usg people

press release

REVENUE UP 8%; UNDERLYING EBITA UP 26%

SECOND-QUARTER 2015 RESULTS

Almere, 31 July 2015

SECOND-QUARTER 2015 HIGHLIGHTS

- Revenue per working day rose 7.7% to € 618.6 million (Q2 2014: € 583.3 million)
- Growth in revenue per working day in the Netherlands accelerated to 9.0% (Q1 2015: 3.7%)
- Expense ratio improved by 0.7 percentage point to 16.3% (Q2 2014: 17.0%)
- Underlying EBITA increased 26% to € 19.4 million (Q2 2014: € 15.4 million); underlying EBITA margin rose to 3.1% (Q2 2014: 2.6%)
- Underlying net income rose to € 9.6 million (Q2 2014: € 7.9 million)

"In the second quarter we managed to further accelerate our growth," said Rob Zandbergen, CEO of USG People. "Market conditions in our countries continue to develop favourably. The upward trend in demand for our services continued both for large clients and in the small and medium-sized business (SME) segment. Growth is clearly continuing to pick up in the SME segment and there was also further growth at Professionals. In the Netherlands and Belgium our growth at the end of the quarter was in line with the market, while growth also accelerated in France and Germany, where we outperformed the market. Excluding seasonal effects such as the impact of public holidays the gross margin remained stable compared to the previous quarter. On balance the growth resulted in a strong increase in our underlying EBITA, which rose by 26%. We expect the positive trend to continue in the second half of 2015."

KEY FIGURES

Underlying results [1]	3 months ended 30 June			6 months ended 30 June		
in millions of euros	2015	2014	Δ	2015	2014	Δ
Revenue	618.6	583.3	6%	1,189.3	1,126.1	6%
Gross profit	123.7	118.1	5%	244.5	234.6	4%
Operating expenses	100.9	99.2	2%	201.2	197.5	2%
EBITDA	22.8	18.9	21%	43.3	37.1	17%
EBITA	19.4	15.4	26%	36.2	30.1	20%
Net income	9.6	7.9	22%	18.6	14.7	27%
Gross margin	20.0%	20.2%		20.6%	20.8%	
Expense ratio	16.3%	17.0%		16.9%	17.5%	
EBITDA margin	3.7%	3.2%		3.7%	3.3%	
EBITA margin	3.1%	2.6%		3.1%	2.7%	

[1] Underlying results have been adjusted for non-recurring costs.

NOTES TO THE SECOND-QUARTER 2015 RESULTS

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REVENUE

USG People saw revenue grow 6.1% in the second quarter to € 618.6 million (Q2 2014: € 583.3 million). The number of working days was on average 0.8 lower than in the second quarter of last year, which had a negative impact of 1.6% on revenue growth.
Revenue per working day increased 7.7%. Acquisitions had a positive effect on growth of 0.2%. In the Netherlands revenue growth accelerated to 9.0% from 3.7% in the previous quarter. In Belgium revenue per working day rose 9.0%, with growth in line with the previous quarter. France and Germany saw growth accelerate: in France revenue per working day rose by 6.3% (Q1 2015: 5.7%) while in Germany the increase was 4.6% (Q1 2015: 0.9%). The growth of USG People in France and Germany once again outpaced market growth.

The growth trend over the second quarter was distorted by the impact of differences in the number of working days, public holidays and bridging days. Taking this into consideration growth at the end of the quarter equalled 8.2% (growth in revenue per working day in March: 5.0%). There was a further acceleration of the growth in the first weeks of July.

GROSS MARGIN

The gross result amounted to € 123.7 million in the second quarter (Q2 2014: € 118.1 million). As a percentage of revenue the gross margin was 20.0% (Q2 2014: 20.2%).

Revenue from recruitment and selection was lower than a year earlier, mainly due to the termination of activities outside the core countries. Revenue from recruitment and selection accounted for 0.9% of total group revenue in the second quarter (Q2 2014: 1.0%); this decline had a negative impact of 10 basis points on the group gross margin. Other mix and pricing effects also had a negative impact of 10 basis points on the group gross margin level, mainly as a result of strong growth in the services we provide to large clients.

The large number of public holidays and bridging days had a substantial seasonal effect on the gross margin in the second quarter. The effect was particularly marked in Belgium and Germany, as these countries do not gradually build up reserves throughout the year to cover continued salary payments to flex workers on public holidays. Instead these salary costs are entirely recognised in the expenses for the current period, which means that the gross result and the gross margin will be lower in quarters containing a large number of public holidays. Compared to the first quarter the negative impact of this seasonal effect on the group margin equalled 100 basis points.

OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTISATION OF INTANGIBLE ASSETS

Underlying operating expenses rose by € 1.7 million compared to a year earlier to € 100.9 million (Q2 2014: € 99.2 million). Acquisitions added € 0.8 million to expenses, while organically expenses rose by € 0.9 million as a result of facilitating the further growth of our activities, especially in Belgium and France.

On balance the expense ratio, before depreciation, improved by 70 basis points to 16.3% from 17.0% in the second quarter of last year. The reduction in the cost level is in line with our target to lower the expense ratio by 60 basis points in 2015 compared to 2014 (from 16.6% in 2014 to 16.0% in 2015).

Reported expenses included both the underlying expenses and a non-recurring charge of € 4.5 million. This related to costs for organisational changes in connection with the previously announced optimisation programme, aimed at achieving annual cost savings of € 20 million in the Dutch organisation. The savings will be realised gradually from the third quarter of 2015 and the programme will be fully executed before the final quarter of 2016.

