Q2

2nd quarter results 2016

randstad

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

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Q2 2016: solid incremental conversion

Revenue of € 5,108 million; organic growth +3.1%; gross profit up 2.4%

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Topline grew 4% in Europe, 0% in North America and 4% in the Rest of the world

3

Gross margin up 20bp YoY to 18.9%; perm fees up 11%

3

Underlying EBITA of € 240 million (+10%); EBITA margin up 20bp to 4.7%; L4Q ICR of 53%

4

Adjusted net income up 12% to € 170.9 million; ROIC at 17.9% (vs. 15.1% last year)

5

DSO improved to 50.7 (from 51.2 in Q2 2015); leverage ratio of 0.7

6

L4Q EBITA margin of 4.6% (+30bp YoY)

4

Acquisitions of Obiettivo Lavoro (Italy), Careo (Japan), and twago (digital) announced

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M&A announced in H1 will add ~€ 1.5 billion in revenues (incl. Proffice and Ausy) on an annualized basis

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"In Q2, growth continued in Europe, while revenue in the US stabilized; these trends appear to be continuing into July," says Randstad CEO Jacques van den Broek. "M&A activity has been high: with the acquisition of Obiettivo Lavoro, we have achieved a No. 2 position in the Italian market, while by acquiring the Careo Group, we have doubled our presence in Professionals in Tokyo. The acquisition of twago, a digital platform, enables us to take a big step in the freelance market."

Our Annual Report 2015 is available on www.ir.randstad.com/

financial performance

Core data

in millions of €, unless otherwise indicated - underlying	Q2 2016	Q2 2015	YoY change	% Org.	L4Q 2016	L4Q 2015	YoY change	% Org.
Revenue	5,108.1	4,815.8	6%	3%	19,781.6	18,259.2	8%	5%
Gross profit	963.3	902.9	7%	2%	3,705.5	3,393.7	9%	5%
Operating expenses	723.6	687.7	5%	3%	2,803.3	2,616.5	7%	3%
EBITA, underlying [1]	**239.7**	**215.2**	**11%**	**10%**	**902.2**	**777.2**	**16%**	**13%**
Integration costs	1.2	-			1.3	-		
One-offs	3.1	2.2			24.7	50.9		
EBITA	**235.4**	**213.0**	**11%**		**876.2**	**726.3**	**21%**	
Amortization of intangible assets [2]	21.3	34.3			104.5	147.9		
Operating profit	**214.1**	**178.7**			**771.7**	**578.4**		
Net finance costs	(4.9)	(4.0)			(2.5)	(50.2)		
Share of profit of associates	-	0.1			0.5	0.4		
Result on disposal of associates	-	-			6.1	-		
Income before taxes	**209.2**	**174.8**	**20%**		**775.8**	**528.6**	**47%**	
Taxes on income	(52.9)	(44.6)			(187.9)	(147.8)		
Net income	**156.3**	**130.2**	**20%**		**587.9**	**380.8**	**54%**	
Adj. net income for holders of ordinary shares [3]	**170.9**	**152.3**	**12%**		**658.9**	**507.0**	**30%**	
Free cash flow	(9.8)	(59.4)	84%		574.7	472.5	22%	
Net debt	634.2	575.4						
Leverage ratio (net debt/12-month EBITDA)	0.7	0.7						
DSO (Days Sales Outstanding), moving average	50.7	51.2						
Margins (in % of revenue)								
Gross margin	18.9%	18.7%			18.7%	18.6%		
Operating expenses margin	14.2%	14.3%			14.2%	14.3%		
EBITA margin, underlying	4.7%	4.5%			4.6%	4.3%		
Share data								
Basic earnings per ordinary share (in €)	0.84	0.70	20%		3.15	2.03	55%	
Diluted earnings per ordinary share, underlying (in €)[3]	0.93	0.83	12%		3.58	2.78	29%	

1 EBITA adjusted for integration costs and one-offs.
2 Amortization and impairment of acquisition-related intangible assets and goodwill.
3 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs. See table "Earnings per share" on page 21.

Revenue

Organic revenue per working day grew by 3.1% in Q2 to € 5,108.1 million (Q1 2016: up 5.0%). Reported revenue was 6.1% above Q2 2015, of which FX accounted for -/-1.7% and M&A contributed +2.4%.

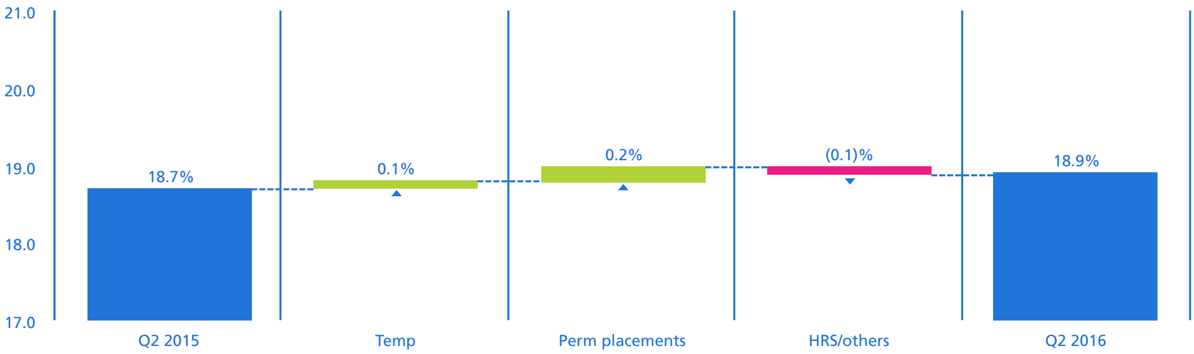
In North America, revenue per working day was stable (Q1 2016: up 3%), as was the USA. In Europe, revenue per working day grew by 4% (Q1 2016: up 6%). The Netherlands grew 3%, impacted by the loss of the government payrolling business. France and Germany were up 4% and 5%, respectively. In the 'Rest of the world' region, revenue increased 4% (Q1 2016: up 5%); Australia was up 4% and China was up 16%. Global MSP spend under management was up 42%.

Perm fees grew 11% (Q1 2016: up 7%), with Europe up 16% and North America up 1%. In Asia, perm fee growth was 21%. Perm fees made up 2.2% of revenue and 11.3% of gross profit (Q2 2015: 10.9%).

