usg people

press release

Second-quarter and half-year results 2009

Second quarter shows stabilisation in revenue decline, costs lowered by 22% and an improved debt position

Almere, 24 July 2009, 07:00 AM CET

Q2 2009 highlights

- In the second quarter, the decline in revenue stabilised; the group revenue fell by 31% in the second quarter compared to last year (corrected for the difference in the number of working days between Q2 2008 and Q2 2009, this decline came to 28%)
- Operating cash flow rose to € 25 million (Q2 2008: € 22 million)
- The net debt position fell by € 18 million to € 485 million in the second quarter; the net borrowings from the banks, excluding subordinated loans, amounted to € 333 million on 30 June (31 December 2008: € 352 million); the debt position was partly lowered as a result of factoring of a part of the trade receivables to a maximum of € 50 million
- The bank covenants were satisfied, the senior leverage ratio amounted to 2.1 at the end of the second quarter and the interest coverage ratio came to 5.7; the bank covenants were relaxed with effect from the third quarter. The senior leverage ratio is raised from 2.5 to 3.0 and the interest coverage ratio is lowered from 4.0 to 3.0
- The underlying operating expenses declined by 22% compared to last year
- The underlying EBITA came to € 12 million (2008: € 63 million)

Key figures

Results (in € millions)	**Q2 2009***	**Q2 2008**	**growth**	**6 months to June 2009***	**6 months to June 2008**	**growth**
Revenue	722	1,040	-31%	1,477	2,004	-26%
Gross result	163	257	-36%	341	495	-31%
Operating expenses *	145	187	-22%	304	366	-17%
EBITDA	18	70	-74%	37	129	-71%
EBITA	12	63	-81%	23	115	-80%
Net result	1	32	-97%	0	61	-100%
EPS (in euro)	€ 0.01	€ 0.49		€ 0.00	€ 0.95	

* underlying results, excluding reorganisation costs and unrealised value changes in interest-rate derivatives

"We saw some stabilisation in the decline in revenue in the last few months," said Rob Zandbergen, CFO and interim CEO of USG People. "A few markets are once again showing slight improvement and others seem to be stabilising, although recovery is not yet clearly evident here. If the markets manage to pick up again, our commercial efforts will have more effect since we have drastically cut costs. In the second quarter we lowered our operating expenses by 22% compared to last year through restructuring. Our organisation has become more streamlined as a result and we have become more decisive, which means we will be able to fully benefit from a recovering market. Our expertise and years of experience in Human Resource services and in the small and medium-sized enterprise sector remain our foundation for high-quality service provision towards our customers and an appealing work environment for our candidates.

We took preventative measures in the second quarter to provide extra security for our financing. The debt position has been lowered by factoring of a part of the trade receivables to a maximum of € 50 million and stringent working capital management. Additionally, the conditions for the bank covenants were relaxed within the existing credit facilities. In the coming months we will continue to focus on further improving the balance sheet.

I would like to thank all the employees of USG People for their dedication to the organisation in today's challenging circumstances."

(in € millions)	**Q2 2009 reported**	**Q2 2009 underlying***	**Q2 2008**	**growth**
Revenue	721.8	721.8	1,040.4	-31%
Gross result	163.0	163.0	256.6	-36%
Operating expenses	156.8	144.8	187.0	-22%
EBITDA	6.2	18.2	69.6	-74%
EBITA	-0.4	11.6	62.5	-81%
Gross margin	22.6%	22.6%	24.7%	
Operating expenses as % of revenue	21.7%	20.1%	18.0%	
EBITA margin	-0.1%	1.6%	6.0%	

* underlying results are the results excluding reorganisation costs

Notes on the 2009 second-quarter and half-year results

Revenue
USG People achieved revenue of € 722 million in the second quarter, 31% lower than last year. The second quarter counted fewer working days than last year. Corrected for this inequality, the decline in revenue came to 28%. A stabilisation in the decline in revenue was visible in all countries in the second quarter.

At Start People (General Staffing segment) there has been stabilisation of the year on year decline in revenue since March. This levelling off is visible in all countries in which Start People operates. In most countries, June showed slight improvement in the decrease of fall in volume. Over the quarter as a whole, revenue fell by 34% compared to the second quarter of 2008.

The Specialist Staffing activities, including Unique, Content and Creyf's, saw revenue decrease further in the second quarter. The specialist agencies, which are primarily active in the Netherlands and Belgium, are generally late-cyclical. The decrease in revenue in the second quarter came to 27%. At Unique in Belgium and Spain there was a slight decrease in the revenue decline visible during the second quarter.

The professionals, including USG Innotiv, booked a decline in revenue of 20% during the second quarter compared to last year. The revenue in this segment stabilised in both the Netherlands and Belgium in June.

Gross margin
The gross profit came to € 163 million, as such the gross margin amounted to 22.6% of the revenue. The gross margin was lower than last year when a gross margin of 24.7% was achieved. The decline was due to lower market demand and a strong decrease in recruitment and selection revenue, which was 60% lower than in the second quarter of last year. The revenue from recruitment and selection represented 1.0% of the revenue in the second quarter (Q2 2008: 1.7%).