EBITA

in millions of euros	3 months ended 30 June 2015	2014
Underlying EBITA	**19.4**	**15.4**
Non-recurring operating expenses	-4.5	-
Reported EBITA	**14.9**	**15.4**

Underlying EBITA rose 26% to € 19.4 million (Q2 2014: € 15.4 million). The underlying EBITA margin increased to 3.1% compared to 2.6% in the same quarter last year. Reported EBITA including non-recurring effects amounted to € 14.9 million.

AMORTISATION OF ACQUISITION-RELATED INTANGIBLE ASSETS

Amortisation of acquisition-related intangible assets amounted to € 1.2 million in the second quarter (Q2 2014: € 1.5 million).

NET FINANCE COSTS

Net finance costs amounted to € 3.7 million in the second quarter (Q2 2014: € 2.3 million). The increase in net finance costs was due to discount effects, particularly in relation to the valuation of the *Prêt effort de construction* loan issued to the French government, as a result of higher interest rates on French government bonds. Excluding these effects interest expenses fell by € 0.3 million compared to last year (from € 2.4 million to € 2.1 million).

INCOME TAX EXPENSE

Tax in the second quarter of 2015 was a negative € 5.1 million (Q2 2014: € -13.9 million). This figure includes a € 1.9 million charge related to business tax in France. Furthermore an amount of € 1.6 million was not recognised for taxation on losses and there was a small positive adjustment from previous years amounting to € 0.2 million.

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

in millions of euros	3 months ended 30 June 2015	2014
Underlying net income	**9.6**	**7.9**
Non-recurring results	-4.5	-
Non-recurring income tax	-0.3	-10.3
Reported net income	**4.8**	**-2.4**
Net income per share (in euros)	**€ 0.06**	**€ -0.03**

Underlying net income rose to € 9.6 million from € 7.9 million in the second quarter of last year. Reported net income was € 4.8 million (Q2 2014: € -2.4 million).

BALANCE SHEET AND CASH FLOW

Working capital was € 16.4 million lower than in the second quarter of last year. Factoring of trade receivables rose by € 1.2 million to € 122.4 million (Q2 2014: € 121.2 million). Working capital including factoring was € -108.5 million at the end of the second quarter (Q2 2014: € -92.1 million).

The operating cash flow in the second quarter was € -20.1 million (Q2 2014: € -6.2 million). Cash flow was negative as a result of normal seasonal effects in the working capital and differences in the timing of tax payments. Net debt improved to € 195.4 million (Q2 2014: € 205.8 million). The leverage ratio (net debt / 12-month underlying EBITDA) improved to 2.0 (Q2 2014: 2.3).

SECOND-QUARTER 2015 RESULTS BY SEGMENT

General Staffing

General Staffing achieved increased revenue of € 378.5 million in the second quarter (Q2 2014: € 351.1 million). Revenue per working day rose 9.4% compared to the year-earlier quarter.

In the Netherlands revenue growth at Start People increased during the quarter to 12.4% (Q1 2015: 4.5%), putting growth in line with market growth.

Start People in Belgium reported a 9.4% rise in revenue per working day compared to a year earlier. Year-on-year growth remained strong despite a significantly higher comparison base. Last year Start People in Belgium achieved growth of 11.7% in the second quarter.

In France growth at Start People continued to outpace the market, with revenue per working day rising 6.2% in the second quarter compared to a year earlier. Growth once again accelerated compared to the preceding quarter, when revenue per working day increased by 5.4%.

The gross margin fell compared to the first quarter as a result of the impact of public holidays. In Belgium in particular the large number of public holidays means there is always a seasonal impact on the gross margin in the second quarter, but the impact this year was larger than last year.
Mix and pricing effects had a slight positive impact. Expenses in Belgium and France increased to enable these countries to sustain further growth.

Underlying EBITA amounted to € 12.6 million in the second quarter (Q2 2014: € 12.6 million). The EBITA margin was 3.3% (Q2 2014: 3.6%).

Specialist Staffing

Specialist Staffing generated increased revenue of € 199.7 million in the second quarter (Q2 2014: € 194.0 million). In the core countries revenue per working day rose by 5.3% year-on-year.

In the Netherlands revenue per working day increased 4.6% compared to the same quarter last year. The growth rate was below the market level, mainly due to higher growth in the second quarter of last year, when Specialist Staffing achieved revenue growth of 15.7% compared to market growth of 5%. Secretary Plus in the Netherlands registered a strong acceleration of growth, with revenue rising by 36.0% compared to last year (Q1 2015: 16.1%).

In Belgium revenue per working day at Specialist Staffing increased by 7.6%, while year-on-year growth at Unique was 7.0% and at Secretary Plus 10.8%.

In Germany revenue rose 4.3% compared to the same quarter last year. Revenue at Unique rose by 4.3% while Secretary Plus achieved growth of 4.0% compared to last year.

The gross margin rose compared to the year-earlier period, mainly due to a margin increase in the Netherlands as a result of stronger revenue in the SME segment. In Belgium growth was strongest among volume clients, resulting in a slight drop in the gross margin here. Operating expenses were lower compared to the second quarter of last year.

Underlying EBITA at Specialist Staffing improved to € 10.1 million (Q2 2014: € 6.1 million). The EBITA margin rose to 5.1% (Q2 2014: 3.1%).

