usg people press release

2010 Second quarter and half-year results

Return to growth, EBITA rises

Almere, 23 July 2010, 07:00 CET

Key points of second quarter 2010

- Revenue was € 747 million and was 3% higher than the second quarter last year
- The gross margin of 22.0% remained virtually stable with respect to the previous quarters (Q1 2010: 22.1%, Q4 2009: 22.1%, Q3 2009: 21.9%); in the second quarter of last year the gross margin was 22.6%
- The operating expenses amounted to € 139 million and remained stable at the same level of the 1st quarter (€ 137 million); the costs were 4% lower than in the second quarter of last year
- The underlying EBITA came to € 19 million compared with € 12 million for the second quarter of 2009 (underlying EBITA Q1 2010: € 8 million)

Key figures

Underlying results* (in € millions)	**Q2 2010**	**Q2 2009**	**change**	**1st Half year 2010**	**1st Half year 2009**	**change**
Revenue	747	722	3%	1,431	1,477	-3%
Gross result	164	163	1%	317	341	-7%
Operating expenses	139	145	-4%	275	304	-10%
EBITDA	25	18	39%	42	37	14%
EBITA	19	12	58%	29	23	26%
Net income	4	2		-1	0	

** Underlying results are results excluding the one-off effects specified on page 13.*

“Our revenue grew once again in the second quarter,” said Rob Zandbergen, CEO of USG People. “This after 7 quarters of decline in revenue. The recovery gathered strength and we saw extremely strong growth in a few countries. The early cyclical general activities are growing faster than the late cyclical specialist and administrative activities. Since we once again succeeded in keeping our operational expenses virtually the same, the operational leverage worked well in the second quarter. Higher revenue translated into a substantially higher result. The EBITA more than doubled compared to the previous quarter. In the late cyclical Dutch market, the recovery lagged somewhat behind, as expected. Revenue in the Netherlands improved slightly compared to the previous quarter and indications from the field were increasingly positive. We are confident that the recovery in the Netherlands will also be more visible in the results in the third quarter.

The merging of labels in the Netherlands, Spain and Germany announced earlier is going according to plan and will be completed in the third quarter. Assuming further improvement in our markets, we are now excellently positioned to profit optimally from the market recovery."

(in € millions)	Q2 2010 reported	One-off effects	Q2 2010 underlying	Q2 2009 underlying	Change
Revenue	747		747	722	3%
Gross result	166	-1.3	164	163	1%
Operating expenses	142	-2.8	139	145	-4%
EBITDA	24	1.5	25	18	39%
Depreciation	6		6	6	
EBITA	18	1.5	19	12	58%
Gross margin	22.2%		22.0%	22.6%	
Operating expenses as % of revenue	19.0%		18.6%	20.1%	
EBITA margin	2.4%		2.6%	1.6%	

Notes on the 2010 second-quarter results

Revenue

USG People generated revenue of € 747 million in the second quarter. Revenue was 3% higher than last year. The trend towards recovery continued and gathered strength. From April, there was once again year-on-year growth and revenue for the quarter grew by 9% compared with the first quarter.

Growth was realised in all countries except the Netherlands in the second quarter. In the Netherlands the decline in revenue measured year-on-year decreased further to -10% in the second quarter. In the first quarter the decline still amounted to 20%. In the Netherlands the second quarter included one less working day than last year. The Netherlands is still lagging behind somewhat because of the relatively large share of the staffing market in the services segment and for USG People specifically because of its large interest in specialist services and focus on small and medium-sized enterprise. These sectors recover somewhat later in the cycle.

At General Staffing we saw the growth in revenue that started at the beginning of the year increase further. Revenue for the second quarter was 12% higher than last year and the month-on-month development was positive during the quarter. The market recovery continued unabated in the early cyclical activities of General Staffing. The activities of General Staffing are the first to pick up because of its positions in the production industry and the regions focused on industry. At Specialist Staffing and Professionals we also saw improvements. Although revenue at these activities was still below that of last year, the revenue at Specialist Staffing rose 3% compared to the previous quarter. The decline measured year-on-year did decrease substantially. In the second quarter Specialist Staffing was 8% lower and Professionals 9% lower. The specialist activities and professionals recover somewhat later than the general staffing activities due to their positions in the services segment, which is late cyclical.

Gross margin

The underlying gross result in the second quarter came to € 164 million and was € 1 million higher than the underlying gross result for the same period last year. The gross margin came to 22.0% of revenue, 0.6 percentage points below that of last year, when the underlying gross margin came to 22.6%. The gross margin remained virtually stable with respect to the previous quarters. The gross margin has remained stable for the fourth consecutive quarter (Q3 2009: 21.9%, Q4 2009: 22.1%, Q4 2010: 22.1%).

As the result of a legislative amendment, with effect from the second quarter a change was implemented in the attribution of tax in France. This involves the so-called business tax which was previously included in the cost price as charges. The business tax is presented in the taxation line from 2010. As a result of the change, the results before tax are higher (including the gross result and EBITA). The taxes are increased by the same amount; consequently the change has no effect on the net result. This was an amount of € 1.6 million for the second quarter.