Gross profit

In Q2 2016, gross profit amounted to € 963.3 million. Organic growth was 2.4% (Q1 2016: 3.8%). Currency effects had a negative impact on gross profit of € 14.1 million compared to Q2 2015.

YoY gross margin development (%)



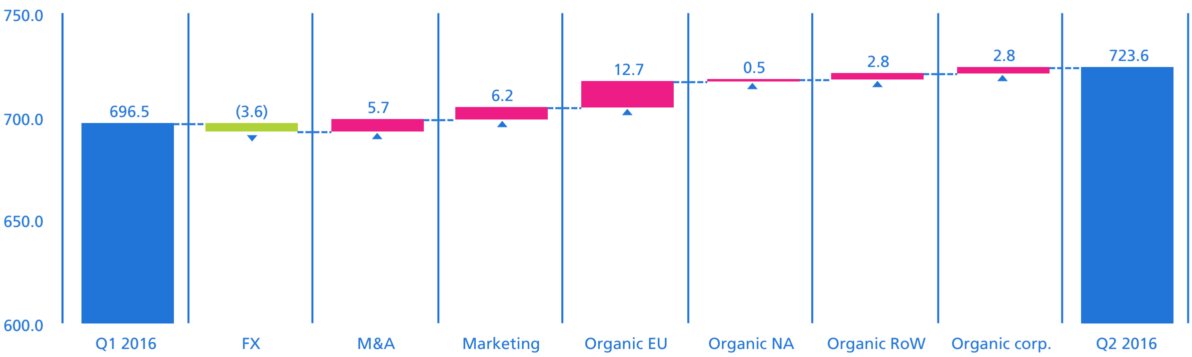
Gross margin was up 20bp year-on-year to 18.9%. The temp margin impact on the gross margin was 10bp, benefiting from a favorable mix offsetting the ongoing challenging pricing environment. Permanent placements added 20bp, while HRS was down 10bp, impacted by the decline of the Dutch government payrolling business. Overall, the acquisition of Proffice (Nordics) had a beneficial impact of 10bp to the Group gross margin.

Operating expenses

Operating expenses increased € 27.1 million sequentially to € 723.6 million. Organically, operating expenses increased € 25.0 million sequentially (+3.7%), while FX had a -/- € 3.6 million impact. Proffice added € 5.7 million to operating expenses.

Compared to last year, operating expenses were up 3.2% organically (€ 21.4 million), while there was a € 12.8 million FX impact and a € 27.6 million M&A impact.

Sequential OPEX development Q1 -> Q2 in € M



On an organic basis, personnel expenses were up € 16.7 million sequentially. Average headcount (in FTE) amounted to 31,520 for the quarter, 1.9% higher sequentially and 7.7% higher year-on-year. Sequential headcount increases were 1% in North America and 2% in Europe (particularly Belgium, Italy and the Nordics).

We operated a network of 4,598 outlets (Q1 2016: 4,615). The expansion of our Inhouse and other on-site presence has continued (up 1% sequentially).

Operating expenses in Q2 2016 were adjusted for a total of € 4.3 million in one-offs and integration costs. Last year's cost base was adjusted for a total of € 2.2 million in one-offs.

EBITA

Underlying EBITA increased organically by 10% to € 239.7 million. Currency effects had a negative impact of € 1.4 million year-on-year. EBITA margin reached 4.7%, up from 4.5% in Q2 2015. On an annualized basis, underlying EBITA margin improved from 4.3% to 4.6%. We achieved an organic incremental conversion ratio (ICR) of 53% over the last four quarters.

Amortization of intangible assets and impairment of goodwill

Amortization of acquisition-related intangible assets amounted to € 21.3 million in the quarter (Q2 2015: € 34.3 million). This includes the amortization on the intangibles related to the acquisitions of Proffice and RiseSmart, while amortization on intangibles related to the acquisition of Vedior in 2008 ended this quarter.

Net finance costs

In Q2 2016, net finance costs were € 4.9 million, compared with € 4.0 million in Q2 2015. Interest expenses on our net debt position were € 3.5 million (Q2 2015: € 3.5 million). Foreign currency effects had a positive impact of € 0.4 million (Q2 2015: negative impact of € 0.3 million). The remaining € 1.8 million expenses (Q2 2015: € 0.2 million) relate to adjustments in the valuation of certain assets and liabilities, including a € 0.6 million loss on the disposal of our equity investment upon acquisition of 100% of the shares of twago.

Tax

The effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs, and one-offs amounted to 26.6% in the first six months (H1 2015: 27.1%), and is based on the estimated effective tax rate for the whole year 2016. For 2016, we expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs, and one-offs of between 26% and 28%.

Net income, earnings per share

In Q2 2016, diluted underlying EPS amounted to € 0.93 (Q2 2015: € 0.83). The average number of diluted ordinary shares outstanding remained relatively stable compared to Q2 2015 (183.7 million versus 183.4 million).

Invested capital

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

in millions of €, unless otherwise indicated	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Goodwill and acquisition-related intangible assets [1]	2,729.9	2,735.7	2,603.3	2,596.1	2,553.1
Operating working capital (OWC) [2]	811.1	632.9	621.4	708.1	762.1
Net tax assets [3]	498.1	498.4	516.8	567.3	597.4
All other assets/(liabilities) [4]	364.8	13.1	293.4	257.1	215.8
Invested capital	**4,403.9**	**3,880.1**	**4,034.9**	**4,128.6**	**4,128.4**
Financed by					
Total Equity	3,769.7	3,583.7	3,861.7	3,675.9	3,553.0
Net debt	634.2	296.4	173.2	452.7	575.4
Invested capital	**4,403.9**	**3,880.1**	**4,034.9**	**4,128.6**	**4,128.4**
Ratios					
DSO (Days Sales Outstanding), moving average	50.7	50.8	50.7	50.8	51.2
OWC as % of revenue over last 12 months	4.1%	3.2%	3.2%	3.8%	4.2%
Leverage ratio (net debt/12-month EBITDA)	0.7	0.3	0.2	0.5	0.7
Return on invested capital [5]	17.9%	19.5%	18.8%	16.2%	15.1%

1 Starting Q1 2016, we have slightly changed our presentation in this table. In prior years software was included in "goodwill and intangible assets". Software is now included in "Other assets/(liabilities)" resulting in "Goodwill and acquisition related intangible assets", representing items resulting from acquisitions. Comparative amounts have been adjusted accordingly.
2 Operating working capital: Trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed group companies and interest receivable minus trade and other payables excluding interest payable.
3 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.
4 All other assets/(liabilities), mainly containing property, plant & equipment, software plus financial assets and associates, less provisions and employee benefit obligations and other liabilities. As at March 31, 2016 dividend payable is also included.
5 Return on invested capital: underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Return on invested capital reached 17.9%. The main driver for the increase YoY, has been the continued improvement in our profitability and the efficient use of working capital.