Operating expenses
The underlying operating expenses fell by 22% compared to the second quarter of 2008. The costs decreased by € 42 million compared to last year. In addition to the underlying costs, € 12 million in restructuring costs are included for the second quarter, most of which relate to a reorganisation in France. The restructurings are expected to result in savings of € 15 million on an annual basis.

The number of employees was further reduced by 565 FTEs in the second quarter and the number of branches was reduced by 52. All regions saw branches closed or merged.

EBITA
The underlying EBITA, excluding restructuring costs, came to € 12 million in the second quarter against € 63 million in the same period last year. The market demand declined at an extremely rapid pace in the first months of the year, leading to pressure on income. This rapid downward movement in income could not be fully compensated by lowering costs, as a result the profit was lower. Including one-off expenses, a break-even EBITA was achieved.

Amortisation
Amortisation relates to the depreciation of valued customer relations, brand rights and candidate databases of completed acquisitions. In the second quarter € 6 million was amortised, equal to last year's amortisation. The whole amount involved regular amortisation.

Financing expenses
The financing expenses totalled € 4 million in the second quarter, against € 9 million in the same period of 2008. The expenses were lower due to a strong decline in the debt position. Unrealised value changes in interest rate derivatives concluded had a positive effect of € 2 million on the financing expenses in the second quarter. Excluding the effects of these unrealised value changes, the interest charges came to € 6 million, one third lower than during the second quarter of last year.

Taxation
The tax burden in the income statement amounted to 46.8% and was therefore markedly higher than the average nominal rate of 28.9%. The major deviation was caused by non-deductible expenses and exempt gains in Belgium, which had a relatively large impact on the percentage because of the low absolute level of the profit.

Net result
The net result came to -€ 6 million compared to € 32 million in the second quarter of last year. On an underlying basis, corrected for restructuring costs and adjustments to interest-rate derivatives, the income came to € 1 million positive.

Balance sheet and cash flow
The balance sheet total decreased in the second quarter by € 128 million to € 1,793 million. The working capital declined in the quarter due to a decrease in trade receivables by € 74 million. Of this, € 46 million can be attributed to factoring, for which an agreement was concluded at the end of June

under which a maximum of € 50 million in trade receivables can be sold. The net borrowings from the banks, excluding subordinated loans, fell by € 19 million in the second quarter and amounted to € 333 million on 30 June against € 352 million on 31 March. As such, the conditions of the bank covenants in the credit agreement were easily met. The senior leverage ratio, which may not exceed 3 from the third quarter onwards, came to 2.1 on 30 June and the interest coverage ratio, which must be at least 3 from the third quarter onwards, came to 5.7.

The operating cash flow amounted to € 25 million in the second quarter, as a result the net debt decreased further. The total debt position, including € 152 million in subordinated loans, came to € 485 million on 30 June. The debt was therefore € 221 million lower than last year.

Results by country

The Netherlands
In the second quarter, we saw a slight improvement occur in the staffing services market after a sharp decline in volume in the first months of the year. The decline in volume was less severe in June than in May. The revenue of USG People declined by 25% in the Netherlands in the second quarter. Corrected for the inequality in the number of working days, revenue declined by 23%, representing somewhat better performance than the market as a whole.

At Start People there was a 26% decline in revenue compared to last year, while the decline remained stable throughout the quarter. The decline in revenue did not increase further in the second quarter. Specialist Staffing, including Content, Unique and Creyf's, saw a 27% decline in revenue.
At the large agencies, which represent approximately 80% of Specialist Staffing, Creyf's also showed initial stabilisation in June compared to May. The movement at Creyf's was therefore in line with the market, where the industry segment also showed an initial sign of improvement. The professionals noted a decline in revenue of 15% compared to the second quarter of last year. In this segment, too, the revenue decrease levelled off slightly in June. USG Energy grew against the trend in the second quarter by 7.0% compared to last year.

The gross margin was under pressure in the Netherlands due to the sharp decline in market demand. In contrast to this, costs across the whole line were drastically reduced, as a result of which a positive EBITA of € 12 million was achieved in the current difficult market (Q2 2008: € 40 million).

Belgium and Luxembourg
In Belgium too the staffing services market seemed to stabilise and showed a slight improvement in June. Our group realised a decline in revenue of 26% in the second quarter. At the more industry-oriented Start People revenue declined by 29% compared to last year, with what seemed to be the low point reached in May. In June the decrease in revenue at Start People declined somewhat. The specialised activities, including Unique, which focus more on administrative staffing (white collar) also showed initial stabilisation during the quarter. The gross margin as a percentage of the revenue remained virtually the same in Belgium as the second quarter of last year, partly because the share in the revenue from the white collar segment increased. The operating expenses in Belgium were reduced by 23% compared to last year. The EBITA came to € 11 million and amounted to 6.9% of the revenue, as opposed to 7.7% in the second quarter of 2008.

France
In France, revenue declined by 30%, thus less rapidly than in the preceding first quarter when the decline amounted to 32%. This decrease in revenue compared to last year declined for the third consecutive month starting in April. An additional reorganisation expense of € 9 million was incurred in the second quarter; consequently the result for the second quarter was negative. Excluding restructuring costs, a break-even EBITA was realised (Q2 2008: € 2.9 million).

