tech and touch

annual report 2015

randstad

Staffing | Professionals | Search & Selection | HR Solutions | Inhouse Services

contents

The following sections are considered to be part of the Executive Board report: overview, value proposition & strategy, performance, remuneration report and corporate governance.

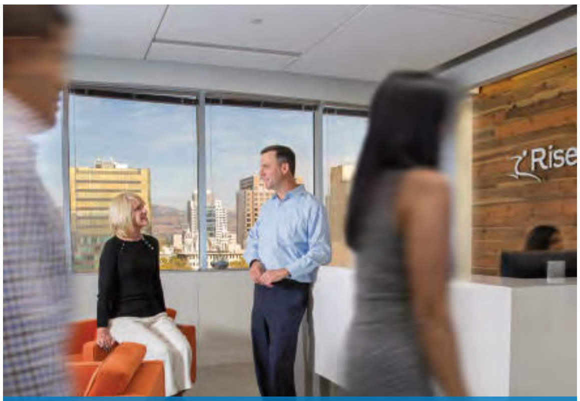
overview

2015 at a glance

Microsoft wins the Global Randstad Award 2015 and becomes the most attractive employer worldwide.

Revenue at € 19.2 billion, an all-time high.

Randstad Innovation Fund invests in chat-based platform Brazen, web-based reference tool Checkster, and the all-in-one collaborative recruiting platform gr8people.



Randstad acquires a 100% stake in RiseSmart, market leader in innovative, technology-led career transition services.

After a year-long engagement program, all employees celebrate Randstad's 55th anniversary on September 26.

Randstad France launches innovative Big Data solution, providing real-time insights into available talent in the labor market.

ROBECOSAM
Sustainability Award
Gold Class 2016

Randstad’s efforts in sustainable business are recognized by the inclusion in the Dow Jones Sustainability Index.

Tackling scarcity in engineering early on by the launch of the Randstad Williams Engineering Academy.

Proposed dividend of € 1.68, a record.

The EUROPEAN PACT 4 YOUTH

Randstad joins Pact for Youth, a pledge on the joint delivery of jobs, growth, and investment for young people in Europe.

Proffice

Randstad launches public offer on all shares of Proffice, aiming to become a leading player in the Nordics.

EBITA margin improvement to 4.5% in line with guidance.

key figures

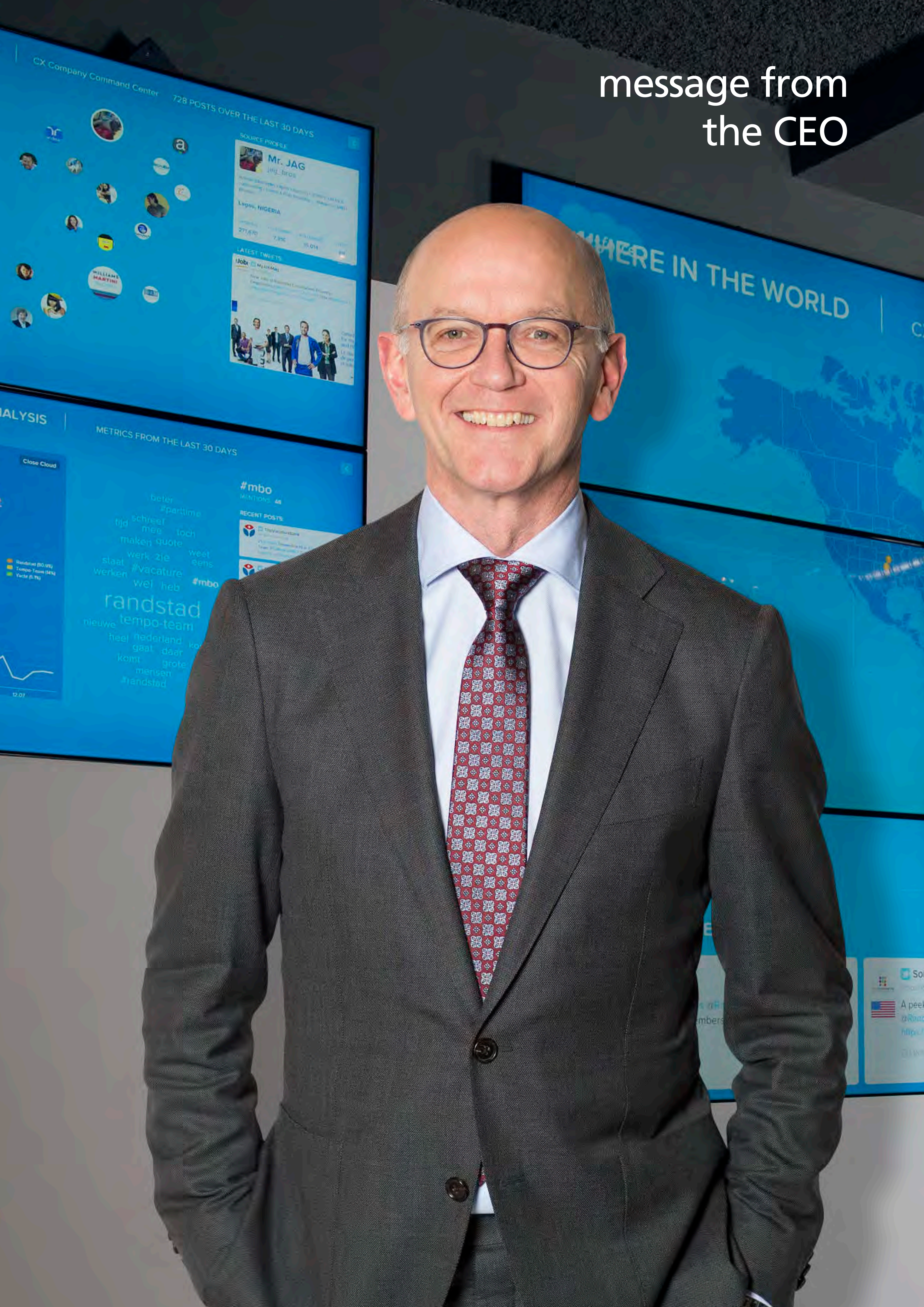
Revenue in € million	19,219.2	› 59
Underlying EBITA margin (%)	4.5	› 62
Adjusted net income in € million	608.3	› 63
Free cash flow in € million	498.8	› 65
Leverage ratio	0.2	› 65
Proposed dividend per ordinary share (€)	1.68	› 76
Net Promoter Score (no. of countries with Top 3 positions)	19	› 36
Number of candidates working (on a daily basis)	597,400	› 58
Randstad outperformance	66%	› 43
% of women in senior leadership positions	46.4	› 45
Number of VSO volunteer hours	10,200	› 48
Number of employees trained in business principles	8,300	› 50