Operating working capital is impacted sequentially by the normal seasonal patterns in our business. In line with previous years we paid holiday allowances in the Netherlands and Belgium. Working capital as a percentage of sales was 4.1%, down 10bp compared to last year. The moving average of Days Sales Outstanding (DSO) improved to 50.7 days (Q2 2015: 51.2), driven by our continued efforts to further improve our invoicing and collection processes.

All other assets/(liabilities) comprise property, plant & equipment, software, financial assets, and associates, less provisions and other liabilities. The sequential increase is explained by the timing of the dividend announcement (€ 319.8 million), which this year occurred in Q1, whereas last year the announcement and payment occurred in Q2.

At the end of Q2 2016, net debt was € 634 million, compared to € 575 million at the end of Q2 2015. A further analysis of the cash flow is provided in the next section. The leverage ratio was 0.7, in line with the previous year. The syndicated credit facility allows a leverage ratio of up to 3.5, while we aim to maintain a maximum leverage ratio of 2.

Cash flow summary

in millions of €	Q2 2016	Q2 2015	change	L4Q 2016	L4Q 2015	change
EBITA	**235.4**	**213.0**	**11%**	**876.2**	**726.3**	**21%**
Depreciation and amortization of software	16.8	16.3		64.7	65.5	
EBITDA	**252.2**	**229.3**	**10%**	**940.9**	**791.8**	**19%**
Working capital	(178.7)	(191.9)		(77.5)	(33.1)	
Provisions and employee benefit obligations	2.2	(9.4)		(27.7)	5.3	
Other items	(21.8)	(21.0)		(73.3)	(69.7)	
Income taxes	(42.5)	(52.9)		(112.5)	(152.6)	
Net cash flow from operating activities	**11.4**	**(45.9)**	**125%**	**649.9**	**541.7**	**20%**
Net capital expenditures	(21.2)	(13.5)		(71.4)	(62.7)	
Financial assets	-	-		(3.8)	(6.5)	
Free cash flow	**(9.8)**	**(59.4)**	**84%**	**574.7**	**472.5**	**22%**
Net (acquisitions)/disposals	(4.9)	0.4		(265.6)	(3.3)	
Issue of ordinary shares	-	2.1		-	4.2	
Purchase of own ordinary shares	-	-		(48.8)	(23.6)	
Dividend on ordinary shares	(307.2)	(81.5)		(307.2)	(81.5)	
Dividend on preference shares	(12.6)	(12.6)		(12.6)	(12.6)	
Net finance costs	(3.8)	(1.3)		(13.3)	(22.2)	
Translation and other effects	0.5	1.9		14.0	(31.0)	
Net (increase)/decrease of net debt	**(337.8)**	**(150.4)**		**(58.8)**	**302.5**	

On an annualized basis (LQ4), free cash flow was € 574.7 million, up 22% versus the prior period. In the quarter, free cash flow was impacted by seasonally higher working capital requirements.

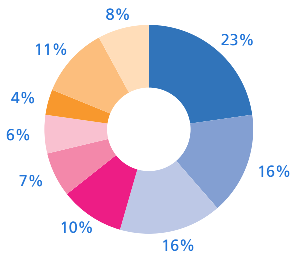
Other items include an amount resulting from the Tax Credit and Competitive Employment Act (CICE) in France. Based on this law and our tax position, we will receive the cash benefit as of 2017.

performance

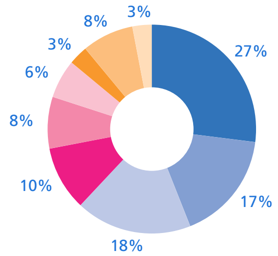
performance by geography

Split by geography

Q2 2016: revenue € 5,108.1 million



Q2 2016: EBITA € 239.7 million



North America
Netherlands
France
Germany
Belgium
Iberia
United Kingdom
Other European countries
Rest of the world

Revenue by geographical area

in millions of €, underlying	Q2 2016	Q2 2015	change	organic Δ %[1]	L4Q 2016	L4Q 2015	change	organic Δ %[1]
North America	1,154.6	1,173.4	(2)%	0%	4,701.0	4,252.2	11%	3%
Netherlands	801.3	751.2	7%	3%	3,166.9	2,931.2	8%	7%
France	794.9	746.1	7%	4%	2,953.5	2,751.2	7%	6%
Germany	526.7	479.9	10%	5%	2,033.9	1,934.8	5%	3%
Belgium & Luxembourg	334.0	328.9	2%	(2)%	1,347.6	1,320.4	2%	1%
Iberia	320.0	294.8	9%	5%	1,237.1	1,138.4	9%	8%
United Kingdom	218.6	230.3	(5)%	0%	890.3	875.4	2%	0%
Other European countries	540.0	390.8	38%	9%	1,823.0	1,462.8	25%	11%
Rest of the world	418.0	420.4	(1)%	4%	1,628.3	1,592.8	2%	7%
Total revenue	**5,108.1**	**4,815.8**	**6%**	**3%**	**19,781.6**	**18,259.2**	**8%**	**5%**