Operating expenses
The underlying operating expenses remained low at € 139 million. The underlying expenses were € 2 million higher than the previous quarter. Expenses were 4% lower compared with the second quarter last year. In addition to the underlying expenses, an amount of € 3 million in one-off expenses was included, primarily for employee severance arrangements.

The number of locations remained the same on balance. In Germany the number of locations decreased by 3 as the result of mergers and 3 locations were opened in other countries. The number of employees decreased by 70 FTEs primarily as a result of integrations in the Netherlands and Germany.

EBITA

(in € millions)	**Q2 2010**	**Q2 2009**
Underlying EBITA	19	12
One-off effects	-1	-12
EBITA reported	18	0

In the second quarter, the underlying EBITA was € 19 million compared with € 12 million in 2009. The operating results were affected by one-off effects in both quarters. Including these effects, the reported EBITA came to € 18 million compared to € 0 million in the same period last year. The one-off effects were much higher in 2009 as the result of restructuring.

Amortisation
Amortisation amounted to € 9 million in the second quarter and was higher than last year because of the accelerated amortisation of brand rights for labels that were merged in 2010. The extra amortisation amounted to € 3 million in the second quarter. Except for this accelerated amortisation, there were no particularities and it remained virtually the same as that of last year. Amortisation involves the depreciation of valued brand rights, customer portfolios and candidate databases from acquisitions made earlier.

Financing expenses
The interest charges came to € 9 million compared with € 4 million last year. Of these charges, in the second quarter of 2010 € 1 million related to unrealised value changes in interest-rate derivatives. In the same period of 2009 there was a positive effect of € 2 million as the result of unrealised value changes. Excluding the unrealised value effects of derivatives, the underlying interest charges came to € 8 million compared with € 6 million in the first quarter of 2009.

Taxation
Taxes amounted to € 2 million in the second quarter. The amount was relatively high compared to the result before tax. This was due to the fact that the untaxed results weigh relatively heavily on a lower absolute result. The change in the attribution of the French business tax increased the tax by € 3 million.

Net income
The underlying net result was € 4 million and was € 2 million higher than the underlying net result in the second quarter of 2009. Including incidental results, the net result came to - € 1 million compared to - € 6 million in the same period of 2009.

Balance sheet and cash flow
The balance sheet total increased by € 15 million in the second quarter, primarily due to an increase in the trade receivables and trade accounts payable. Shareholders' equity remained virtually unchanged, as did the net debt. The net bank debt, excluding subordinated loans (€ 151 million), increased in the second quarter by € 1 million from € 163 million to € 164 million. With this position, the bank covenants were easily met. The senior leverage ratio came to 1.7 at the end of June and the interest coverage ratio was 3.9. The operating cash flow amounted to € 17 million in the second quarter.

Results per country
The Netherlands
The recovery at production and export-oriented businesses continued in the second quarter; consequently revenue at Start People increased slightly from the last quarter. Corrected for one less working day this year, the revenue was virtually equal to that of the second quarter last year. In the first quarter there was still a year-on-year decline of 14% at Start People. In the services segment and niche markets in which USG People has a strong position, gradual improvement was visible. We also see clear signs of recovery at these activities now.

The gross margin was somewhat lower compared to the previous quarter because of mix effects. The gross margin in the Netherlands has remained virtually stable since the 3rd quarter of 2009. The underlying costs also remained at virtually the same low level of previous quarters. The underlying EBITA was € 7 million (2.4%) compared with € 12 million (3.7%) in the second quarter last year.

At Specialist Staffing, the decline in revenue further decreased compared to last year. There was however already a slight increase in revenue with respect to the previous quarter. Revenue was 17% lower than in the second quarter of 2009, while the decline in the previous quarter had still been 28%. For the second quarter, revenue at Unique was slightly higher than for the first quarter. The merging of Unique and Content is starting to bear fruit. Even though demand at the government, banks and insurers still lagged behind, Unique managed to improve its revenue slightly. Professionals booked a drop in revenue of 14% compared to last year, more or less in line with the previous quarter.

Belgium and Luxembourg
USG People’s revenue grew once again in the second quarter. Compared to last year, revenue was 3% higher. In the first quarter this was still 7% lower than in 2009. Just as in the Netherlands, it is mainly the production industry and transport sector leading the recovery in Belgium as well. In the second quarter, Start People and Unique achieved growth in revenue of 3% compared to last year. The growth at Specialist Staffing was even 6% thanks to strong improvement in revenue at Secretary Plus and Express Medical. At Professionals, USG Legal Forces (legal profiles) and USG HR Forces grew exceptionally well. USG Innotiv (engineers and ICT) and USG Financial Forces (financial profiles) continued to lag behind somewhat.