core data

in millions of €, unless otherwise indicated	2015	2014	Δ%
Key financials			
Underlying [1]			
Revenue	19,219.2	17,249.8	11
Gross profit	3,594.5	3,180.0	13
EBITA [2]	861.9	706.0	22
Actual			
Revenue	19,219.2	17,249.8	11
Gross profit	3,594.5	3,177.6	13
EBITA[2]	832.0	660.7	26
Net income	518.8	340.1	53
Free cash flow [3]	498.8	487.7	2
Net debt [4]	173.2	422.0	(59)
Shareholders' equity	3,861.7	3,313.1	17
Ratios (in % of revenue)			
Underlying[1]			
Gross margin	18.7	18.4	
EBITA margin	4.5	4.1	
Actual			
Gross margin	18.7	18.4	
EBITA margin	4.3	3.8	
Net income margin	2.7	2.0	
Share data			
Basic earnings per ordinary share (in €)	2.79	1.83	52
Diluted earnings per ordinary share, underlying (in €) [5]	3.32	2.54	31
Dividend per ordinary share (in €)	1.68	1.29	30
Payout per ordinary share (in %) [6]	50	50	-
Closing price, year-end (in €)	57.53	40.06	44
Market capitalization, year-end	10,529.1	7,215.2	46
Enterprise value, year-end [7]	10,702.3	7,637.2	40
Employees/outlets			
Average number of candidates	597,400	580,300	3
Average number of corporate employees	29,750	28,720	4
Number of branches, year-end [8]	2,750	2,816	(2)
Number of Inhouse locations, year-end[8]	1,723	1,595	8

1 Underlying: actual gross profit and EBITA adjusted for one-offs, such as restructuring, integration costs, and acquisition-related expenses.
2 EBITA: operating profit before amortization and impairment of acquisition-related intangible assets and goodwilll.
3 Free cash flow is the sum of net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries and associates.
4 Net debt: cash and cash equivalents minus borrowings.
5 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.
6 Payout per ordinary share in %: dividend per ordinary share on basic earnings per ordinary share adjusted for the net effect of amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.
7 Enterprise value: the total of market capitalization and net debt.
8 Branches are outlets from which various clients are served with a various number of services and which are located in residential/commercial areas. Inhouse locations are outlets from which one client is served with a limited number of job profiles and which are located on the site of the client.

message from the CEO



Dear Stakeholder,

In 2015, Randstad celebrated its 55th anniversary. Over the past decades, the Staffing & Recruitment industry has developed steadily to become an integral part of today's flexible labor market. Helping talent develop their potential and providing clients with the best people to reach their goals is what drives our employees every day. In 2015, we proudly filled more than two million temporary positions (around 600,000 on a daily basis) and placed over 120,000 people in permanent jobs all over the world.

