usg people press release

Fourth-quarter and full-year 2011 results

Sharp cost reductions, limited revenue decline and strengthened balance sheet

Almere, 2 March 2012, 7.00 CET

Fourth-quarter 2011 highlights

- Revenue totalled € 795 million; revenue per working day was 3% lower than in the fourth quarter last year
- The underlying gross margin improved to 21.3% (Q1: 21.2%, Q2: 21.0%, Q3: 20.7%)
- Underlying operating expenses were 6% lower than in the fourth quarter of 2010
- Additional cost savings of € 23 million to take effect from 2012
- Underlying EBITA equalled € 26 million, EBITA margin: 3.3% (Q4 2010: € 32 million, EBITA margin: 3.8%); EBITA margin in the Netherlands developed favourably from 4.8% to 5.3%
- Reported net income of -€ 37 million was negative largely due to a non-cash impairment of assets in Spain and cost cutting measures
- Net bank debt declined compared to the previous quarter by € 76 million to € 62.3 million as a result of a strong cash flow; the Leverage Ratio improved to 1.7; Senior Leverage Ratio equalled 0.6

2011 highlights

- Revenue rose to € 3.245 million and was 5% higher than in 2010
- The underlying gross result improved to € 683 million (2010: € 680 million) and the gross margin equalled 21.0% (2010: 21.9%)
- Underlying operating expenses amounted to € 560 million, unchanged from 2010
- Costs were structurally reduced by € 50 million on an annual basis as a result of optimisations
- Underlying EBITA increased to € 96 million, EBITA margin: 3.0% (2010: EBITA of € 93 million, EBITA margin: 3.0%)
- Reported net income of -€ 40 million was negative largely due to a non-cash impairment on the assets in Spain and cost cutting measures
- Distribution of dividend to continue; proposed dividend of € 0.17 per share (2010: € 0.16 per share)

"In 2011 we laid a solid basis for the future of USG People," said Rob Zandbergen, CEO of USG People. "Now that we have redesigned our strategy, we are adapting our organisation accordingly and are focusing on providing excellent and efficient services through international governance by brand. This will create new commercial dynamics and new synergies across borders. In 2011 we implemented a number of important optimisation measures which have reduced our cost level by € 50 million. Our debt position continued to improve in the fourth quarter due to a positive cash flow. The Leverage Ratio including subordinated loans equalled 1.7, which is in line with our strategic target, as a result of which we will distribute a dividend of € 0.17 per share for 2011. We aim to maintain continuity in the distribution of dividend."

Key figures

Underlying results (in € millions)	**3 months to 31 December 2011**	**3 months to 31 December 2010**	**Δ**	**12 months to 31 December 2011**	**12 months to 31 December 2010**	**Δ**
Revenue	795.3	834.7	-5%	3,244.8	3,098.6	5%
Gross result	169.7	183.8	-8%	682.8	679.9	-
Operating expenses	136.6	145.0	-6%	559.9	560.1	-
EBITDA	33.0	38.8	-15%	122.9	119.8	3%
EBITA	26.0	31.6	-18%	96.0	93.1	3%
Net income	7.3	12.2	-40%	25.5	23.4	9%
Gross margin	21.3%	22.0%		21.0%	21.9%	
Expense ratio	17.2%	17.4%		17.2%	18.1%	
EBITA margin	3.3%	3.8%		3.0%	3.0%	

Notes on the fourth-quarter and full-year 2011 results

Revenue

USG People achieved revenue of € 795.3 million in the fourth quarter of 2011, down 5% compared to the fourth quarter of 2010 (€ 834.7 million). Based on the same number of working days, revenue fell 3% while revenue remained virtually stable in the quarter. Demand was mainly lower in the industrial sector. Demand in the public sector in the Netherlands remained low, but stabilised.

General Staffing achieved revenue of € 538.5 million (Q4 2010: € 560.8 million). General Staffing realises a large part of its revenue from clients in the industrial sector where demand slowed in the fourth quarter, resulting in a 2% drop in revenue per working day in the fourth quarter. At Specialist Staffing revenue totalled € 175.7 million (Q4 2010: € 194.2 million). Revenue per working day was down 7% from the year before, virtually in line with the drop in the previous quarter (Q3: -6%). Revenue at Professionals increased to € 74.4 million (Q4 2010: 73.4 million). Revenue per working day was up 4%.

For 2011 as a whole USG People achieved revenue of € 3,244.8 million, a rise of 5% from € 3,098.6 million in 2010. General Staffing realised the strongest growth, up 9%, while Specialist Staffing and Professionals still saw revenue decline for the year as a whole. Professionals reached a turning point towards growth in the final quarter.

Gross margin

The underlying gross result for the fourth quarter equalled € 169.7 million, a drop of 8% compared to the same period last year (underlying gross result in Q4 2010: € 183.8 million). As a percentage of revenue the underlying gross margin was 21.3% (Q4 2010: 22.0%). The lower margin is mainly the result of fewer working days and mix effects. The impact of fewer working days on the gross margin was -0.3%. A shift in the client mix at General Staffing to a larger share of volume clients had a -0.5% effect.