France
Continuing the trend that started earlier, France continued to be one of the frontrunners on the road to recovery in the second quarter as well. Revenue grew substantially and was 21% higher than in the second quarter of last year. The underlying gross margin and EBITA were higher in the second quarter thanks to the change in the treatment of business tax mentioned earlier. Consequently the gross result and EBITA were € 1.6 million higher. The EBITA margin rose to 3.5% of revenue. The change in the attribution of the business tax has no effect on the net result.

Rest of Europe
We saw the trends improve strongly in Germany and Italy as well. Revenue grew by more than 30% compared to last year in these countries. In the 'other countries', growth even reached 42% (Switzerland +16%, Austria +65% and Poland +83%). The 'other countries' achieved a small positive EBITA result for the second quarter. Growth lagged behind in Spain. Although revenue was 5% higher than last year, virtually no month-on-month progress was achieved. Demand on the staffing market in Spain remained low as the result of the difficult economic circumstances in the country.

Prospects
The trends we saw in the staffing markets in the first half of the year were extremely positive. The continued improvement in market conditions increasingly point to a lasting recovery. There was once again growth in all countries except the Netherlands in the second quarter. The Netherlands did show some recovery, especially in the production industries and the transport sector, while the momentum for the services industry is improving gradually. If the current trends continue, we expect the revenue of USG People in the Netherlands to rise above zero in the third quarter and turn around into growth.

In contrast to all these positive developments, however, uncertainty about the sustainability of the general economic recovery remains. Given these uncertainties, we refrain from issuing any concrete expectations for revenue and earnings for the 2010 financial year.

For more information, please contact:
Rob Zandbergen, CEO
Tel.: +31 (0)36 529 95 20
Email: rzandbergen@usgpeople.com

Financial calendar

29 October 2010	Publication of the third quarter results 2010 (pre-market) Conference call for analysts for the third quarter results
4 March 2011	Publication of fourth quarter and annual results 2010 (pre-market) Analysts' meeting and press conference for the fourth quarter and annual results

Additional information
Annexes 1 and 2 to this press release contain additional information with respect to the segmentation used in USG People's 2009 financial statements. This additional information is included to increase insight into the quarterly figures for the users of this press release.

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 cannot accept any liability whatsoever in respect of updates or amendments to 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.

Disclaimer
This press release is available in both Dutch and English. In the event of ambiguity, the Dutch text is decisive.

About USG People
USG People is active with a large number of brands that jointly provide one-stop solutions in the field of staffing, secondment and HR and customer care services. With revenue of more than € 3 billion in 2009, USG People is number four in Europe in HR service provision. USG People's headquarters are in the Dutch city of Almere and the group is active in a number of European countries including the Netherlands, Belgium, Luxembourg, Germany, Austria, Switzerland, 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, Receptel, Secretary Plus, 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 half year of 2010

(in € millions)	H1 2010 reported	H1 2010 underlying*	H1 2009 underlying	Growth
Revenue	1,431	1,431	1,477	-3%
Gross result	317	317	341	-7%
Operating expenses	279	275	304	-10%
EBITDA	38	42	37	14%
EBITA	25	29	23	26%
Gross margin	22.2%	22.2%	23.1%	
Operating expenses as % of revenue	19.5%	19.2%	20.6%	
EBITA margin	1.7%	2.0%	1.6%	

* Underlying results are results excluding one-off effects as specified on page 13.

Revenue
USG People generated revenue of € 1,431 million in the half year. Revenue was 3% lower than in the first half of 2009. A decline in revenue was turned around into revenue growth during the first half year. Measured year-on-year, there was an increase in revenue of 3% during the second quarter, while in the first quarter there had still been a decline in revenue of 9%. This brought an end to seven consecutive quarters of decline in revenue.

Gross result
The gross result came to € 317 million and was 7% lower than last year. The gross margin amounted to 22.2% and remained virtually stable during the first six months of the year. The gross margin was also virtually the same as the gross margin in the second half of 2009. The income from recruitment and selection activities, which declined sharply in the first half of 2009 as a result of the economic crisis, has remained stable since mid 2009. This income has a relatively large effect on the gross margin. The outcome of mix effects was virtually stable on balance.

In the first six months of 2010, a legislative amendment came into force in France for the attribution of tax (business tax) which had previously been included in the cost price. These taxes are reported with the taxes on the result with effect from 2010. As a result of this, the gross margin was € 3 million higher in the first half year. The change has no effect on the net result.

Operating expenses
The underlying operating expenses came to € 275 million, a reduction of 10% with respect to the first six months of 2009. In addition, there were € 4 million in non-regular expenses in the first six months of 2010, primarily for employee severance arrangements. In the first half of 2009, the non-regular expenses amounted to € 29 million, € 2 million of which were in the gross result.

The group's workforce was reduced by a total of 172 FTEs in the first six months of the year and the number of locations decreased by 49. Most of the closures took place in the Netherlands and Germany as the result of the integration of operating companies.

