usg people

press release

Revenue rises 6%

Positive trend persists; demands from SMEs increasing

Second-quarter 2014 results

Almere, 30 July 2014

Second quarter 2014 highlights

- Revenue rose 6% to € 583.3 million (Q2 2013: € 550.0 million)
- Operating expenses fell 3% compared to underlying expenses a year earlier
- EBITA increased to € 15.4 million (underlying[1] EBITA Q2 2013: € 9.8 million); EBITA margin: 2.6% (underlying EBITA margin Q2 2013: 1.8%)
- Underlying net income rose to € 7.9 million (Q2 2013: € 1.0 million)

"The positive developments have continued in the second quarter," said Rob Zandbergen, CEO of USG People. "We are seeing that the recovery that started mid-2013 is gradually spreading. For the first time in years we are once again seeing a traditional pattern in demand for students in the holiday season and the number of permanent placements also rose in the second quarter. These are clear signs that our clients need extra staffing capacity and that there is confidence that growth will continue. A positive development is now also visible in the SME segment too, where we are also experiencing a rise in the number of requests. The outlook is good and we are confident that the positive trend will continue this year. We continue to focus fully on providing the right solutions to facilitate our clients' growth in the best possible way."

Key figures

Underlying results[1] in millions of euros	**3 months ended 30 June 2014**	**3 months ended 30 June 2013**	Δ	**6 months ended 30 June 2014**	**6 months ended 30 June 2013**	Δ
Revenue	583.3	550.0	6%	1,126.1	1,074.4	5%
Gross result	118.1	115.7	2%	234.6	229.1	2%
Operating expenses	99.2	102.2	-3%	197.5	205.2	-4%
EBITDA	18.9	13.5	40%	37.1	23.9	55%
EBITA	15.4	9.8	57%	30.1	16.2	86%
Net income	7.9	1.0		14.7	-1.1	
Gross margin	20.2%	21.0%		20.8%	21.3%	
Expense ratio	17.0%	18.6%		17.5%	19.1%	
EBITA margin	2.6%	1.8%		2.7%	1.5%	

[1] The underlying results are adjusted for non-recurring results. The comparative results for 2013 are based on the pro forma underlying results of USG People's continuing activities. They exclude the results of business units divested in 2013.

Notes to the second-quarter 2014 results

Revenue
The revenue achieved by USG People rose 6.0% in the second quarter to € 583.3 million (Q2 2013: € 550.0 million). The average number of working days was 0.3 higher than in the second quarter last year (there was one working day more in the Netherlands, one day less in Germany and the same number of working days as last year in Belgium and France). The growth in revenue per working day accelerated to 5.5% from 3.5% in the first quarter. Revenue per working day for the group was up 7.8% in June compared to the same month last year.

Gross margin
The underlying gross result rose to € 118.1 million in the second quarter (Q2 2013: € 115.7 million). As a percentage of revenue the gross margin was 20.2% compared to 21.0% in the second quarter last year. The gross margin percentage was lower than last year due to changes in the revenue mix, lower selling prices and the impact of public holidays and long weekends.

The share of revenue achieved with high-volume clients has risen since mid-2013. Demand for staff in the SME segment, where USG People has traditionally held a strong position and can provide high added value to specialist placements, generally picks up a bit later in the cycle and was still lagging. On balance, this shift resulted in a drop in the gross margin compared to last year. Demand for staff in the SME segment is now growing, however, stabilising the mix compared to the first quarter.
The tax credit scheme (CICE) in France had a positive impact on the group margin. The tax credit was higher than last year, boosting the group gross margin by 50 basis points. The aforementioned mix and pricing changes had an overall effect on the gross margin of -60 basis points compared to the second quarter last year.

Revenue from recruitment and selection grew again in the second quarter (1.0% of group revenue). This revenue rose 4% compared to last year. This growth was virtually in line with the growth of group revenue in the second quarter and therefore had no impact on the development of the gross margin percentage.

In the second quarter the large number of public holidays and long weekends had a considerable seasonal effect on the gross margin. This impact was particularly substantial in Belgium and Germany. These countries do not create reserves evenly for the salaries paid to flex workers on public holidays. These salary expenses are fully recognised as cost in the actual period, meaning that the gross margin is lower in a quarter with many holidays. The impact was -20 basis points compared to the second quarter last year. Compared to the first quarter the impact was -100 basis points on the group margin. Calculated based on the even reserve throughout the year, the gross margin for the second quarter would be 60 basis points higher at 20.8% (Q2 2013: 21.4%).

The reported gross result in the second quarter of 2013 included not only the underlying gross margin but also a € 0.9 million non-recurring charge relating to the creation of a provision for own-bearer risk status with regard to payments under the Dutch sickness benefit act (*Ziektewet*).

Operating expenses excluding depreciation and amortisation of acquisition-related intangible assets
The operating expenses fell by € 3.0 million compared to a year earlier to € 99.2 million (underlying expenses Q2 2013: € 102.2 million). Compared to the previous quarter operating expenses rose slightly due to redundancy costs (€ 0.5 million), costs for implementing a new sourcing concept in Belgium (€ 0.5 million) and a rise in the number of FTEs in France and Belgium. These countries operated at maximum capacity in the past year. Both countries can further grow revenue by adding capacity.

The implementation of the brand clustering and simplification of the organisational structure are proceeding according to plan. On balance there were no additional cost savings in the second quarter.

In addition to the underlying expenses in the second quarter of 2013 the reported expenses also included a non-recurring charge of on balance € 25.1 million.

EBITA

(in millions of euros)	3 months ended 30 June 2014	3 months ended 30 June 2013
EBITA underlying	**15.4**	**9.8**
Non-recurring gross result	-	-0.9
Non-recurring operating expenses	-	-25.1
Non-recurring depreciation	-	-2.5
Reported EBITA	**15.4**	**-18.7**
Result of divested activities	-	0.1
Reported EBITA	**15.4**	**-18.6**

In the second quarter EBITA amounted to € 15.4 million (underlying EBITA Q2 2013: € 9.8 million). The EBITA margin was 2.6% compared to 1.8% in the second quarter last year.

Amortisation of acquisition-related intangible assets
Amortisation of acquisition-related intangible assets amounted to € 1.5 million in the second quarter, down from € 4.0 million in the year-earlier quarter. The acquisition-related intangible assets concern brand rights, client portfolios and candidate databases valued at the time of acquisition.