Professionals

Revenue at USG Professionals rose to € 37.4 million (Q2 2014: € 36.8 million). Revenue per working day was up 3.8%. In the Netherlands revenue per working day rose by 3.8% and in Belgium the increase was 2.6%.

Underlying EBITA rose to € 1.2 million (Q2 2014: € 0.3 million). The EBITA margin was up at 3.2% (Q2 2014: 0.8%).

Online Business Solutions

Revenue at Online Business Solutions continued to rise to € 3.0 million in the second quarter (Q2 2014: € 1.4 million).

NOTES TO THE FIRST-HALF 2015 RESULTS

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REVENUE

Revenue at USG People rose by 5.6% in the first half of the year to € 1,189.3 million (H1 2014: € 1,126.1 million). Revenue per working day rose 6.4% compared to a year earlier. Growth was achieved in all four core countries in the first six months of the year. Revenue in the Netherlands rose 4.7% (growth in revenue per working day equalled 6.4%), in Belgium 8.9%, in France 5.7% and in Germany 2.7%. In the countries outside the Netherlands there was virtually no difference in the number of working days. Viewed by segment revenue was up 7.1% at General Staffing, 3.0% at Specialist Staffing and up 2.3% at Professionals – the segment that recovers later in the cycle – compared to the first half of 2014.

GROSS MARGIN

The underlying gross profit rose to € 244.5 million in the first half of the year (H1 2014: € 234.6 million). As a percentage of revenue the gross margin was 20.6% against 20.8% in the first half of last year. The gross margin fell year-on-year due to changes in the revenue mix, including an increase in revenue from large clients and lower revenue from recruitment and selection due to the termination of activities outside the core countries. In addition the gross margin fell due to pricing pressure. Growth in the SME segment had a positive impact on gross margin development.

The reported gross profit in first half of 2015 amounted to € 242.6 million. This included both the underlying gross profit and a non-recurring charge of € 1.9 million relating mainly to an optimisation of the working base at USG Professionals.

OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTISATION OF INTANGIBLE ASSETS

Underlying operating expenses rose by 1.9% to € 201.2 million (H1 2014: € 197.5 million). Acquisitions added € 1.3 million to expenses, while further revenue growth in Belgium and France also put slight upward pressure on operating expenses in absolute terms. In the Netherlands and Germany expenses were lower. As a percentage of revenue the expense ratio improved to 16.9% (H1 2014: 17.5%).

Reported expenses in the first half of the year included both the underlying expenses and a non-recurring charge of € 5.8 million. This related to costs for organisational changes in connection with the announced optimisation programme, aimed at achieving annual cost savings of € 20 million in the Dutch organisation. The savings will be realised gradually from the third quarter of 2015 and the programme will be fully executed before the final quarter of 2016.

EBITA

	6 months ended 30 June	
in millions of euros	2015	2014
Underlying EBITA	**36.2**	**30.1**
Non-recurring gross profit	-1.9	-
Non-recurring operating expenses	-5.8	-
Non-recurring depreciation	-0.3	-
Reported EBITA	**28.2**	**30.1**

Underlying EBITA amounted to € 36.2 million (H1 2014: € 30.1 million). The EBITA margin was 3.1% compared to an underlying margin of 2.7% in the first half of last year.

AMORTISATION OF ACQUISITION-RELATED INTANGIBLE ASSETS

Underlying amortisation of acquisition-related intangible assets declined to € 2.6 million from € 3.4 million in the same period last year. Amortisation was lower due to depreciation periods coming to an end. Reported amortisation also included an amount of € 4.1 million relating to the amortisation of goodwill in connection with the transfer of Vakcollege, which, after being supported by USG People for several years, will continue as an independent foundation named *Stichting Vakmanschap in het Beroepsonderwijs* from 1 August. The foundation was established by the Dutch ministry of Education, Culture and Science and will take over the funding of this training organisation from USG People as from the aforementioned date.

The acquisition-related intangible assets concern brand rights and client portfolios valued at the time of acquisition.

NET FINANCE COSTS

Underlying net finance costs rose to € 5.1 million compared to € 4.2 million in the first half of last year. The increase in net finance costs was due to discount effects, particularly in relation to the valuation of the *Prêt effort de construction* loan issued to the French government, as a result of higher interest rates on French government bonds. Excluding these effects interest expenses fell by € 0.6 million compared to last year (from € 4.9 million to € 4.3 million).

INCOME TAX EXPENSE

Tax amounted to a negative € 9.6 million in the first half of 2015 (H1 2014: € -18.1 million). The figure includes a € 3.4 million charge relating to business tax in France. Furthermore an amount of € 3.7 million was not recognised for taxation on losses and there was a small positive adjustment from previous years amounting to € 0.3 million. In addition there was a positive tax effect of € 1.5 million in connection with the transfer of Vakcollege.

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	6 months ended 30 June	
in millions of euros	2015	2014
Underlying net income	**18.6**	**14.7**
Non-recurring results	-8.0	-
Non recurring amortisation	-4.1	-
Non-recurring income tax	0.1	-10.3
Reported net income	**6.6**	**4.4**
Net income per share (in euros)	**€ 0.08**	**€ 0.05**

Underlying net income amounted to € 18.6 million against € 14.7 million in the first six months of last year. Reported net income was € 6.6 million (H1 2014: € 4.4 million).

