

This is a joint press release by Recruit Holdings Co., Ltd. and USG People N.V., pursuant to the provisions of Section 5 Paragraph 1 and Section 7 Paragraph 4 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) in connection with the intended public offer by Recruit Holdings Co., Ltd. for all the issued ordinary shares in the capital of USG People N.V.

This announcement does not constitute an offer, or any solicitation of any offer, to sell or request to purchase or subscribe to any securities in USG People N.V. Any offer will be made only by means of a separate offer memorandum specifically published for this purpose, subject to the applicable rules and regulations in the Netherlands. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Australia, Canada or the United States of America.

## **RECRUIT AND USG PEOPLE AGREE ON RECOMMENDED ALL-CASH OFFER FOR ALL USG PEOPLE SHARES**

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- Recruit and USG People reach conditional agreement on an all-cash tender offer of € 17.50 per USG People share.
- The offer price represents a 31% premium over the closing price of 21 December 2015, a 31% premium over USG People's 3 month volume weighted average price ("VWAP") and a 41% premium over USG People's 12 month VWAP preceding 21 December 2015.
- The offer represents an equity value for USG People of € 1.42bn and an enterprise value of € 1.61bn<sup>1</sup> valuing USG People at 16.0x Enterprise Value / EBITA over the last twelve months<sup>2</sup>.
- The offer is unanimously recommended and supported by USG People's Executive and Supervisory Boards.
- USG People's founding shareholder Mr. Alex Mulder has irrevocably committed to support the offer and tender his shareholding of approximately 19.8% in USG People.
- The transaction will create a leading specialised provider of Staffing and innovative HR services with true global presence in Japan, continental Europe, the United Kingdom, the United States of America and Australia.
- The transaction provides Recruit with an established entry platform into the continental European staffing market supporting future growth of Recruit's activities in the region.
- Present USG People management will lead the continental European staffing business.
- USG People's star brands will remain in place, recognising the strong offering and service to customers.

**Tokyo, Japan and Amsterdam, the Netherlands, 22 December 2015**

Recruit Holdings Co., Ltd. ("Recruit") (Tokyo Stock Exchange: 6098) and USG People N.V. ("USG People") (Euronext Amsterdam: USG) jointly announce today that they have reached conditional agreement on a merger protocol (the "Merger Protocol") related to a recommended all cash offer by Recruit for all issued ordinary shares of USG People (the "Shares") at an offer price of € 17.50 (the "Offer Price") per ordinary

<sup>1</sup> Based on latest reported net financial debt of € 195m as per 30 September 2015.

<sup>2</sup> Based on last twelve months underlying EBITA of € 101m as per 30 September 2015.

USG People share, subject to customary conditions (the “Offer”). Through this transaction both Recruit and USG People will realise important strategic objectives, creating a truly global specialised provider of Staffing and innovative HR services.

This Offer represents a 31% premium to the closing share price of USG People of € 13.40 on 21 December 2015, the day before this announcement, a 31% premium over the USG People’s 3 month volume weighted average price of € 13.40 and a 41% premium over USG People’s 12 month volume weighted average price of € 12.40 preceding 21 December 2015. The Offer values USG People at 16.0x Enterprise Value / EBITA over the last twelve months ending 30th of September. USG People has agreed not to pay or declare any (interim) dividend or to make any distribution in kind until completion of the transaction.

*Masumi Minegishi, Chairman of the Board of Directors and Chief Executive Officer of Recruit: “Recruit’s midterm vision is to become the world leader in human resources by around 2020, in terms of number of positions filled. To achieve this, we are seeking to grow our business platforms in Japan and abroad organically and through acquisitions. The acquisition of USG People is perfectly aligned with this strategy. Recruit has proven its ability to drive profitable growth through mergers and the Board of Directors is deeply committed to supporting the continuation of this journey. Following our acquisitions in the United States, the United Kingdom and Australia we are now taking the next step by entering the continental European market. We are excited by USG People, which we see as a strong business that operates fantastic brands and has a deep understanding and expertise of the markets it operates in. Together with USG People, we aim to become a recognised industry leader in Europe. The time has now come to take another significant step forward. We see great long-term potential in combining USG People with Recruit.”*