Higher results from recruitment and selection, on the other hand, had a positive effect of 0.1%. Revenue from recruitment and selection was up 8% and amounted to 1.0% of fourth-quarter revenue (Q4 2010: 0.8% of revenue). In the fourth quarter a non-recurring charge of € 2.6 million was taken for restructuring. Non-recurring expenses of € 3.6 million were recognised in the gross result in the fourth quarter of 2010.

An underlying gross result of € 682.8 million was achieved for the year as a whole (2010: € 679.9 million). The gross result as a percentage of revenue was 21.0%, compared to 21.9% in 2010. The gap between the gross margin in 2011 and 2010 gradually narrowed in the course of the year, from 1.1% in the first quarter to 0.7% in the final quarter. Adjusted for the impact of the number of working days, the year-on-year difference dropped to 0.4% in the final quarter.

Operating expenses including depreciation, excluding amortisation and impairment of acquisition-related intangible assets and goodwill

(in € millions)	3 months to 31 December 2011	3 months to 31 December 2010	12 months to 31 December 2011	12 months to 31 December 2010
Underlying operating expenses	**143.6**	**152.2**	**586.8**	**586.8**
Non-recurring costs	21.7	9.5	38.3	13.1
Impairment on fixed assets in Spain	2.1		2.1	
Possible liabilities from previous years			21.2	
Reported operating expenses	**167.4**	**161.7**	**648.4**	**599.9**

Underlying operating expenses, including amortisation, were down 6% to € 143.6 million compared with € 152.2 million in the fourth quarter last year. Expenses were reduced as a result of efficiency improvements that were implemented throughout 2011, particularly in the Netherlands. Additional organisational improvements were made in the fourth quarter which will result in extra cost savings of € 23 million from 2012. The number of FTEs will be reduced by 315 and the consolidation of branches means that the number of branches will fall by 66. The costs of the additional measures were € 21.7 million. As a result of these efficiency improvements the cost structure will improve permanently. Furthermore a € 2.1 million charge was recognised in the fourth quarter relating to an impairment of fixed assets in Spain. Reported expenses amounted to € 167.4 million, compared to € 161.7 million in the fourth quarter last year.

For 2011 as a whole underlying expenses including amortisation were € 586.8 million. Underlying expenses were the same as in 2010. Non-recurring costs equalled € 61.6 million in 2011 (2010: € 13.1 million) which meant that reported expenses were higher in 2011 than last year. The organisational changes implemented in 2011 improved the cost level by a total of € 50 million. In 2011 the number of FTEs fell by 536, or 7%, to 6,692 FTEs (excluding the additional measures in December). Including the additional fourth-quarter measures, the number of FTEs will have fallen by a total of 950 in March 2012.

EBITA

(in € millions)	3 months to 31 December 2011	3 months to 31 December 2010	12 months to 31 December 2011	12 months to 31 December 2010
Underlying EBITA	**26.0**	**31.6**	**96.0**	**93.1**
Non-recurring gross result	-2.6	-3.6	-2.6	-3.6
Non-recurring costs	-23.8	-9.5	-61.6	-13.1
Reported EBITA	**-0.4**	**18.5**	**31.8**	**76.4**

Underlying EBITA amounted to € 26.0 million in the fourth quarter, down 18% from € 31.6 million in the fourth quarter last year. Reported EBITA for the fourth quarter, including non-recurring costs was -€ 0.4 million (Q4 2010: 18.5 million).

For 2011 as a whole underlying EBITA rose to € 96.0 million from € 93.1 million in 2010. Including non-recurring costs, reported EBITA equalled € 31.8 million compared to € 76.4 million in 2010.

Goodwill impairment

An impairment loss on the value of the assets in Spain was recognised in the fourth quarter. The value is determined through annual impairment testing in accordance with IFRS and is partly based on future cash flow forecasts. In this context the cash flow estimates are partly based on the value of current and expected future results and discounted using the current discount rate. In view of the present economic situation in Spain and the impact it has on the activities and expected future results, the test indicated a value lower than the recognised carrying amount. The difference is recognised as a € 19.0 million impairment, of which € 15.7 million relates to a downward revaluation of goodwill and € 3.3 million to fixed assets.

Amortisation of acquisition-related intangible assets

Amortisation amounted to € 5.9 million in the fourth quarter and was higher due to an impairment of € 1.3 million of the value of assets in Spain. Amortisation excluding this impairment equalled € 4.7 million. This compares to amortisation of € 8.2 million last year, which included an accelerated amortisation of € 3.3 million. The amortisation of acquisition-related intangible assets concerns the brand rights, client portfolios and candidate databases valued at the time of acquisition.