EBITA
In the first half year, the underlying EBITA increased by 26% and amounted to € 29 million compared with € 23 million in the same period last year. The operational leverage effect boosted EBITA strongly over the past months. Growth in revenue with virtually constant costs had a stronger effect on EBITA. The reported EBITA was € 25 million compared to - € 6 million in the first half year of 2009.

Amortisation
Amortisation amounted to € 17 million in the second quarter and was higher than last year because of the accelerated amortisation of brand rights for labels that were merged in 2010. The extra amortisation amounted to € 5 million in the first half of the year. Except for this accelerated amortisation, there were no particularities and it remained virtually the same as that of last year. Amortisation involves the depreciation of valued brand rights, customer portfolios and candidate databases from acquisitions made earlier.

Financing expenses
The underlying financing expenses, excluding unrealised value changes to interest-rate derivatives, came to € 16 million. The charges increased by € 3 million with respect to the first half of 2009 when these were € 13 million. The increase was the result of adjusted conditions after changes to the terms and conditions of the financing agreement in mid 2009.
Including unrealised value changes to interest-rate derivatives, the financial expenses came to € 19 million, compared with € 17 million in 2009.

Net result
The underlying net result was - € 1 million for the first half of 2010. It was therefore € 1 million lower than the break-even result in the first half of 2009. The reported net result came to - € 10 million in the first six months. Although the result was negative, this was a significant improvement compared to 2009. In the first half of 2009 the net result was - € 24 million.

Balance sheet and cash flow
The balance sheet total increased by € 33 million in the first half year, primarily due to an increase in trade receivables and trade accounts payable. The balance sheet was strengthened by a share issue which boosted shareholders' equity by € 85 million. In contrast, the net loss for the first six months resulted in a decrease of € 10 million in shareholders' equity. On balance the shareholders' equity increased by € 75 million from € 639 million to € 714 million. The net bank debt, excluding subordinated loans (€ 151 million), decreased in the first half year by € 59 million from € 223 million to € 164 million. With this position, the bank covenants were easily met. The senior leverage ratio came to 1.7 at the end of June and the interest coverage ratio was 3.9. The solvency ratio improved to 42.6%.

Risk Management
The main risks USG People faces as a player on the European staffing market are cited in the 2009 Annual Report in the section on risk. It is also stated there how USG People implements risk management by means of its internal risk management and control systems. The risks cited in the 2009 annual report also apply for the second half of 2010.

Report from the Executive Board

The Executive Board of USG People N.V. hereby declares that to the best of its knowledge, the half-year financial statements give a fair and true picture of the assets, liabilities, financial position and profit or loss of the issuing institution and the companies included in the consolidation, and that the half-year financial statements give a fair and true overview of the information referred to in eighth and, insofar as applicable, ninth subsection of Section 5:25d of the Financial Supervision Act.

Almere, 23 July 2010

USG People N.V.

R. Zandbergen
Chief Executive Officer

Further information on the total level (unaudited)

Underlying results	3 months ending on 30 June					
(in € million)	2010	2009	Growth	Organic growth	EBITA margin 2010	EBITA margin 2009
Revenue						
General Staffing	485	436	11%	12%		
Specialist Staffing	185	202	-8%	-8%		
Professionals	71	78	-9%	-9%		
Other	6	6				
Total group	747	722	3%	3%		
Underlying EBITA						
General Staffing	9.1	1.9	379%	279%	1.9%	0.4%
Specialist Staffing	9.7	9.5	2%	2%	5.2%	4.7%
Professionals	3.6	4.6	-22%	-22%	5.1%	5.9%
Other	0.1	0.5	-80%	-80%	1.7%	8.3%
Corporate	-4.9	-4.7	4%	4%		
Reclassification business tax France	1.6					
Total group	19.2	11.8	63%	56%	2.6%	1.6%

Underlying results	6 months ending on 30 June					
(x € million)	2010	2009	Growth	Organic growth	EBITA margin 2010	EBITA margin 2009
Revenue						
General Staffing	910	873	4%	5%		
Specialist Staffing	365	426	-14%	-14%		
Professionals	144	164	-12%	-12%		
Other	12	14	-14%	-14%		
Total group	1,431	1,477	-3%	-3%		
Underlying EBITA						
General Staffing	12.5	0.7	1.686%	558%	1.4%	0.1%
Specialist Staffing	15.6	23.0	-32%	-32%	4.3%	5.4%
Professionals	9.0	8.3	8%	8%	6.3%	5.1%
Other	0.2	1.2	-83%	-83%	1.7%	8.6%
Corporate	-11.4	-10.7				
Reclassification business tax France	2.9					
Total group	28.7	22.5	28%	22%	2.0%	1.5%

Further information by country (unaudited)

