

Sharp improvement in profitability

Third-quarter 2014 results

Almere, 31 October 2014

Third-quarter 2014 highlights

- Revenue rose to €623.8 million (Q3 2013: €599.4 million); revenue per working day increased by 5%
- Underlying operating expenses continued to decline, falling 4% year-on-year
- Underlying EBITA rose by 25% to €28.8 million (Q3 2013: €23.1 million); underlying EBITA margin: 4.6% (Q3 2013: 3.9%)
- Underlying net income doubled to €17.7 million (Q3 2013: €8.9 million)
- Net debt declined to €189.3 million (Q2 2014: €205.8 million); leverage ratio improved to 1.9

“We achieved a robust result for the third quarter,” said Rob Zandbergen, CEO of USG People. “Revenue per working day grew by 5% and the EBITA margin rose to 4.6%. The profit margin is evolving towards our strategic target. Revenue growth weakened a little during the third quarter. Expenses were reduced further in the third quarter and were € 4 million lower than last year. Despite the more unpredictable economic growth we expect the recovery in our markets to persist and will continue to focus our attention on further improving profitability and providing the right solutions to facilitate growth at our clients as effectively as possible.”

Key figures

Underlying results ¹ in millions of euros	3 months ended			9 months ended		
	30 September 2014	30 September 2013	Δ	30 September 2014	30 September 2013	Δ
Revenue	623.8	599.4	4%	1,749.9	1,673.8	5%
Gross result	128.8	127.9	1%	363.4	357.0	2%
Operating expenses	96.4	100.4	-4%	293.9	305.6	-4%
EBITDA	32.4	27.5	18%	69.5	51.4	35%
EBITA	28.8	23.1	25%	58.9	39.3	50%
Net income	17.7	8.9		32.4	7.8	
Gross margin	20.7%	21.3%		20.8%	21.3%	
Expense ratio	15.5%	16.8%		16.8%	18.3%	
EBITA margin	4.6%	3.9%		3.4%	2.3%	

¹ Underlying results have been 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 do not include the results of business units divested in 2013.

Notes to the third-quarter 2014 results

Revenue

USG People realised revenue growth of 4.1% in the third quarter, with revenue increasing to €623.8 million (Q3 2013: €599.4 million). The average number of working days was 0.3 lower in the third quarter than in the same period last year. Revenue per working day was up 4.9%. The acceleration of growth seen in the previous quarter did not persist in the third quarter. The tailing off of revenue on a number of large non-renewed contracts at Start People happened more quickly than expected while revenue on large contracts won recently will not be realised until later (Q4 2014 and Q1 2015). This realignment of the Start People client portfolio is expected to be finalised at the beginning of 2015. In September revenue per working day for the group was 2.0% higher than in the year-earlier month.

Gross margin

The underlying gross result rose to €128.8 million in the third quarter (Q3 2013: €127.9 million). As a percentage of revenue the gross margin was 20.7% (Q3 2013: 21.3%). The gross margin was affected by changes in the revenue mix, pressure on selling prices and the impact of public holidays.

In the last year growth has been greatest at large clients, and as a result the share in the revenue of large volume contracts with lower margins has increased compared to last year. This has continued to put pressure on prices. An increase in demand from the small and medium-sized business segment in the last months has as yet been unable to compensate for this. Revenue from recruitment and selection rose by 2% compared to last year. The share in group revenue remained stable compared to the third quarter of last year at 0.9% of total revenue. 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 30 basis points. The total impact of the aforementioned changes in the mix and pricing on the gross margin equalled a negative 50 basis points compared to the third quarter of last year.

There was a further negative impact of 10 basis points on the group margin as a result of an extra day of public holiday in Belgium this year.

The reported gross result in the third quarter of 2013 included not only the underlying gross result but also a €0.3 million non-recurring charge relating to the creation of a provision for own risk-bearer status with regard to payments under the Dutch sickness benefit act (*Ziektewet*).

Operating expenses excluding depreciation and amortisation of acquisition-related intangible assets

The underlying operating expenses fell by €4.0 million compared to a year earlier to €96.4 million (Q3 2013: €100.4 million). Compared to the previous quarter operating expenses were down by €2.8 million (Q2 2014: €99.2 million).

