

## Press release

### Date

21 November 2012

### More information

Jan-Pieter van Winsen

Machteld Merens

### Telephone

+31 (0)20 569 59 40

## Randstad updates strategic target and dividend policy

### Key items from Analyst & Investor Day 2012:

- Strategic target: EBITA margin of 5-6% over time, through revenue growth and mix improvement
- Trading update: gradual slowdown continued, October -/-6% per working day
- Good progress in refinancing remainder of current credit facility:
  - expanded syndicated credit facility by € 120 million
- Dividend policy over 2012 maintained, introducing optional stock dividend
- Dividend policy as of 2013: payout of 40-50% including optional stock dividend

### Analyst & Investor Day program

Today, Randstad Holding nv hosts its Analyst & Investor conference at its head office in the Netherlands. The program starts with a presentation by Linda Galipeau, Executive Board member, who will give an update on Randstad North America and the integration of SFN Group. Mariëlle de Macker, Managing Director Group Human Resources, will elaborate on our strategic building block 'Best People' and how we have organized our management development programs. Jacques van den Broek, Executive Board member, will give an update on Randstad France. Ben Noteboom (CEO) will provide an update on our strategy and our updated strategic targets. Robert Jan van de Kraats (CFO) will discuss our financial strategy, the adaptability of our organization, our financing policy and our new dividend policy.

### Strategy: manage adaptability, improve profitability

The structural growth drivers in our industry remain in place. Clients have a strong focus on becoming more efficient and having access to candidates with specific skills and expertise. Demographic trends, such as the growing mismatch between supply and demand for labor, require higher mobility and participation in the labor market. Other opportunities will emerge from the implementation of appropriate regulation in all our markets.

As a global HR service provider we are well-positioned to benefit from all these trends and we remain focused on:

- field steering to ensure adaptability and drive productivity;
- client profitability: adapting our delivery models for clients;
- improving our business mix: SME, professionals, permanent placements;
- an efficient cost structure.

**Press release**

Page

2/3

As diverging trends persist and volatility in earnings has been more pronounced we have updated our strategic target. We are confident that we will reach an EBITA margin of 5-6% over time, through revenue growth and mix improvement.

**Current trading: gradual slowdown continues, impact hurricane Sandy**

The trends that were discussed in our Q3 press release have continued into Q4 2012. In October revenue per working day decreased by 6% organically.

Revenue in North America was at the same level as last year and it was partly impacted by the effects of hurricane Sandy. In Europe the gradual slowdown, as witnessed in the third quarter, continued in October (-/-9%). The Netherlands and Belgium declined at a similar level as in September whereas the decline in France (-/-14%) and Germany (-/-9%) was more pronounced.

We anticipate our underlying costs in Q4 to be lower than in Q3 and we expect to incur non-recurring costs of at least € 25 million in the next six months. We will realize the related savings within one year.

**Financial strategy**

Apart from certain uncommitted credit lines, Randstad has a committed syndicated credit facility of € 1,755 million which runs until May 2013. To extend the maturity of committed financing, Randstad secured a forward start syndicated credit facility of € 1,300 million as of May 2013, and the majority of this facility runs until May 2017.

As announced in our Q3 press release Randstad aims to refinance the remaining part of around € 450 million and we are making good progress in exploring various forms with different maturity profiles (short-term, medium-term, long-term).

*Expansion of the syndicated credit facility*

Randstad has agreed to expand the group of banks in the syndication with Industrial and Commercial Bank of China. Following this agreement the forward start syndicated credit facility will amount to € 1,420 million, of which the majority will mature in 2017.

In addition, Randstad has entered into negotiations with a selected number of banks for providing separate committed credit facilities with similar conditions as the forward start syndicated credit facility. Randstad expects to complete this process as soon as possible and aims to secure up to € 200 million with an average maturity of approximately 2 years.

*Launching a Medium Term Note (MTN) program*

We anticipate to launch a MTN program by the end of the year. Based on this program, Randstad will have the possibility to attract financing through bonds, private placements and notes with fixed or floating rates.

**Press release**

Page

3/3

*Long-term financing, reducing the leverage ratio*

As part of the refinancing of the remainder of the current credit facility, Randstad is also considering alternatives to reduce its leverage ratio. As such, Randstad has entered into negotiations with a selected group of investors on the issue of preference shares C for an amount up to € 200 million. Randstad expects to make further announcements in the next two weeks.

**Financial strategy: a new dividend policy**

Our current dividend policy aims at paying € 1.25 per ordinary share if the payout as percentage of adjusted earnings per share is between 30-60% and the financial position allows for it. The dividend policy was linked to our strategy which aimed at achieving EBITA margins of more than 4%. As we have witnessed diverging trends in our business and higher volatility in earnings we have reviewed our dividend policy.

We will maintain our current dividend policy over 2012, but we will offer shareholders a choice between shares or cash dividend.

As from 2013 we will introduce a new dividend policy which aims at a payout ratio of 40-50% of adjusted earnings per share. We will also offer shareholders a choice between shares and cash dividend. At the same time we aim to install anti-dilution measures, such as share buy-backs, when the financial position will allow for it.

**Audio webcast**

Today at 14:00 CET (13:00 GMT) you can listen to the presentations of Ben Noteboom and Robert Jan van de Kraats through real-time audio webcast. A replay of the webcast and all other presentations will be available on our website by the end of the day. You can find all information on our website: <http://www.ir.randstad.com/presentations.cfm>.

**Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placement to inhouse, professionals, search & selection, and HR Solutions. Randstad is one of the leading HR services providers in the world with top three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland, the UK and the United States, as well as major positions in Australia and Japan. End 2010 Randstad had approximately 27,500 employees working from close to 4,200 branches and inhouse locations in 43 countries around the world. Randstad generated a revenue of € 14.2 billion in 2010. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information see [www.randstad.com](http://www.randstad.com)**