Amortisation for the year totalled € 20.6 million, of which € 1.3 million relates to the impairment of the assets in Spain. In 2010 amortisation equalled € 33.4 million and included an amount of € 11.5 million for the accelerated amortisation of brands as a result of the merger of brands.

Financing expenses

Underlying financing expenses totalled € 6.7 million in the fourth quarter compared to € 8.2 million in the same period last year. In addition to the underlying financing expenses, a charge of € 2.1 million was taken relating to the revaluation of associated interests and an unrealised value adjustment to interest rate derivatives, equalling a positive € 0.7 million (Q4 2010: positive € 2.7 million). Reported financing expenses totalled € 8.2 million against € 5.5 million in the same period last year.

Underlying financing expenses fell to € 24.8 million for the year as a whole (2010: € 30.8 million). Financing expenses declined due to lower payments on interest rate derivatives and lower interest expenses as a result of better interest rates and a lower debt position.

Taxation

Taxes amounted to € 7.0 million in the fourth quarter. On balance an amount of € 7.1 million was written off in the fourth quarter for taxes on unrecognised losses, mainly relating to a downward adjustment to the value of the deferred tax liability in Spain (€ 8.0 million). The value-added tax in France (business tax), which is classified as income tax, totalled € 2.3 million in the fourth quarter (Q4 2010: € 1.5 million). Furthermore an amount of € 1.0 million was recognised relating to adjustments from previous years.

For the year as a whole taxes amounted € 16.8 million. On balance an amount of € 7.5 million was written off for taxes on unrecognised losses, mainly relating to a downward adjustment of the value of the deferred tax liability in Spain (€ 8.0 million). The value-added tax in France equalled 7.7 million in 2011 (2010: € 6.2 million). In addition an amount of € 2.1 million was carried relating to adjustments from previous years.

Net income attributable to company shareholders

(in € millions)	3 months to 31 December 2011	3 months to 31 December 2010	12 months to 31 December 2011	12 months to 31 December 2010
Underlying net income	**7.3**	**12.2**	**25.5**	**23.4**
Accelerated amortisation / impairment	-19.0	-3.3	-19.0	-11.5
Non-recurring results	-24.3	-13.1	-62.1	-16.6
Unrealised value adjustments to derivatives	0.7	2.7	4.6	2.5
Revaluation of participating interests	-2.1		1.3	
Non-recurring tax effects	0.2	4.7	9.5	17.6
Reported net result	-37.2	3.2	-40.2	15.3
Result per share	-€ 0.47	€ 0.04	-€ 0.51	€ 0.20

Underlying net result totalled € 7.3 million in the fourth quarter compared to € 12.2 million last year. Reported net result amounted to -€ 37.2 million in the fourth quarter against € 3.2 million a year earlier.

For 2011 as a whole underlying net result was € 25.5 million (2010: € 23.4 million). The reported net result was -€ 40.2 million (2010: € 15.3 million) and was negative due to non-recurring results.

Balance sheet and cash flow

Working capital declined by € 66.8 million in the fourth quarter (Q4 2010: € 55.5 million). In line with a normal trend, trade receivables declined in the fourth quarter as trade payables and other debts increased. There was virtually no added effect from the sale of trade receivables. The amount of receivables sold was € 128.4 million at the end of the year, compared to € 124.7 million at the end of 2010. Net debt, including subordinated loans, fell by € 75 million in the fourth quarter to € 203.8 million (Q3 2011: € 278.8 million). The net bank debt was € 62.3 million, down € 76.3 million compared to the previous quarter (Q3 net bank debt: € 138.6 million). The operating cash flow amounted to € 87.8 million in the fourth quarter (Q4 2010: € 79.1 million).

Compared to 2010 working capital declined by € 19.5 million. The financial position improved due to a drop in net financial debt from € 247.7 million at the end of 2010 to € 203.8 million at the end of 2011. The Leverage Ratio, including subordinated loans, improved to 1.7 and was in line with USG People's strategic target (strategic target: up to 2.0). The Senior Leverage Ratio (net bank debt / underlying EBITDA) was 0.6 (2010: 0.8). The operating cash flow amounted to € 104.6 million in 2011 (2010: € 105.6 million)

Fourth-quarter results by country

The Netherlands

USG People revenue in the Netherlands came to € 305.3 million (Q4 2010: € 324.1 million). Revenue per working day was down 3% compared to the fourth quarter last year. The drop in revenue per working day compared to last year remained virtually stable from September onwards. In the public sector, which accounts for 15 to 20% of revenue in the Netherlands, revenue was 8% lower than in the fourth quarter last year (Q2: -25%, Q3 -11%). The drop narrowed compared to last year as revenue in this sector started declining in the second half of last year. In the second half of this year the level of revenue from the public sector remained virtually unchanged.