As well as the underlying expenses the reported expenses included a non-recurring charge of €3.3 million. This related to organisational changes, mainly concerning the distribution network in the Netherlands and optimisation of the structure of USG Professionals. The changes will result in annual cost savings of €3.5 million from 2015, of which €2.0 million under the previously announced project United and €1.5 million in additional structural cost savings.

The third quarter of 2013 included non-recurring gains and expenses of on balance €5.9 million.

EBITA

in millions of euros	3 months	3 months
	ended	ended
	30 September	30 September
	2014	2013
Underlying EBITA	28.8	23.1
Non-recurring gross result	-	-0.3
Non-recurring operating expenses	-3.3	5.9
Non-recurring depreciation	-0.1	-
Results of divested activities	-	-0.1
Reported EBITA	25.4	28.6

Underlying EBITA amounted to €28.8 million (Q3 2013: €23.1 million). The EBITA margin rose to 4.6% from 3.9% in the third quarter of last year.

Amortisation of acquisition-related intangible assets

Amortisation of acquisition-related intangible assets amounted to €1.4 million in the third quarter, down from €3.4 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 €1.9 million compared to €3.4 million of underlying financing expenses recorded in the third quarter of last year.

In addition to the aforementioned underlying financing expenses a positive financing result of on balance €0.4 million was recognised in the third quarter of 2013. Including this result reported financing expenses amounted to €3.0 million last year.

Income tax expense

Tax in the third quarter of 2014 was a negative €8.0 million. This figure includes a €1.9 million charge related to business tax in France. Furthermore there were taxes of €-0.8 million relating to previous years as well as an amount of €-0.3 million relating to unrecognised losses. Taxation as a percentage of pre-tax profit was distorted by the impact of the business tax and adjustments, as well as the tax credit (CICE) in France which is not taxable under income tax. Excluding these factors the group tax rate was 33.0%.

Net result from divested and discontinued activities

The net result from divested activities was a negative €0.5 million in the third quarter. In the third quarter of 2013 there was net income of €14.4 million from the sale of activities.

Net income attributable to equity holders of the company

in millions of euros	3 months ended	3 months ended
	30 September 2014	30 September 2013
Underlying net income	17.7	8.9
Non-recurring results	-3.4	5.7
Accelerated amortisation financing expenses	-	-0.8
Unrealised revaluation derivatives	-	1.2
Net income of divested activities	-0.5	14.4
Non-recurring tax effects	-0.2	-3.8
Reported net income	13.6	25.6
Earnings per share	€0.17	€0.32

Underlying net income rose to €17.7 million from €8.9 million in the third quarter of last year. Reported net income was €13.6 million (Q3 2013: €25.6 million).

Balance sheet and cash flow

Working capital declined by €1.5 million in the third quarter compared to the previous quarter. Factoring of trade receivables increased by €5.6 million to €126.8 million (Q2 2014: €121.2 million). Working capital including factoring was €-93.6 million at the end of the third quarter.

The operating cash flow rose to €23.0 million in the third quarter (Q3 2013: €4.8 million). As a result of the positive cash flow net debt fell to €189.3 million (Q2 2014: €205.8 million). The leverage ratio (net debt / 12-month underlying EBITDA) was 1.9.

Third-quarter 2014 results by segment

General Staffing

General Staffing achieved revenue of €378.4 million in the third quarter (Q3 2013: €366.2 million). Revenue per working day rose 4.5% compared to the year-earlier quarter.

In the Netherlands there was a 4% decline in revenue as the tailing off of revenue on a number of large non-renewed contracts at Start People happened more quickly than expected while revenue on large contracts won recently will not be realised until later (Q4 2014 and Q1 2015). This realignment of the Start People client portfolio is expected to be finished at the beginning of 2015. Excluding the impact of the non-renewed contracts growth of Start People in the third quarter equalled 4%. In September revenue per working day at Start People in the Netherlands was 6.8% lower than a year earlier.

Start People in Belgium reported a 12.2% rise in revenue per working day compared to a year earlier. Growth was up on the previous quarter and once again outpaced the market. The Belgian market saw a weakening of growth in the labourer segment during the quarter. Revenue at Start People in Belgium was 12.0% higher in September than in the year-earlier period.