One of the key enablers in helping us to execute our strategy is the use of technology. We use technology to engage talent, to optimize the recruitment and matching process, and to improve productivity. Randstad Innovation Fund, which focuses on investments in technology innovation to deliver client value and accelerate growth, made four investments in 2015. This brings the total to eight since inception. A particular highlight was the acquisition of RiseSmart, a technology platform in outplacement, which perfectly complements our offering in career transition services.

At the same time, we need to safeguard the competitiveness of our core staffing divisions by applying the right delivery models and looking carefully at our cost structure. With our consultative approach towards large clients, called Total Talent Architecture, we aim to increase our share of wallet.

We are on track to achieve the goals of our cost-saving program in 2015/16 (€ 60-70 million targeted, € 50 million realized so far). Additional measures were announced in 2015. These include the creation of a global IT infrastructure, which should reduce IT expenditure by 20% over time. This project is another result of the ongoing benchmarking of all functions.

Looking back at our operational performance in 2015, significant progress has been made: our revenue increased by 6%, and most major divisions grew at or above the market. The combined European operations picked up in 2015, growing 6%. Key contributors were the Netherlands, France, Spain and Italy. Growth in North America accelerated to 5%, driven by the continued outperformance of our US Staffing division. Gross margin increased 30bp to 18.7%, showing that our focus on higher-value-added services (e.g., permanent placements, which grew 14%) is paying off. EBITA was up 16% organically, with an EBITA margin improvement to 4.5%, in line with our guidance.

We further enhanced our financial position, as witnessed by a drop in the leverage ratio from 0.5 to 0.2. For 2015, we propose an all-cash dividend of € 1.68 per ordinary share (2014: € 1.29), representing a payout of 50%.

55 years ago, our company was founded on our core values of 'to know, serve & trust, striving for perfection, and simultaneous promotion of all interests'. And these values still guide us today. That is why we are glad that our efforts in the area of sustainability as a professional services provider have been recognized by our inclusion in the 2015 Dow Jones Sustainability Index (DJSI).

I would like to thank all our stakeholders and investors for their continuous support and trust. I also thank our employees, who made 2015 such a special year, organizing unforgettable anniversary celebrations.

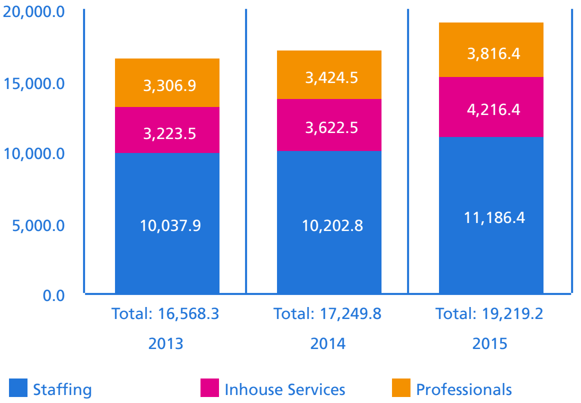
There are many challenges ahead of us, but the motivation and commitment of our roughly 30,000 colleagues, our clear vision of the road ahead, and our strong values mean we can face the future with confidence.

Good to know you,

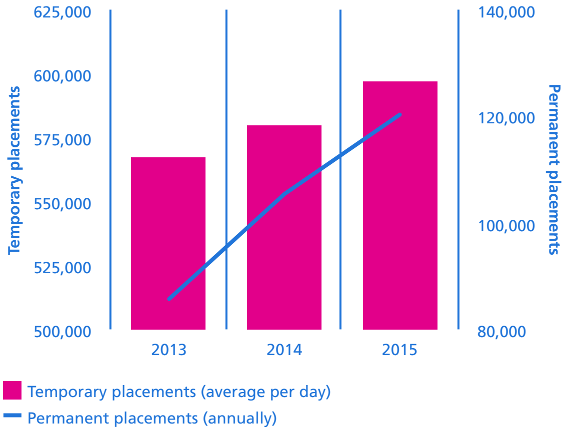
Jacques van den Broek

Revenue

in millions of €



Candidates placed in jobs



profile

Randstad is always on the lookout for the latest HR technologies, assessing how digital innovations impact the way we interact with our stakeholders.

Who we are

Randstad is a global staffing and recruitment company, offering various solutions in the HR services space. We are a sparring partner on total talent management. Our services include regular temporary staffing and permanent placement of candidates. Through our unique Inhouse Services concept, we offer dedicated on-site workforce management. In addition, we provide many other HR solutions, such as Recruitment Process Outsourcing (RPO), Managed Services Programs (MSP), payroll services, and outplacement. We take the lead in shaping the world of work, by matching candidates with companies that will help them reach their full potential, and matching clients with people who will work to sucessfully develop their business.