Start People achieved revenue of € 146.0 million in the fourth quarter of the year (Q4 2010: € 152.2 million). Revenue per working day fell 1% in the fourth quarter compared to last year. The decline in demand from the industrial sector was most notable at Start People, which had been able to outperform the market in the third quarter with a growth of 6%. Revenue at Specialist Staffing was € 103.2 million (Q4 2010: 118.0 million). Revenue per working day was 10% lower than a year earlier and the decline remained the same as in the previous quarter. Professionals realised an exceptional improvement. Revenue per working day rose 7% in the fourth quarter compared to last year. This compares to a 3% drop in the previous quarter. Revenue at Professionals rose to € 49.5 million (Q4 2010: € 47.7 million). The growth was particularly strong in the fields of energy, engineering and legal. Demand from the IT sector weakened.

The underlying gross margin was slightly lower than last year due to a changed revenue mix, mainly as a result of a rise in the contribution by large clients, including payrolling, at Start People. The underlying gross margin at Specialist Staffing remained stable and the gross margin improved at Professionals. Underlying operating expenses were virtually the same as in the previous quarter, despite a € 2.0 million write-off of trade receivables that was recognised in the fourth quarter as a result of a bankruptcy. The € 11 million cost savings that were announced in early July were fully achieved in the second half of the year. Underlying EBITA rose in the Netherlands, despite lower revenue, to € 16.2 million (Q4 2010: 15.7 million). The underlying EBITA margin improved substantially to 5.3% (Q4 2010: 4.8%).

In the fourth quarter expenses included an additional amount of € 8.0 million relating to the extra optimisation measures in the Dutch activities in addition to the underlying expenses. These additional measures will generate annual savings of € 15 million with effect from 2012. These measures concern a reduction of 180 FTEs and 46 branches. This puts the total costs for optimisation in 2011 at € 24.5 million (an amount of € 16.5 million was recognised in expenses in the second quarter). The cost level was reduced by € 37.0 million due to the savings resulting from the optimisation measures. In the course of the year the number of FTEs in the Netherlands was reduced by 495, which equates to 12% of the total number of FTEs in the Netherlands at the end of 2010. USG People optimised its Dutch organisation in 2011 in an effort to structurally improve profitability. This led to a rise in the EBITA margin in the fourth quarter, despite a drop in revenue. The commercial organisation has been set up more effectively and costs have been structurally reduced. In addition costs have been made more flexible as a result of the conversion of the branch network into fewer, large branches and the outsourcing of support services. This makes it possible to align capacity quicker and better with demand in the market, thus making the profitability of the Dutch organisation more stable.

Belgium and Luxembourg

Revenue in Belgium totalled € 172.7 million in the fourth quarter (Q4 2010: € 182.4 million). The slowdown in market demand persisted in the final months of the year and revenue was also lower due to fewer working days. Revenue per working day was 4% lower than last year. Revenue growth at USG People underperformed the market due to the preference policy that returns prevail over volume growth. Start People achieved revenue of € 100.5 million (Q4 2010: € 108.1 million). At Start People revenue per working day was 6% lower than last year. Revenue at Specialist Staffing equalled € 57.2 million (Q4 2010: € 59.2 million), with revenue per working day down 2% compared to last year. Secretary Plus again outperformed the market while demand for medical staff lagged somewhat. Professionals achieved revenue of € 15.0 million (Q4 2010: € 15.1 million). Revenue per working day at Professionals was 1% higher than in the fourth quarter last year, but slightly lower than the 3% growth achieved in the previous quarter. Demand for engineers and secretaries continued to be strong within our niche activities. Demand for IT, financial and medical staff weakened in the fourth quarter.

The gross margin was somewhat lower than the year before due to mix effects. EBITA was € 13.5 million in the fourth quarter (Q4 2010: € 16.8 million). EBITA as a percentage of revenue equalled 7.8% (Q4 2010: 9.2%).

France

Revenue in France amounted to € 131.0 million in the fourth quarter (Q4 2010: € 132.8 million). Revenue per working day was the same as last year. Revenue per working day at Start People and Financial Forces remained virtually the same as last year. Secretary Plus achieved 14% growth. The gross margin was negatively impacted by lower revenue at USG Restart, which realised fewer government assignments. Expenses were higher than last year, due in part to a benefit in the costs in the fourth quarter last year.

France also reported a non-recurring charge of € 2.3 million, largely relating to social security charges from previous years. EBITA equalled € 2.1 million in the fourth quarter (Q4 2010: € 4.0 million).

Germany

Revenue in Germany totalled € 72.2 million (Q4 2010: € 76.6 million). Revenue per working day was down 3% in the fourth quarter compared to the year before. The gross result was lower due to the fact that the fourth quarter had fewer working days than last year (impact -€ 3.3 million). Underlying operating expenses were reduced in the fourth quarter, bringing them below the year-earlier level. Underlying EBITA was € 1.3 million in the fourth quarter (Q4 2010: € 1.4 million).

Additional cost-saving measures were also taken in Germany, bringing the cost level in line with revenue developments. The costs associated with these measures, which led to a reduction in the number of FTEs by 56, amounted to € 2.7 million. The annual cost savings ensuing from these measures are € 4.4 million.