Rest of Europe
In the other countries, USG People achieved revenue of € 137 million in the second quarter. The group revenue therefore declined by 45% compared to the same period last year (revenue Q2 2008: € 250 million). The group underlying EBITA came to -€ 5 million, alongside this € 3 million in one-off costs for restructuring was incurred. The market conditions also remained more or less stable in the other countries in the second quarter. The revenue in Spain was 51% lower than last year and was equal to the decline in the first quarter. In Germany revenue seems to be stabilising now as well, while a slight improvement was evident in Italy.

Outlook for 2009

During the second quarter there was a clear levelling off of the decline in volume evident in the staffing services markets. It is still too early to speak of a turnaround, though an increasing number of indicators in various industrial countries also seem to point to a slight improvement in the economy.

The total of the expected cost savings from the various restructurings amounts to at least € 75 million on an annual basis. In addition to stringent cost management, we remain focused on strengthening the balance sheet ratios, thus further lowering the debt position. In all of this we set ourselves the goal of keeping the organisation’s growth and earning capacity on level. Now that many restructuring efforts have been successfully implemented, we can once again focus fully on commercial initiatives in the third quarter. We see opportunities for growth even in the current difficult market conditions.

We do not expect any significant improvement of the market in the second half of 2009. The levelling-off that we saw in the second quarter is promising, but tentative, as such we will refrain from any concrete profit forecasts for the second half of 2009.

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. 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 on the basis of 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.

About USG People

USG People is active through a large number of strong brands that jointly provide one-stop solutions in the field of staffing, secondment and HR and customer care services. With annual revenue exceeding € 4 billion in 2008, USG People ranks fourth in Europe in HR services. Headquartered in the Dutch city of Almere, the group is active in a large number of European countries including the Netherlands, Belgium, Luxembourg, Germany, Austria, Switzerland, the Czech Republic, Slovakia, Poland, France, Italy and Spain.

The brand portfolio of USG People comprises Proflex and Start People (general staffing) - Ad Rem Young Professionals, ASA Student, Content, Creyf's, Express Medical, Geko Zeitarbeit, Receptel, Secretary Plus, StarJob, Technicum and Unique (specialist staffing) - Legal Forces, USG Capacity, USG Energy, USG Financial Forces, USG HR Forces, USG Innotiv, USG Juristen and USG Restart (professionals) - Call-IT (other services).

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.

Half-year report for first six months of 2009

(in € millions)	H1 2009 reported	H1 2009 underlying*	H1 2008	growth
Revenue	1,477	1,477	2,004	-26%
Gross result	339	341	495	-31%
Operating expenses	331	304	366	-17%
EBITDA	8	37	129	-71%
EBITA	-6	23	115	-80%
Gross margin	22.9%	23.1%	24.7%	
Operating expenses as % of revenue	22.4%	20.6%	18.3%	
EBITA margin	-0.4%	1.6%	5.7%	

* Underlying results are the results excluding reorganisation costs.

For the first six months of the year, USG People achieved revenue of € 1,477 million, a decrease of 26% compared to the same period last year. Revenue has stabilised over the past months, after a sharp decline in the beginning of the year due to the economic recession. At the early-cyclical Start People, a levelling off has been visible since March, while the specialised players showed an initial sign of improvement during the last months of the half year.

The gross result totalled € 339 million and came to 22.9% of the revenue. The gross margin decreased compared to last year, when it came to 24.7%, because of the rapid decline in market demand which put pressure on prices, especially at the beginning of the year. The deterioration of the labour market also resulted in a strong decrease in income from recruitment and selection activities, which yield a high gross margin. The margin was also decreased due to a one-off expense of € 2 million incurred for the buy-out of secondment contracts. Excluding this one-off expense the gross margin came to 23.1%.

The operating expenses on an underlying basis were reduced by € 62 million compared to the first six months of 2008. As a percentage, the decrease amounted to 17%, and on an organic basis as much as 18%. A total of € 27 million in reorganisation expenses were incurred in the first six months for restructuring of the organisation. The most drastic measures were taken in Spain and France where the staffing services market was under major pressure as a result of the rapid economic decline.

The number of employees of the group was reduced during the first six months of the year by a total of 1,198 FTEs and the number of branches decreased by 147. Most of the closures took place in France and Spain.

Because of the rapid pace of the contraction in the market, the EBITA was lower than last year, despite the fact that the decline in revenue was largely compensated by the cost saving measures. For the first six months of the year the underlying EBITA totalled € 23 million against € 115 million in the first half of 2008. The lower result was due to the lower market demand across the line. The reported EBITA, including € 29 million in one-off expenses, totalled -€ 6 million.

The financing expenses decreased due to a strong reduction in the debt position. Excluding unrealised value changes in interest-rate derivatives, the financing expenses amounted to € 13 million, compared to € 17 million in the same period of 2008 (including unrealised value changes in interest-rate derivatives, the financial costs totalled € 17 million, against € 16 million in the same period of 2008).