Underlying results	3 months ending on 30 June					
(in € million)	2010	2009	Growth	Organic growth	EBITA margin 2010	EBITA margin 2009
Revenue						
The Netherlands	294	328	-10%	-10%		
General Staffing	124	127	-2%	-2%		
Specialist Staffing	116	139	-17%	-17%		
Professionals	48	56	-14%	-14%		
Other	6	6				
Belgium / Luxembourg	160	156	3%	3%		
General Staffing	91	89	2%	2%		
Specialist Staffing	55	52	6%	6%		
Professionals	14	15	-7%	-7%		
France	123	102	21%	21%		
General Staffing	119	99	20%	20%		
Specialist Staffing	1	1				
Professionals	3	2	50%	50%		
Spain	46	44	5%	5%		
General Staffing	39	38	3%	3%		
Specialist Staffing	1	1				
Professionals	6	5	20%	20%		
Germany	63	48	31%	31%		
General Staffing	49	38	29%	29%		
Specialist Staffing	14	10	40%	40%		
Italy	33	25	32%	32%		
Other countries	27	19	42%	53%		
Total group	747	722	3%	3%		
Underlying EBITA						
The Netherlands	7.1	12.0	-41%	-41%	2.4%	3.7%
Belgium / Luxembourg	12.7	11.7	9%	9%	7.9%	7.5%
France	3.3	-0.4	925%	925%	2.7%	-0.4%
Spain	-1.0	-3.1	68%	68%	-2.2%	-7.0%
Germany	-0.3	-2.2	86%	86%	-0.5%	-4.6%
Italy	0.5	-0.3	267%	267%	1.5%	-1.2%
Other countries	0.2	-1.2	117%	129%	0.7%	-6.3%
Corporate	-4.9	-4.7	4%	4%		
Reclassification business tax France	1.6					
Total group	19.2	11.8	63%	56%	2.6%	1.6%

Underlying results	6 months ending on 30 June					
(in € million)	**2010**	**2009**	**Growth**	**Organic growth**	**EBITA margin 2010**	**EBITA margin 2009**
Revenue						
The Netherlands	582	690	-16%	-16%		
General Staffing	244	265	-8%	-8%		
Specialist Staffing	229	296	-23%	-23%		
Professionals	97	115	-16%	-16%		
Other	12	14	-14%	-14%		
Belgium / Luxembourg	310	317	-2%	-2%		
General Staffing	174	177	-2%	-2%		
Specialist Staffing	108	107	1%	1%		
Professionals	28	33	-15%	-15%		
France	224	192	17%	17%		
General Staffing	217	185	17%	17%		
Specialist Staffing	1	1				
Professionals	6	6				
Spain	90	88	2%	2%		
General Staffing	76	76				
Specialist Staffing	1	2	-50%	-50%		
Professionals	13	10	30%	30%		
Germany	114	101	13%	13%		
General Staffing	88	80	10%	10%		
Specialist Staffing	26	21	24%	24%		
Italy	62	51	22%	22%		
Other countries	49	37	32%	44%		
Total group	1,431	1,477	-3%	-3%		
Underlying EBITA						
The Netherlands	13.7	32.7	-58%	-58%	2.4%	4.7%
Belgium / Luxembourg	21.0	18.7	12%	12%	6.8%	5.9%
France	5.5	-2.2	350%	350%	2.5%	-1.1%
Spain	-2.5	-6.2	60%	60%	-2.8%	-7.0%
Germany	-0.8	-5.8	86%	86%	-0.7%	-5.7%
Italy	0.4	-0.8	150%	150%	0.6%	-1.6%
Other countries	0.2	-3.2	106%	109%	0.4%	-9.2%
Corporate	-11.7	-10.7	-9%	-9%		
Reclassification business tax France	2.9					
Total group	28.7	22.5	28%	22%	2.0%	1.5%

Specification of one-off effects 2009 and 2010

One-off effects EBITA (in € million)	**Q1 2009**	**Q2 2009**	**H1 2009**	**Q1 2010**	**Q2 2010**	**H1 2010**
Underlying EBITA	**10.7**	**11.8**	**22.5**	**9.5**	**19.2**	**28.7**
The Netherlands	-4.2	-0.5	-4.7		-0.2	-0.2
Belgium / Luxembourg	-5.8	-0.9	-6.7			
France		-8.5	-8.5	-1.3	1.3	
Spain	-4.4	-1.1	-5.5			
Germany	-1.0	-1.0	-2.0		-0.3	-0.3
Italy	-0.5		-0.5			
Other countries	-0.8		-0.8			
Corporate				-0.7	-2.3	-3.0
Reported EBITA	**-6.0**	**-0.2**	**-6.2**	**7.5**	**17.7**	**25.2**
Breakdown by activity						
General Staffing	-11.5	-9.5	-21.0	-1.3	1.0	-0.3
Specialist Staffing	-5.2	-1.4	-6.6		-0.2	-0.2
Professionals		-1.1	-1.1			
Corporate				-0.7	-2.3	-3.0
Total one-off	**-16.7**	**-12.0**	**-28.7**	**-2.0**	**-1.5**	**-3.5**