Rest of Europe

Spain posted revenue of € 48.8 million, unchanged from the fourth quarter last year. Italy realised revenue of € 33.5 million. Revenue per working day fell 6% in Italy compared to last year. In the other countries revenue was down 4% (organic per working day -9%). The combined revenue of the other countries totalled € 31.9 million.

Dividend

USG People’s long-term dividend policy is based on a dividend distribution of one-third of net income before amortisation and adjusted for the effects of unrealised value adjustments to interest rate derivatives. The result for 2011 was negative due to non-recurring and non-cash effects. However, USG People aims to maintain continuity in the distribution of dividend and has therefore decided that the distribution for 2011 will be based on underlying net income before amortisation and adjusted for the effects of unrealised value adjustments to interest rate derivatives. It is the opinion of USG People that this result is in keeping with the cash-generating capacity and distribution possibility by means of a dividend for 2011. In 2011 underlying net income before amortisation and adjusted for the effects of unrealised value adjustments to interest rate derivatives was € 40.1 million. One-third of this amount is € 13.4 million. Divided by 78.4 million shares this equates to a dividend distribution of € 0.17 per share.

This decision is partly based on the fact that the financial position at the end of 2011 was in line with the strategic objective of a Leverage Ratio of 1.7. The strategy targets a Leverage Ratio (net bank debt and subordinated loans / underlying EBITDA) that does not exceed 2.0.

At the General Meeting of Shareholders on 10 May 2012 the Executive Board will propose a dividend of € 0.17 per ordinary share, payable either in cash or in shares.

Outlook

The organisational optimisation measures we took in 2011 have further improved the flexibility and profitability of our organisation. The organisational improvements, which reduced the cost level by € 50 million per year, will have a positive effect on future results. The level of debt was further reduced in 2011 due to the ongoing positive operating cash flow, allowing the Leverage Ratio to continue to develop favourably and end 2011 within our strategic objective (up to 2.0). Combined with our renewed bank facilities, which were concluded in 2011 for a period of 5 years, USG People has laid a healthy financial basis for the years to come.

In 2012 we will further structure the implementation of our strategic plans. We will continue to build our positions in the markets we have selected with our strong balance sheet and effective organisation. In the medium term we aim to achieve an average EBITA margin throughout the cycle of 6.0%.

In January 2012 revenue was 6% lower than in the previous year. In view of current uncertainty in the market we are refraining from issuing guidance on the development of revenue and profit in 2012.

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Additional information

Pages 11 to 13 of this press release contain additional information with respect to the breakdown used in USG People's 2011 financial statements. This additional information serves to further clarify the quarterly figures for users of this press release.

2011 Annual Report

The reported annual results included on pages 14 to 18 of this publication are derived from the 2011 financial statements prepared by the Executive Board and accompanied by the report of the independent auditor. The financial statements for 2011 will be published on the USG People website on 29 March 2012 and have yet to be approved by the General Meeting of Shareholders (10 May 2012).

Dividend dates

14 May 2012	Shares quoted ex-dividend
16 May 2012	Dividend record date
17 May 2012	Start of option period
31 May 2012	End of option period
6 June 2012	Dividend payment date and delivery of shares

Financial calendar

2 March 2012	Publication of fourth-quarter and full-year results
28 March 2012	Analysts' day
29 March 2012	Publication annual report (on line)
27 April 2012	Publication of first-quarter results
10 May 2012	General Meeting of Shareholders
27 July 2012	Publication of second-quarter results
26 October 2012	Publication of third-quarter results
1 March 2013	Publication of fourth-quarter and full-year results

Presentation to analysts and press

Today USG People will present its results to analysts and the press at meetings at the Okura Hotel in Amsterdam. The event for analysts can also be followed via webcast.

The presentation for analysts commences at 9.30 CET. Analysts can also participate via the link:
https://www.livemeeting.com/cc/kpnpro/join?id=JF654S&role=attend&pw=PART002nj22
The number to call to participate in the conference call is +31 (0)10 2944 215

The presentation for the press commences at 11.30 CET at the Okura Hotel in Amsterdam.

A replay of the presentation and the Q&A session from the event for analysts will be available on our website from 18.00 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 € 3.2 billion in 2011 USG People is one of the largest providers of HR services in Europe with established and recognisable national and international brands. Headquartered in the Dutch city of Almere, USG People is active in Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Austria, Poland, Spain and Switzerland.

The brand portfolio of USG People comprises Start People (General Staffing) – Unique, Technicum, Secretary Plus, ASA, Creyf's, All4Students, Vakcollege Groep (Specialist Staffing) – Legal Forces, USG Capacity, USG Energy, USG Financial Forces, USG HR Forces, USG Innotiv, USG Juristen, ikki (Professional Solutions).

USG People is listed on the NYSE Euronext Amsterdam stock exchange and is included in the Amsterdam Midcap Index (AMX).