EBITA by geographical area

in millions of €, underlying	Q2 2016	EBITA margin	Q2 2015	EBITA margin	organic Δ %[1]	L4Q 2016	EBITA margin	L4Q 2015	EBITA margin	organic Δ %[1]
North America	70.0	6.1%	68.8	5.9%	3%	260.0	5.5%	216.8	5.1%	11%
Netherlands	44.0	5.5%	49.1	6.5%	(10)%	182.9	5.8%	188.5	6.4%	(3)%
France	46.9	5.9%	41.9	5.6%	12%	160.2	5.4%	148.8	5.4%	8%
Germany	26.5	5.0%	22.2	4.6%	19%	102.1	5.0%	82.0	4.2%	25%
Belgium & Luxembourg	20.9	6.3%	17.9	5.4%	17%	82.7	6.1%	70.8	5.4%	17%
Iberia	14.3	4.5%	11.1	3.8%	28%	56.7	4.6%	47.3	4.2%	20%
United Kingdom	6.6	3.0%	4.5	2.0%	64%	26.2	2.9%	16.0	1.8%	65%
Other European countries	21.3	3.9%	13.0	3.3%	30%	72.3	4.0%	55.5	3.8%	21%
Rest of the world	8.0	1.9%	2.6	0.6%	211%	24.7	1.5%	14.3	0.9%	68%
Corporate	(18.8)		(15.9)			(65.6)		(62.8)		
EBITA before integration costs and one-offs[2]	**239.7**	**4.7%**	**215.2**	**4.5%**	**10%**	**902.2**	**4.6%**	**777.2**	**4.3%**	**13%**
Integration costs	(1.2)		-			(1.3)		-		
One-offs	(3.1)		(2.2)			(24.7)		(50.9)		
Total EBITA	**235.4**		**213.0**			**876.2**		**726.3**		

1 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.
2 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

North America

In North America, revenue was stable year-on-year (Q1 2016: up 3%). Reported revenue was 2% below Q2 2015. Perm fees grew 1%. In Q2 2016, revenue of our combined US businesses was stable (Q1 2016: up 3%). US Staffing/Inhouse grew by 1% (Q1 2016: up 6%). US Professionals revenue was down 2% (Q1 2016: 0%). In Canada, revenue was up 2% (Q1 2016: flat), ahead of a challenging market. Underlying EBITA margin for the region increased from 5.9% last year to 6.1% in Q2 2016.

Netherlands

In the Netherlands, revenue was up 3% year-on-year (Q1 2016: up 6%), impacted by the decline of government payrolling and a difficult comparison base. In addition, price pressure continued. Overall perm fees were up 18% (Q1 2016: down 19%). Our Staffing and Inhouse businesses grew 2% (Q1 2016: up 6%). Excluding the lost payroll revenue, our Staffing/Inhouse business was up 8%. Our Professionals business grew 11% (Q1 2016: up 5%). Underlying EBITA margin in the Netherlands was 5.5%, compared to 6.5% last year.

France

In France, revenue growth was 4% (Q1 2016: 9%), impacted by the strikes (negative effect of approximately 2%) . Staffing and Inhouse revenue increased 3% (Q1 2016: up 8%). Our Professionals business was up 10%, again driven by strong performance in our healthcare business. Perm fees were up 37% compared to last year (Q1 2016: up 27%). Our underlying EBITA margin was 5.9%, compared to 5.6% last year.

Germany

In Germany, revenue per working day was up 5% year-on-year (Q1 2016: up 5%). Our combined Staffing and Inhouse business was up 4% (Q1 2016: up 5%), while Professionals was up 7% (Q1 2016: up 8%). Underlying EBITA margin in Germany improved to 5.0%, compared to 4.6% last year.

Belgium & Luxembourg

In Belgium & Luxembourg, revenue was down 2% (Q1 2016: down 3%), impacted by the loss of some large accounts (partially driven by our focus on client profitability), and by the terrorist attack at Brussels Airport. Our Staffing/Inhouse business was down 2% (Q1 2016: down 2%), while the Professionals business was up 6% (Q1 2016: down 6%). Our undelying EBITA margin moved up to 6.3%, from 5.4% last year.

Iberia

In Iberia, revenue increased 5% (Q1 2016: up 8%). Spain was up 5% (Q1 2016: up 9%), with Staffing/Inhouse combined growing 5% (Q1 2016: up 9%) and Professionals up 5%. Our focus on permanent placements (up 42%) continued to pay off. In Portugal, revenue improved by 5% (Q1 2016: up 4%). However, our focus on perm (up 62%) and client profitability has helped push gross profit growth to 17%. Overall underlying EBITA margin was 4.5% in Q2 2016, compared to 3.8% in the same period last year.

United Kingdom

Revenue per working day in the UK was stable compared to the prior year (Q1 2016: up 1%). Gross profit was down 2% (Q1 2016: up 2%). Overall perm fees were down 5% year-on-year (Q1 2016: up 2%). Underlying EBITA margin continued to improve and is now 3.0% (up from 2.0% last year).

Other European countries

Across 'Other European countries', revenue per working day grew 9% (Q1 2016: up 10%). This was supported by solid growth continuing in Italy, which was up 12% (Q1 2016: up 11%). In Poland, revenue growth continued, reaching 13% (Q1 2016: up 11%). Revenue in our Swiss business was up 10% year-on-year (Q1 2016: 5%). In the Nordics, on an organic basis, revenue was down 7% (Q1 2016: flat). The Proffice acquisition (consolidated as of February 4) added € 108.5 million in revenue in Q2, as well as € 4.5 million to EBITA. Overall EBITA margin for the 'Other European countries' region was 3.9% (Q2 2015: 3.3%).

Rest of the world

Overall revenue in the 'Rest of the world' region grew 4% organically (Q1 2016: up 5%). In Japan, revenue grew 4% (Q1 2016: up 3%). Revenue in Australia/New Zealand grew 4% (Q1 2016: up 5%), while revenue in China grew 16% year-on-year (Q1 2016: up 6%). Our business in India was down 1% (Q1 2016: up 5%), while in Latin America revenue grew 6% (Q1 2016: up 10%), driven by Argentina and Chile. Overall EBITA margin in this region was 1.9%, compared to 0.6% last year.

performance by revenue category

	in millions of €, underlying	Q2 2016	Q2 2015	organic Δ% [1]	L4Q 2016	L4Q 2015	organic Δ% [1]
Staffing	Revenue	2,956.4	2,800.3	2%	11,462.8	10,696.2	4%
	EBITA	140.5	129.0	4%	540.5	455.5	15%
	EBITA margin	4.8%	4.6%		4.7%	4.3%	
Inhouse Services	Revenue	1,141.0	1,055.9	6%	4,402.9	3,916.3	9%
	EBITA	59.6	56.0	14%	214.1	209.1	5%
	EBITA margin	5.2%	5.3%		4.9%	5.3%	
Professionals	Revenue	1,010.7	959.6	4%	3,915.9	3,646.7	3%
	EBITA	58.4	46.1	25%	213.2	175.4	14%
	EBITA margin	5.8%	4.8%		5.4%	4.8%	

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

other information

Outlook

Revenue grew 3% in Q2, with June up 2%. The development of volumes in early July indicate a continuation of the Q2 growth rate.