Randstad was founded in 1960 in the Netherlands. In 2015, Randstad generated revenue of € 19.2 billion, employing 29,750 corporate employees, who worked in some 4,500 branches and Inhouse locations in 39 countries. On average, we deployed almost 600,000 candidates per day in temporary jobs, while we placed over 120,000 candidates in permanent positions. We are proud to find jobs for more than two million people annually.

Our core values and culture

We continue to adhere to and live by five core values, established in the company's early days: to know, to serve, to trust, striving for perfection, and simultaneous promotion of all interests. Our values shape our culture, and help us to better serve our stakeholders.

We can only promote the interests of all our stakeholders if we *know* them well. Our thorough knowledge of them and our business experience enables us to *serve* them better. Our engagement with our stakeholders and the service we provide them with builds mutual *trust*. This trust is enhanced by continuously *striving for perfection* and *simultaneously promoting the interests* of all our stakeholders and society as a whole. We believe that this creates an essential foundation for our business.

The values we share serve as a compass for everyone at Randstad, guiding our behavior and representing the foundation of our culture. Our continuing success and our reputation for integrity, service, and professionalism are based on these values.

'Good to know you'
Our shared culture, expressed through our behavior, is a clear indicator of the way we live our values. At Randstad, we believe that creating the best solutions in HR services means always doing more, going further. This starts with continuously deepening our understanding of the environment and marketplace in which we operate. We need to understand the present and future needs of our clients, candidates, shareholders, and other stakeholders. Many companies say that their people are their most important asset. As we are in the people business and one of the world's biggest employers, we could not agree more. As success depends largely on the people you employ, it also depends on the people you employ to find them. The better we know our clients and candidates, and the better our rapport with them, the better we are at matching their needs and exceeding their expectations. They should experience us as friendly and open, as well as professional and driven. After 55 years, 'Good to know you' continues to represent the Randstad culture – what we stand for, and how we behave. It invokes our core values of to know, serve and trust.

Our core values

To know
We are experts. We know our clients, their companies, our candidates and our business. In our business it is often the details that count.

To serve
We succeed through a spirit of excellent service, exceeding the core requirements of our industry.

To trust
We are respectful. We value our relationships and treat people well.

Striving for perfection
We always seek to improve and innovate. We are here to delight our clients and candidates in everything we do. This gives us the edge.

Simultaneous promotion of all interests
We see the bigger picture, and take our social responsibility seriously. Our business must always benefit society as a whole.

What we do

By helping candidates find suitable careers and develop their full potential, and by finding employers the people who best fit into their organization to sustain their success, we create value for society as a whole. It is our ambition to be an employer of choice and to attract, retain, and develop the best people, who will in turn provide our clients with excellent service. We ensure first-class service delivery by using best practices and proven standardized business models across our global network. We contribute to a better society by leveraging the experience and expertise in the labor market we have gained over 55 years. As such, we help to maximize future employment and economic growth.

Our service concepts

Staffing

In Staffing, our largest business, we focus on recruiting blue-collar and white-collar candidates. The concept covers temporary staffing and permanent placements.

Inhouse Services

Inhouse Services is a unique solution for managing a highly efficient workforce with specific skill sets for which there is a fluctuating level of demand. It is aimed at improving clients’ flexibility, retention, productivity, and efficiency. We work on-site, exclusively for our clients, providing a large number of candidates. We jointly determine specific performance criteria and provide total HR management, including recruitment and selection, training, planning, retention, and management reporting.