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

Financial statements **Page**

Underlying results

Additional information by activity
(unaudited)

(in € millions)	3 months to 31 December 2011	2010	Growth	Organic growth	2011 EBITA margin	2010 EBITA margin
Revenue						
General Staffing	538.5	560.8	-4%	-4%		
Specialist Staffing	175.7	194.2	-10%	-10%		
Professionals	74.4	73.4	1%	1%		
Other	6.7	6.3	6%	6%		
Group total	**795.3**	**834.7**	**-5%**	**-5%**		
Underlying EBITA						
General Staffing	11.3	15.7	-28%	-29%	2.1%	2.8%
Specialist Staffing	13.9	15.6	-11%	-11%	7.9%	8.0%
Professionals	7.3	6.1	20%	20%	9.8%	8.3%
Other	0.4	0.4	-	-	6.0%	6.3%
Corporate	-6.9	-6.2	-11%	-11%	-	-
Group total	**26.0**	**31.6**	**-18%**	**-19%**	**3.3%**	**3.8%**

(in € millions)	12 months to 31 December 2011	2010	Growth	Organic growth	2011 EBITA margin	2010 EBITA margin
Revenue						
General Staffing	2,218.8	2,032.4	9%	9%		
Specialist Staffing	718.5	755.8	-5%	-5%		
Professionals	283.9	286.7	-1%	-1%		
Other	23.6	23.8	-1%	-1%		
Group total	**3,244.8**	**3,098.7**	**5%**	**5%**		
Underlying EBITA						
General Staffing	54.4	52.1	4%	2%	2.5%	2.6%
Specialist Staffing	45.2	44.0	3%	3%	6.3%	5.8%
Professionals	21.2	19.4	9%	9%	7.5%	6.8%
Other	0.6	0.8	-25%	-25%	2.5%	3.4%
Corporate	-25.4	-23.2	-9%	-9%	-	-
Group total	**96.0**	**93.1**	**3%**	**2%**	**3.0%**	**3.0%**

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Additional information by country
(unaudited)

(in € millions)	2011	2010	Growth	Organic growth	2011 EBITA margin	2010 EBITA margin
	3 months to 31 December					
Revenue						
Netherlands	305.3	324.1	-6%	-6%		
General Staffing	146.0	152.2	-4%	-4%		
Specialist Staffing	103.2	118.0	-13%	-13%		
Professionals	49.5	47.7	4%	4%		
Other	6.6	6.2	6%	6%		
Belgium / Luxembourg	172.7	182.4	-5%	-5%		
General Staffing	100.5	108.1	-7%	-7%		
Specialist Staffing	57.2	59.2	-3%	-3%		
Professionals	15.0	15.1	-1%	-1%		
France	131.0	132.8	-1%	-1%		
General Staffing	127.5	129.3	-1%	-1%		
Specialist Staffing	0.7	0.6	17%	17%		
Professionals	2.8	2.9	-3%	-3%		
Germany	72.2	76.6	-6%	-6%		
General Staffing	58.0	60.6	-4%	-4%		
Specialist Staffing	14.2	16.0	-11%	-11%		
Spain	48.8	48.6	-	-1%		
General Staffing	41.3	40.7	1%	-		
Professionals	7.5	7.9	-5%	-5%		
Italy	33.5	36.7	-9%	-9%		
Other countries	31.9	33.3	-4%	-11%		
Group total	**795.3**	**834.7**	**-5%**	**-5%**		
Underlying EBITA						
Netherlands	16.2	15.7	3%	3%	5.3%	4.8%
Belgium / Luxembourg	13.5	16.8	-20%	-20%	7.8%	9.2%
France	2.1	4.0	-48%	-48%	1.6%	3.0%
Germany	1.3	1.4	-7%	-7%	1.8%	1.8%
Spain	-0.7	-1.4	50%	36%	-1.4%	-2.9%
Italy	0.6	1.2	-50%	-50%	1.8%	3.3%
Other countries	-0.1	-0.1	-	-	-0.3%	-0.3%
Corporate	-6.9	-6.0	-15%	-15%	-	-
Group total	**26.0**	**31.6**	**-18%**	**-19%**	**3.3%**	**3.8%**