In France Start People managed to maintain its lead over the market. Revenue per working day rose by 7.9% in the third quarter (Q2 2014: +8.3%). Market growth in France in July and August was published as 1.5%; revenue growth at Start People in September equalled 2.2%.

Underlying EBITA rose to €18.3 million from €18.0 million in the third quarter of last year. The EBITA margin was 4.8% (Q3 2013: 4.9%). The EBITA margin was depressed by mix effects, pricing pressure and an extra day of public holiday in Belgium. Expenses continued to fall compared to last year. Start People in France reported an improved EBITA margin of 5.4% (Q3 2013: 4.5%).

Specialist Staffing

Specialist Staffing generated revenue of € 208.9 million in the third quarter (Q3 2013: € 197.1 million). Revenue per working day rose by 6.8% year-on-year. Unique reported growth of 7.6% while Secretary Plus saw revenue drop by 2.0% in the quarter compared to the same period last year.

In the Netherlands Specialist Staffing realised growth of 8.1% compared to the same quarter last year. Unique achieved growth of 8.6% after several successive quarters of exceptionally high double-digit growth. Revenue at Secretary Plus continued lower than last year, although there was further improvement quarter on quarter and in September the turning point to growth compared to last year was reached. In Belgium revenue per working day at Specialist Staffing rose to 6.8% (Q2 2014: 2.9%). Compared to last year revenue at Unique was up 8.2% with Secretary Plus achieving an increase of 2.0%. In Germany revenue per working day rose 4.0% in the third quarter (Q2 2014: 1.6%). Here the recovery was most pronounced at Unique in the industry and office segments. In the technical segment the shortage of technical staff and clients taking on candidates on permanent contracts continued to drag on growth.

Underlying EBITA improved to € 13.8 million from € 11.4 million in the third quarter of last year. The EBITA margin also improved, reaching 6.6% of revenue (Q3 2013: 5.8%). An extra day of public holiday in Belgium had a somewhat negative impact on profitability compared to last year. Overall the number of public holidays was lower than in the previous quarter, which had a positive impact on profit levels, particularly in Germany.

Professionals

USG Professionals generated revenue of € 36.5 million (Q3 2013: € 36.1 million). Revenue per working day was up by 2.0%. In the Netherlands there was growth of 1.2% compared to last year, while Belgium still reported a small decline of 1.6%.

Underlying EBITA amounted to € 0.6 million (Q3 2013: € 0.3 million). The gross margin remained more or less stable, as did the expenses. The results of the activities rolled out by USG Professionals outside the Netherlands and Belgium are fully recognised in this year's reported expenses. The underlying expenses in the comparative figures for last year were adjusted accordingly.

Outlook

The economic recovery is currently following a less predictable course in some of our markets. Our organisation is flexible enabling us to respond rapidly to changes in the market. We will keep expenses under control and will maintain our focus on commercial and operational excellence and on delivering the right solutions to our clients.

Working days (weighted average)	2014	2013
1 st quarter	63.0	62.9
2 nd quarter	61.0	60.7
3 rd quarter	65.0	65.3
4 th quarter*	63.9	63.4

* Final quarter of 2014 based on most recent forecast for revenue mix

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Additional information

Pages 8 up to and including 11 of this press release contain additional information with respect to the breakdown 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

27 February 2015	Publication of fourth-quarter and full-year 2014 results
30 April 2015	Publication of first-quarter 2015 results
7 May 2015	General Meeting of Shareholders
31 July 2015	Publication of second-quarter 2015 results

Presentation to analysts and press

Today USG People will present its results to analysts and the press via a web event consisting of an online presentation and a conference call.

The event for analysts and the press commences at 9.30 CET. External participation is possible via the link <https://www.kpnwebshow.nl/oj8jn2w5>

The dial-in number for the conference call is +31 (0)20 531 58 69.

A replay of the presentation and the Q&A session will be available on 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.