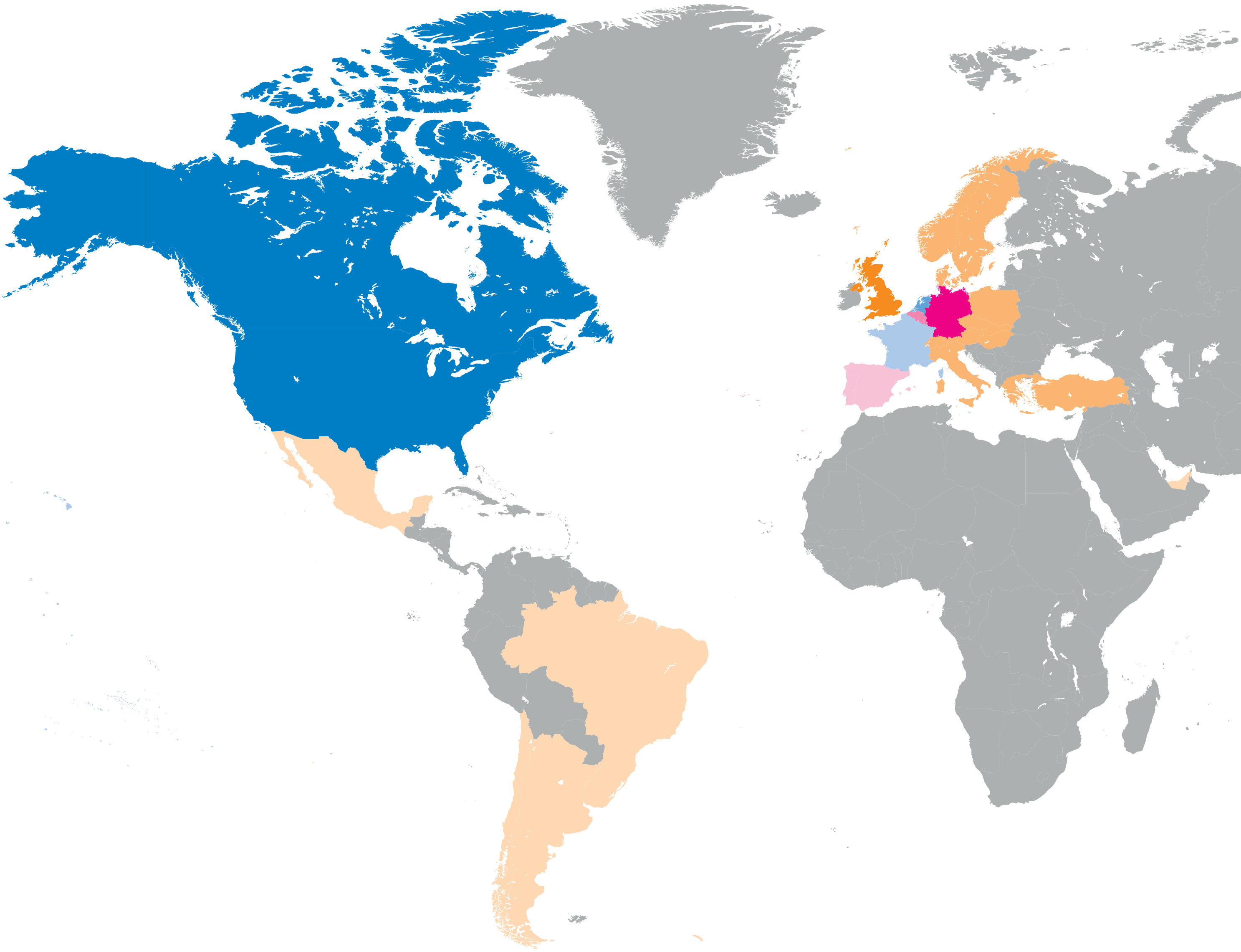
Professionals

For middle and senior leadership positions, we recruit supervisors, managers, professionals, interim specialists, and consultants from a wide range of industry backgrounds. These include engineering, IT, finance, healthcare, and other disciplines, such as HR, education, legal, and marketing & communications. This concept covers both temporary and permanent placements.

HR Solutions

Through HR Solutions, we provide clients with a range of services, including Recruitment Process Outsourcing (RPO), Managed Services Programs (MSP), payroll services, outplacement, outsourcing, and consultancy. As a part of RPO, we take on primary responsibility for the recruitment and selection of a client's workforce. MSP is one of our key offerings, whereby we take on primary responsibility for the organization and management of a client's contingent workforce. Our payroll services take over clients' administrative burden, so that they can focus on their core business.

our global presence



■ **North America**
- Revenue € 4,653.4 million
- 6,430 corporate staff
- 108,800 candidates
- 1,119 outlets, of which 423 Inhouse locations

■ **Netherlands**
- Revenue € 3,076.9 million
- 4,150 corporate staff
- 76,600 candidates
- 644 outlets, of which 333 Inhouse locations

■ **France**
- Revenue € 2,845.1 million
- 3,460 corporate staff
- 74,600 candidates
- 728 outlets, of which 207 Inhouse locations

■ **Germany**
- Revenue € 1,969.6 million
- 2,570 corporate staff
- 45,800 candidates
- 550 outlets, of which 276 Inhouse locations

■ **Belgium & Luxembourg**
- Revenue € 1,350.3 million
- 1,890 corporate staff
- 41,400 candidates
- 303 outlets, of which 153 Inhouse locations

■ **Iberia**
- Revenue € 1,193.5 million
- 1,750 corporate staff
- 61,000 candidates
- 306 outlets, of which 99 Inhouse locations

We have the following alliances to expand our reach: Ancor (Russia and Commonwealth of Independent States) and Barona (Finland).