*Rob Zandbergen, Chief Executive Officer of USG People: “Recruit’s offer to join forces with our organisation brings attractive perspectives for all our stakeholders. A combination with Recruit, a successful global organisation, provides the opportunity to accelerate our growth and innovation development and to strengthen our position in continental Europe considerably, all this being in the interest of our customers and employees. Together we have the ability to accelerate the execution of our strategy. Recruit and USG People share common ambitions and similar company cultures and values. Also geographically, the companies are highly complementary with no overlap with the current operations of Recruit in staffing activities, hence the current USG People organisation will serve as the basis for the realisation of our joint growth ambition in the continental European market, giving ample opportunities to USG People’s employees.”*

*Cees Veerman, Chairman of the Supervisory Board of USG People: “The Supervisory Board has thoroughly discussed and reviewed USG People’s strategic options over the past year. The proposal to team up with Recruit has been considered carefully. Following the divestments of USG People Energy and the General Staffing activities in 2013 USG People has brought back the multibrand to four distinct star brands in our four core geographies in 2014. Geared towards commercial and operational excellence and the investments undertaken in innovative companies and digitisation, we are convinced that the best way forward for USG People and all its stakeholders is to join forces with Recruit. The employees and management of USG People have done a great job in improving the operational and financial performance. The merger affords the opportunity to provide access to greater resources to ensure the realisation of our strategy.”*

### **STRATEGIC RATIONALE**

The combination of Recruit and USG People will create a leading global specialised provider of Staffing and innovative HR Services. USG People provides Recruit with an established entry point into the continental European staffing market from which it can further realise its ambitions of becoming the world leader in human resources by around 2020.

USG People's current leading positions in local markets are fully complementary to Recruit's existing operations. At the same time, Recruit provides USG People the opportunity to realise its growth ambitions. Together, the companies will be able to adapt faster to new market developments. Recruit also provides USG People the opportunity to accelerate its dual track strategy, which is to improve its commercial and operational excellence of the core staffing activities, whilst continuing the development of technology-driven services that provide high added value to its customers.

With its global reach and strong value proposition, the combined company will provide employees with expanded opportunities for development and growth.

### **UNANIMOUSLY RECOMMENDED BY USG PEOPLE'S EXECUTIVE & SUPERVISORY BOARDS**

The executive board (the "Executive Board") and supervisory board (the "Supervisory Board") of USG People, (together the "Boards") have throughout the process taken into account the interest of all stakeholders and the maximisation of value creation. In reaching their recommendation, the Boards have made careful consideration of Recruit's offer and extensively evaluated the offer in light of USG People's strategic options, including stand-alone scenarios and explored the interest to pursue a combination transaction with selected competitors. Throughout the discussions with Recruit the Boards met frequently to discuss the developments in the process and the key decisions in connection therewith.

After careful consideration, the Boards believe that the Offer represents a fair price for shareholders and have come to the conclusion that the contemplated transaction is in the best interests of USG People and all of its stakeholders. On 21 December 2015, Bank of America Merrill Lynch International Ltd. Amsterdam Branch issued an opinion to the Executive Board, and ING Bank N.V. issued an opinion to the Supervisory Board of USG People, as to the fairness as of that date, from a financial point of view, of the Offer Price to be paid to the USG People shareholders in the Offer.

Having taken all of these considerations into account, the Boards fully support and unanimously recommend the Offer for acceptance to the shareholders. The Boards believe that the Offer will deliver significant benefits to the shareholders, employees, customers and other stakeholders of USG People.

### **IRREVOCABLE UNDERTAKING**

Mr. Alex Mulder, directly and indirectly holder of approximately 19.8% of the issued ordinary shares of USG People, has irrevocably committed to accept the Offer and tender the shares directly and indirectly controlled by him under the Offer if and when made, and to vote in favour of the resolutions proposed at the EGM. The irrevocable undertaking contains certain customary terms and conditions.