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Additional information by activity¹
(unaudited)

3 months ended 30 September

Revenue (in millions of euros)	2014	2013	Change	Organic change
General Staffing	378.4	366.2	3%	3%
The Netherlands	136.4	141.9	-4%	-4%
Belgium	105.6	95.6	10%	10%
France	136.4	128.7	6%	6%
Specialist Staffing	208.9	197.1	6%	6%
The Netherlands	94.3	87.2	8%	8%
Belgium	50.5	48.1	5%	5%
Germany	62.4	59.9	4%	4%
Other	1.7	1.9	-11%	-11%
Professionals	36.5	36.1	1%	1%
The Netherlands	24.0	23.7	1%	1%
Belgium	11.2	11.6	-3%	-3%
Other	1.3	0.8	63%	63%
Group	623.8	599.4	4%	4%

Underlying EBITA (in millions of euros)	2014	2013	Change	Organic change	2014 EBITA margin	2013 EBITA margin
General Staffing	18.3	18.0	2%	2%	4.8%	4.9%
Specialist Staffing	13.8	11.4	21%	21%	6.6%	5.8%
Professionals	0.6	0.3	100%	100%	1.6%	0.8%
Corporate	-3.9	-6.6	41%	41%		
Group	28.8	23.1	25%	25%	4.6%	3.9%

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 activity¹
(unaudited)

9 months ended 30 September

Revenue (in millions of euros)	2014	2013	Change	Organic change
General Staffing	1,045.7	1,007.3	4%	4%
The Netherlands	398.2	403.6	-1%	-1%
Belgium	284.4	259.9	9%	9%
France	363.1	343.8	6%	6%
Specialist Staffing	590.4	553.2	7%	7%
The Netherlands	275.6	243.9	13%	13%
Belgium	140.3	137.4	2%	2%
Germany	169.2	165.5	2%	2%
Other	5.3	6.4	-17%	-17%
Professionals	113.8	113.3	0%	0%
The Netherlands	75.0	72.8	3%	3%
Belgium	35.4	37.9	-7%	-7%
Other	3.4	2.6	31%	31%
Group	1,749.9	1,673.8	5%	5%

Underlying EBITA (in millions of euros)	2014	2013	Change	Organic change	2014 EBITA margin	2013 EBITA margin
General Staffing	42.1	32.3	30%	30%	4.0%	3.2%
Specialist Staffing	27.5	22.3	23%	23%	4.7%	4.0%
Professionals	1.9	3.3	-42%	-42%	1.7%	2.9%
Corporate	-12.6	-18.6	32%	32%		
Group	58.9	39.3	50%	50%	3.4%	2.3%

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 country¹

(unaudited)

3 months ended 30 September

Revenue (in millions of euros)	2014	2013	Change	Organic change
The Netherlands	254.7	252.7	1%	1%
Belgium	167.3	155.3	8%	8%
France	137.3	129.9	6%	6%
Germany	62.5	59.9	4%	4%
Other	2.0	1.6	25%	25%
Group	623.8	599.4	4%	4%

Underlying EBITA (in millions of euros)	2014	2013	Change	Organic change	2014 EBITA margin	2013 EBITA margin
The Netherlands	13.8	11.4	21%	21%	5.4%	4.5%
Belgium	9.4	10.5	-10%	-10%	5.6%	6.8%
France	7.3	5.4	35%	35%	5.3%	4.2%
Germany	2.8	2.6	8%	8%	4.5%	4.3%
Other	-0.6	-0.2	-200%	-200%	-30.0%	-12.5%
Corporate	-3.9	-6.6	41%	41%		
Group	28.8	23.1	25%	25%	4.6%	3.9%

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 country¹

(unaudited)

9 months ended 30 September

Revenue (in millions of euros)	2014	2013	Change	Organic change
The Netherlands	748.8	720.2	4%	4%
Belgium	460.1	435.3	6%	6%
France	365.7	347.5	5%	5%
Germany	169.4	165.5	2%	2%
Other	5.9	5.3	11%	11%
Group	1,749.9	1,673.8	5%	5%

Underlying EBITA (in millions of euros)	2014	2013	Change	Organic change	2014 EBITA margin	2013 EBITA margin
The Netherlands	33.2	25.0	33%	33%	4.4%	3.5%
Belgium	22.1	21.8	1%	1%	4.8%	5.0%
France	17.1	10.2	68%	68%	4.7%	2.9%
Germany	1.3	1.5	-13%	-13%	0.8%	0.9%
Other	-2.2	-0.6	-267%	-267%	-37.3%	-11.3%
Corporate	-12.6	-18.6	32%	32%		
Group	58.9	39.3	50%	50%	3.4%	2.3%