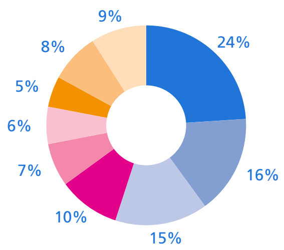
■ United Kingdom
- Revenue € 909.5 million
- 1,560 corporate staff
- 16,000 candidates
- 139 outlets, of which 64 Inhouse locations

■ Other European countries
- Revenue € 1,576.6 million
- 2,820 corporate staff
- 60,100 candidates
- 406 outlets, of which 118 Inhouse locations

■ Rest of the world
- Revenue € 1,644.3 million
- 4,930 corporate staff
- 113,100 candidates
- 278 outlets, of which 50 Inhouse locations

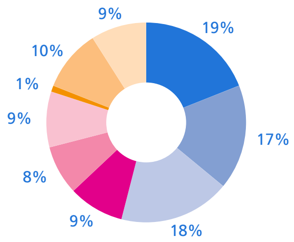
Split by geography

2015: Total revenue € 19,219.2 million



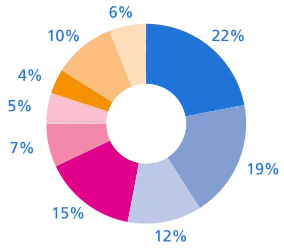
Geographic spread of Staffing revenue (incl. HR Solutions)

Staffing revenue € 11,186.4 million



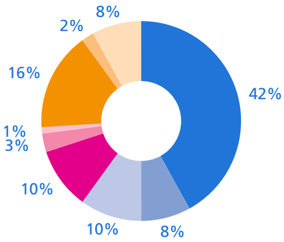
Geographic spread of Inhouse Services revenue

Inhouse Services revenue € 4,216.4 million



Geographic spread of Professionals revenue

Professionals revenue € 3,816.4 million



■ North America
■ Netherlands
■ France
■ Germany
■ Belgium & Luxembourg
■ Iberia
■ United Kingdom
■ Other European countries
■ Rest of the world

our business environment

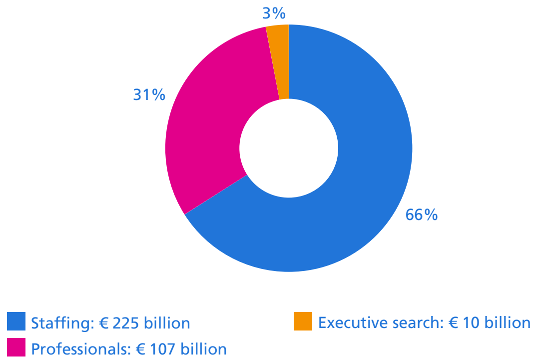
Introduction

Randstad operates in an industry with structural growth potential. In this section, we highlight several technological developments in our industry, elaborate on the structural growth drivers, and provide an update on the regulatory environment in our markets. In combination, these form the foundations of our strategy, through which we create value for our stakeholders.

The world of work is constantly changing. HR services represent one of the world's fastest-growing industries, with a global market size of about € 342 billion (up by an estimated 6% compared to last year). In many major economies, staffing and other HR services are still in development. As one of the global leaders in HR services, we see it as our responsibility to play an active role in developing the industry in the long term. Changing labor market trends and client needs, including an aging population, shifting surpluses and shortages, and increased flexibility, require the development of new solutions. By finding the right balance between the changing needs of employers and employees, we bring supply and demand together.

Global HR services market 2015

in billions of €

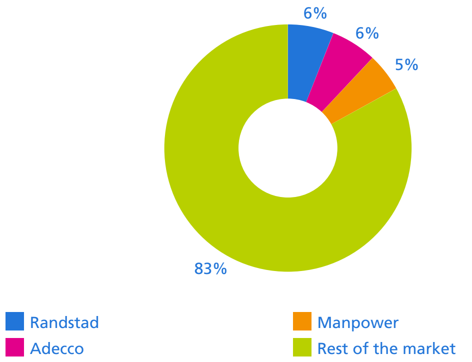


Source: Randstad estimates

The HR services industry is divided roughly into three main segments: staffing, professionals, and executive search. Randstad is primarily active in the first two. The global **staffing** market is worth an estimated € 225 billion, and accounts for around 80% of our revenue. Staffing (52% of our revenue) focuses predominantly on recruiting white-collar and blue-collar candidates for temporary or permanent placements. This segment also includes **Inhouse Services** (22% of our revenue), which provides on-site workforce solutions, and **HR Solutions** (around 6% of our revenue). Through the latter, we offer other HR services, such as Recruitment Process Outsourcing (RPO), Managed Services Programs (MSP), payroll services, outsourcing and consultancy, and outplacement. The global **professionals** market is worth around € 107 billion, and accounts for around 20% of our revenue. This segment includes permanent and temporary placement of qualified professionals and candidates from a wide range of industry backgrounds. Many candidates have previous work experience.