BALANCE SHEET AND CASH FLOW

Working capital rose by € 22.0 million in the first half of the year compared to a rise of € 24.0 million in the same period last year. The rise was mainly due to seasonal effects. Factoring of trade receivables fell by € 1.7 million to € 122.4 million (end-2014: € 124.1 million). Working capital including factoring stood at € -108.5 million at 30 June 2015 compared to € -92.1 million a year earlier.

Operating cash flow was € -14.9 million in the first half of the year (H1 2014: € -9.0 million). Net debt rose by € 45.7 million in the first half of the year to € 195.4 million (end-2014: € 149.7 million). Net debt rose mainly due to higher working capital in the second quarter and the distribution of the cash dividend (€ 13.0 million). The leverage ratio (net debt / 12-month underlying EBITDA) was 2.0.

RISKS AND UNCERTAINTIES

The elements of the risk management and control systems and the main risks identified that could pose a potential threat to the realisation of our objectives are discussed in detail in USG People's 2014 annual report. The group has reviewed the risks identified in the light of the ongoing restrained economic recovery.

The main risks identified continued to persist in the first half of 2015. 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 2014 annual report and in note 3 to the consolidated financial statements for the year to 31 December 2014.

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 profit or loss 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, 31 July 2015
USG People N.V.

R. Zandbergen
L. Geirnaerdt

OTHER INFORMATION

OUTLOOK

The second quarter saw further acceleration of our revenue growth to 8.2%, with this positive trend continuing unabated in July. The third quarter has 5.3 more working days than the second quarter.
Thanks to the continuing recovery of our markets we expect price developments to be stable for the rest of 2015. In addition to the previously announced optimisation programme we are maintaining a sharp focus on commercial and operational excellence. For the 2015 full year we expect expenses (underlying expenses excluding depreciation) to be below 16.0% of revenue, in line with our target.

WORKING DAYS

(weighted average)	2015	2014
Q1	63.0	63.0
Q2	60.2	61.0
Q3	65.5	65.0
Q4	64.5	63.8

FOR MORE INFORMATION ABOUT THIS PRESS RELEASE, PLEASE CONTACT:

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ADDITIONAL INFORMATION

Pages 12 up to and including 15 of this press release contain additional information with respect to the segmentation used in USG People's financial statements. This additional information serves to give users of this press release a better understanding of the quarterly figures.

FINANCIAL CALENDAR

30 October 2015	Publication of third-quarter 2015 results
26 February 2016	Publication of fourth-quarter 2015 results
29 April 2016	Publication of first-quarter 2016 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 71.

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 Dutch and English. In the event of ambiguities, the Dutch text shall prevail.

ABOUT USG PEOPLE

With revenue of € 2.4 billion in 2014 USG People is one of the largest providers of HR services in Europe with established and recognisable international brands. The brand portfolio comprises Start People, Unique, Secretary Plus, USG Professionals and Solvus.

Headquartered in the Dutch city of Almere, USG People is active in Belgium, France, Germany and the Netherlands. USG People is listed on the Euronext Amsterdam stock exchange and is included in the AMX Index.

For more information on USG People or any of its operating companies, please visit our website at www.usgpeople.com.

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION BY ACTIVITY

(unaudited)

3 months ended 30 June

Revenue

in millions of euros	2015	2014	Change	Organic change
General Staffing	**378.5**	**351.1**	**8%**	**8%**
The Netherlands	143.6	132.0	9%	9%
Belgium	103.5	94.7	9%	9%
France	131.4	124.4	6%	6%
Specialist Staffing	**199.7**	**194.0**	**3%**	**3%**
The Netherlands	92.9	91.8	1%	1%
Belgium	49.8	46.4	7%	7%
Germany	56.3	54.0	4%	4%
Other	0.7	1.8	-61%	-61%
Professionals	**37.4**	**36.8**	**2%**	**2%**
The Netherlands	23.7	23.6	0%	0%
Belgium	12.3	12.0	3%	3%
Other	1.4	1.2	17%	17%
Online Business Solutions	**3.0**	**1.4**	**114%**	**10%**
Group	**618.6**	**583.3**	**6%**	**6%**

Underlying EBITA

in millions of euros	2015	2014	Change	Organic change
General Staffing	12.6	12.6	0%	0%
Specialist Staffing	10.1	6.1	66%	66%
Professionals	1.2	0.3	300%	300%
Online Business Solutions	0.2	0.3	-33%	-84%
Corporate	-4.7	-3.9	-21%	-21%
Group	**19.4**	**15.4**	**26%**	**25%**

Underlying EBITA margin

in %	2015	2014	Change	Organic change
General Staffing	3.3%	3.6%	-30bp	-30bp
Specialist Staffing	5.1%	3.1%	200bp	200bp
Professionals	3.2%	0.8%	240bp	240bp
Online Business Solutions	6.7%	21.4%	-1470bp	-1470bp
Group	**3.1%**	**2.6%**	**50bp**	**50bp**

usg people

ADDITIONAL INFORMATION BY ACTIVITY

(unaudited)