On an underlying basis the organisation achieved a break-even net result for the first half year, against € 61 million for the first six months of the previous year. The reported net result, including restructuring costs and unrealised value changes to derivatives, amounted to -€ 24 million. The net result per share amounted to -€ 0.36, compared to € 0.95 in the first six months of last year.

For the first six months of the year, a dividend in shares of € 0.58 was paid out, which increased the total number of outstanding shares to 71 million. The shareholders' equity on the balance sheet totalled € 647 million on 30 June and decreased as a result of the net loss in the first six months of the year. Thanks to the positive cash flow, the debt position, including subordinated loans, was reduced by € 66 million in this period. The net debt totalled € 485 million on 30 June, compared to € 551 million on 31 December. On 30 June the debt was € 221 lower than last year. The cash flow improved strongly with respect to last year due to an improvement of the operating cash flow and a lower investment level. The working capital decreased by € 85 million in the first six months, largely due to a decrease in the trade receivables by € 174 million. In the first six months of 2009 there were no acquisitions made and the operational investment level was markedly lower than last year.

The solvency ratio rose to 36.0% and improved with respect to the end of 2008 when this ratio was 34.0%.

Risk management
The main risks facing USG People as a player on the European staffing services market are expressed in the 2008 Annual Report on pages 74 through 78.
It is also indicated there how USG People implements risk management by means of its internal risk management and control systems. The risks as cited in the 2008 annual report also apply to the second half of 2009.

The risks cited below manifested in the first half of 2009.

- A contraction in the economy which led to a decline in customer demand and gross margin.
- A decrease in the results due to the economic downturn, which narrowed the latitude between the result achieved and the conditions stipulated for this in order to satisfy the bank covenants.
- The relatively high degree of dependence on the Netherlands and Belgium for the result. The activities in the Netherlands and Belgium could, in view of the current economic crisis, be called healthily profitable in the first six months of the year. In the countries outside the Netherlands and Belgium, USG People is working strategically on the scale and diversification of its activities. These countries are less developed in the area of HR services and the group's positions there are still limited. As a result of the difficult economic crisis at present, the activities in these countries were not profitable in the first six months.
- An increase in non-paying or late-paying debtors as a result of bankruptcies and deterioration of payment behaviour. The risk of bad debts has increased because credit insurance companies have discontinued insurance coverage for a larger number of customers or have lowered the amounts they insure.

USG People has taken the following measures to mitigate the risks cited.

- The operating expenses have been drastically reduced by means of a stringent cost policy and restructuring.
- The bank covenants have been relaxed and factoring was applied to a part of the trade receivables, which has lowered the debt.
- In the first six months of the year restructuring was implemented and announced for all countries outside the Netherlands and Belgium so that losses in these countries could be limited.
- Personnel capacity has been expanded to be able to meticulously evaluate credit applications. The existing authorisation procedures have also been intensified to further mitigate credit risks. These measures ensure close control of the situation and the payment term was decreased in the first six months of the year.

The risks described above, which are related to the current crisis, continue for the second half of 2009.

Explanation by the Executive Board

The Executive Board of USG People N.V. declares that to the best of their knowledge:

(i) The half-year report gives a fair presentation of the situation on the balance sheet date, the course of affairs during the first six months of the financial year of USG People N.V. and its affiliates whose information is included in its half-year financial statement and the expected course of events, whereby, insofar as serious interests do not prevent this, attention is particularly devoted to the investments and the circumstances on which the development in revenue profitability is contingent; and

(ii) The half-year financial statement gives a fair presentation of the assets, liabilities, financial position and profit or loss of USG People N.V. and the companies included in the consolidation.

Almere, 24 July 2009

USG People N.V.

R. Zandbergen
Interim Chief Executive Officer

usg people

press release

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Financial calendar

28 October 2009	Publication of 2009 third-quarter results (before market opens) Analysts' meeting and press conference on third-quarter results
3 March 2010	Publication of 2009 fourth-quarter and full-year results (before market opens) Analysts' meeting and press conference on fourth-quarter and full-year results
21 April 2010	Publication of 2010 first-quarter results (before market opens) Analysts' conference call on first-quarter results General Meeting of Shareholders
24 July 2010	Publication of 2010 second-quarter results (before market opens) Analysts' meeting and press conference on second-quarter results

Breakdown by segment
(unaudited)

Consolidated (x € million)	3 months ended 2009	 2008	growth	organic growth
Revenue				
General Staffing	430.2	652.9	-34%	-34%
Specialist Staffing	206.8	282.9	-27%	-27%
Professionals	78.4	98.1	-20%	-20%
Other	6.4	6.5	-2%	-2%
Group total	721.8	1.040.4	-31%	-31%
EBITA				
General Staffing	-7.1	30.2	-124%	-124%
Specialist Staffing	8.2	28.7	-71%	-71%
Professionals	3.5	8.7	-60%	-60%
Other	0.5	0.6	-17%	-17%
Corporate	-5.6	-5.6	0%	0%
Group total	-0.4	62.6	-101%	-101%