Financing expenses
The financing expenses declined to € 2.3 million in the second quarter compared to € 4.4 million in underlying financing expenses recorded in the same period of last year.

In addition to the aforementioned underlying financing expenses in the second quarter of 2013 an unrealised revaluation of interest-rate derivatives was recognised equalling a positive € 2.5 million. Including this unrealised revaluation, reported financing expenses amounted to € 1.9 million last year.

Income tax expense
Tax in the second quarter of 2014 was a negative € 13.9 million. This figure includes a € 10.3 million downward revaluation of deferred tax assets. The tax also includes a € 1.7 million charge relating to business tax in France (Q2 2013 business tax: € 1.6 million). The tax burden as a percentage of pre-tax profit was distorted due to the impact of the business tax en and the untaxed tax credit in France (CICE). The group tax burden excluding these factors was 33.9%.

Net result from divested activities
The second quarter of 2014 did not include any results from divested or discontinued activities. On balance there was a net result of € -3.1 million from the sale of activities in the second quarter of 2013.

Net income attributable to company shareholders

(in millions of euros)	3 months ended 30 June 2014	3 months ended 30 June 2013
Underlying net income	**7.9**	**1.0**
Non-recurring results	-	-28.5
Unrealised revaluation of derivatives	-	2.5
Net income from divested activities	-	-3.1
Non-recurring tax effects	-10.3	5.4
Reported net income	**-2.4**	**-22.7**
Result per share	€ -0.03	€ -0.28

Underlying net income totalled € 7.9 million compared to € 1.0 million in the second quarter last year. The reported net income was a negative € 2.4 million (Q2 2013: negative € 22.7 million).

Balance sheet and cash flow

Working capital increased by € 13.5 million in the second quarter compared to the previous quarter due to seasonal effects. Factoring of trade receivables rose by € 16.7 million to € 121.2 million (Q1: € 104.5 million). Factoring increased by € 3.8 million compared to the second quarter of last year as a result of a rise in revenue. Working capital including factoring was a negative € 92.1 million at the end of the quarter.

The operating cash flow totalled € -6.2 million in the second quarter (Q2 2013: € 6.2 million). Net debt amounted to € 205.8 million in the second quarter (Q1: € 187.4 million). The reasons for the rise in net debt included the rise in working capital in the second quarter and the payment of the cash dividend and holiday pay. The leverage ratio (net debt / 12-month underlying EBITDA) was 2.3.

Second-quarter 2014 results by segment

General Staffing

General Staffing achieved revenue of € 351.1 million in the second quarter (Q2 2013: € 331.2 million). Revenue per working day rose 5.3% compared to the year-earlier period. Despite a positive underlying trend in every country the Netherlands still recorded a 1.0% drop in revenue per working day, in line with the first quarter. There was a further decline in revenue from the call centre activities which are increasingly internally focused on providing services that support the USG People star brands. Revenue per working day rose slightly in the month of June compared to the year-earlier period. The positive development has continued in July.

Start People in Belgium reported an 11.1% rise in revenue per working day compared to a year ago. In the second quarter the growth at Start People once again clearly outperformed the market. The market recovery in Belgium continued to be fast-paced. Demand picked up further in every region and the number of requests was visibly higher in the SME segment.

In France Start People was able to maintain its lead in the market. Revenue per working day at Start People rose 8.3% in the second quarter. In France a market growth of around 2% was reported in April and May.

EBITA rose to € 12.6 million from € 8.6 million in the second quarter last year. The EBITA margin rose to 3.6% (Q2 2013: 2.6%). The gross margin as a percentage of revenue was lower than last year due to mix effects and pricing pressure. A higher tax credit (CICE) in France partly offset these effects. A drop in revenue at the call centres, with a 100% gross margin, had a negative impact on the margin percentage. The cost level fell compared to last year due to the brands being combined under Start People.

Specialist Staffing
Specialist Staffing generated revenue of € 194.0 million in the second quarter (Q2 2013: € 180.8 million). Revenue per working day rose by 6.8% year-on-year, with growth continuing at Unique and recovery also visible at Secretary Plus. In the Netherlands Specialist Staffing once again realised a strong growth of 14% compared to the same quarter last year. Unique was able to maintain a high level of growth in the Netherlands. Revenue at Secretary Plus was lower year-on-year but stabilised compared to the first quarter. Revenue in the second quarter was slightly higher than in the first quarter. Following a long period of contraction Secretary Plus in the Netherlands also appears to have turned the corner to recovery.

After reaching the turning point to growth in March Specialist Staffing in Belgium grew 2.9% in the second quarter. Unique grew 4.4% and Secretary Plus reached a turning point to year-on-year growth in June. Growth at Unique was hampered by weak demand for medical staff. Excluding Express Medical (part of the Unique star brand) Unique grew 7.7% in the second quarter.

In Germany revenue per working day rose 1.6% in the second quarter. Here recovery was the most noticeable at Unique in the industry and office segments. Developments in the technical segment were complicated by a shortage of technical staff and the fact that clients gave candidates permanent placements.

EBITA improved to € 6.1 million from € 5.3 million in the second quarter last year. The EBITA margin rose to 3.1% of revenue (Q2 2013: 2.9%). In the second quarter profitability was impacted by public holidays in Belgium and Germany. The relatively large number of holidays had a negative effect on the gross result and EBITA, particularly at Specialist Staffing due to the share of the activities in Germany. This effect is largely neutralised in the third quarter.

Professionals
USG Professionals generated revenue of € 38.2 million (Q2 2013: € 38.0 million). Revenue was virtually the same as in the second quarter last year. Slight growth was achieved in the Netherlands compared to the year-earlier period. The revenue decline in Belgium continued to shrink, mainly due to a recovery in finance and legal. USG Professionals also reached a turning point to growth in France in the second quarter.

EBITA amounted to € 0.6 million (Q2 2013: 1.9 million). The gross margin rose, due in part to growth in recruitment and selection. Expenses were higher compared to the underlying expenses reported in the second quarter last year. Investments relating to the rollout of the USG Professionals activities outside the Netherlands and Belgium will be fully recognised in reported expenses this year. The underlying expenses in the comparative figures for last year have been adjusted accordingly.

