Earnings per share attributable to the ordinary shareholders of Randstad Holding nv (expressed in € per ordinary share)		
Basic earnings per ordinary share (€)	1.65	0.36
Diluted earnings per ordinary share (€)	1.63	0.36
Total comprehensive income attributable to:		
Ordinary equity holders of Randstad Holding nv	*349.5*	*59.5*
Preferred equity holders of Randstad Holding nv	*7.2*	*7.2*
Equity holders	***356.7***	***66.7***
Non-controlling interests	*0.8*	*(0.5)*
Total comprehensive income	***357.5***	***66.2***

consolidated **balance sheet** at December 31

The full financial statements are included in the 2010 annual report and available on www.randstadannualreport.com.

in millions of €	2010	2009
ASSETS		
Property, plant and equipment	155.6	150.5
Goodwill	2,401.0	2,301.9
Acquisition-related intangible assets	707.9	791.2
Software	53.2	65.0
Intangible assets	**3,162.1**	**3,158.1**
Deferred income tax assets	520.4	465.3
Financial assets	74.4	65.3
Associates	1.1	17.9
Non-current assets	**3,913.6**	**3,857.1**
Trade and other receivables	2,788.3	2,266.3
Income tax receivables	51.7	64.6
Cash and cash equivalents	285.3	270.1
Current assets	**3,125.3**	**2,601.0**
TOTAL ASSETS	**7,038.9**	**6,458.1**
EQUITY AND LIABILITIES		
Issued capital	19.5	19.5
Share premium	2,031.3	2,014.3
Reserves	512.0	388.9
Net income for the year	288.0	68.3
Shareholders' equity	**2,850.8**	**2,491.0**
Non-controlling interests	1.6	1.5
Total equity	**2,852.4**	**2,492.5**
Borrowings	1,108.5	1,244.2
Deferred income tax liabilities	444.4	474.7
Employee benefit obligations	21.5	14.6
Provisions	57.5	58.0
Other liabilities	56.8	73.7
Non-current liabilities	**1,688.7**	**1,865.2**
Borrowings	76.1	40.6
Trade and other payables	2,261.0	1,869.9
Income tax liabilities	37.4	22.5
Provisions	76.5	112.3
Other liabilities	46.8	55.1
Current liabilities	**2,497.8**	**2,100.4**
Liabilities	**4,186.5**	**3,965.6**
TOTAL EQUITY AND LIABILITIES	**7,038.9**	**6,458.1**

consolidated **statement** of **cash flows**

The full financial statements are included in the 2010 annual report and available on www.randstadannualreport.com.

in millions of €	2010	2009
Operating profit	341.2	93.8
Depreciation property, plant and equipment	55.6	66.5
Amortization and impairment software	29.7	27.1
Amortization and impairment acquisition-related intangible assets	172.4	158.6
Gain on disposal of subsidiaries	0.0	(23.5)
Share-based payments	9.3	14.4
Employee benefit obligations	(2.1)	(4.6)
Provisions	(44.0)	11.3
Loss/(Gain) on disposals of property, plant and equipment	0.6	(1.3)
Other non-cash items	3.5	5.8
Cash flow from operations before operating working capital and income taxes	**566.2**	**348.1**
Trade and other receivables	(409.0)	563.5
Trade and other payables	314.9	(254.5)
Operating working capital	**(94.1)**	**309.0**
Income taxes (paid)/received	(102.9)	85.6
Net cash flow from operating activities	**369.2**	**742.7**
Additions in property, plant and equipment	(39.3)	(33.9)
Additions in software	(21.4)	(14.6)
Acquisition of subsidiaries	(140.8)	(36.7)
Acquisition of associates	(2.6)	(5.6)
Held-to-maturity investments	(5.5)	(8.7)
Loans and receivables	0.6	2.4
Dividend received from associates	0.6	0.3
Disposals of property, plant and equipment	5.1	9.9
Disposals of subsidiaries	16.1	31.8
Net cash flow from investing activities	**(187.2)**	**(55.1)**
Issue of new ordinary shares	4.9	0.2
Drawings on non-current borrowings	3.4	-
Repayments of non-current borrowings	(190.8)	(1,176.1)
Net financing	**(182.5)**	**(1,175.9)**
Finance income received	11.2	8.5
Finance expenses paid	(28.5)	(49.2)
Dividend paid on preferred shares B	(7.2)	(7.2)
Dividend paid to non-controlling interests	-	(0.2)
Net reimbursement to financiers	**(24.5)**	**(48.1)**
Net cash flow from financing activities	**(207.0)**	**(1,224.0)**
Net decrease in cash, cash equivalents and current borrowings	**(25.0)**	**(536.4)**
Cash, cash equivalents and current borrowings at January 1	**229.5**	**760.9**
Net decrease in cash, cash equivalents and current borrowings	(25.0)	(536.4)
Translation gains	4.7	5.0
Cash, cash equivalents and current borrowings at December 31	**209.2**	**229.5**
Free cash flow	**309.3**	**698.1**

consolidated **statement** of **changes in equity**

The full financial statements are included in the 2010 annual report and available on www.randstadannualreport.com.