Consolidated (x € million)	6 months ended 2009	 2008	growth	organic growth
Revenue				
General Staffing	863.6	1.236.9	-30%	-32%
Specialist Staffing	435.6	560.4	-22%	-22%
Professionals	163.8	194.6	-16%	-16%
Other	13.7	12.3	11%	11%
Group total	1.476.7	2.004.3	-26%	-27%
EBITA				
General Staffing	-20.4	51.1	-140%	-138%
Specialist Staffing	16.6	57.6	-71%	-71%
Professionals	7.2	16.4	-56%	-56%
Other	1.2	1.1	9%	9%
Corporate	-10.9	-10.9		
Group total	-6.3	115.3	-105%	-105%

Breakdown by country
(unaudited)

Consolidated	**3 months ended**		**growth**	**organic**
(x € million)	**2009**	**2008**		**growth**
Revenue				
Netherlands	327.9	434.4	-25%	-25%
General Staffing	126.9	172.1	-26%	-26%
Specialist Staffing	139.1	190.3	-27%	-27%
Professionals	55.5	65.6	-15%	-15%
Other	6.4	6.5	-2%	-2%
Belgium / Luxembourg	155.5	210.5	-26%	-26%
General Staffing	88.6	124.4	-29%	-29%
Specialist Staffing	51.6	65.1	-21%	-21%
Professionals	15.3	21.0	-27%	-27%
France	101.9	145.4	-30%	-30%
General Staffing	98.8	140.2	-30%	-30%
Specialist Staffing	0.5	0.4	25%	25%
Professionals	2.6	4.8	-46%	-46%
Spain / Portugal	44.2	89.6	-51%	-51%
General Staffing	27.9	63.8	-56%	-56%
Specialist Staffing	11.3	19.0	-41%	-41%
Professionals	5.0	6.8	-26%	-26%
Germany	48.2	88.4	-45%	-45%
General Staffing	43.9	80.3	-45%	-45%
Specialist Staffing	4.4	8.0	-45%	-45%
Italy	25.2	40.9	-38%	-38%
Other countries	19.0	31.1	-39%	-39%
Group total	721.8	1.040.4	-31%	-31%
EBITA				
Netherlands	11.5	39.5	-71%	-71%
Belgium / Luxembourg	10.8	16.3	-34%	-34%
France	-8.9	2.9	-407%	-407%
Spain / Portugal	-3.3	0.7	-571%	-571%
Germany	-3.2	6.4	-150%	-150%
Italy	-0.3	2.7	-111%	-111%
Other countries	-1.4	-0.4	-250%	-250%
Corporate	-5.6	-5.6		
Group total	-0.4	62.6	-101%	-101%

Consolidated	6 months ended		growth	organic
(x € million)	2009	2008		growth
Revenue				
The Netherlands	690.0	856.8	-19%	-19%
General Staffing	265.6	338.5	-22%	-22%
Specialist Staffing	295.9	376.7	-21%	-21%
Professionals	114.8	129.3	-11%	-11%
Other	13.7	12.3	11%	11%
Belgium / Luxembourg	317.2	408.0	-22%	-22%
General Staffing	177.4	237.2	-25%	-25%
Specialist Staffing	106.7	128.1	-17%	-17%
Professionals	33.1	42.7	-22%	-22%
France	192.4	278.8	-31%	-31%
General Staffing	185.5	267.8	-31%	-31%
Specialist Staffing	0.8	1.1	-27%	-27%
Professionals	6.1	9.9	-38%	-38%
Spain / Portugal	88.1	179.1	-51%	-51%
General Staffing	55.2	127.5	-57%	-57%
Specialist Staffing	23.0	38.9	-41%	-41%
Professionals	9.9	12.7	-22%	-22%
Germany	101.2	141.1	-28%	-42%
General Staffing	92.1	125.5	-27%	-42%
Specialist Staffing	9.2	15.6	-41%	-41%
Italy	50.9	79.8	-36%	-36%
Other countries	36.9	60.7	-39%	-39%
Group total	1.476.7	2.004.3	-26%	-27%
EBITA				
Netherlands	28.0	81.4	-66%	-66%
Belgium / Luxembourg	12.0	27.3	-56%	-56%
France	-10.8	3.6	-400%	-400%
Spain / Portugal	-11.7	1.7	-788%	-788%
Germany	-7.7	8.0	-196%	-184%
Italy	-1.3	4.9	-127%	-127%
Other countries	-4.0	-0.7	-471%	-471%
Corporate	-10.9	-10.9	0%	0%
Group total	-6.3	115.3	-105%	-105%

Consolidated semi annual accounts per 30 June 2009

Content:

Consolidated interim income statement
(unaudited)