Notes to the first-half 2014 results

Revenue
Revenue at USG People rose by 4.8% in the first half of the year to € 1,126.1 million (H1 2013: € 1,074.4 million), with growth achieved in all four core countries in the first half year. In the Netherlands revenue rose 5.7%, in Belgium 4.7%, in France 4.9% and in Germany 1.3%. Looking at the segments General Staffing revenue rose 4.1%, Specialist Staffing 7.1% and Professionals, the segment that recovers later in the cycle, 0.1% compared to the first half of 2013.

Gross margin
The underlying gross result rose to € 234.6 million in the first half year (H1 2013: € 229.1 million). As a percentage of revenue the gross margin was 20.8% against 21.3% in the first half of last year. The gross margin percentage fell year-on-year due to changes in the revenue mix, including an increase in revenue from large clients, lower revenue from recruitment and selection and lower revenue from reintegration and from the call centres. In addition the gross margin fell due to pricing pressure. The tax credit scheme in France (CICE), which was increased in 2014, had a positive impact. The higher CICE had a positive effect of 40 basis points on the group's gross margin.

The reported gross result in first half of 2013 included not only the underlying gross margin but also a non-recurring charge of € 1.4 million relating to the creation of a provision for own-bearer risk status with regard to payments under the Dutch sickness benefit act (*Ziektewet*).

Operating expenses excluding depreciation and amortisation of acquisition-related intangible assets
Underlying operating expenses fell 3.7% to € 197.5 million from € 205.2 million in the first half of 2013. The cost level was reduced as a result of the simplification plan that was launched in 2013 and combines the brands into four star brands and simplifies the organisation.

The expenses reported in the first half of 2013 contain not only the underlying expenses but also a € 25.9 million non-recurring charge.

EBITA

(in millions of euros)	**6 months ended 30 June 2014**	**6 months ended 30 June 2013**
EBITA underlying	**30.1**	**16.2**
Non-recurring gross result	-	-1.4
Non-recurring expenses	-	-25.9
Non-recurring depreciation	-	-2.4
Reported EBITA (excluding divested activities)	**30.1**	**-13.5**
USG Energy EBITA	**-**	**2.3**
Net income from sale of USG Energy	**-**	**28.8**
Reported EBITA (including USG Energy)	**30.1**	**17.6**

EBITA amounted to € 30.1 million (underlying EBITA H1 2013: € 16.2 million). The EBITA margin was 2.7% compared to an underlying margin of 1.5% in the first half of last year.

Amortisation of acquisition-related intangible assets
Amortisation of acquisition-related intangible assets amounted to € 3.4 million, considerably less than € 8.8 million in the same period last year. Amortisation fell sharply due to the termination of depreciation periods and accelerated amortisation in 2013. The acquisition-related intangible assets concern brand rights, client portfolios and candidate databases valued at the time of acquisition.

Financing expenses
Underlying financing expenses improved to € 4.2 million compared to € 8.4 million in the first half of last year.

In addition to the aforementioned underlying financing expenses in the first half of 2013 an unrealised revaluation of interest-rate derivatives was recognised equalling a positive € 5.0 million. Including this unrealised revaluation reported financing expenses amounted to € 3.4 million last year.

Income tax expense
Tax amounted to a negative € 18.1 million in the first half of 2014. The figure includes a € 10.3 million charge relating to a write-down of deferred tax assets. The income tax expense also includes a € 3.1 million charge for the business tax in France (business tax H1 2013: € 2.9 million). The tax burden as a percentage of pre-tax profit is distorted by the impact of the business tax and the untaxed tax credit in France (CICE). The group tax rate excluding these factors was 35.4%.

Net result from divested activities

There were no results from divested or discontinued activities in the first half of 2014. Net income of on balance € -20.0 million was recognised from the sale of activities in the first half of 2013.

Net income attributable to company shareholders

(in millions of euros)	**6 months ended 30 June 2014**	**6 months ended 30 June 2013**
Underlying net income	**14.7**	**-1.1**
Non-recurring results	-	-29.7
Accelerated amortisation	-	-0.7
Unrealised revaluation of derivatives	-	5.0
Net income from divested activities*	-	-18.3
Non-recurring tax effects	-10.3	5.4
Reported net income	**4.4**	**-39.4**
Result per share	€ 0.05	€ -0.49

* Including net income from USG Energy

The underlying net result amounted to € 14.7 million against € -1.1 million in the first six months of last year. The reported net result was € 4.4 million (H1 2013: € -39.4 million).

Balance sheet and cash flow

Working capital rose by € 24.0 million in the first half of the year compared to end-2013. The rise was mainly due to seasonal effects. Factoring of trade receivables rose by € 0.1 million to € 121.2 million (end-2013: € 121.1 million). Working capital including factoring stood at € -92.1 million at 30 June.

Operating cash flow was € -9.0 million in the first half of the year (H1 2013: € 0.6 million). Net debt rose by € 27.9 million in the first half of the year to € 205.8 million (end-2013: € 177.9 million). Net debt rose mainly due to higher working capital in the second quarter and the distribution of the cash dividend (cash dividend: € 6.3 million). The leverage ratio (net debt / 12-month underlying EBITDA) was 2.3.

Outlook

The positive trend continued in the second quarter and widened. Growth was recorded in all core countries and there was a clear acceleration and widening of growth in Belgium and France. And we are also seeing improvements at the units that pick up later in the cycle. Demand from the SME segment is now visibly picking up as well and after nine quarters of contraction revenue from recruitment and selection grew again in the second quarter of 2014. The same development has been visible so far in July and we expect this positive trend to continue for the rest of the year, with a positive impact on the gross margin percentage and on the conversion to EBITA.

Working days (weighted average)	2014	2013
First quarter	63.0	62.9
Second quarter	61.0	60.7
Third quarter*	65.0	65.3
Fourth quarter*	63.9	63.4

* *Second half of 2014 based on most recent revenue mix forecast*

Risks and uncertainties
The elements of the risk management and control systems and the main risks identified that pose a potential threat to the realisation of our objectives are discussed in detail in USG People's 2013 annual report. The group has reviewed the risks identified in the light of the ongoing restrained economic recovery.

The main risks identified continue to persist in the first half of 2014. The group has identified no additional risks and uncertainties. A description of the risks and uncertainties can be found in the risk section of the 2013 annual report and note 3 to the consolidated financial statements for the year ended 31 December 2013.