Specification of underlying net results	2009			2010		
(in € million)	**Q1**	**Q2**	**H1**	**Q1**	**Q2**	**H1**
Underlying net result	**-2**	**2**	**0**	**-5**	**4**	**-1**
One-off EBITA	-17	-12	-29	-1	-1	-4
Accelerated amortisation				-2	-3	-5
Unrealised value change in derivatives	-7	2	-5	-3	-1	-4
Tax effects on one-off results	8	2	10	2		4
Net result reported	**-18**	**-6**	**-24**	**-9**	**-1**	**-10**

Consolidated half-year financial statements at 30 June 2010

Contents:

Consolidated interim profit and loss account

(unaudited)

Amounts in thousands of euros	6 months ending on 30 June 2010	6 months ending on 30 June 2009
Net revenue	1,430,766	1,476,695
Cost of revenue	1,113,747	1,138,049
Gross result	317,019	338,646
Selling costs	253,212	301,222
General management expenses	55,665	55,747
Other income and expenses	73	-624
Operating result	8,215	-18,947
Financing expenses	-19,761	-18,629
Financial income	576	1,194
Income before taxes	-10,970	-36,382
Taxes	859	12,595
NET PROFIT/LOSS	-10,111	-23,787
Attributable to:		
Owners of the company	-10,113	-23,931
Minority interest	2	144
	-10,111	-23,787
Result per share attributable to owners of the company		
(in euros, per share of € 0.50 nominal)		
Basic	- € 0.13	- € 0.34
Diluted	- € 0.13	- € 0.34

Consolidated interim total performance summary

(unaudited)

Amounts in thousands of euros	**6 months ending on 30 June 2010**	**6 months ending on 30 June 2009**
Net profit/loss	-10,111	-23,787
Other total result after taxes:		
Exchange gains and losses	45	-284
Other total result after taxes	45	-284
Total result	-10,066	-24,071
Attributable to:		
Owners of the company	-10,068	-24,215
Minority interest	2	144
	-10,066	-24,071

Consolidated interim balance sheet

(unaudited)

Amounts in thousands of euros

	30 June 2010	31 Dec 2009
Fixed assets		
Property, plant and equipment	49,922	56,675
Goodwill	919,570	919,570
Other intangible fixed assets	108,665	119,546
Financial fixed assets	8,531	7,911
Deferred income tax assets	64,538	61,650
Other fixed assets	7,082	7,082
	1,158,308	1,172,434
Current assets		
Trade and other receivables	461,942	424,037
Tax receivables	3,607	5,640
Cash and cash equivalents	53,075	41,519
	518,624	471,196
Total assets	1,676,932	1,643,630
Shareholders' equity attributable to owners of the company		
Share capital	406,300	321,515
Appointed reserves	15,334	14,978
Retained earnings	292,206	302,319
	713,840	638,812
Minority interest	453	529
Total equity	714,293	639,341
Long-term liabilities		
Loans	234,232	339,038
Retirement benefit obligations	1,423	1,376
Other provisions	9,040	10,055
Deferred tax liabilities	39,402	43,704
	284,097	394,173
Current liabilities		
Borrowings	134,473	78,334
Trade and other payables	484,904	444,078
Tax liabilities	20,850	45,392
Derivative financial instruments	23,841	20,431
Other provisions	14,474	21,881
	678,542	610,116
Total liabilities	962,639	1,004,289
Total equity and liabilities	1,676,932	1,643,630

Consolidated interim statement of movements in shareholders' equity

(unaudited)

Amounts in thousands of euros	Attributable to owners of the company				
	Share capital	**Appointed reserves**	**Retained earnings**	**Minority interest**	**Total equity**
Balance at 1 January 2009	321,244	16,071	332,462	1,402	671,179
Net income for H1 2009	-	-	-23,931	144	-23,787
Exchange gains and losses	-	-284	-	-	-284
Total profit/loss	-	-284	-23,931	144	-24,071
Share plan	-	-30	-	-	-30
Exercised option rights	265	-	-	-	265
Acquisition non-controlling third-party interests in subsidiaries	-	-	-	-345	-345
	265	-30	-	-345	-110
Balance sheet at 30 June 2009	321,509	15,757	308,531	1,201	646,998
Balance sheet at 1 January 2010	321,515	14,978	302,319	529	639,341
Net income for H1 2010	-	-	-10,113	2	-10,111
Exchange gains and losses	-	45	-	-	45
Total profit/loss	-	45	-10,113	2	-10,066
Share plan	-	311	-	-	311
Issue of new shares	84,785	-	-	-	84,785
Dividend paid to holders of minority interest				-78	-78
	84,785	311	-	-78	85,018
Balance sheet at 30 June 2010	406,300	15,334	292,206	453	714,293

Consolidated interim cash flow statement

(unaudited)