Global market share 2015

Total HR services market: € 342 billion

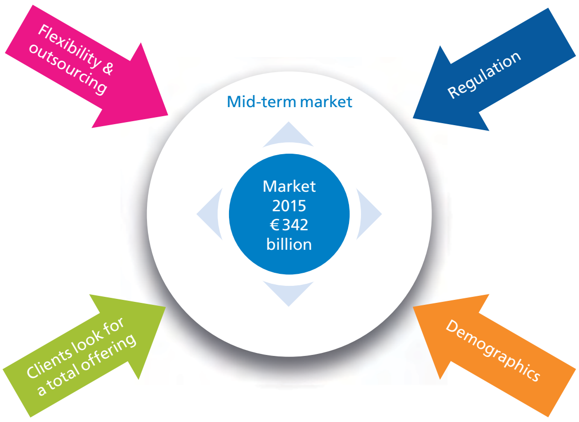


Source: Randstad estimates and 2015 Bloomberg consensus

Structural growth drivers

Geographically, Randstad is active in countries representing over 90% of the global HR services market, and our strategy has been designed to capitalize on the structural growth in these markets. Randstad has defined four structural growth drivers for our industry. These are (1) a need for greater flexibility and outsourcing, (2) changing demographics, (3) regulation, and (4) a continued demand among our clients for a total offering. We believe these structural growth drivers will define the HR services market for decades to come. We have designed our strategy to anticipate and respond to these drivers, throughout economic cycles, as effectively and agilely as possible.

Structural growth drivers



Flexibility and outsourcing

One of the most important drivers of long-term structural growth in our industry is the need for increased flexibility among clients and candidates alike. A flexible workforce helps our clients improve their productivity and competitiveness. Moreover, outsourcing is a key driver for our industry, as clients increasingly focus on core activities, and they realize that outsourcing certain HR functions results in efficiency gains. We see that flexibility and outsourcing continue to rise on our clients' strategic agenda for the years ahead. Clients need to take care of their long-term planning, while they also need to be able to adjust their workforce, even during the course of a day. As a result, they are actively managing the flexible component of their workforce, also with a view to the macroeconomic circumstances. In addition, there is a growing demand for more flexibility among candidates, with jobs-for-life being a thing from the past. Candidates increasingly want to choose themselves where, when, and how they work, which may include self-employment, remote working, part-time work, and so on.

Some countries still maintain unjustified restrictions on flexible work arrangements, and these will need to be reviewed and lifted. The recent economic crisis has shown that countries with unreformed labor markets that do not allow for enough flexibility tend to have higher unemployment, lower participation rates, and fewer new jobs, leading to a lower rating on the World Economic Forum/WEF competitiveness index. This in itself provides a strong case for reform, as there is a clear correlation between labor market effectiveness and competitiveness.

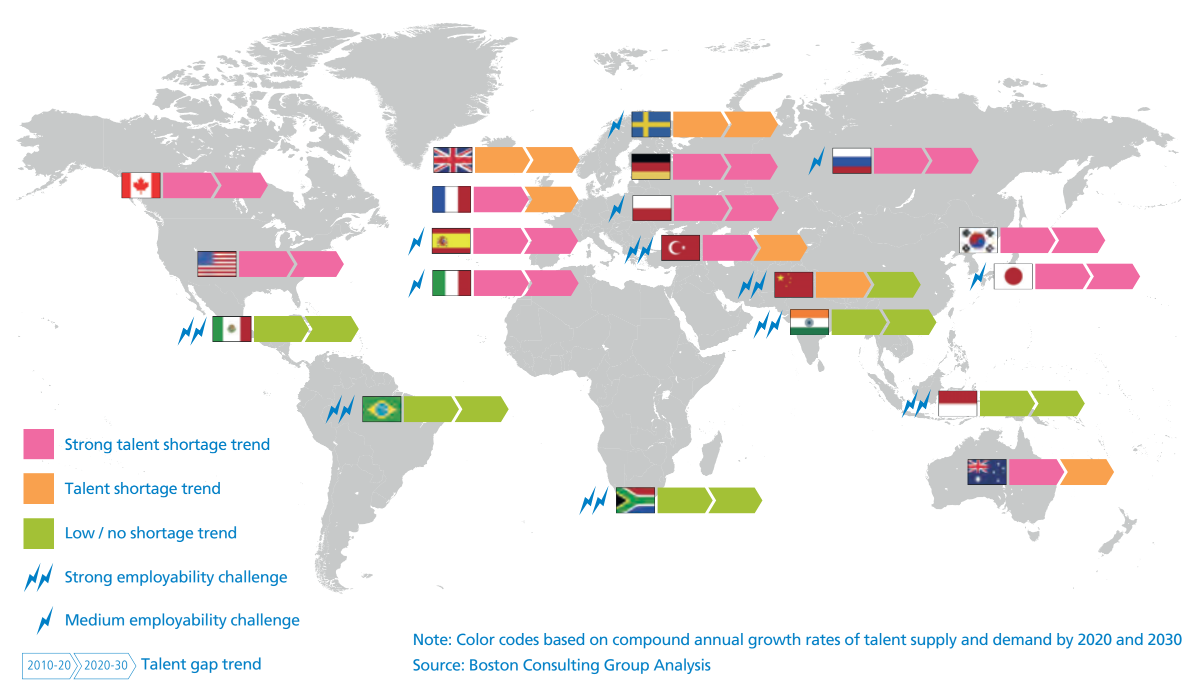
The staffing penetration rate (i.e., the number of temporary workers as a percentage of a total labor force) is an important indicator of the structural growth of our industry. As we strive to improve global employment participation, we use the development of penetration rates to report on our performance in this area. Penetration rate is a metric that we have identified as an employment market KPI in our sustainability framework.