Executive Board statement
The Executive Board of USG People N.V. hereby declares that, to the best of its knowledge, the interim financial statements give a true and fair view of the assets, liabilities, financial position and result of USG People and the companies jointly included in the consolidation, and that the interim report gives a true and fair view of the information referred to in the eighth and, insofar as applicable, the ninth subsection of Section 5:25d of the Dutch Act on Financial Supervision and with reference to the section on related parties in the interim financial statements.

Almere, 30 July 2014
USG People N.V.

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Additional information
Pages 11 up to and including 14 of this press release contain additional information with respect to the breakdown used in USG People financial statements. This additional information serves to assist the understanding of the quarterly figures for users of this press release.

Financial calendar

31 October 2014	Publication of third-quarter results
27 February 2015	Publication of fourth-quarter results

Presentation to analysts and press
Today USG People will present its results to analysts and the press at a meeting at the Crowne Plaza Hotel in Amsterdam Zuid. The event will also be webcast.

The event for analysts and the press commences at 9.30 CET and can be accessed externally using the link posted on the www.usgpeople.com website.

The number to call to participate in the conference call is +31 (0) 20 531 58 69.

A replay of the presentation and the Q&A session will be available from our website from 18.00 CET today via the link http://investor.usgpeople.com/phoenix.zhtml?c=139415&p=irol-presentations

Disclaimer
The predictions and forecasts made in this press release are provided without any form of guarantee as to their future realisation. This press release comprises or refers to forward-looking statements regarding the intentions, opinions or current expectations of USG People and its board or other management with respect to USG People and its business operations. In general, terms and concepts such as "may", "shall", "expect", "intend", "estimate", "foresee", "believe", "plan", "attempt", "continue" and similar refer to forward-looking statements. Forward-looking statements of this nature are no guarantee of future performance. They are based on current views and assumptions, and are subject to known and unknown risks, uncertainties and other factors which are largely outside USG People's control, as a result of which actual results or developments can be materially different from the future results or developments as set out implicitly or explicitly in these forward-looking statements. USG People assumes no liability whatsoever with respect to the updating or amending of forward-looking statements based on new information or future events or for any other reason whatsoever, other than insofar it is required to do so under relevant legislation and regulations or on the authority of a competent regulatory body.
This press release is available in both Dutch and English. In the event of ambiguities the Dutch text shall prevail.

About USG People
With revenue of € 2.3 billion in 2013 USG People is one of the largest providers of HR services in Europe, operating through established and recognisable national and international brands. Headquartered in the Dutch city of Almere, USG People is active in Belgium, Germany, France, Italy, Luxembourg, the Netherlands, Austria and Switzerland.
The brand portfolio of USG People comprises Start People, ASA, Call-IT, USG Restart, Vakcollege Groep (General Staffing) – Unique, Technicum, Secretary Plus, Creyf's (Specialist Staffing) – USG Engineering Professionals, USG Legal Professionals, USG Finance Professionals, USG Marketing, Communication & Sales Professionals, USG ICT Professionals, USG HR Professionals and USG Science Professionals (Professionals).

USG People is listed on the NYSE Euronext Amsterdam stock exchange and is included in the Amsterdam Midcap Index (AMX).
For more information on USG People or any of its operating companies, please visit our website at www.usgpeople.com.

Financial statements **Page**

Underlying results

Consolidated interim financial statements

Additional information by activity[1]
(unaudited)

3 months ended 30 June

Revenue (in millions of euros)	**2014**	**2013**	**Change**	**Organic change**
General Staffing	**351.1**	**331.2**	**6%**	**6%**
The Netherlands	132.0	131.1	1%	1%
Belgium	94.7	85.2	11%	11%
France	124.4	114.9	8%	8%
Specialist Staffing	**194.0**	**180.8**	**7%**	**7%**
The Netherlands	91.8	79.4	16%	16%
Belgium	46.4	45.1	3%	3%
Germany	54.0	54.1	0%	0%
Other	1.8	2.2	-18%	-18%
Professionals	**38.2**	**38.0**	**1%**	**1%**
The Netherlands	25.0	24.4	2%	2%
Belgium	12.0	12.8	-6%	-6%
Other	1.2	0.8	50%	50%
Group	**583.3**	**550.0**	**6%**	**6%**

Underlying EBITA (in millions of euros)	**2014**	**2013**	**Change**	**Organic change**	**2014 EBITA margin**	**2013 EBITA margin**
General Staffing	12.6	8.6	47%	47%	3.6%	2.6%
Specialist Staffing	6.1	5.3	15%	15%	3.1%	2.9%
Professionals	0.6	1.9	-68%	-68%	1.6%	5.0%
Corporate	-3.9	-6.0	35%	35%		
Group	**15.4**	**9.8**	**57%**	**57%**	**2.6%**	**1.8%**

[1] In the fourth quarter of 2013 there was a change in the segment breakdown as a result of which the reported figures for 2013 may differ from previous publications.

press release

Additional information by activity [1]

(unaudited)

6 months ended 30 June

Revenue (in millions of euros)	2014	2013	Change	Organic change
General Staffing	**667.3**	**641.1**	**4%**	**4%**
The Netherlands	261.8	261.7	0%	0%
Belgium	178.8	164.3	9%	9%
France	226.7	215.1	5%	5%
Specialist Staffing	**381.5**	**356.1**	**7%**	**7%**
The Netherlands	181.3	156.7	16%	16%
Belgium	89.8	89.3	1%	1%
Germany	106.8	105.6	1%	1%
Other	3.6	4.5	-20%	-20%
Professionals	**77.3**	**77.2**	**0%**	**0%**
The Netherlands	51.0	49.1	4%	4%
Belgium	24.2	26.3	-8%	-8%
Other	2.1	1.8	17%	17%
Group	**1.126.1**	**1.074.4**	**5%**	**5%**

Underlying EBITA (in millions of euros)	2014	2013	Change	Organic change	2014 EBITA margin	2013 EBITA margin
General Staffing	23.8	14.3	66%	66%	3.6%	2.2%
Specialist Staffing	13.7	10.9	26%	26%	3.6%	3.1%
Professionals	1.3	3.0	-57%	-57%	1.7%	3.9%
Corporate	-8.7	-12.0	28%	28%		
Group	**30.1**	**16.2**	**86%**	**86%**	**2.7%**	**1.5%**

[1] In the fourth quarter of 2013 there was a change in the segment breakdown as a result of which the reported figures for 2013 may differ from previous publications.