### **TRANSACTION FUNDING**

The Offer values 100% of the Shares at approximately € 1.42 billion, which excludes transaction and other costs. Recruit currently intends to fund the Offer through its cash balances and by utilising debt facilities at the level of Recruit Holdings. As of today Recruit has sufficient funds available to fund the Offer.

### NON-FINANCIAL COVENANTS

Recruit and USG People have agreed on certain non-financial covenants with regard to the strategy, governance, and employees of USG People as well as other matters. Recruit and USG People have similar corporate cultures and values which will govern the future success of the combined company. USG People will continue to run as a stand-alone company operating under its existing name and operating the existing star brands.

### STRATEGY

Recruit will support USG People in the realisation and acceleration of the current strategy aimed at improving its commercial and operational excellence of its core activities, whilst developing profitable innovative services that provide high added value in the field of human capital. USG People will become the continental European platform for the staffing business of the Recruit Group, with USG People's current head office serving as the continental European staffing head office of the Recruit Group. USG People will continue to explore and implement business development activities in continental Europe in line with its current strategy, with USG People being the holding company of the existing and future USG People and Recruit companies in continental Europe for staffing activities. USG People group will adopt and implement Recruit's management philosophy.

The core businesses and services of the USG People group shall be maintained and the major brand names of the USG People group in all relevant markets shall remain consistent with the USG People group's current branding and marketing strategy.

USG People group will retain its corporate identity and culture. Its headquarters, central management and its key support functions will remain at its current location in Almere, the Netherlands. USG People will remain a separate legal entity, and will remain the ultimate holding company of its current and future subsidiaries and operations.

### EMPLOYEES

Recruit recognises that USG People's management and employees will be vital to the future success of the company and expects to rely on their experience and expertise going forward. Recruit will respect the existing employment rights and benefits of employees of USG People, including under any existing social plans, pension plans, profit sharing schemes, covenants (including covenants with USG People's works council) and collective labour agreements, as well as the terms of individual employment agreements between USG People and its employees, for the agreed duration of these arrangements and agreements. There shall neither be any material reorganisation or restructuring resulting in job losses in the USG People group as a direct result of the Offer. No significant job losses are foreseen in the current business plan of USG People group or in its future strategy.

### GOVERNANCE

Following settlement of the Offer, USG People will introduce a one-tier board system, consisting of three executive directors and four non-executive directors.

Mr. Rob Zandbergen will remain in office as an executive director with the title of CEO and Ms. Leen Geirnaerdt will remain in office as an executive director with the title of CFO. A third executive director will be nominated by Recruit.

Mr. Cees Veerman, currently Chairman of the Supervisory Board of USG People (the “Continuing Member”) will remain in office as of settlement of the Offer as a non-executive director until USG People will no longer be subject to the large company regime.

Mr. Hitoshi Motohara, Managing Corporate Executive Officer of Recruit, will be one of the non-executive directors nominated by Recruit and will be the Chairman of the new one-tier board. Two other non-executive directors will be identified by Recruit. All non-executive directors, including the Continuing Member, shall monitor and protect the interests of USG People and all of its stakeholders.

After delisting from Euronext Amsterdam, USG People will be converted into a Dutch private limited liability company (*besloten vennootschap*).

### COMMENCEMENT AND OFFER CONDITIONS

The commencement of the Offer is subject to the satisfaction or waiver of the following conditions customary for a transaction of this kind:

- i. all relevant competition filings having been made or requested;
- ii. no material breach by USG People or Recruit of the Merger Protocol or Mr. Alex Mulder of his irrevocable undertaking having occurred;
- iii. no revocation or change of the recommendations of the Offer by any of the Boards having occurred;
- iv. no protective preference shares having been issued;
- v. no material adverse effect having occurred;
- vi. the Netherlands Authority for the Financial Markets (“AFM”) having approved the offer memorandum;
- vii. no public announcement of a Competing Offer (as defined below) having been made;
- viii. trading in the USG People Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure;
- ix. no notification having been received from the AFM stating that investment firms will not be allowed to cooperate with the Offer; and
- x. no order, stay, judgment or decree having been issued by a court or governmental authority prohibiting the making of the Offer.