(in € millions)	2011	2010	Growth	Organic growth	2011 EBITA margin	2010 EBITA margin
	12 months to 31 December					
Revenue						
Netherlands	1,212.4	1,217.4	-	-		
General Staffing	584.2	536.1	9%	9%		
Specialist Staffing	419.8	466.6	-10%	-10%		
Professionals	184.9	190.9	-3%	-3%		
Other	23.6	23.8	-1%	-1%		
Belgium / Luxembourg	694.6	675.6	3%	3%		
General Staffing	404.2	391.5	3%	3%		
Specialist Staffing	230.0	226.7	1%	1%		
Professionals	60.4	57.4	5%	5%		
France	555.9	493.9	13%	13%		
General Staffing	542.5	480.4	13%	13%		
Specialist Staffing	2.7	2.5	8%	8%		
Professionals	10.7	11.0	-3%	-3%		
Germany	301.4	270.6	11%	11%		
General Staffing	237.2	212.1	12%	12%		
Specialist Staffing	64.2	58.5	10%	10%		
Spain	205.7	194.6	6%	5%		
General Staffing	177.1	166.2	7%	5%		
Professionals	28.5	28.4	-	-		
Italy	137.2	131.5	4%	4%		
Other countries	137.6	115.1	20%	12%		
Group total	**3,244.8**	**3,098.7**	**5%**	**5%**		
Underlying EBITA						
Netherlands	48.5	40.9	19%	19%	4.0%	3.4%
Belgium / Luxembourg	49.6	52.8	-6%	-6%	7.1%	7.8%
France	12.1	17.2	-30%	-30%	2.2%	3.5%
Germany	7.0	6.3	11%	11%	2.3%	2.3%
Spain	-1.4	-4.5	69%	64%	-0.7%	-2.3%
Italy	3.7	2.3	61%	61%	2.7%	1.7%
Other countries	1.9	1.3	46%	-15%	1.4%	1.1%
Corporate	-25.4	-23.2	-9%	-9%		
Group total	**96.0**	**93.1**	**3%**	**2%**	**3.0%**	**3.0%**

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Consolidated income statement
(unaudited)

Amounts in thousands of euros	3 months to 31 December		12 months to 31 December	
	2011	**2010**	**2011**	**2010**
Net revenue	795,286	834,681	3,244,772	3,098,630
Cost of sales	-628,231	-654,482	-2,564,572	-2,422,289
Gross profit	**167,055**	**180,199**	**680,200**	**676,341**
Selling expenses	-136,377	-137,692	-526,488	-491,092
Amortisation and impairment of acquisition-related intangible assets and goodwill	-21,579	-8,185	-36,196	-33,367
Total selling expenses	-157,956	-145,877	-562,684	-524,459
General and administrative expenses	-31,041	-24,469	-121,904	-109,294
Other income and expenses	-41	448	2	506
Total operating expenses	-189,038	-169,898	-684,586	-633,247
Operating income	**-21,983**	**10,301**	**-4,386**	**43,094**
Financing expenses	-8,190	-8,479	-26,090	-32,197
Financial income	-	3,014	7,186	3,998
Income before taxes	**-30,173**	**4,836**	**-23,290**	**14,895**
Income tax expenses	-6,982	-1,636	-16,783	501
Net income	**-37,155**	**3,200**	**-40,073**	**15,396**
Attributable to:				
Equity holders of the company	-37,161	3,182	-40,159	15,293
Minority interests	6	18	86	103
	-37,155	3,200	-40,073	15,396
Earnings per share attributable to the equity holders of the company (in euros, per share of € 0.50 nominal)				
Basic	**-€ 0.47**	**€ 0.04**	**€ -0.51**	**€ 0.20**
Diluted	-€ 0.47	€ 0.04	€ -0.51	€ 0.20

Consolidated statement of comprehensive income
(unaudited)

Amounts in thousands of euros	**3 months to 31 December**		**12 months to 31 December**	
	2011	**2010**	**2011**	**2010**
Net income	-37,155	3,200	-40,073	15,396
Other comprehensive income after taxes:				
Currency translation differences	25	119	-336	290
Other comprehensive income after taxes	25	119	-336	290
Total comprehensive income	**-37,130**	**3,319**	**-40,409**	**15,686**
Attributable to:				
Equity holders of the company	-37,136	3,301	-40,495	15,583
Minority interests	6	18	86	103
	-37,130	3,319	-40,409	15,686

Consolidated balance sheet
(unaudited)

Amounts in thousands of euros	31 December 2011	30 September 2011	31 December 2010
Non-current assets			
Property, plant and equipment	33,649	38,396	44,516
Goodwill	920,428	940,496	919,115
Other intangible assets	81,584	90,627	100,918
Financial fixed assets	12,354	11,936	8,645
Deferred income tax assets	74,183	74,834	69,117
Other non-current assets	5,503	5,850	6,048
	1,127,701	1,162,139	1,148,359
Current assets			
Trade and other receivables	465,782	512,728	477,875
Current income tax receivables	5,565	10,495	8,187
Cash and cash equivalents	55,865	50,213	42,140
	527,212	573,436	528,202
Total assets	**1,654,913**	**1,735,575**	**1,676,561**
Capital and reserves attributable to equity holders of the company			
Share capital	406,390	406,390	406,300
Other reserves	14,877	14,800	16,332
Retained earnings	273,986	311,147	317,612
	695,253	732,337	740,244
Minority interests	542	536	554
Total equity	695,795	732,873	740,798
Non-current liabilities			
Borrowings	121,675	240,898	229,532
Pension-related provisions	18	204	204
Other provisions	12,173	28,789	8,605
Deferred income tax liabilities	26,595	30,352	31,248
	160,461	300,243	269,589
Current liabilities			
Bank overdrafts and borrowings	140,547	99,554	60,325
Trade and other payables	556,632	539,683	548,618
Income tax liabilities	31,507	30,155	24,514
Derivative financial instruments	13,170	13,921	17,795
Other provisions	56,801	19,146	14,922
	798,657	702,459	666,174
Total liabilities	**959,118**	**1,002,702**	**935,763**
Total equity and liabilities	**1,654,913**	**1,735,575**	**1,676,561**