Additional information by country[1]
(unaudited)

3 months ended 30 June

Revenue (in millions of euros)	**2014**	**2013**	**Change**	**Organic change**
The Netherlands	248.8	234.9	6%	6%
Belgium	153.0	143.2	7%	7%
France	125.4	116.0	8%	8%
Germany	54.1	54.1	0%	0%
Other	2.0	1.8	11%	11%
Group	**583.3**	**550.0**	**6%**	**6%**

Underlying EBITA (in millions of euros)	**2014**	**2013**	**Change**	**Organic change**	**2014 EBITA margin**	**2013 EBITA margin**
The Netherlands	9.6	7.4	30%	30%	3.9%	3.2%
Belgium	6.2	6.2	0%	0%	4.1%	4.3%
France	6.0	3.2	88%	88%	4.8%	2.8%
Germany	-1.5	-0.6	-150%	-150%	-2.8%	-1.1%
Other	-1.0	-0.4	-150%	-150%	-50.0%	-22.2%
Corporate	-3.9	-6.0	35%	35%		
Group	**15.4**	**9.8**	**57%**	**57%**	**2.6%**	**1.8%**

[1] In the fourth quarter of 2013 there was a change in the segment breakdown as a result of which the reported figures for 2013 may differ from previous publications.

Additional information by country [1]
(unaudited)

6 months ended 30 June

Revenue (in millions of euros)	**2014**	**2013**	**Change**	**Organic change**
The Netherlands	494.1	467.5	6%	6%
Belgium	292.8	280.0	5%	5%
France	228.4	217.6	5%	5%
Germany	106.9	105.6	1%	1%
Other	3.9	3.7	5%	5%
Group	**1.126.1**	**1.074.4**	**5%**	**5%**

Underlying EBITA (in millions of euros)	**2014**	**2013**	**Change**	**Organic change**	**2014 EBITA margin**	**2013 EBITA margin**
The Netherlands	19.4	13.6	43%	43%	3.9%	2.9%
Belgium	12.7	11.3	12%	12%	4.3%	4.0%
France	9.8	4.8	104%	104%	4.3%	2.2%
Germany	-1.5	-1.1	-36%	-36%	-1.4%	-1.0%
Other	-1.6	-0.4	-300%	-300%	-41.0%	-10.8%
Corporate	-8.7	-12.0	28%	28%		
Group	**30.1**	**16.2**	**86%**	**86%**	**2.7%**	**1.5%**

[1] In the fourth quarter of 2013 there was a change in the segment breakdown as a result of which the reported figures for 2013 may differ from previous publications.

Consolidated interim financial statements

Consolidated income statement
(unaudited)

amounts in thousands of euros	6 months ended 30 June	
	2014	**2013**
Revenue	1,126,056	1,090,166
Cost of sales	-891,474	-859,474
Gross profit	**234,582**	**230,692**
Selling expenses	-165,821	-182,806
Amortisation of acquisition-related intangible assets	-3,394	-8,770
Total selling expenses	-169,215	-191,576
General and administrative expenses	-38,684	-59,138
Other income and expenses	39	27
Total operating expenses	-207,860	-250,687
Net income from divestments	-	28,785
Operating income	**26,722**	**8,790**
Finance costs	-5,589	-8,620
Finance income	1,438	5,211
Income before tax	**22,571**	**5,381**
Income tax expense	-18,062	4,061
Net income from continuing operations	**4,509**	**9,442**
Net income from discontinued operations	-	-48,797
NET INCOME	**4,509**	**-39,355**
ATTRIBUTABLE TO:		
Equity holders of the company	4,384	-39,448
Non-controlling interests	125	93
	4,509	-39,355
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (in euros, per share of € 0.50 nominal)		
Basic	€ 0.05	-€ 0.49
Diluted	€ 0.05	-€ 0.49

Consolidated statement of comprehensive income
(unaudited)

amounts in thousands of euros	6 months ended 30 June	
	2014	**2013**
Net income	4,509	-39,355
Other comprehensive income after tax:		
Items that may be reclassified to the income statement:		
Cash flow hedge	-287	-
Currency translation differences	11	472
Other comprehensive income after tax	**-276**	**472**
TOTAL COMPREHENSIVE INCOME	**4,233**	**-38,883**
ATTRIBUTABLE TO:		
Equity holders of the company	4,108	-38,976
Non-controlling interests	125	93
	4,233	-38,883

Consolidated balance sheet
(unaudited)

amounts in thousands of euros	30 June 2014	31 December 2013
NON-CURRENT ASSETS		
Property, plant and equipment	15,871	16,329
Goodwill	678,171	678,171
Other intangible assets	57,682	59,974
Financial fixed assets	36,518	26,954
Deferred income tax assets	52,118	62,507
	840,360	**843,935**
CURRENT ASSETS		
Trade and other receivables	313,499	279,903
Current income tax receivables	1,593	1,793
Cash and cash equivalents	33,108	63,965
	348,200	**345,661**
TOTAL ASSETS	**1,188,560**	**1,189,596**
EQUITY		
Capital and reserves attributable to equity holders of the company		
Share capital	406,400	406,390
Legal reserves	1,270	1,413
Retained earnings	48,519	50,532
	456,189	**458,335**
Non-controlling interests	**1,349**	**1,249**
Total equity	**457,538**	**459,584**
NON-CURRENT LIABILITIES		
Borrowings	209,862	209,327
Derivative financial instruments	428	46
Pension-related liabilities	6,430	6,201
Provisions	35,410	36,298
Deferred income tax liabilities	6,700	7,747
	258,830	**259,619**
CURRENT LIABILITIES		
Bank overdrafts and borrowings	29,092	32,532
Trade and other payables	405,564	396,000
Current income tax liabilities	15,599	9,900
Provisions	21,937	31,961
	472,192	**470,393**
Total liabilities	**731,022**	**730,012**
TOTAL EQUITY AND LIABILITIES	**1,188,560**	**1,189,596**