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 income statement
(unaudited)

amounts in thousands of euros

	3 months ended		9 months ended	
	30 September		30 September	
	2014	2013	2014	2013
Revenue	623,834	599,423	1,749,890	1,689,589
Cost of sales	-494,991	-471,825	-1,386,465	-1,331,299
Gross profit	128,843	127,598	363,425	358,290
Selling expenses	-84,394	-76,906	-250,215	-259,712
Amortisation of acquisition-related intangible assets	-1,422	-3,380	-4,816	-12,150
Total selling expenses	-85,816	-80,286	-255,031	-271,862
General and administrative expenses	-19,062	-21,934	-57,746	-81,073
Other income and expenses	48	-20	87	7
Total operating expenses	-104,830	-102,240	-312,690	-352,928
Net income from divestments	-	-97	-	28,688
Operating income	24,013	25,261	50,735	34,050
Finance costs	-2,614	-4,127	-8,203	-12,747
Finance income	692	1,115	2,130	6,327
Income before tax	22,091	22,249	44,662	27,630
Income tax expense	-7,951	-11,148	-26,013	-7,087
Net income from continuing operations	14,140	11,101	18,649	20,543
Net income for discontinued operations	-504	14,528	-504	-34,269
NET INCOME	13,636	25,629	18,145	-13,726
ATTRIBUTABLE TO:				
Equity holders of the company	13,586	25,628	17,970	-13,820
Non-controlling interests	50	1	175	94
	13,636	25,629	18,145	-13,726
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (in euros, per share of €0.50 nominal)				
Basic	€0.17	€0.32	€0.22	-€0.17
Diluted	€0.17	€0.32	€0.22	-€0.17

Consolidated statement of comprehensive income

(unaudited)

amounts in thousands of euros	3 months ended		9 months ended	
	30 September		30 September	
	2014	2013	2014	2013
Net income	13,636	25,629	18,145	-13,726
Other comprehensive income after tax:				
Items that may be reclassified to the income statement:				
Cash flow hedge	-62	-	-349	-
Currency translation differences	7	-18	18	454
Other comprehensive income after tax	-55	-18	-331	454
TOTAL COMPREHENSIVE INCOME	13,581	25,611	17,814	-13,272
ATTRIBUTABLE TO:				
Equity holders of the company	13,531	25,610	17,639	-13,366
Non-controlling interests	50	1	175	94
	13,581	25,611	17,814	-13,272

Consolidated balance sheet

(unaudited)

amounts in thousands of euros

	30 September 2014	30 June 2014	31 December 2013
NON-CURRENT ASSETS			
Property, plant and equipment	15,282	15,871	16,329
Goodwill	678,171	678,171	678,171
Other intangible assets	57,085	57,682	59,974
Financial fixed assets	42,321	36,518	26,954
Deferred income tax assets	48,746	52,118	62,507
	841,605	840,360	843,935
CURRENT ASSETS			
Trade and other receivables	320,728	313,499	279,903
Current income tax receivables	2,224	1,593	1,793
Cash and cash equivalents	48,885	33,108	63,965
	371,837	348,200	345,661
TOTAL ASSETS	1,213,442	1,188,560	1,189,596
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	406,400	406,400	406,390
Legal reserves	1,376	1,270	1,413
Retained earnings	62,043	48,519	50,532
	469,819	456,189	458,335
Non-controlling interests	1,399	1,349	1,249
Total equity	471,218	457,538	459,584
NON-CURRENT LIABILITIES			
Borrowings	210,287	209,862	209,327
Derivative financial instruments	511	428	46
Pension-related liabilities	6,549	6,430	6,201
Provisions	33,833	35,410	36,298
Deferred income tax liabilities	6,284	6,700	7,747
	257,464	258,830	259,619
CURRENT LIABILITIES			
Bank overdrafts and borrowings	27,854	29,092	32,532
Trade and other payables	414,305	405,564	396,000
Current income tax liabilities	19,381	15,599	9,900
Provisions	23,220	21,937	31,961
	484,760	472,192	470,393
Total liabilities	742,224	731,022	730,012
TOTAL EQUITY AND LIABILITIES	1,213,442	1,188,560	1,189,596