Consolidated statement of change in shareholders' equity
(unaudited)

Amounts in thousands of euros	**3 months to 31 december 2011**			**3 months to 31 december 2010**		
	Equity attributable to shareholders	Minority interests	Total equity	Equity attributable to shareholders	Minority interests	Total equity
Value as at 1 October	**732,337**	**536**	**732,873**	**736,388**	**536**	**736,924**
Total income	-37,136	6	-37,130	3,301	18	3,319
Share plan	52		52	555		555
Change resulting from settlement of share plan						
Value as at 31 December	**695,253**	**542**	**695,795**	**740,244**	**554**	**740,798**

Amounts in thousands of euros	**12 months to 31 december 2011**			**12 months to 31 december 2010**		
	Equity attributable to shareholders	Minority interests	Total equity	Equity attributable to shareholders	Minority interests	Total equity
Value as at 1 January	**740,244**	**554**	**740,798**	**638,812**	**529**	**639,341**
Total income	-40,495	86	-40,409	15,583	103	15,686
Share plan	1,056		1,056	1,064		1,064
Proceeds from inssuance of new shares	-		-	84,785		84,785
Change resulting from settlement of share plan	90		90			
Dividends relating to 2010	-5,642		-5,642			
Dividends paid to holders of minority interests		-98	-98		-78	-78
Value as at 31 December	**695,253**	**542**	**695,795**	**740,244**	**554**	**740,798**

Consolidated statement of cash flows
(unaudited)

Amounts in thousands of euros	3 months to 31 December		12 months to 31 December	
	2011	2010	2011	2010
Income before taxes	-30,173	4,836	-23,290	14,895
Adjusted for:				
Depreciation and impairment of tangible and intangible assets	32,560	16,257	67,805	60,084
Result disposal tangible/intangible assets, associates	370	-149	527	268
Financing expenses	8,190	8,479	26,090	32,197
Financial income	-	-3,014	-7,186	-3,998
Share plan expenses processed via capital and reserves attributable to equity holders	52	555	1,056	1,064
Currency translation differences	28	95	-326	205
Change in pension-related liabilities and other provisions	13,531	1,020	37,939	-9,581
Change in other non-current assets	347	1,034	545	1,034
Changes in working capital:				
- trade and other receivables	47,073	15,317	14,204	-53,838
- trade and other payables	19,692	40,219	5,278	106,084
Cash flow from operating activities	91,670	84,649	122,642	148,414
Income tax paid/received	-3,835	-5,528	-18,033	-42,845
Net cash flow from operating activities	**87,835**	**79,121**	**104,609**	**105,569**
Acquisitions of subsidiaries	-	-	-8,622	-
Net investments in property, plant and equipment	-1,562	-3,743	-7,270	-7,417
Net investments in intangible assets	-1,876	-6,169	-11,558	-22,463
Proceeds from disposal of associates	-	900	-	900
Payments on/Proceeds from borrowings and guarantee deposits	-1,217	179	-948	-779
Net cash flow from investment activities	**-4,655**	**-8,833**	**-28,398**	**-29,759**
Proceeds from issuance of shares	-	-	90	84,785
Payments on derivatives	-1,655	-2,283	-7,669	-10,512
Proceeds from borrowings	113	-1,066	53,557	120
Repayments of borrowings	-54,287	-37,838	-81,676	-146,646
Dividends paid to minority interest holders	-	-	-98	-78
Interest paid	-5,624	-7,174	-11,107	-14,173
Interest received	461	358	810	1,357
Dividends paid	-	-	-5,642	-
Net cash flow from financing activities	**-60,992**	**-48,003**	**-51,735**	**-85,147**
Decrease / increase in cash and cash equivalents	22,188	22,285	24,476	-9,337
Change in cash and cash equivalents				
Bank overdrafts and cash and cash equivalents at the start of the period under review	17,355	-7,218	15,067	24,404
Decrease / increase in cash and cash equivalents	22,188	22,285	24,476	-9,337
Bank overdrafts and cash and cash equivalents at the end of the period under review	**39,543**	**15,067**	**39,543**	**15,067**
Breakdown of cash and cash equivalents and bank overdrafts				
Cash and cash equivalents at 31 December as stated on the balance sheet	55,865	42,140	55,865	42,140
Bank overdrafts	-16,322	-27,073	-16,322	-27,073
	39,543	15,067	39,543	15,067