Consolidated statement of change in shareholders' equity
(unaudited)

amounts in thousands of euros	Attributable to equity holders of the company				
	Share capital	Legal reserves	Retained earnings	Non-controlling interests	Total equity
Balance as at 1January 2013	**406,390**	**1,137**	**81,397**	**551**	**489,475**
Net income HY 2013	-	-	-39,448	93	-39,355
Currency translation differences	-	-61	-	-	-61
Currency translation differences resulting from divestment of subsidiaries	-	533	-	-	533
Total comprehensive income	**-**	**472**	**-39,448**	**93**	**-38,883**
Change share plan	-	39	-	-	39
Acquisition of subsidiary	-	-	-	797	797
Dividend for 2012	-	-	-4,976	-74	-5,050
	-	39	-4,976	723	-4,214
Balance as at 30 June 2013	**406,390**	**1,648**	**36,973**	**1,367**	**446,378**
Balance as at 1 January 2014	**406,390**	**1,413**	**50,532**	**1,249**	**459,584**
Net income HY 2014	-	-	4,384	125	4,509
Cash flow hedge	-	-	-287	-	-287
Currency translation differences	-	11	-	-	11
Total comprehensive income	**-**	**11**	**4,097**	**125**	**4,233**
Change share plan	-	26	-	-	26
Change resulting from settlement of shareplan	10	-180	180	-	10
Dividend for 2013	-	-	-6,290	-25	-6,315
	10	-154	-6,110	-25	-6,279
Balance as at 30 June 2014	**406,400**	**1,270**	**48,519**	**1,349**	**457,538**

Consolidated statement of cash flows
(unaudited)

amounts in thousands of euros	6 months ended 30 June	
	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	22,571	5,381
Adjustments:		
Depreciation and amortisation of tangible and intangible assets	10,369	18,906
Result on disposal of tangible and intangible assets	185	526
Net income from divestments	-	-28,785
Other non-cash flow receivables	-8,659	-3,706
Finance costs	5,589	8,620
Finance income	-1,438	-5,211
Share plan expenses processed via equity	26	39
Currency translation differences	11	-270
Change in pension-related liabilities and provisions	-10,936	16,201
Changes in working capital:		
- trade and other receivables	-33,596	6,756
- trade and other payables	9,564	-16,572
Operating cash flow from continuing activities	-6,314	1,885
Income tax paid	-2,726	-3,355
Net cash flow from continuing operating activities	-9,040	-1,470
Net cash flow from discontinued operating activities	-	2,118
Net cash flow from operating activities	**-9,040**	**648**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of subsidiaries	-	-4,209
Investments in property, plant and equipment	-2,605	-1,333
Investments in intangible assets	-5,252	-7,128
Disposals of tangible and intangible assets	53	327
Divestments of subsidiaries	-	74,677
Receipt/payments on loans and guarantee deposits	40	-334
Net cash flow from continuing investing activities	-7,764	62,000
Net cash flow from discontinued investing activities	-	-743
Net cash flow from investing activities	**-7,764**	**61,257**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	10	-
Payments on derivative financial instruments	-69	-5,047
Repayments of borrowings	-14,470	-15,697
Interest paid	-4,293	-2,619
Interest received	16	166
Dividend paid	-6,290	-4,976
Dividend paid to non-controlling interests	-25	-74
Net cash flow from continuing financing activities	-25,121	-28,247
Net cash flow from discontinued financing activities	-	-1,028
Net cash flow from financing activities	**-25,121**	**-29,275**
DECREASE / INCREASE CASH AND CASH EQUIVALENTS	**-41,925**	**32,630**
CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents and bank overdrafts as at 1 January	48,947	21,402
Decrease / increase in cash and cash equivalents	-41,925	32,630
CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AS AT 30 JUNE	**7,022**	**54,032**

Notes to the consolidated interim financial statements

General

The corporate structure of USG People N.V. is a legal entity with limited liability (public limited company). USG People N.V. has its registered office in Almere, the Netherlands. The shares of the company are listed on the NYSE Euronext Amsterdam stock exchange. USG People provides all types of flexible employment services and a variety of other services in the area of human resources, education, training and customer care. The group operates in eight countries.

The consolidated interim financial statements of the company for the period ended 30 June 2014 comprise the company and its subsidiaries (referred to collectively as 'the group'). Amounts are shown in thousands of euros, unless stated otherwise.

The consolidated interim financial statements were prepared by the Executive Board on 28 July 2014. The interim report and the consolidated interim financial information were discussed at the Supervisory Board meeting of 28 July 2014.

These consolidated interim financial statements have not been audited or reviewed by an auditor.

Basis for compilation

The consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting'. The consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended on 31 December 2013.

Significant principles of valuation and determination of result

The principles of valuation and determination of the result applied to these consolidated interim financial statements are the same as those applied to the financial statements for the year ended on 31 December 2013, with the exception of the adjustments listed below, and are in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union.

Standards, amendments and interpretations effective from the 2014 financial year and of importance to the group

Amendments of standards effective from 2014 and any impact they may have on the result, equity and the explanatory notes provided by USG People are expanded on below.

IFRS 10 'Consolidated Financial Statements'. This standard identifies the concept of control as the determining factor in whether an entity should be included in the financial statements of the parent company and provides additional guidance where the determination of control is difficult to assess.
IFRS 12 'Disclosure of Interests in Other Entities'. This standard defines the disclosure requirements for all forms of interests in other entities, including associates and off-balance sheet entities.

IFRIC 21 'Levies'. This interpretation of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' further defines the moment that a government levy must be recognised as a liability on the balance sheet. The government levy is recognised as a liability from the moment when the obligating event triggers the levy and not from the moment that the levy generates economic benefit. IFRIC 21 is applicable within the European Union for financial years beginning after 17 June 2014.

The above-mentioned standards and interpretations do not have an impact (of material importance) on the amount or composition of the equity and result of the group, nor on the explanatory notes.

Estimates and judgements

Preparing the consolidated interim financial statements in accordance with IFRS means that the group is required to make assessments, estimates and assumptions that influence the application of regulations and the amounts reported for assets, equity, liabilities, commitments, income and expenses. However, actual results may differ from the estimates. The assessments, estimates and assumptions applied to these consolidated interim financial statements are the same as those that apply to the financial statements for the year ended 31 December 2013.

Seasonal influences
The group's revenue and results are impacted by seasonal influences. Seasonal influences mainly relate to the lower number of working days in the first half of the year, impacting revenue and the gross profit, as well as the distribution of holiday pay in the second quarter, impacting the level of working capital.

Impairment test
The current macroeconomic environment and the results realised were reason to conduct an impairment test at 30 June 2014. The outcome of the test did not lead to an impairment of goodwill or other fixed assets for the groups of cash-generating units.

Unconditional granting under Unique Share Plan 2008-2010
A total of 19,640 shares were granted under the Unique Share Plan 2008-2010 on 19 May 2014 because the right to grant 25% more shares became unconditional on 8 May. The intrinsic value on the date that the shares were unconditionally granted was €10.40.