Consolidated statement of change in shareholders' equity
(unaudited)

amounts in thousands of
euros

	3 months ended			3 months ended		
	30 September 2014			30 September 2013		
	Equity attributable to equity holders of the company	Non- controlling interests	Total equity	Equity attributable to equity holders of the company	Non- controlling interests	Total equity
Balance as at 1 July	456,189	1,349	457,538	445,011	1,367	446,378
Total comprehensive income	13,531	50	13,581	25,610	1	25,611
Change share plan	99	-	99	103	-	103
Balance as at 30 September	469,819	1,399	471,218	470,724	1,368	472,092

amounts in thousands of
euros

	9 months ended			9 months ended		
	30 September 2014			30 September 2013		
	Equity attributable to equity holders of the company	Non- controlling interests	Total equity	Equity attributable to equity holders of the company	Non- controlling interests	Total equity
Balance as at 1 January	458,335	1,249	459,584	488,924	551	489,475
Total comprehensive income	17,639	175	17,814	-13,366	94	-13,272
Change from settlement of share plan	10	-	10	-	-	-
Change share plan	125	-	125	142	-	142
Acquisition of subsidiary	-	-	-	-	797	797
Dividend for 2013	-6,290	-	-6,290	-4,976	-	-4,976
Dividend paid to non- controlling interests	-	-25	-25	-	-74	-74
Balance as at 30 September	469,819	1,399	471,218	470,724	1,368	472,092

Consolidated statement of cash flows

(unaudited)

amounts in thousands of euros

	3 months ended		9 months ended	
	30 September		30 September	
	2014	2013	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES				
Income before tax	22,091	22,249	44,662	27,630
Adjustments:				
Depreciation and amortisation of tangible and intangible assets	5,184	7,777	15,553	26,683
Result on disposals of tangible and intangible assets	65	163	250	689
Net income from divestments	-	97	-	-28,688
Other non-cash flow receivables	-5,284	-2,641	-13,943	-6,347
Finance costs	2,614	4,127	8,203	12,747
Finance income	-692	-1,115	-2,130	-6,327
Share plan expenses processed via equity	99	103	125	142
Currency translation differences	7	9	18	-261
Change in pension-related liabilities and provisions	-485	-13,054	-11,421	3,145
Changes in working capital:				
- trade and other receivables	-7,230	-14,678	-40,826	-7,920
- trade and other payables	8,417	2,915	17,982	-13,655
Operating cash flow from continuing activities	24,786	5,952	18,473	7,838
Income tax paid	-1,823	-1,863	-4,549	-5,218
Net cash flow from continuing operating activities	22,963	4,089	13,924	2,620
Net cash flow from discontinued operating activities	-	700	-	2,818
Net cash flow from operating activities	22,963	4,789	13,924	5,438
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisitions of subsidiaries	-	-	-	-4,209
Investments in property, plant and equipment	-1,064	-427	-3,669	-1,760
Investments in intangible assets	-2,855	-3,559	-8,107	-10,687
Disposals of tangible and intangible assets	7	4	60	329
Divestments of subsidiaries	-	-	-	74,677
Receipts/payments on loans and guarantee deposits	50	208	90	-126
Net cash flow from continuing investing activities	-3,862	-3,774	-11,626	58,224
Net cash flow from discontinued investing activities	-	-	-	-742
Net cash flow from investing activities	-3,862	-3,774	-11,626	57,482
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	-	-	10	-
Payments on derivative financial instruments	-45	-1,164	-114	-6,211
Proceeds from/repayments of borrowings	19,999	-5,193	5,529	-20,890
Payments of transaction fees refinancing	-	-1,986	-	-1,986
Interest paid	-2,082	-1,582	-6,375	-4,102
Interest received	9	-	25	67
Dividend paid to non-controlling interests	-	-	-25	-74
Dividend paid	-	-	-6,290	-4,976
Net cash flow from continuing financing activities	17,881	-9,925	-7,240	-38,172
Net cash flow from discontinued financing activities	-	-	-	-1,028
Net cash flow from financing activities	17,881	-9,925	-7,240	-39,200
INCREASE / DECREASE CASH AND CASH EQUIVALENTS				
	36,982	-8,910	-4,942	23,720
CHANGE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents and bank overdrafts at the start of the period	7,023	54,032	48,947	21,402
Increase / decrease in cash and cash equivalents	36,982	-8,910	-4,942	23,720
CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE PERIOD	44,005	45,122	44,005	45,122