in millions of €	Issued capital	Share premium	Reserves: Translation	Reserves: Share-based payments	Reserves: Retained earnings	Net income	Share-holders' equity	Non-controlling interests	Total equity
Balance at January 1, 2009	**19.5**	**2,013.9**	**(94.8)**	**30.4**	**429.7**	**18.2**	**2,416.9**	**4.0**	**2,420.9**
Net income 2009	-	-	-	-	-	68.3	68.3	(0.7)	67.6
Translation differences	-	-	(1.6)	-	-	-	(1.6)	0.2	(1.4)
Total other comprehensive income	**-**	**-**	**(1.6)**	**-**	**-**	**-**	**(1.6)**	**0.2**	**(1.4)**
Total comprehensive income 2009	**-**	**-**	**(1.6)**	**-**	**-**	**68.3**	**66.7**	**(0.5)**	**66.2**
Transactions with owners:									
Dividend 2008 on preferred shares	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Transfer to retained earnings	-	-	-	-	11.0	(11.0)	-	-	-
Share-based payments:									
- fair value of vesting rights	-	-	-	14.4	-	-	14.4	-	14.4
- exercised stock options (on new issued shares)	0.0	0.3	-	(0.1)	0.0	-	0.2	-	0.2
- issued performance shares	0.0	0.1	-	(0.5)	0.4	-	0.0	-	0.0
Other:									
- disposal non-controlling interests	-	-	-	-	-	-	-	(1.8)	(1.8)
- dividend non-controlling interests	-	-	-	-	-	-	-	(0.2)	(0.2)
Total transactions with owners	**0.0**	**0.4**	**-**	**13.8**	**11.4**	**(18.2)**	**7.4**	**(2.0)**	**5.4**
Balance at December 31, 2009	**19.5**	**2,014.3**	**(96.4)**	**44.2**	**441.1**	**68.3**	**2,491.0**	**1.5**	**2,492.5**
Net income 2010	-	-	-	-	-	288.0	288.0	0.5	288.5
Translation differences	-	-	67.7	-	0.8	-	68.5	0.3	68.8
Other comprehensive income	-	-	-	-	0.2	-	0.2	-	0.2
Total other comprehensive income	**-**	**-**	**67.7**	**-**	**1.0**	**-**	**68.7**	**0.3**	**69.0**
Total comprehensive income 2010	**-**	**-**	**67.7**	**-**	**1.0**	**288.0**	**356.7**	**0.8**	**357.5**
Transactions with owners:									
Dividend 2009 on preferred shares	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Transfer to retained earnings	-	-	-	-	61.1	(61.1)	-	-	-
Share-based payments:									
- fair value of vesting rights	-	-	-	9.3	-	-	9.3	-	9.3
- exercised stock options (on new issued shares)	0.0	4.5	-	(0.9)	(0.5)	-	3.1	-	3.1
- issued performance shares	0.0	12.5	-	(13.6)	2.9	-	1.8	-	1.8
Other:									
- addition/disposal non-controlling interests	-	-	-	-	(3.9)	-	(3.9)	(0.7)	(4.6)
- dividend non-controlling interests	-	-	-	-	-	-	-	-	-
Total transactions with owners	**0.0**	**17.0**	**-**	**(5.2)**	**59.6**	**(68.3)**	**3.1**	**(0.7)**	**2.4**
Balance at December 31, 2010	**19.5**	**2,031.3**	**(28.7)**	**39.0**	**501.7**	**288.0**	**2,850.8**	**1.6**	**2,852.4**

The sum of the various items included under 'Reserves' within shareholders' equity per December 31, 2010 amounts to € 512 million (December 31, 2009: € 388.9 million).

financial calendar

Annual General Meeting of Shareholders
March 31, 2011

Publication Q1 2011 results (pre-market)
April 28, 2011

Analyst conference call Q1 2011 results
April 28, 2011

Publication Q2 2011 results (pre-market)
July 28, 2011

Press conference and analyst presentation Q2 2011 results
July 28, 2011

Publication Q3 2011 results (pre-market)
October 27, 2011

Analyst conference call Q3 2011 results
October 27, 2011

Publication Q4 2011 and annual results 2011 (pre-market)
February 16, 2012

Press conference and analyst presentation annual results 2011
February 16, 2012

Annual General Meeting of Shareholders
March 29, 2012

colophon

design concept
Design Bridge

design and dtp
Cascade - visuele communicatie bv

photography boards
Carin Verbruggen

other photography and illustrations
Photography and illustrations originate from the Randstad Holding nv collection and those that were created for Randstad over the years by many national and international advertisement agencies and design bureaus, except for:

Page 13	Peter Marcure
Page 23, 46	Tjeerd Frederikse
Page 38, 42	Frits Goldschmeding, private archive
Page 43	ANP
Page 44	WFA/Capital Photos
Page 47	Gert IJszenga
Page 62	Dom Garcia

Most of the photography and illustrations, as well as the content of the theme sections, are based upon the jubilee book ‘working on a dream’.

text
Tim Oake/C&F Report Amsterdam bv
Randstad Holding nv

project realization
Carola La Grouw/Report Company

printing
Drukkerij Tesink, Zutphen

paper
Heaven 42

FSC www.fsc.org MIX Paper from responsible sources FSC® C005670

Printed with Bio-ink & Bio-varnish

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
Fax +31 (0)20 569 55 20

E-mail
corporate.communications@randstadholding.com
investor.relations@randstadholding.com

randstad