For Q3, operating expenses are expected to remain stable sequentially on an organic basis.

As of Q3, the acquisitions of Obiettivo Lavoro (Italy), Careo (Japan) and twago (digital) will be consolidated.

There is no material working day impact.

Other items

On June 20th, Randstad announced its intention to make a friendly cash tender for Ausy (listed at Euronext in France), subject to prior completion of the regulatory approvals.

Post Q2 closing, we have reached an agreement on transferring the Finnish operations of Proffice to StaffPoint, one of the largest personnel services companies in Finland, effective September 1, 2016. We are also entering in an exclusive partnership with Staffpoint to serve the Finnish market, securing a leading position in the Nordics.

Working days

	Q1	Q2	Q3	Q4
2016	62.5	63.1	64.8	62.8
2015	62.4	61.6	65.0	63.9
2014	62.4	61.8	64.8	63.5

Financial calendar

Publication of third-quarter results 2016	October 25, 2016
Capital Markets Day 2016	November 23, 2016
Publication of fourth-quarter and annual results 2016	February 14, 2017
Annual General Meeting of Shareholders	March 30, 2017
Publication of first quarter results 2017	April 25, 2017
Publication of second quarter results 2017	July 25, 2017

Analyst and press conference call

Today (July 26, 2016), at 09:00 am CET, Randstad Holding will host an analyst conference call. The dial-in number is +31 20 794 67 21, or +44 20 3059 8125 for international participants. Please quote "Randstad" to gain access to the conference. You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at http://www.ir.randstad.com/results-and-events-center/. A replay of the presentation and the Q&A will be available on our website by the end of the day.

Disclaimer

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans, and the results of operations of Randstad Holding and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty, since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for personnel (including flexible personnel), achievement of cost savings, changes in the business mix, changes in legislation (particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies, and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. The quarterly results as presented in this press release are unaudited.

Randstad profile

Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placements to Inhouse, Professionals, Search & Selection, outplacement, and HR Solutions. The

Randstad Group is one of the leading HR services providers in the world, with top-three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland, the UK, and the United States, as well as major positions in Australia and Japan. In 2015, Randstad had approximately 29,750 corporate employees and around 4,473 branches and Inhouse locations in 39 countries around the world. Randstad generated revenue of € 19.2 billion in 2015. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information, see www.randstad.com.

half-year report

Key financials

in millions of €, unless otherwise indicated - underlying	6M 2016	6M 2015	change
Revenue	9,809.6	9,247.2	6%
Gross profit	1,828.7	1,717.7	6%
Operating expenses	1,420.1	1,349.4	5%
Underlying EBITA	**408.6**	**368.3**	**11%**
Margins (in % of revenue)			
Gross margin	18.6%	18.6%	
Operating expenses margin	14.5%	14.6%	
Underlying EBITA margin	4.2%	4.0%	

Revenue
Revenue increased to € 9,809.6 million, up 4.0% per working day. Revenue per working day was up 5.0% in the first quarter and 3.1% in the second quarter.

Gross profit
Gross margin reached 18.6%, in line with H1 2015. In North America, gross margin continued to increase. Across Europe and in the 'Rest of the world' region, price/mix effects continued to have a small negative impact on our temp gross margin. Permanent placements had a small positive impact on gross margin.

Operating expenses
Operating expenses increased by 2.9% organically. The reported increase in our cost base mainly stems from FX movements. We maintained strong cost control, while allowing for limited investments in headcount in countries where growth continued. In addition, our restructuring program is well on track. Overall headcount is at a similar level to that of the prior year.

EBITA
Underlying EBITA increased to € 408.6 million. EBITA margin improved from 4.0% to 4.2%, and reflects our ability to achieve better returns in an improving growth environment. We achieved an organic incremental conversion ratio over the last 6 months of 49%.

Key financials, actual

in millions of €, unless otherwise indicated	6M 2016	6M 2015	change
Underlying EBITA	**408.6**	**368.3**	**11%**
Integration costs	1.3	-	
One-offs	6.2	11.4	
EBITA	**401.1**	**356.9**	**12%**
Amortization of intangible assets	51.7	74.5	
Operating profit	**349.4**	**282.4**	
Net finance income/(costs)	0.3	(26.3)	
Share of profit of associates	-	0.2	
Income before taxes	**349.7**	**256.3**	**36%**
Taxes on income	(90.9)	(66.6)	
Net income	**258.8**	**189.7**	**36%**

Amortization of acquisition-related intangible assets
Amortization of acquisition-related intangible assets decreased to € 51.7 million, compared to € 74.5 million for the first six months of 2015. This includes the amortization on the intangibles related to the acquisitions of Proffice and RiseSmart, while amortization on intangibles related to the acquisition of Vedior in 2008 ended this half year.

Net finance income/(costs)

Net finance income amounted to € 0.3 million, compared to € 26.3 million net finance costs in the first half of 2015. Interest expenses on our net debt position were € 6.3 million, compared to € 6.6 million in the first half of 2015. Currency effects resulted in a gain of € 5.4 million (H1 2015: loss of € 20.5 million). Adjustments in the valuation of certain assets and liabilities – including a loss of € 0.6 million on the disposal of our equity investment upon the acquisition of 100% of the shares of twago – caused most of the remaining effect to the amount of € 1.2 million income (H1 2015 € 0.8 million income).

Net income

Adjusted net income attributable to holders of ordinary shares amounted to € 293.7 million, compared to € 243.1 million in the first six months of 2015. As a result, diluted underlying EPS increased from € 1.33 to € 1.60.