Dividend distribution
On 5 June 2014 a dividend of € 0.14 per share was distributed in cash or shares. The number of dividend rights giving entitlement to one new ordinary share with a nominal value of € 0.50 was set at 78.302, with 35,552,496 shares registered for the distribution of stock dividend. A total of 454,043 ordinary shares were issued for this purpose. A total of € 6,290 was paid out in cash on the remaining shares. The stock dividend distributed was charged to the share premium reserve, part of the share capital.

Outstanding shares
The number of outstanding shares at 30 June 2014, following the unconditional granting of shares under the Unique Share Plan 2008-2010 and the distribution of stock dividend, was 80,957,360.

Operating segments
The Executive Board assesses the segments mainly on the basis of revenue and EBITA. Financing results are not attributed to the segments due to the fact that their cash resources are managed by the central treasury department. A breakdown of financing results and net income is therefore not provided. A number of operating segments has been grouped as 'other' due to their size. Revenue between the operating segments is not material and is therefore not shown separately.

The composition of some operating segments changed in the second half of 2013 due to the more focused positioning of brands and change in the senior management structure. The classification of the information reported to the Executive Board has been changed accordingly. The comparative figures for the first half of 2013 have been adjusted to reflect this.

The breakdown of the result for the first six months of 2014 and the balance sheet as at 30 June 2014 are as follows:

Segmentation of income 6 months ended:

30 June 2014	Revenue	Depreciation	EBITA	Amortisation	Operating income
General Staffing	**667,281**	**-3,588**	**23,709**	**-139**	**23,570**
The Netherlands	261,734	-1,623	9,479	-139	9,340
Belgium	178,845	-1,537	4,013	-	4,013
France	226,702	-428	10,217	-	10,217
Specialist Staffing	**381,454**	**-2,416**	**13,745**	**-2,455**	**11,290**
The Netherlands	181,286	-1,374	7,112	-	7,112
Belgium	89,769	-685	8,588	-104	8,484
Germany	106,818	-316	-958	-2,351	-3,309
Other	3,581	-41	-997	-	-997
Professionals	**77,321**	**-643**	**1,321**	**-800**	**521**
The Netherlands	51,039	-447	2,819	-657	2,162
Belgium	24,170	-180	98	-	98
Other	2,112	-16	-1,596	-143	-1,739
Corporate	**-**	**-327**	**-8,659**	**-**	**-8,659**
Total	**1,126,056**	**-6,974**	**30,116**	**-3,394**	**26,722**

30 June 2013	Revenue	Depreciation	EBITA	Amortisation	Operating income
General Staffing	**641,034**	**-5,195**	**2,377**	**-693**	**1,684**
The Netherlands	261,624	-3,216	-5,239	-164	-5,403
Belgium	164,334	-1,505	2,580	-529	2,051
France	215,076	-474	5,036	-	5,036
Specialist Staffing	**356,119**	**-3,502**	**-110**	**-5,541**	**-5,651**
The Netherlands	156,702	-2,087	-1,827	-2,079	-3,906
Belgium	89,302	-710	7,111	-273	6,838
Germany	105,611	-378	-3,214	-3,187	-6,401
Other	4,504	-327	-2,180	-2	-2,182
Professionals	**93,013**	**-1,232**	**-1,280**	**-2,536**	**-3,816**
The Netherlands	64,901	-1,006	563	-1,876	-1,313
Belgium	26,307	-204	-342	-517	-859
Other	1,805	-22	-1,501	-143	-1,644
Corporate	**-**	**-206**	**-12,212**	**-**	**-12,212**
Total	**1,090,166**	**-10,135**	**-11,225**	**-8,770**	**-19,995**

Segmentation of balance sheet as at:

30 June 2014	Property, plant & eq.	Goodwill	Intangible assets	Net working capital	Total
General Staffing	**7,258**	**244,351**	**28,088**	**-68,462**	**211,235**
The Netherlands	2,830	102,851	19,708	-329	125,060
Belgium	2,546	141,500	7,644	-27,418	124,272
France	1,882	-	736	-40,715	-38,097
Specialist Staffing	**6,723**	**350,883**	**20,019**	**-28,652**	**348,973**
The Netherlands	3,674	217,184	12,247	-9,004	224,101
Belgium	1,038	36,716	3,973	-15,720	26,007
Germany	1,830	96,983	3,760	-3,973	98,600
Other	181	-	39	45	265
Professionals	**1,099**	**82,937**	**8,741**	**5,170**	**97,947**
The Netherlands	846	70,492	7,390	6,212	84,940
Belgium	188	11,389	1,040	-1,009	11,608
Other	65	1,056	311	-33	1,399
Corporate	**791**	**-**	**834**	**-121**	**1,504**
Total	**15,871**	**678,171**	**57,682**	**-92,065**	**659,659**

30 June 2013	Property, plant & eq.	Goodwill	Intangible assets	Net working capital	Total
General Staffing	**8,794**	**244,351**	**26,960**	**-77,906**	**202,199**
The Netherlands	4,119	102,851	21,029	-557	127,442
Belgium	2,541	141,500	5,294	-33,262	116,073
France	2,134	-	637	-44,087	-41,316
Specialist Staffing	**7,785**	**350,883**	**24,064**	**-30,144**	**352,588**
The Netherlands	4,429	217,184	11,826	-5,660	227,779
Belgium	996	36,716	3,062	-20,270	20,504
Germany	2,098	96,983	9,144	-4,371	103,854
Other	262	-	32	157	451
Professionals	**1,320**	**82,925**	**11,587**	**3,174**	**99,006**
The Netherlands	1,043	70,480	10,079	5,482	87,084
Belgium	189	11,389	974	-2,122	10,430
Other	88	1,056	534	-186	1,492
Corporate	**1,892**	**-**	**553**	**918**	**3,363**
Total	**19,791**	**678,159**	**63,164**	**-103,958**	**657,156**

Reconciliation of results per operating segment to net income from continuing operations:

	6 months ended 30 June 2014	2013
Operating income in segmentation of income	26,722	-19,995
Net income from divestments	-	28,785
Operating income	26,722	8,790
Finance costs and income	-4,151	-3,409
Income tax expense	-18,062	4,061
Net income from continuing operations	4,509	9,442

Reconciliation of assets per operating segment to the balance sheet:

	30 June 2014	30 June 2013
Property, plant & equipment	15,871	19,791
Goodwill	678,171	678,159
Intangible assets	57,682	63,164
Trade and other receivables	313,499	294,841
Trade and other payables	-405,564	-398,799
Total	659,659	657,156

Finance costs and finance income

Finance costs totalled € 5,589 in the first half of 2014 compared to € 8,620 in 2013. Last year these costs included a payment on interest rate derivatives of € 5,047. The costs of borrowed funds excluding these derivatives expenses are higher due to the interest rate on the subordinated credit facility. Finance income amounted to € 1,438 in the first half of 2014 compared to € 5,211 in 2013. In 2014 this income included a revaluation of the loan extended to the French government of € 1,431 (compared to charge of € 477 in 2013). The unrealised revaluation of interest rate derivatives was € 5,066 in 2013. These derivatives contracts terminated in 2013.