(x € thousands)	3 months ended 30 June 2009	3 months ended 30 June 2008	6 months ended 30 June 2009	6 months ended 30 June 2008
Revenue	721,835	1,040,374	1,476,695	2,004,258
Cost of sales	558,810	783,776	1,138,049	1,509,144
Gross profit	163,025	256,598	338,646	494,844
Selling expenses	144,597	169,145	301,222	329,412
General and administrative expenses	25,127	31,367	55,747	60,500
Other income and expense	19	142	-624	226
Operating income	-6.680	56,228	-18,947	105,158
Financial expenses	-4,863	-9,663	-18,629	-16,848
Financial income	460	325	1,194	603
Income before tax	-11,083	46,890	-36,382	88,913
Income tax expenses	5,187	-14,865	12,595	-27,479
Net income	-5,896	32,025	-23,787	61,434
Attributable to:				
Owners of the company	-5,934	31,601	-23,931	60,871
Non-controlling interests	38	424	144	563
	-5,896	32,025	-23,787	61,434
Earnings per share attributable to the owners of the company				
(in euros, per share of € 0.50 nominal)				
Basic	- € 0.09	€ 0.49	- € 0.36	€ 0.95
Diluted	- € 0.07	€ 0.46	- € 0.31	€ 0.88

Consolidated interim statement of comprehensive income [1]
(unaudited)

(x € thousands)	3 months ended		6 months ended	
	30 June 2009	**30 June 2008**	**30 June 2009**	**30 June 2008**
Net income	-5,896	32,025	-23.787	61,434
Other comprehensive income, after tax:				
Currency translation differences	238	13	-284	294
Other comprehensive income, after tax	238	13	-284	294
Total comprehensive income	-5,658	32,038	-24,071	61,728
Attributable to:				
Owners of the company	-5,696	31,614	-24,215	61,165
Non-controlling interests	38	424	144	563
	-5,658	32,038	-24,071	61,728

[1] This statement has been added due to the application of changes in IAS 1 'Presentation of Financial Statements'. The statement gives the results that have been recognized in equity. For the reported period this only relates to currency translation differences.

Consolidated interim balance sheet
(unaudited)

(x € thousands)	30 June 2009	31 December 2008
Non-current assets		
Property, plant and equipment	66,494	72,782
Goodwill	921,892	922,813
Other intangible assets	129,760	140,319
Financial assets	7,427	7,946
Deferred income taxes	65,855	50,721
Other non-current assets	5,534	5,534
	1,196,962	1,200,115
Current assets		
Trade and other receivables	519,598	680,820
Current income tax receivables	2,249	3,579
Derivative financial instruments	-	
Cash and cash equivalents	74,123	82,713
	595,970	767,112
Total assets	1,792,932	1,967,227
Equity attributable to owners of the company		
Share capital	321,509	321,244
Other reserves	15,757	16,071
Retained earnings	308,531	332,462
	645,797	669,777
Non-controlling interests	1,201	1,402
Total equity	646,998	671,179
Non-current liabilities		
Borrowings	457,483	486,534
Retirement benefit obligations	1,681	1,733
Other provisions	9,829	16,899
Deferred income tax liabilities	47,196	50,491
	516,189	555,657
Current liabilities		
Borrowings	101,673	147,061
Trade and other payables	435,314	511,419
Current income tax liabilities	42,869	43,353
Derivative financial instruments	19,967	15,385
Other provisions	29,922	23,173
	629,745	740,391
Total liabilities	1,145,934	1,296,048
Total equity and liabilities	1,792,932	1,967,227

Consolidated interim statement of changes in equity

(unaudited)

(x € thousands)	attributable to owners of the company			non-controlling interests	total equity
	share capital	other reserves	retained earnings		
Balance per 1 January 2008	321,095	15,881	347,708	1,028	685,712
Changes 2008:					
Share plan	-	1,289	-	-	1,289
Repurchase of shares		-496			-496
Exercised option rights	149	-	-	-	3,149
Trough acquisition of subsidiaries	-	-	-	1,407	1,407
Dividends relating to 2007	-	-	-32,358	-	-32,358
Dividends paid to minority interests holders	-	-	-	-164	-164
Total comprehensive income 6 months ended 30 June 2008	-	294	60,871	563	61,728
	149	1,087	28,513	1,806	31,555
Balance per 30 June 2008	321,244	16,968	376,221	2,834	717,267
Balance per 1 January 2009	321,244	16,071	332,462	1,402	671,179
Changes 2009:					
Share plan	-	-30	-	-	-30
Exercised option rights	265	-	-	-	265
Changes resulting from settlement of share plan	-	-	-	-	-
Acquisition non-controlling interests	-	-	-	-345	-345
Total comprehensive income 6 months ended 30 June 2009	-	-284	-23,931	144	-24,071
	265	-314	-23,931	-201	-24,181
Balance per 30 June 2009	321,509	15,757	308,531	1,201	646,998

Consolidated interim cash flow statement

(unaudited)