If and when made, the completion of the Offer will be subject to the satisfaction or waiver of the following Offer conditions customary for transactions of this kind:

- i. minimum acceptance level of at least 95% of the Shares;
- ii. all required competition clearances having been obtained;
- iii. the EGM having adopted certain resolutions to amend the articles of association of USG People to implement certain changes to the corporate governance structure of USG People;
- iv. no material breach by USG People or Recruit of the Merger Protocol or Mr. Alex Mulder of his irrevocable undertaking having occurred;
- v. clearance from USG People's work council having been obtained;
- vi. no material adverse effect having occurred;
- vii. no public announcement of a Competing Offer (as defined below) having been made;
- viii. no revocation or change of the recommendations of the Offer by any of the Boards having occurred;

- ix. no protective preference shares having been issued and the relevant foundation having agreed to terminate its rights in relation to any such issuance;
- x. trading in the USG People shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure;
- xi. no notification having been received from the AFM stating that investment firms will not be allowed to cooperate with the Offer; and
- xii. no order, stay, judgment or decree having been issued by a court or governmental authority prohibiting the transaction.

#### **TERMINATION FEES**

In case of termination of the Merger Protocol because of a material breach of the Merger Protocol, the breaching party shall pay to the other party a termination fee of € 10.5 million. In case of termination of the Merger Protocol because of a Competing Offer (as defined below), USG People shall pay Recruit a termination fee of € 10.5 million. The foregoing termination fees are without prejudice to each party's rights under the Merger Protocol, including the right to demand specific performance.

#### **COMPETING OFFER**

Recruit and USG People may each terminate the Merger Protocol in the event that an offer is made by a third party, which offer is launched, or binding on the offering party, and shall exceed the Offer Price by 7.5%, and which in the reasonable opinion of the Boards is more beneficial to USG People and its stakeholders than the Offer (a "Competing Offer").

In the event of a Competing Offer, Recruit has the right to match such offer, in which case the Merger Protocol shall not be terminated by USG People. As part of the agreement, USG People has entered into customary undertakings not to solicit third party offers. If Recruit has matched any Competing Offer, the consideration of any consecutive offer must exceed the most recently offered consideration by 7.5% in order to qualify as a Competing Offer.

Recruit has agreed with USG People not to purchase any Shares outside the Offer, until settlement of the Offer, or until a competitor buys a stake of 3% or more.

#### **INDICATIVE TIMETABLE**

Recruit and USG People have completed their preparatory work on the required competition filings and Recruit plans to file a Form CO with the European Commission as soon as practicable. Recruit is confident that it will secure all relevant competition approvals and has agreed to offer any required remedies. In addition, the customary, pre-requisite advice and consultation procedures with USG People's works council will be continued, with the intention to have the procedures completed prior to commencement of the Offer.

It is Recruit's intention to submit a request for approval of the offer memorandum to the AFM within 12 weeks from today and to publish the offer memorandum shortly after approval from the AFM, in accordance with the applicable statutory timetable.

USG People will hold an extraordinary general meeting of shareholders (the "EGM") at least six business days before closing of the offer period in accordance with Section 18 Paragraph 1 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) to inform the shareholders about the Offer. The USG People shareholders shall be requested to accept the resignation of the resigning members of the

Supervisory Board, provide discharge to each resigning member of the Supervisory Board, to amend the articles of association of USG People to implement certain changes to the corporate governance structure of USG People and to appoint one new executive director and three new non-executive directors to the new one-tier board.

Based on the required steps and subject to the necessary approvals, Recruit and USG People anticipate that the Offer will close in the second quarter of 2016.

#### **TRANSACTION ADVISORS**

Nomura is acting as financial advisor to Recruit. Bank of America Merrill Lynch is acting as financial advisor to USG People. ING is acting as financial advisor to the Supervisory Board of USG People.