6 months ended 30 June

Revenue

in millions of euros	2015	2014	Change	Organic change
General Staffing	**714.7**	**667.3**	**7%**	**7%**
The Netherlands	279.3	261.8	7%	7%
Belgium	196.2	178.8	10%	10%
France	239.2	226.7	6%	6%
Specialist Staffing	**392.8**	**381.5**	**3%**	**3%**
The Netherlands	184.4	181.3	2%	2%
Belgium	97.0	89.8	8%	8%
Germany	109.3	106.8	2%	2%
Other	2.1	3.6	-42%	-42%
Professionals	**76.3**	**74.6**	**2%**	**2%**
The Netherlands	48.3	48.3	0%	0%
Belgium	25.2	24.2	4%	4%
Other	2.8	2.1	33%	33%
Online Business Solutions	**5.5**	**2.7**	**104%**	**17%**
Group	**1,189.3**	**1,126.1**	**6%**	**5%**

Underlying EBITA

in millions of euros	2015	2014	Change	Organic change
General Staffing	22.1	23.8	-7%	-7%
Specialist Staffing	20.4	13.7	49%	49%
Professionals	2.5	0.9	178%	178%
Online Business Solutions	0.3	0.4	-25%	-56%
Corporate	-9.1	-8.7	-5%	-5%
Group	**36.2**	**30.1**	**20%**	**20%**

Underlying EBITA margin

in %	2015	2014	Change	Organic change
General Staffing	3.1%	3.6%	-50bp	-50bp
Specialist Staffing	5.2%	3.6%	160bp	160bp
Professionals	3.3%	1.2%	210bp	210bp
Online Business Solutions	5.5%	14.8%	-930bp	-930bp
Group	**3.1%**	**2.7%**	**40bps**	**40bps**

ADDITIONAL INFORMATION BY COUNTRY

(unaudited)

3 months ended 30 June

Revenue

in millions of euros	2015	2014	Change	Organic change
The Netherlands	262.8	248.8	6%	5%
Belgium	166.0	153.0	8%	8%
France	132.6	125.4	6%	6%
Germany	56.6	54.1	5%	5%
Other	0.6	2.0	-70%	-70%
Group	**618.6**	**583.3**	**6%**	**6%**

Underlying EBITA

in millions of euros	2015	2014	Change	Organic change
The Netherlands	11.6	9.6	21%	19%
Belgium	6.9	6.2	11%	11%
France	6.2	6.0	3%	3%
Germany	-0.2	-1.5	87%	87%
Other	-0.4	-1.0	60%	60%
Corporate	-4.7	-3.9	-21%	-21%
Group	**19.4**	**15.4**	**26%**	**25%**

Underlying EBITA margin

in %	2015	2014	Change	Organic change
The Netherlands	4.4%	3.9%	50bp	50bp
Belgium	4.2%	4.1%	10bp	10bp
France	4.7%	4.8%	-10bp	110bp
Germany	-0.4%	-2.8%	240bp	240bp
Group	**3.1%**	**2.6%**	**50bp**	**50bp**

ADDITIONAL INFORMATION BY COUNTRY

(unaudited)

6 months ended 30 June

Revenue

in millions of euros	2015	2014	Change	Organic change
The Netherlands	517.1	494.1	5%	4%
Belgium	318.8	292.8	9%	9%
France	241.5	228.4	6%	6%
Germany	109.8	106.9	3%	3%
Other	2.1	3.9	-46%	-46%
Group	**1,189.3**	**1,126.1**	**6%**	**5%**

Underlying EBITA

in millions of euros	2015	2014	Change	Organic change
The Netherlands	21.2	19.4	9%	8%
Belgium	14.9	12.7	17%	18%
France	9.6	9.8	-2%	-2%
Germany	0.4	-1.5	127%	127%
Other	-0.8	-1.6	50%	50%
Corporate	-9.1	-8.7	-5%	-5%
Group	**36.2**	**30.1**	**20%**	**20%**

Underlying EBITA margin

in %	2015	2014	Change	Organic change
The Netherlands	4.1%	3.9%	20bp	20bp
Belgium	4.7%	4.3%	40bp	40bp
France	4.0%	4.3%	-30bp	-30bp
Germany	0.4%	-1.4%	180bp	180bp
Group	**3.1%**	**2.7%**	**40bp**	**40bp**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(unaudited)

	6 months ended 30 June	
amounts in thousands of euros	**2015**	**2014**
Revenue	1,189,255	1,126,056
Cost of sales	-946,593	-891,474
Gross profit	**242,662**	**234,582**
Selling expenses	-170,921	-165,821
Amortisation and impairment of acquisition-related intangible assets	-6,662	-3,394
Total selling expenses	**-177,583**	**-169,215**
General and administrative expenses	-43,505	-38,684
Total operating expenses	**-221,088**	**-207,899**
Operating income	**21,574**	**26,683**
Finance costs	-5,527	-5,589
Finance income	407	1,438
Net finance costs	**-5,120**	**-4,151**
Share of income of associates	-15	39
Income before tax	**16,439**	**22,571**
Income tax expenses	-9,570	-18,062
NET INCOME	**6,869**	**4,509**
ATTRIBUTABLE TO:		
Equity holders of the company	6,573	4,384
Non-controlling interests	296	125
	6,869	**4,509**
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
(in euros, per share of € 0.50 nominal)		
Basic earnings per share	€ 0.08	€ 0.05
Diluted earnings per share	€ 0.08	€ 0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

	6 months ended 30 June	
amounts in thousands of euros	**2015**	**2014**
Net income	6,869	4,509
Other comprehensive income after tax:		
Items that may be reclassified to the income statement:		
- Cash flow hedge	91	-287
- Currency translation differences	61	11
	152	**-276**
Other comprehensive income after tax	**152**	**-276**
TOTAL COMPREHENSIVE INCOME	**7,021**	**4,233**
ATTRIBUTABLE TO:		
Equity holders of the company	6,725	4,108
Non-controlling interests	296	125
	7,021	**4,233**