(x € thousands)	6 months ended 30 June 2009	30 June 2008
Income before tax	-36,382	88,913
Adjusted for:		
Depreciation and amortization property, plant and equipment and intangible assets	26,566	24,262
Result on disposal property, plant and equipment and intangible assets	76	-9
Result on sale subsidiaries	-256	-
Financial costs	18,629	16,848
Financial income	1,194	-603
Amortization of capitalized borrowing costs	-2,152	-2,022
Share plan expenses processed via equity	-29	1,289
Currency translation differences	-235	190
Change in pension-related liabilities and other provisions	-240	-1,992
Change in other non-current assets	-	-26
Changes in working capital:		
- trade and other receivables	159,809	-11,295
- trade and other payables	-74,353	-20,258
Cash flow from operating activities	90,238	95,297
Income tax paid	-5,510	-25,376
Net cash flow from operating activities	84,728	69,921
Acquisition subsidiaries	576	-82,767
Net investment in property, plant and equipment	-3,893	-13,935
Net investment in intangible assets	-6,043	-5,181
Disposal of subsidiaries	-741	-
Proceeds from borrowings and guarantee deposits	519	545
Net cash flow from investment activities	-9,582	-101,338
Proceeds from issuance of shares	265	149
Repurchase of shares	-	-496
Payment on derivatives	-3,539	-1,239
Proceeds from borrowings	62	110,931
Repayments of borrowings	-81,854	-69,998
Dividends paid	-	-32,358
Dividends paid to minority interest holders	-	-164
Interest paid	-7,315	-13,450
Interest received	1,295	274
Net cash flow from financing activities	-91,086	-6,351
Decrease in cash and cash equivalents	-15,940	-37,768
Change in cash and cash equivalents		
Cash and cash equivalents per 1 January	81,719	43,532
Increase in cash and cash equivalents	-15,940	-37,768
Cash and cash equivalents per 30 June	65,779	5,764
Cash and cash equivalents		
Cash and cash equivalents as stated on the balance sheet	74,123	70,225
Bank overdrafts	-8,344	-64,461
	65,779	5,764

Notes to the consolidated interim financial statements

General
USG People N.V. has its registered office in Almere, The Netherlands. USG People provides all types of flexible employment and a range of other services in the area of human resources, education & training and customer care. The group operates in 12 countries.
The consolidated interim financial statements of the Company for the period ended 30 june 2009 comprises the Company and its subsidiaries (together referred as 'the group').
The corporate structure of USG People N.V. is a legal entity with limited liability (public limited Company). The shares of the Company are listed on the NYSE Euronext Amsterdam stock exchange.
The consolidated interim financial statements were prepared and approved for publication by the Executive Board on 24 July 2009. The interim report and the consolidated interim financial statements were discussed at the meeting of the Supervisory Board on 23 July.

Basis for preparation
The consolidated interim financial information for the quarter ended 31 March 2009 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial report should be read in conjunction with the annual financial statements 2008.

Accounting policies
The accounting policies adopted are consistent with those of the annual financial statements 2008, as described in the annual financial statement 2008. The principles of valuation and determination of results used in interim financial information is equal to the IFRS principles used in the annual report 2008.

Standards, amendments and interpretations
Compared to the annual report 2008, the standards, amendments and interpretations effective 1 January 2009 have been applied in this interim financial information. The applications of these standards, amendments and interpretations have no influence on result nor equity.
The application of IFRS 8 'Operating Segments' and the amendment of IAS 1 'Presentation of Financial Statements' resulted in a changed presentation of the financial statements and used terminology. The segments as used in the segment reporting is based on the reporting of the results within the group to the Executive Board. Comparative figures have been adjusted to the changed segment reporting.

Seasonality
Group revenue and results are affected by seasonality in only a minimal way.

Goodwill allocation to cash generating units
For goodwill impairment testing multiple cash generating units are grouped together. The grouping is based on the monitoring methods used by the Executive Board.

Impairment testing
Due the current continued economic downturn an impairment test on assets has been performed. The result of the tests is that no impairment loss on assets is to be taken.

Divestments
In February 2009 the group divested its Portuguese activities. The financial results of the divested activities were recognized in the consolidated interim income statement for the period that the group had a controlling interest in the activities divested.

The divested net assets and liabilities were as follows:

Outflow of cash and cash equivalents	741
Carrying amount of net assets and liabilities divested	-997
Result on divestment	256

The result on the divestment of the Portuguese activities is recognized under other income and expenses in the consolidated interim income statement.

The assets and liabilities connected with the divestment are as follows:

Property, plant and equipment	92
Deferred income tax asset	494
Trade and other receivables	1,414
Current income tax	29
Trade and other payables	-3,026
Carrying amount of net assets and liabilities divested	-997
Consideration paid to the buyer in cash and cash equivalents	-480
Cash and cash equivalents and bank overdrafts at divested activities	261
Outflow of cash and cash equivalents	-741

Issues shares
In the General meeting of Shareholders of 21 April 2009, the proposed dividend of € 0.58 was approved; consequently the number of shares increased by 5,654,055. Because of the exercise of employee options 48,248 shares have been issued, totalling the number of issued shares per 30 June 2009 at 70,682,433.

Provisions

	restructuring provision	personnel-related provisions	other provisions	total
Balance per 1 January 2009	25,051	4,466	10,555	40,072
Additions during the half year	18,824	1,680	513	21,017
Used during the half year	-11,502	-822	-869	-13,193
Released during the half year	-4,402	-761	-2,982	-8,145
Currency translation differences	-1	-	1	0
Balance per 30 June 2009	27,970	4,563	7,218	39,751
Non-current	6,084	2,479	1,266	9,829
Current	21,886	2,084	5,952	29,922
Balance per 30 June 2009	27,970	4,563	7,218	39,751

Due to the continued economic turmoil, the group had to adjust the organization to the current circumstances. This resulted in additional reorganization charges of € 18.8 million which has been recognized in the selling expenses for € 16.0 million and general and administrative expenses for € 2.8 million. Because of being able to rent out vacant offices an amount of € 2.7 million has been released from the re-organization provision. The release has been recognized in the selling expenses.