Linklaters LLP is acting as legal advisor to Recruit; Allen & Overy LLP is acting as legal advisor to USG People.

Hill+Knowlton Strategies is acting as communications advisor to Recruit and USG People.

#### **FURTHER INFORMATION**

The information in this press release is not intended to be complete and for further information explicit reference is made to the offer memorandum, which is expected to be published during the first quarter of 2016. The offer memorandum will contain details of the Offer. The USG People shareholders are advised to review the offer memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the offer memorandum and the Offer itself.

#### **GENERAL RESTRICTIONS**

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of USG People in any jurisdiction.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This press release contains certain "forward-looking statements" and language indicating trends, such as "anticipated" and "expected".

Any forward-looking statements apply only on the date of this press release and are based on current expectations and convictions and, by their nature, are subject to a number of known and unknown risks and uncertainties as a result of which the actual results and performance may differ substantially from expected future results or performance expressed or implied in the forward-looking statements. The information and views contained in this press release may change without prior notice, and neither Recruit nor USG People has the intention nor the obligation to update forward-looking statements in this communication, except insofar as it is obliged to do so by any applicable legislation or by the rules of any stock exchange on which their respective shares may be traded.

Although Recruit and USG People believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Recruit nor USG People, nor any of their advisors accepts any responsibility for any financial or other information contained in this press

release relating to the business or operations or results or financial condition of the other or their respective groups.

#### **DISCLAIMER**

The distribution of this press release may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Recruit and USG People disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Recruit nor USG People, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any holder of Shares who is in any doubt as to his position should consult an appropriate professional advisor without delay.

Nomura International plc (“Nomura”) is acting exclusively for Recruit in connection with the Offer and will not be responsible to anyone other than Recruit for providing the protections afforded to its clients or for providing advice in relation to the Offer.

Bank of America Merrill Lynch International Limited, Amsterdam Branch (“Bank of America Merrill Lynch”), a subsidiary of Bank of America Corporation, is acting exclusively for USG People N.V. in connection with the Offer and for no one else and will not be responsible to anyone other than USG People N.V. for providing the protections afforded to its clients or for providing advice in relation to the Offer.

ING Bank N.V. (ING) is acting exclusively for the Supervisory Board of USG People N.V. in connection with the Offer and for no one else and will not be responsible to anyone other than the Supervisory Board of USG People N.V. for providing the protections afforded to its clients or for providing advice in relation to the Offer.

#### **CONFERENCE CALL**

USG People will host an analyst call at 9:30 CET, which can be joined by dialling +31 (0)20 531 58 71. Also webcasted via <https://www.kpnwebshow.nl/fk9fs88e>.

Today at 10:30 CET a media call of USG People will take place. The call can be joined by dialling +31 (0)20 531 58 61. Also webcasted via <https://www.kpnwebshow.nl/5m8cc85b>.

Replays of the conference calls will be available afterwards on [www.usgpeople.com](http://www.usgpeople.com).

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**Disclaimer**

This press release is available in Dutch and English. In the event of ambiguities, the English text shall prevail.

**About Recruit**

Founded in 1960, Recruit Holdings is a leading information services and human resources company in Japan. Through a wide range of services, Recruit is focused on a variety of areas, including employment, education, housing, marriage, travel, restaurants, beauty, cars, hobbies, and lifestyles. Recruit has more than 30,000 employees and operates all over the world.

For further information, visit <http://www.recruit-rgf.com>.

**About USG People**

With revenue of € 2.4 billion in 2014 USG People is one of the largest providers of HR services in Europe with established and recognisable international brands. The brand portfolio comprises Start People, Unique, Secretary Plus, USG Professionals and Solvus.

Headquartered in the Dutch city of Almere, USG People is active in Belgium, France, Germany and the Netherlands. USG People is listed on the Euronext Amsterdam stock exchange and is included in the AMX Index.

For more information on USG People or any of its operating companies, please visit our website at [www.usgpeople.com](http://www.usgpeople.com).