CONSOLIDATED BALANCE SHEET

(unaudited)

amounts in thousands of euros	30 June 2015	31 December 2014
ASSETS		
Property, plant and equipment	16,101	16,257
Goodwill	678,987	683,084
Other intangible assets	55,887	57,995
Financial fixed assets	61,310	52,675
Deferred income tax assets	48,240	49,877
Non-current assets	**860,525**	**859,888**
Trade and other receivables	346,431	294,383
Current income tax receivables	1,210	2,211
Cash and cash equivalents	30,849	64,691
Current assets	**378,490**	**361,285**
TOTAL ASSETS	**1,239,015**	**1,221,173**
EQUITY AND LIABILITIES		
Paid-up and called-up capital	40,559	40,479
Share premium	365,921	365,921
Reserves	64,956	70,704
Equity attributable to holders of the company	**471,436**	**477,104**
Non-controlling interests	**2,120**	**1,824**
Total equity	**473,556**	**478,928**
Borrowings	215,846	214,515
Derivate financial instruments	497	583
Pension-related liabilities	6,197	5,928
Provisions	30,464	31,433
Deferred income tax liabilities	6,585	7,333
Non-current liabilities	**259,589**	**259,792**
Bank overdrafts and borrowings	15,316	7,630
Trade and other payables	454,923	424,896
Current income tax liabilities	18,449	22,508
Provisions	17,182	27,419
Current liabilities	**505,870**	**482,453**
Total liabilities	**765,459**	**742,245**
TOTAL EQUITY AND LIABILITIES	**1,239,015**	**1,221,173**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited)

amounts in thousands of euros	PAID-UP AND CALLED-UP CAPITAL	SHARE PREMIUM	RESERVES	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Balance as at 1 January 2014	**40,242**	**366,148**	**51,945**	**458,335**	**1,249**	**459,584**
Net income HY 2014	-	-	4,384	4,384	125	4,509
Cash flow hedge	-	-	-287	-287	-	-287
Currency translation differences	-	-	11	11	-	11
Total comprehensive income	**-**	**-**	**4,108**	**4,108**	**125**	**4,233**
Change from settlement of share plan	10	-	-	10	-	10
Change share plan	-	-	26	26	-	26
Stock dividend for 2013	227	-227	-	-	-	-
Cash dividend for 2013	-	-	-6,290	-6,290	-	-6,290
Dividend paid to holders of non-controlling interests	-	-	-	-	-25	-25
	237	**-227**	**-6,264**	**-6,254**	**-25**	**-6,279**
BALANCE AS AT 30 JUNE 2014	**40,479**	**365,921**	**49,789**	**456,189**	**1,349**	**457,538**
Balance as at 1 January 2015	**40,479**	**365,921**	**70,704**	**477,104**	**1,824**	**478,928**
Net income HY 2015	-	-	6,573	6,573	296	6,869
Cash flow hedge	-	-	91	91	-	91
Currency translation differences	-	-	61	61	-	61
Total comprehensive income	**-**	**-**	**6,725**	**6,725**	**296**	**7,021**
Change from settlement of share plan	80	-	-	80	-	80
Change share plan	-	-	480	480	-	480
Cash dividend for 2014	-	-	-12,953	-12,953	-	-12,953
	80	**-**	**-12,473**	**-12,393**	**-**	**-12,393**
BALANCE AS AT 30 JUNE 2015	**40,559**	**365,921**	**64,956**	**471,436**	**2,120**	**473,556**

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	6 months ended 30 June	
amounts in thousands of euros	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	16,439	22,571
Adjustments:		
Depreciation, amortisation and impairment of tangible and intangible assets	14,093	10,369
Result on disposal of tangible and intangible assets	160	185
Other non-cash flow receivables	-9,235	-8,659
Finance costs	5,527	5,589
Finance income	-407	-1,438
Share plan expenses processed via equity	480	26
Currency translation differences	48	11
Change in pension-related liabilities and provisions	-4,631	-10,936
Changes in working capital:		
- trade and other receivables	-56,274	-33,596
- trade and other payables	30,629	9,564
Cash flow from operating activities	**-3,171**	**-6,314**
Income tax paid	-11,735	-2,726
Net cash flow from operating activities	**-14,906**	**-9,040**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of subsidiaries	-3,278	-
Acquisitions of associates	-350	-
Investments in property, plant and equipment	-2,704	-2,605
Investments in intangible assets	-5,224	-5,252
Disposals of tangible and intangible assets	47	53
Divestments of subsidiaries	-2,340	-
Proceeds on loans and guarantee deposits	32	40
Net cash flow from investing activities	**-13,817**	**-7,764**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	80	10
Payments on derivative financial instruments	-123	-69
Proceeds from borrowings	18	-
Repayments of borrowings	-	-14,470
Interest paid	-3,524	-4,293
Interest received	194	16
Dividend paid to holders of non-controlling interests	-	-25
Dividend paid	-12,953	-6,290
Net cash flow from financing activities	**-16,308**	**-25,121**
DECREASE CASH AND CASH EQUIVALENTS	**-45,031**	**-41,925**
CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents and bank overdrafts as at 1 January	60,639	48,947
Decrease in cash and cash equivalents	-45,031	-41,925
CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AS AT 30 JUNE	**15,608**	**7,022**

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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 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 four countries.