Cash flow

In the first six months of 2016, free cash flow amounted to € 52.7 million (positive) compared to € 23.2 million (negative) in H1 2015. The increase is caused by the slowing topline growth in Q2 and by the DSO (moving average) improving to 50.7 days (compared to 51.2 days last year).

in millions of €, unless otherwise indicated	6M 2016	6M 2015	change
EBITA	**401.1**	**356.9**	**12%**
Depreciation and amortization of software	32.6	32.6	
EBITDA	**433.7**	**389.5**	**11%**
Working capital	(206.4)	(250.8)	
Provisions and employee benefit obligations	(4.7)	(9.4)	
Other items	(38.4)	(36.5)	
Income taxes	(96.4)	(89.3)	
Net cash flow from operating activities	**87.8**	**3.5**	**2409%**
Net capital expenditures	(35.1)	(26.7)	
Free cash flow	**52.7**	**(23.2)**	**327%**
Net (acquisitions)/disposals	(181.2)	0.5	
Issue of ordinary shares	-	4.2	
Purchase of own ordinary shares	(14.1)	(23.6)	
Dividend on ordinary shares	(307.2)	(81.5)	
Dividend on preference shares	(12.6)	(12.6)	
Net finance costs	(4.8)	(0.6)	
Translation and other effects	6.2	(16.6)	
Net increase of net debt	**(461.0)**	**(153.4)**	

We acquired Proffice AB in Q1, a company based in Stockholm, Sweden, as well as 100% of the shares of twago in Q2. Further investments were made through the Randstad Innovation Fund.

In H1 2016, we purchased another 297,000 ordinary shares to cover the allocation of shares under the performance share plans for senior management.

Risk profile

With regard to risks and opportunities, reference is made to our 2015 annual report (pages 78 to 87). The key risks and opportunities did not change materially in H1 2016. The risks identified represent the key challenges we currently face, and we expect them to be applicable in the second half of 2016. We continue to closely monitor the key risks and opportunities, and will respond appropriately to any emerging risk.

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

More information on how we manage performance can be found on pages 56-58 of our 2015 annual report.

Auditors' involvement

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

Conclusion

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

- The consolidated interim financial statements as at June 30, 2016 and for the six months ending at June 30, 2016 have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and results of Randstad Holding nv and its consolidated Group companies taken as a whole; and

- This Interim Directors' Report (as set out on pp. 1-14) gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Diemen, the Netherlands, July 26, 2016

The Executive Board,

Jacques van den Broek (Chairman and CEO)

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

François Béharel

Linda Galipeau

Chris Heutink

interim financial statements

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actuals

Consolidated income statement

in millions of €, unless otherwise indicated	Q2 2016	Q2 2015	6M 2016	6M 2015
Revenue	**5,108.1**	**4,815.8**	**9,809.6**	**9,247.2**
Cost of services	4,144.8	3,912.9	7,980.9	7,529.5
Gross profit	**963.3**	**902.9**	**1,828.7**	**1,717.7**
Selling expenses	506.7	483.1	991.9	951.6
General and administrative expenses	221.2	206.8	435.7	409.2
Operating expenses	**727.9**	**689.9**	**1,427.6**	**1,360.8**
Amortization and impairment of acquisition-related intangible assets and goodwill	21.3	34.3	51.7	74.5
Total operating expenses	**749.2**	**724.2**	**1,479.3**	**1,435.3**
Operating profit	**214.1**	**178.7**	**349.4**	**282.4**
Net finance (costs) / income	(4.9)	(4.0)	0.3	(26.3)
Share of profit of associates	-	0.1	-	0.2
Income before taxes	**209.2**	**174.8**	**349.7**	**256.3**
Taxes on income	(52.9)	(44.6)	(90.9)	(66.6)
Net income	**156.3**	**130.2**	**258.8**	**189.7**
Net income attributable to:				
Holders of ordinary shares Randstad Holding nv	153.1	127.0	252.5	183.4
Holders of preference shares Randstad Holding nv	3.2	3.2	6.3	6.3
Equity holders	**156.3**	**130.2**	**258.8**	**189.7**
Non-controlling interests	0.0	0.0	0.0	0.0
Net income	**156.3**	**130.2**	**258.8**	**189.7**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.84	0.70	1.38	1.01
Diluted earnings per share	0.83	0.69	1.38	1.01
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	0.93	0.83	1.60	1.33

Information by geographical area and revenue category

Revenue by geographical area

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
North America	1,154.6	1,173.4	2,295.7	2,248.1
Netherlands	801.3	751.2	1,552.2	1,462.2
France	794.9	746.1	1,473.9	1,365.5
Germany	526.7	479.9	1,004.3	940.0
Belgium & Luxembourg	334.0	328.9	639.4	642.1
Iberia	320.0	294.8	609.1	565.5
United Kingdom	218.6	230.3	435.4	454.6
Other European countries	540.0	390.8	989.7	743.3
Rest of the world	418.0	420.4	809.9	825.9
Total revenue	**5,108.1**	**4,815.8**	**9,809.6**	**9,247.2**

EBITA by geographical area

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
North America	68.5	68.8	113.8	106.3
Netherlands	44.6	49.1	80.6	82.3
France	46.2	41.9	78.4	67.6
Germany	26.5	18.4	44.4	34.2
Belgium & Luxembourg	20.9	17.9	38.0	34.9
Iberia	14.3	11.1	25.7	20.4
United Kingdom	6.0	4.5	12.7	9.1
Other European countries	21.3	13.0	31.8	22.6
Rest of the world	7.1	4.2	11.7	10.3
Corporate	(18.8)	(15.9)	(34.7)	(30.8)
EBITA before integration costs [1]	**236.6**	**213.0**	**402.4**	**356.9**
Integration costs	(1.2)	-	(1.3)	-
Total EBITA	**235.4**	**213.0**	**401.1**	**356.9**

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

Revenue by revenue category

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
Staffing	2,956.4	2,800.3	5,647.1	5,370.7
Inhouse Services	1,141.0	1,055.9	2,186.8	2,000.3
Professionals	1,010.7	959.6	1,975.7	1,876.2
Total revenue	**5,108.1**	**4,815.8**	**9,809.6**	**9,247.2**

EBITA by revenue category

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
Staffing	138.6	129.0	232.0	211.4
Inhouse Services	59.3	56.0	104.0	102.9
Professionals	57.5	43.9	101.1	73.4
Corporate	(18.8)	(15.9)	(34.7)	(30.8)
EBITA before integration costs [1]	**236.6**	**213.0**	**402.4**	**356.9**
Integration costs	(1.2)	-	(1.3)	-
Total EBITA	**235.4**	**213.0**	**401.1**	**356.9**