Amounts in thousands of euros	6 months ending on 30 June 2010	30 June 2009
Cash flow from operating activities		
Result before taxes	-10,970	-36,382
Adjustments for:		
Depreciation and amortisation of tangible and intangible fixed assets	29,336	26,566
Profit from sale of tangible and intangible fixed assets	251	76
Profit from sale of subsidiary	-	-256
Financing expenses	19,761	18,629
Financial income	-576	-1,194
Share plan costs included via shareholders' equity	311	-30
Exchange gains and losses	-4	-235
Changes in pension obligations and other provisions	-8,375	-240
Changes in working capital:		
- trade and other receivables	-37,906	159,809
- trade and other payables	39,580	-74,353
Cash flow from operating activities	31,408	92,390
Company tax paid	-28,840	-5,510
Net cash flow from operating activities	2,568	86,880
Net cash flow from investment activities		
Acquisitions subsidiaries	-	576
Net purchases of tangible fixed assets	-1,931	-3,893
Net investment in intangible assets	-9,974	-6,043
Sale of subsidiary	-	-741
Loans and deposits paid/received	-620	519
Net cash flow from investment activities	-12,525	-9,582
Cash flow from financing activities		
Proceeds from issue of shares	84,785	265
Derivatives paid	-5,627	-3,539
Proceeds from borrowings	-	62
Repayment of borrowings	-85,040	-81,854
Dividend paid to holders of minority interest	-78	-
Interest paid	-4,660	-9,467
Interest received	591	1,295
Net cash flow from financing activities	-10,029	-93,238
Decline in cash and cash equivalents	-19,986	-15,940
Change in cash and cash equivalents		
Cash and cash equivalents at 1 January	24,404	81,719
Decline in cash and cash equivalents	-19,986	-15,940
Cash and cash equivalents at 30 June	4,418	65,779
Specification of cash and cash equivalents		
Cash and cash equivalents at 30 June as shown on the balance sheet	53,075	74,123
Current account debts at banks	-48,657	-8,344
	4,418	65,779

Notes to the consolidated interim financial information

General

USG People N.V. has its registered office in Almere, the Netherlands. USG People offers all forms of flexible labour and various services in the area of human resources, education & training and customer care services. The group is active in twelve countries.
The consolidated interim financial information of the business for the period ended on 30 June 2010 consists of the company and its subsidiaries (referred to collectively as 'the group').
USG People N.V.'s legal form is a legal entity with limited liability (Public Company). The company's shared are quoted on the stock market of Euronext Amsterdam.
The consolidated interim financial information was prepared by the Board on 22 July 2010 and approved for publication on 23 July 2010. The interim report and the consolidated interim financial information were discussed in the Supervisory Board meeting of 22 July 2010.

Basis for compilation

The consolidated interim financial information has been prepared in accordance with IAS 34, 'Interim financial reporting'. The consolidated interim financial information should be read with the 2009 financial statements.

Important accounting policies

The accounting policies used in this consolidated financial information are the same as those used in the 2009 financial statements (which were prepared in accordance with the IFRS standards that apply in the European Union).

Standards, adjustments and interpretations

With respect to the 2009 financial statements, the IAS 27R/IFRS 3R standards that are mandatory from 1 January 2010 apply. The application of these standards, adjustments and interpretations had no effect on the result or the capital.

Seasonal influences

The group's revenue and results are only subject to seasonal influences to a slight extent.

Impairment test

Since the economic circumstances in most of the countries in which USG People is active have not deteriorated but in fact improved, and since there have not been any other signs that could adversely affect the valuation, no test for impairment of goodwill or other fixed assets took place for these groups of cash-generating units and/or individual cash-generating units within these groups. However, since the results for the first half of 2010 lagged behind at a few individual cash-generating units, as an exception to the above, an impairment test was performed for three cash-generating units. These tests did not result in any write-down on goodwill or other fixed assets.

Outstanding shares

As a result of the 7,019,994 new ordinary shares issued on 9 March 2010, the number of outstanding shares increased to 77,702,427 as of 30 June 2010. The shares were issued at a price of € 12.25; together with the costs incurred of € 1.2 million this resulted in an incoming cash flow of € 84.8 million. Mr A.D. Mulder's interest in USG People continues to be 20.0% after the share issue on 9 March 2010. Messrs Van Campenhout (5,000 shares), Zandbergen (4,000 shares) and Dumolin (13,564 shares) also purchased shares.

Provisions

Amounts in thousands of euros

	Reorganisation provision	Personnel-related provisions	Other provisions	Total
Balance as of 1 January 2010	19,492	5,562	6,882	31,936
Contributions during the half year	1,658	1,899	442	3,999
Withdrawals during the half year	-6,850	-954	-2,925	-10,729
Releases during the half year	-762	-766	-171	-1,699
Exchange gains and losses	7			7
Balance as of 30 June 2010	13,545	5,741	4,228	23,514
Non-current	4,195	4,263	582	9,040
Current	9,350	1,478	3,646	14,474
Balance as of 30 June 2010	13,545	5,741	4,228	23,514

Factoring

A factoring programme has been ongoing since 2009 and trade receivables in Belgium and France have been sold. At any moment the group may have sold a maximum of € 150 million in trade receivables. The risks and rewards related to the receivables are transferred to the factoring companies. At the end of June 2010, an amount of € 112.3 million in trade receivables had been sold (December 2009: € 109.5 million).