Income tax expense

An income tax of € 18,062 was recognised on an income before income tax of € 22,571. In the first half of the year the deferred income tax asset connected with tax losses carried forward was written down for an amount of € 10,937 due to a changed assumption of the probability of these assets being used in the coming years, particularly in Germany. Also included is the tax on added value in France of € 3,136 which is recognised as income tax. The tax burden adjusted for this tax and the above-mentioned write-off was € 3,989 in the first half of 2014. This is 17.7% of the result before income tax. This percentage is relatively low as a result of the untaxed payment ensuing from the tax measure (CICE) and the deductibility of the tax on added value in France.
A tax gain representing 33.0% of the result before income tax was recognised in the first half of 2013, adjusted for the untaxed divestment of USG Energy and the tax on added value in France.

Net income from divestments / net income from discontinued operations

In the first half of 2013 the group divested the subsidiaries of USG Energy and the subsidiaries belonging to the General Staffing activities in Spain, Italy, Austria, Switzerland, Poland and Luxembourg. These transactions were recognised as net income from divestments (USG Energy) and net income from discontinued operations (General Staffing). The sale of USG Energy resulted in a positive result of € 28,785 that was recognised in the first half of 2013. The sale of the General Staffing activities resulted in a loss of € 49,648 in the first half of 2013. These results were adjusted in the second half of 2013. Further information about this can be found in the consolidated financial statements for the year ended on 31 December 2013.

French tax credit (CICE)
The financial fixed assets include a sum receivable from the French state under the CICE tax scheme. The tax sum due amounts to € 21,969 of which € 13,310 related to 2013. In the first half of 2014 the sum receivable rose by € 8,659. This amount is presented as 'other non-cash flow receivables' under operating cash flow from continuing activities in the statement of cash flows. The amounts receivable are discounted in line with the expected settlement period.

Cash and cash equivalents in cash flow statement
Breakdown of cash and cash equivalents and bank overdrafts:

	30 June 2014	30 June 2013
Cash and cash equivalents as stated in the balance sheet	33,108	64,967
Bank overdrafts	-26,086	-10,935
	7,022	54,032

Net debt
Net debt equalled € 205.8 million at 30 June 2014 compared to € 177.9 million at 31 December 2013. This rise is mainly due to an increase in working capital as a result of a higher trade receivable. This is caused by higher revenue in the final months of the first half of 2014 and a slight rise in the days of outstanding trade receivables.
Repayment of borrowings in the first half of 2014 relates to a reduction in the commercial paper programme of on balance € 14.5 million.

Ratio covenants with banking syndicate
At 30 June 2014 the total leverage ratio was 2.3 (which needs to be kept equal to or below 3.75), the senior leverage ratio was 1.7 (equal to or below 3.0) and the interest cover ratio was 8.5 (equal to or above 3.5). At 31 December 2013 the total leverage ratio was 2.3, the senior leverage ratio was 1.6 and the interest cover ratio was 5.8.

Factoring
Trade receivables in Belgium, France and Germany were sold as part of the factoring programme under which the group is permitted to have sold a maximum of € 150 million in trade receivables at any given time. The risks and rewards related to the receivables have been transferred to the factoring companies. At 30 June 2014 an amount of € 121.2 million in trade receivables had been sold (31 December 2013: € 121.1 million).

Provisions
The breakdown of the provisions as at 30 June 2014 is as follows:

	Restructuring provision	Personnel-related provisions	Other provisions	Total
Balance as at 1 January 2014	30,173	12,624	25,462	68,259
Provisions added	215	2,734	1,420	4,369
Provisions used	-8,836	-480	-1,940	-11,256
Provisions reversed	-1,707	-1,089	-1,229	-4,025
Balance as at 30 June 2014	19,845	13,789	23,713	57,347
Non-current	12,898	6,732	15,780	35,410
Current	6,947	7,057	7,933	21,937
Balance as at 30 June 2014	19,845	13,789	23,713	57,347

At 30 June 2014 an amount of € 18,872 (31 December 2013: € 24,514) of the restructuring provision related to rent obligations on buildings no longer in use. An amount of € 973 (31 December 2013: € 5,659) related to employee severance arrangements. The release of the provisions is a result of an adjustment to previously made assessments.

Related parties

There has been no change to the nature or relative amount of information provided about related parties compared to note 29 of the consolidated financial statements for the year ended on 31 December 2013.

Off balance sheet commitments

The nature and size of the commitments is unchanged compared to the information provided in note 30 of the consolidated financial statements for the year ended on 31 December 2013.

Contingent assets and liabilities

On 20 June 2014 the Supreme Court of the Netherlands ruled on the appeal lodged by the Dutch Tax Authorities (*Belastingdienst*) against a ruling by the Dutch district court of Arnhem on 12 February 2013 with respect to an excessive supplementary assessment. This supplementary assessment is based on Dutch legislation regarding assessments of excessive severance payouts and related to the departure of a former director. The Supreme Court did not rule in favour of USG People. This ruling has no impact on the size of composition of the equity and result of the group as a contingent asset was reported at 31 December 2013.

On 4 June 2014 the appeal lodged with the Tribunal des affaires de sécurité sociale (as expanded on in the consolidated financial statements for the year ended on 31 December 2013) in the case with URSSAF, the French social security authority, was dealt with. A ruling is expected in the second half of 2014.

There have been no developments with regard to the other contingent assets and liabilities stated in note 31 to the consolidated financial statements for the year ended on 31 December 2013.

Events after balance sheet date

No events of any material interest to the group as a whole took place after the balance sheet date.