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

Consolidated balance sheet

in millions of €	June 30, 2016	December 31, 2015	June 30, 2015
ASSETS			
Property, plant and equipment	124.2	124.9	127.1
Intangible assets	2,784.9	2,649.1	2,592.1
Deferred income tax assets	520.5	531.5	567.3
Financial assets and associates	434.5	376.1	321.4
Non-current assets	**3,864.1**	**3,681.6**	**3,607.9**
Trade and other receivables	3,691.8	3,435.7	3,418.0
Income tax receivables	80.1	58.0	96.8
Cash and cash equivalents	300.5	133.5	153.4
Current assets	**4,072.4**	**3,627.2**	**3,668.2**
TOTAL ASSETS	**7,936.5**	**7,308.8**	**7,276.1**
EQUITY AND LIABILITIES			
Issued capital	25.8	25.8	25.8
Share premium	2,270.5	2,270.5	2,270.5
Reserves	1,473.2	1,565.4	1,256.7
Shareholders' equity	**3,769.5**	**3,861.7**	**3,553.0**
Non-controlling interests	0.2	0.0	0.0
Total equity	**3,769.7**	**3,861.7**	**3,553.0**
Borrowings	551.4	124.6	547.8
Deferred income tax liabilities	56.4	35.9	34.1
Provisions and employee benefit obligations	162.2	166.5	168.9
Other liabilities	11.6	14.5	14.0
Non-current liabilities	**781.6**	**341.5**	**764.8**
Borrowings	383.3	182.1	181.0
Trade and other payables	2,878.6	2,811.9	2,656.1
Income tax liabilities	46.1	36.8	32.6
Provisions and employee benefit obligations	68.1	67.8	81.5
Other liabilities	9.1	7.0	7.1
Current liabilities	**3,385.2**	**3,105.6**	**2,958.3**
Liabilities	**4,166.8**	**3,447.1**	**3,723.1**
TOTAL EQUITY AND LIABILITIES	**7,936.5**	**7,308.8**	**7,276.1**

Consolidated statement of cash flows

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
Operating profit	**214.1**	**178.7**	**349.4**	**282.4**
Amortization and impairment of acquisition-related intangible assets and goodwill	21.3	34.3	51.7	74.5
EBITA	**235.4**	**213.0**	**401.1**	**356.9**
Depreciation of property, plant and equipment	10.9	11.5	21.6	22.9
Amortization of software	5.9	4.8	11.0	9.7
EBITDA	**252.2**	**229.3**	**433.7**	**389.5**
Provisions and employee benefit obligations	2.2	(9.4)	(4.7)	(9.4)
Share-based payments	7.5	7.7	15.9	15.5
Loss on disposals of property, plant and equipment	0.0	0.1	0.0	0.1
Loss / (gain) on disposals of activities	0.2	(1.6)	0.2	(1.6)
Other non-cash items	(29.5)	(27.2)	(54.5)	(50.5)
Cash flow from operations before operating working capital and income taxes	**232.6**	**198.9**	**390.6**	**343.6**
Trade and other receivables	(230.8)	(196.9)	(170.4)	(243.1)
Trade and other payables	52.1	5.0	(36.0)	(7.7)
Operating working capital	**(178.7)**	**(191.9)**	**(206.4)**	**(250.8)**
Income taxes	(42.5)	(52.9)	(96.4)	(89.3)
Net cash flow from operating activities	**11.4**	**(45.9)**	**87.8**	**3.5**
Additions in property, plant and equipment	(12.6)	(9.5)	(21.5)	(21.0)
Additions in software	(9.3)	(4.9)	(14.8)	(9.1)
Disposals of property, plant and equipment	0.7	0.9	1.2	3.4
Acquisition of subsidiaries and equity investments	(5.4)	(3.4)	(181.7)	(3.4)
Disposals of activities	0.5	3.8	0.5	3.9
Net cash flow from investing activities	**(26.1)**	**(13.1)**	**(216.3)**	**(26.2)**
Issue of new ordinary shares	-	2.1	-	4.2
Purchase of own ordinary shares	-	-	(14.1)	(23.6)
Net drawings on non-current borrowings	246.8	173.9	427.2	214.5
Net financing	**246.8**	**176.0**	**413.1**	**195.1**
Net finance costs	(3.8)	(1.3)	(4.8)	(0.6)
Dividend on ordinary shares	(307.2)	(81.5)	(307.2)	(81.5)
Dividend on preference shares	(12.6)	(12.6)	(12.6)	(12.6)
Net reimbursement to financiers	**(323.6)**	**(95.4)**	**(324.6)**	**(94.7)**
Net cash flow from financing activities	**(76.8)**	**80.6**	**88.5**	**100.4**
Net (decrease) / increase in cash, cash equivalents, and current borrowings	**(91.5)**	**21.6**	**(40.0)**	**77.7**
Cash, cash equivalents, and current borrowings at beginning of period	**0.3**	**(49.0)**	**(48.6)**	**(107.0)**
Net movement	(91.5)	21.6	(40.0)	77.7
Translation and currency gains / (losses)	8.4	(0.2)	5.8	1.7
Cash, cash equivalents, and current borrowings at end of period	**(82.8)**	**(27.6)**	**(82.8)**	**(27.6)**
Free cash flow	**(9.8)**	**(59.4)**	**52.7**	**(23.2)**

Consolidated statement of comprehensive income

in millions of €	April 1 - June 30, 2016 Shareholders' equity	Non-controlling interests	Total equity	April 1 - June 30, 2015 Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	156.3	0.0	0.0	130.2	0.0	0.0
Translation differences	22.2	0.0	0.0	(44.7)	0.0	(44.7)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**(44.7)**	**0.0**	**(44.7)**

in millions of €	January 1 - June 30, 2016 Shareholders' equity	Non-controlling interests	Total equity	January 1 - June 30, 2015 Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	258.8	0.0	258.8	189.7	0.0	189.7
Translation differences	(37.7)	0.1	(37.6)	148.8	0.0	148.8
Total comprehensive income	**221.1**	**0.1**	**221.2**	**338.5**	**0.0**	**338.5**