Ratio agreements with providers of syndicate

At 30 June 2010, the senior leverage ratio came to 1.7 (must remain below 3) and the interest coverage ratio was 3.9 (must remain above 3.0).

Subordinated convertible debenture loan

As a result of the payment of the dividend in May 2009 as adopted in the General Meeting of Shareholders on 23 April 2009, the conversion rate of the subordinated convertible debenture loan was adjusted in 2009 from € 17.91 to € 17.40. There have not been any new adjustments in 2010.

Reported segments

The segment reporting used is the same as that used in the 2009 financial statements and is based on how results within the group are reported to the Executive Board.

Segmentation of the result

Amounts in thousands of euros

6 months ending on 30 June 2010	**Revenue**	**EBITA**
The Netherlands	581,722	13,506
Belgium / Luxembourg	310,399	20,977
France	223,805	8,362
Germany	114,198	-1,095
Spain	90,382	-2,482
Italy	61,647	422
Other countries	48,613	211
Corporate	-	-14,695
Total	1,430,766	25,206

6 months ending on 30 June 2009	**Revenue**	**EBITA**
The Netherlands	689,961	27,960
Belgium / Luxembourg	317,168	12,027
France	192,450	-10,772
Germany	101,248	-7,717
Spain / Portugal	88,145	-11,660
Italy	50,871	-1,263
Other countries	36,852	-3,964
Corporate	-	-10,944
Total	1,476,695	-6,333

Reconciliation of segment results with result before tax

Amounts in thousands of euros

	6 months ending on	
	30 June 2010	**30 June 2009**
EBITA segments	25,206	-6,333
Amortisation of intangible fixed assets	-16,991	-12,614
Financing expenses	-19,761	-18,629
Financial income	576	1,194
Income before taxes	-10,970	-36,382

Liabilities not shown on the balance sheet

The liabilities not shown on the balance sheet have not changed significantly with respect to 2009.

Affiliated parties

In the first six months of 2010, Messrs Rob Zandbergen and Herman van Campenhout performed the role of director, whereby Mr Rob Zandbergen combined the roles of CFO and interim CEO until the appointment of Mr Herman van Campenhout on 3 March 2010. Since it emerged that both Mr Herman van Campenhout and USG People felt that there was unfortunately not enough chemistry between the parties, it was decided in mutual consultation to discontinue the employment relationship and Mr Herman van Campenhout left USG People as of 30 June. Mr Rob Zandbergen was appointed CEO of USG People N.V. with effect from 1 July; he also occupies the position of CFO on an interim basis. A severance package (including additional costs) of € 1,467,000 was agreed with Mr Van Campenhout.

The Supervisory Board also announced that it intends to expand the two-person Executive Board into a Management Board consisting of five persons. In addition to the positions of CEO and CFO, the Supervisory Board plans to admit Messrs Hans Coffeng, Eric de Jong and Albert Jan Jongsma to the Management Board. They will occupy the positions of COO for the Netherlands and Germany; COO for Southwestern and Central Europe and Chief Corporate Officer (CCO), respectively. The COOs are operationally responsible for the operating companies in their respective regions. The CCO is responsible for, among other things, Legal, M&A, Corporate Governance, Compliance, HRM and Internal Audit. The official appointments of the aforementioned persons will take place after the (Extraordinary) General Meeting of Shareholders has been officially informed of this.

Key figures

Amounts in thousands of euros	6 months ending on 30 June 2010	30 June 2009
Percentage growth		
Net revenue	-3.1%	-26.3%
Operating result	143.4%	-118.0%
Net profit	57.7%	-139.3%
Ratios		
Operating profit / revenue	0.6%	-1.3%
Net profit / revenue	-0.7%	-1.6%
Shareholders' equity / total equity	42.6%	36.0%
Current assets / current liabilities	0.76	0.95
Bank covenants		
Senior leverage ratio (Net financial debt/ Ebitda)	1.7	2.1
Interest coverage ratio (Ebitda/ adjusted financial result)	3.9	5.7
Information on shares (x 1,000)		
Number of shares issued at 30 June	77,702	70,682
Average number of shares issued	74,949	70,652
Diluted number of shares issued (including options)	74,949	70,652
Diluted number of shares issued (including options and convertible subordinated debenture loan)	81,558	77,261
Per share based on the number of shares issued		
Net profit	- € 0.13	- € 0.34
Shareholders' equity	€ 9.19	€ 9.14
Per share based on the average number of shares issued		
Net profit	- € 0.13	- € 0.34
Shareholders' equity	€ 9.52	€ 9.14
Diluted per share		
Net profit	- € 0.13	- € 0.34