The consolidated interim financial statements of the company for the period ended 30 June 2015 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 29 July 2015. The interim report and the consolidated interim financial statements were discussed at the Supervisory Board meeting of 29 July 2015.

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

Basis for presentation

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 2014. An unqualified auditor's report on the 2014 financial statements was issued on 25 February.

Significant accounting policies

The significant accounting policies applied to these consolidated interim financial statements are the same as those applied to the financial statements for the year ended on 31 December 2014, with the exception of the adjustment in the International Financial Reporting Standards (IFRS) as listed below, and are in accordance with the (IFRS) as adopted within the European Union.

New standards, amendments and interpretations effective from the 2015 financial year and of importance to the group

New standards, amendments to standards and interpretations effective from 2015 and any impact these may have on the result, equity and the notes provided by USG People are expanded on below.

IFRIC 21 'Levies'. This interpretation of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' sets out criteria for the moment at which a government levy should be recognised as a liability on the balance sheet. The government levy is considered to be a liability at the moment that the obligating event that gives rise to the liability takes place and not the moment that the economic benefit ensuing from this liability is gained. IFRIC 21 applies within the European Union for financial years commencing after 17 June 2014. The group has adopted this interpretation with effect from 1 January 2015.

The above-mentioned interpretation has no impact (of material importance) on the amount or composition of the equity and result of the group, or on the 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. Actual results may differ from any such estimates. The assessments, estimates and assumptions applied to these consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended 31 December 2014.

Seasonal influences

The group's revenue and results are subject to seasonal influences. These influences mainly concern the smaller number of working days in the first half of the year compared to the second half, which impacts revenue and the gross profit, as well as the distribution of holiday pay in the second quarter, which impacts the level of working capital.

Acquisitions and divestments

The amortisation of acquisition-related intangible assets includes an amount of € 4,097 relating to the impairment of goodwill in connection with the transfer of Vakcollege to the foundation *Stichting Vakmanschap in het Beroepsonderwijs* from 1 August 2015.

The acquisitions of subsidiaries of € 3,278 relate to the settlement of contingent considerations for acquisitions made previously. The acquisition of associates for the amount of € 350 concerns a stake in Speakap. The divestments of subsidiaries amounting to € 2,340 relates to the settlement of a guarantee scheme granted in relation to a previous divestment.

Impairment test

The consolidated financial statements for the year ended 31 December 2014 identified a number of cash-generating units as being sensitive. This prompted us to conduct an impairment test at 30 June 2015. The outcome of the test did not result in an impairment of goodwill or other fixed assets.

Unconditional granting under Unique Share Plan 2011-2014 and number of shares outstanding

On 13 May 2015 a total of 161,401 shares were delivered under the Unique Share Plan 2011-2014 after the right to grant these shares became unconditional on 7 May. This resulted in an increase of € 80 in the paid-up and called-up capital. The intrinsic value on the date that the shares were granted was €12.26. As at 30 June 2015 the number of shares following the granting of these shares equalled 81,118,761.

During 2015 a new share plan has come into force for key management and for other staff.

Dividend distribution

On 2 June 2015 a dividend of € 0.16 per share was distributed in cash, with an amount of € 12,953 being charged to the reserves.

Operating segments

The Executive Board assesses the segments mainly on the basis of revenue and EBITA. Net finance costs are not attributed to the segments given that the cash resources are managed by the central treasury department, and for this reason no breakdown of net finance costs or net income is provided. A number of operating segments have been grouped under ‘other’ on account of their size. Revenue between the operating segments is not material and is therefore not shown separately.

The breakdown of the result for the first six months of 2015 is as follows:

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Segmentation of income 6 months ended:

30 JUNE 2015	REVENUE	DEPRECIATION	EBITA	AMORTISATION AND IMPAIRMENT	OPERATING INCOME
The Netherlands	279,258	-1,963	3,161	-4,236	-1,075
Belgium	196,155	-1,641	4,949	-	4,949
France	239,224	-396	9,664	-	9,664
General Staffing	**714,637**	**-4,000**	**17,774**	**-4,236**	**13,538**
The Netherlands	184,435	-1,227	10,930	-	10,930
Belgium	97,004	-746	9,188	-104	9,084
Germany	109,270	-329	705	-1,039	-334
Other	2,134	-165	-1,013	-373	-1,386
Specialist Staffing	**392,843**	**-2,467**	**19,810**	**-1,516**	**18,294**
The Netherlands	48,276	-321	982	-386	596
Belgium	25,247	-180	67	-	67
Other	2,764	-19	-965	-96	-1,061
Professionals	**76,287**	**-520**	**84**	**-482**	**-398**
Online Business Solutions	**5,488**	**-363**	**318**	**-428**	**-110**
Corporate	**-**	**-81**	**-9,750**	**-**	**-9,750**
TOTAL	**1,189,255**	**-7,431**	**28,236**	**-6,662**	**21,574**

30 JUNE 2014	REVENUE	DEPRECIATION	EBITA	AMORTISATION AND IMPAIRMENT	OPERATING INCOME
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
General Staffing	**667,281**	**-3,588**	**23,709**	**-139**	**23,570**
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
Specialist Staffing	**381,454**	**-2,416**	**13,745**	**-2,455**	**11,290**
The Netherlands	48,332	-332	2,455	-518	1,937
Belgium	24,170	-180	98	-	98
Other	2,112	-16	-1,596	-143	-1,739
Professionals	**74,614**	**-528**	**957**	**-661**	**296**
Online Business Solutions	**2,707**	**-115**	**364**	**-139**	**225**
Corporate	**-**	**-327**	**-8,698**	**-**	**-8,698**
TOTAL	**1,126,056**	**-6,974**	**30,077**	**-3,394**	**26,683**

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Reconciliation of segment results to net income is as follows:

	6 months ended 30 June	
	2015	2014
Operating income in segmentation of income	21,574	26,683
Net finance costs	-5,120	-4,151
Share of income of associates	-15	39
Income tax expense	-9,570	-18,062
NET INCOME	**6,869**	**4,509**

There are no material changes in the assets per segment as compared to the consolidated financial statements for the year ended 31 December 2014.