Factoring

In June 2009 the group concluded a factoring agreement with KBC Commercial Finance for the sale of trade receivables in Belgium. Because of the agreement the group was able to reduce its trade receivables by € 45.6 million (€ 33.2 million Belgium/Luxemburg Generalist staffing and € 12.4 million Belgium/Luxemburg Specialist activities).

Ratio covenants with providers syndicated loan

Per 30 June 2009 the senior leverage ratio was 2.1 (to be smaller than 2.5) and the interest coverage ratio 5.7 (to be higher than 4,0).
Starting the third quarter 2009 the covenants have been adjusted. Up until the third quarter 2010 the maximum allowed senior leverage ratio has been raised to 3.0 and the minimum allowable interest coverage ratio was lowered to 3.0.
The extension of the covenants results in an adjustment of the interest rate that will be calculated as EURIBOR plus a margin. For the margin a graduated rate applies, which is dependent on the senior leverage ratio. The adjusted margin is between 1.50 and 2.50 percentage points, depending on the value of the senior leverage ratio. Before the adjustment, the margin was between 0.45 and 0.95 percentage points.

Subordinated convertible bond

As a consequence of the distribution of the dividend in May as approved by the General meeting of Shareholders of 23 April 2009, the conversion price has been adjusted from € 17.91 to € 17.40.

Segmentation

Compared to the annual accounts 2008 the segmentation has been adjusted because of the application of IFRS 8 ‘Operational segments’. De segment reporting as used is based on the reporting of the results within the Group to the Executive Board. The comparative figures have been adjusted to the new segment reporting as well.

6 months ended 30 June 2008	**revenue**	**ebita**	**assets**
Netherlands General staffing	265,604	7,181	162,790
Netherlands Specialist activities	424,357	20,779	591,048
Belgium/ Luxemburg General staffing	177,445	3,331	192,636
Belgium/ Luxemburg Specialist activities	139,723	8,696	96,599
France	192,450	-10,772	178,982
Spain/ Portugal	101,248	-7,717	278,643
Germany	88,145	-11,660	87,696
Italy	50,871	-1,263	66,551
Other countries	36,852	-3,964	31,523
Corporate	-	-10,942	39,188
Non assigned assets	-	-	39,918
Elimination	-	-	27,358
Total	1,476,695	-6,333	1,792,932

6 months ended 30 June 2008	**revenue**	**ebita**	**assets**
Netherlands General staffing	338,453	26,426	179,765
Netherlands Specialist activities	518,337	54,974	651,726
Belgium/ Luxemburg General staffing	237,172	10,297	241,715
Belgium/ Luxemburg Specialist activities	170,803	16,970	129,060
France	278,827	3,580	286,267
Spain/ Portugal	141,126	7,994	300,569
Germany	179,079	1,723	158,397
Italy	79,772	4,944	75,639
Other countries	60,689	-729	48,090
Corporate	-	-10,875	28,785
Non assigned assets	-	-	42,768
Elimination	-	-	30,019
Total	2,004,258	115,304	2,172,800

Reconciliation of segment results to income before tax

	6 months ended	
	30 June 2009	**30 June 2008**
Ebita segments	-6,333	115,304
Amortization intangible assets	-12,614	-10,146
Financial expenses	-18,629	-16,848
Financial income	1,194	603
Income before tax	-36,382	88,913

Contingent liabilities

Compared to 2008 there are no substantial changes in the contingent liabilities.

Key figures

	6 months ended	
	30 June 2009	30 June 2008
Growth in percentage		
Revenue	-26.3%	7.8%
Operating income	-118.0%	0.3%
Net income	-139.3%	-4.4%
Ratios		
Operating income/ revenue	-1.3%	5.2%
Net income/ revenue	-1.6%	3.0%
Equity/ total equity and liabilities	36.0%	32.9%
Current assets/ current liabilities	0.95	1.04
Bank covenants		
Senior leverage ratio (Net financial debt/ Ebitda)	2.1	1.8
Interest coverage ratio (Ebitda/ adjusted financial result)	5.7	8.9
Information on shares (x 1,000)		
Number of shares outstanding at 30 June	70,682	64,980
Average number of shares (excl. treasury shares) per 31 March	70,682	64,746
Average number of outstanding shares	67,122	63,957
Diluted number of shares outstanding (including options)	67,122	64,010
Fully diluted number of shares outstanding (including options and subordinated convertible bond)	73,731	70,429
Per share based on the number of shares outstanding		
Net income	- € 0.34	€ 0.94
Equity	€ 9.14	€ 10.99
Per share based on the average number of shares outstanding		
Net income	- € 0.36	€ 0.95
Equity	- € 9.62	€ 11.17
Per share based on the number of diluted shares (including options) outstanding		
Net income	- € 0.36	€ 0.95
Per share based on the number of diluted shares (including options and subordinated convertible bond) outstanding		
Net income	- € 0.31	€ 0.88