Consolidated statement of changes in equity

in millions of €	April 1 - June 30, 2016 Shareholders' equity	Non-controlling interests	Total equity	April 1 - June 30, 2015 Shareholders' equity	Non-controlling interests	Total equity
Value at April 1	**3,583.5**	**0.2**	**3,583.7**	**3,551.8**	**0.0**	**3,551.8**
Comprehensive income	**178.5**	**0.0**	**178.5**	**85.5**	**0.0**	**85.5**
Cash dividend on ordinary shares	-	-	-	(81.5)	-	(81.5)
Dividend on preference shares	-	-	-	(12.6)	-	(12.6)
Share-based payments	7.5	-	7.5	7.7	-	7.7
Issue of ordinary shares	-	-	-	2.1	-	2.1
Value at June 30	**3,769.5**	**0.2**	**3,769.7**	**3,553.0**	**0.0**	**3,553.0**

in millions of €	January 1 - June 30, 2016 Shareholders' equity	Non-controlling interests	Total equity	January 1 - June 30, 2015 Shareholders' equity	Non-controlling interests	Total equity
Value at January 1	**3,861.7**	**0.0**	**3,861.7**	**3,313.1**	**0.0**	**3,313.1**
Comprehensive income	**221.1**	**0.1**	**221.2**	**338.5**	**0.0**	**338.5**
Cash dividend on ordinary shares	(307.2)	-	(307.2)	(81.5)	-	(81.5)
Dividend on preference shares	(12.6)	-	(12.6)	(12.6)	-	(12.6)
Acquisition	-	0.1	0.1	-	-	-
Share-based payments	15.9	-	15.9	15.5	-	15.5
Tax on share-based payments	4.7	-	4.7	(0.6)	-	(0.6)
Issue of ordinary shares	-	-	-	4.2	-	4.2
Purchase of own ordinary shares	(14.1)	-	(14.1)	(23.6)	-	(23.6)
Value at June 30	**3,769.5**	**0.2**	**3,769.7**	**3,553.0**	**0.0**	**3,553.0**

notes to the consolidated interim financial statements

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

The consolidated interim financial statements of Randstad Holding nv as at and for the six-month period ended June 30, 2016 include the company and its subsidiaries (together called 'the Group').

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

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2015.

Basis of presentation
These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2015.

The consolidated financial statements of the Group as at and for the year ended December 31, 2015 are available upon request at the Company's office or on www.randstad.com.

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

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2015.

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

Effective tax rate
The effective tax rate for the six-month period ended on June 30, 2016 is 26.0% (H1 2015: 26.0%), and is based on the estimated tax rate for the whole year 2016 (actual effective tax rate for FY 2015: 24.0%).

Acquisition of Group companies and equity investments

In Q2 2016 the cash outflow for acquisitions and equity investments amounted to € 5.4 million (Q2 2015: € 3.4 million) and relates for an amount of € 3.7 million to the acquisition of the remaining shares in "twago" (now 100% owned) in mid June 2016, and for € 1.7 million to further investments made by the Randstad Innovation Fund (Gigwalk and Wade & Wendy). YTD Q2 2016, the cash outflow is € 181.7 million, which includes our acquisition of Proffice AB in Q1.

Disposal of Group companies

In Q2 2016, the cash inflow for disposals of activities amounted to € 0.5 million (Q2 2015: € 3.8 million), which is also the amount YTD Q2 2016 (YTD Q2 2015: € 3.9 million) and relates mainly to the disposal of our business in Sri Lanka.

Shareholders' equity

Issued number of ordinary shares

	2016	2015
January 1	183,019,235	180,109,671
Stock dividend	-	2,728,720
Share-based payments	-	180,844
June 30	**183,019,235**	**183,019,235**

As at June 30, 2016, the Group held 156,023 treasury shares (June 30, 2015: 272,835), compared to 896,335 as at December 31, 2015 (December 31, 2014: 277,489). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at June 30, 2016, December 31, 2015, and June 30, 2015, the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

Earnings per share

in millions of €, unless otherwise indictated	Q2 2016	Q2 2015	6M 2016	6M 2015
Net income	**156.3**	**130.2**	**258.8**	**189.7**
Results of non-controlling interests	0.0	0.0	0.0	0.0
Net income attributable to holders of preference shares	3.2	3.2	6.3	6.3
Net income attributable to holders of ordinary shares	**153.1**	**127.0**	**252.5**	**183.4**
Amortization of intangible assets [1]	21.3	34.3	51.7	74.5
Integration costs and one-offs	4.3	2.2	7.5	11.4
Tax effect on amortization, integration costs, and one-offs	(7.8)	(11.2)	(18.0)	(26.2)
Adjusted net income for holders of ordinary shares	**170.9**	**152.3**	**293.7**	**243.1**
Average number of ordinary shares outstanding	182.9	181.8	182.6	180.8
Average number of diluted ordinary shares outstanding	183.7	183.4	183.5	182.3
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.84	0.70	1.38	1.01
Diluted earnings per share	0.83	0.69	1.38	1.01
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs [2]	0.93	0.83	1.60	1.33

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

Net debt position

The net debt position as at June 30, 2016 (€ 634.2 million) was € 461.0 million higher compared to the net debt position as at December 31, 2015 (€ 173.2 million). This is mainly due to payment of dividends in Q2 and net acquisitions in Q1, while a positive free cash flow compensated these outflows to a certain extent. During this quarter, the maturity term of the € 1,800 million multicurrency syndicated revolving credit facility has been extended one year from mid-2020 to mid-2021.

Breakdown of operating expenses

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
Personnel expenses	551.9	527.3	1,082.4	1,039.0
Other operating expenses	176.0	162.6	345.2	321.8
Operating expenses	**727.9**	**689.9**	**1,427.6**	**1,360.8**

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

in millions of €	Q2 2016	Q2 2015	6M 2016	6M 2015
Depreciation of property, plant and equipment	10.9	11.5	21.6	22.9
Amortization of software	5.9	4.8	11.0	9.7
Total depreciation and amortization	**16.8**	**16.3**	**32.6**	**32.6**

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

Related-party transactions
There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 22, 23 and 24 to the consolidated financial statements as at and for the year ended December 31, 2015.

Commitments
There are no material changes in the nature and scope of commitments compared to last year. More information is included in note 27 to the consolidated financial statements as at and for the year ended December 31, 2015

Events after balance sheet date
On July 1, 2016, the Group acquired Obiettivo Lavoro, a company based in Milan, Italy, which is (mainly) engaged in the staffing business for an (estimated) amount of € 63 million for 100% of the shares.

The consolidated revenue for this group of companies is some € 436 million (2015 figures).

On July 1, 2016, the Group also acquired Careo Holdings Ltd, a company based in Tokyo, Japan, which is (mainly) engaged in the general staffing business as well as in IT/Engineering staffing, for an amount of JPY 7.4 billion (approximately € 65 million) for 100% of the shares. The consolidated revenue for this group of companies is some € 60 million (2015 figures).

Both companies will be consolidated in the Randstad figures as of July 1, 2016.