Net finance costs

The financing result was € -5,120 for the first half of 2015 compared to € -4,151 in 2014. Finance costs included an amount of € -651 as a result of the discount on the valuation of the loan issued to the French government (2014: income of € 1,431). Excluding discount effects interest expenses on borrowings fell by € 575 due to a reduction in overall borrowings and a lower average interest rate.

Income tax expense

An income tax charge of € 9,570 was recognised on a result before income tax of € 16,439. In the first half of the year the deferred income tax assets connected with tax losses carried forward were not recognised for an amount of € 3,706 in light of the assumption of the probability of these assets being used in the coming years. Also included is the tax on added value in France of € 3,375 which is recognised as income tax. The tax burden adjusted for this tax and the above-mentioned unrecognised tax asset was € 2,489 in the first half of 2015. This is 15.1% of the result before income tax. This percentage is relatively low as a result of the untaxed payment ensuing from the tax credit (CICE) and the deductibility of the tax on added value in France.
In the first half of 2014 a tax charge, adjusted for a write-down of the deferred income tax assets and the tax on added value in France, was recognised which equated to 17.7% of the result before income tax.

French tax credit (CICE)

The financial fixed assets include a sum receivable from the French government under the CICE tax scheme. The tax sum due amounts to € 40,828. In the first half of 2015 the amount receivable rose by € 9,235. This amount is presented in the statement of cash flows as ‘other non-cash flow receivable’ under ‘cash flow from operating activities’. 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 2015	30 June 2014
Cash and cash equivalents as stated in the balance sheet	30,849	33,108
Bank overdrafts	-15,241	-26,086
CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AS RECOGNISED IN THE CASH FLOW STATEMENT	**15,608**	**7,022**

Net debt

Net debt equalled € 200.3 million at 30 June 2015 compared to € 157.5 million at 31 December 2014. The rise was mainly due to an increase in working capital as a result of an increase in trade receivables, partly offset by a rise in trade payables. These increases were caused by higher revenue in the latter months of the first half of 2015 and a slight extension of the outstanding trade receivables period. Net debt was also affected by the level of investments and the distribution of dividends. There were no loan withdrawals or repayments in the first half of 2015.

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Ratio convenants with banking syndicate

At 30 June 2015 the total leverage ratio was 2.0 (which needed to be kept equal to or below 3.5 up to 30 June; equal to or below 3.25 from 1 July), the senior leverage ratio was 1.5 (equal to or below 3.0) and the interest coverage ratio was 14.8 (equal to or above 3.5). At 31 December 2014 the total leverage ratio was 1.7, the senior leverage ratio was 1.1 and the interest coverage ratio was 12.7.

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 and are consequently no longer recognised on the balance sheet. At 30 June 2015 an amount of € 122.4 million in trade receivables had been sold (31 December 2014: € 124.1 million).

Provisions

The breakdown of provisions as at 30 June 2015 is as follows:

	RESTRUCTURING PROVISION	PERSONNEL-RELATED PROVISIONS	OTHER PROVISIONS	TOTAL
Balance as at 1 January 2015	18,962	13,476	26,414	58,852
Additions	4,370	2,455	2,151	8,976
Usage	-6,201	-1,854	-8,281	-16,336
Reversals	-1,639	-1,184	-1,122	-3,945
Currency translation differences	99	-	-	99
Balance as at 30 June 2015	**15,591**	**12,893**	**19,162**	**47,646**
Non-current	8,619	6,137	15,708	30,464
Current	6,972	6,756	3,454	17,182
BALANCE AS AT 30 JUNE 2015	**15,591**	**12,893**	**19,162**	**47,646**

At 30 June 2015 an amount of € 12,981 (31 December 2014: € 17,018) of the restructuring provision related to rent obligations on buildings no longer in use. An amount of € 2,610 (31 December 2014: € 1,944) related to employee redundancy schemes. The releases from the provisions are a consequence of an adjustment to previous assessments.

Related parties

There have been no changes in the nature or relative amount of information provided about related parties compared to note 27 of the consolidated financial statements for the year ended on 31 December 2014.
Further to what is stated in note 27.4 of the consolidated financial statements for the year ended on 31 December 2014 the transactions between USG People N.V. and its principal shareholder amounted to € 39 while transactions with associates amounted to € 198.

Commitments

There have been no changes in the nature or relative amount of the commitments compared to what is stated in note 28 to the consolidated financial statements for the year ended on 31 December 2014.

Contingent assets and liabilities

There are no developments to report in connection with the contingent assets and liabilities as stated in note 29 of the consolidated financial statements for the year ended on 31 December 2014.

Events after balance sheet date

No events of interest to the group as a whole have taken place after the balance sheet date.