Penetration rates are usually higher in mature markets, where staffing has long been a reputable solution for flexibility in the workplace. Growth in such markets is achieved in different ways, because they are ready for differentiated propositions when it comes to staffing and hiring professionals, and they often also embrace additional added-value services, such as outplacement, RPO, and MSP.

Demographics

A number of academic studies commissioned by Randstad and carried out by SEO Economic Research ('The Gap' series 2007-2012) reveal that aging and declining population growth is already leading to a shortage of people with vital skills in most developed countries. In addition, there is a growing mismatch between the qualifications and skills of workers and the rapidly evolving demands of the labor market. The study 'Into the Gap' suggests that by 2020, both in the EU and the US, there will be a surplus of medium-skilled workers, a

Talent gaps by 2020 and beyond



Note: Color codes based on compound annual growth rates of talent supply and demand by 2020 and 2030
Source: Boston Consulting Group Analysis

substantial shortage of highly skilled workers, and a steady demand for those with elementary skills. This development is often characterized as the 'squeezed middle'. At the same time, labor market demands are also changing, driven by the continuous development of technology. This is creating new jobs, while making others obsolete.

These studies predict that unless we can improve labor participation rates, education and training, productivity, and employee mobility, the potential employment gap is set to grow beyond 35 million people by 2050 in the EU alone. The current economic environment in Europe and the consequent slowdown in the creation of new jobs will lead to fewer job vacancies in the next decade. The long-term shortfall is still set to be dramatic, unless governments take action.

Clients look for a total offering

Clients are not only looking for fewer suppliers, they are also looking for a broader range of HR services from the suppliers they use, ranging from temporary staffing and permanent placements to outsourcing and managed services. Many clients are looking for a long-term customized talent strategy that covers their total workforce. This offers us a unique opportunity to engage our clients in a strategic discussion about their HR strategy and how they may be able to further optimize their entire workforce. We call this Total Talent Architecture (TTA). Randstad is well-positioned to provide total talent solutions based on our broad service offering and international coverage, as well as on our labor market knowledge at both global and national level. In many cases, we can build on long-standing relationships with clients to whom we already provide part of our service offering.

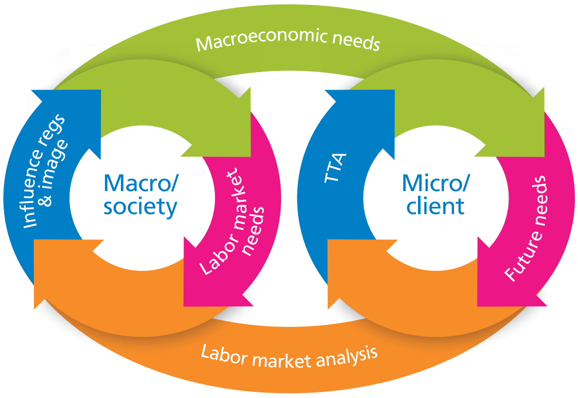
We analyze future needs and developments from both the macro and the micro perspective. This is necessary to play an influential role in the regulating process. By applying our public affairs and labor market knowledge, we translate general economic trends into labor market needs and issues. Following these analyses, we provide guidance to society on a macro level and to our clients on a micro level.

Many international clients are looking for global or multi-country solutions, and Randstad's Global Client Solutions team leverages the Group's knowledge and capabilities across local markets to successfully meet this demand. We have dedicated teams of specialists focusing on specific industries to provide a full range of service concepts in both established and emerging markets. Today, international clients generate around 25% of our revenue.

Regulation

Another important driver of market growth is regulation. Well-regulated markets that encourage temporary employment recover more quickly from economic downturns, and also have lower unemployment rates. We support more balanced legislation, and try to influence it positively. It is important to stress that Randstad is championing appropriate regulation for our business activities. Certainly where staffing is concerned, some unjustified, economically unhelpful regulatory restrictions are still in place, which we would like to see lifted. And we strive for a fair and effective regulatory environment in markets where this has yet to be introduced. New opportunities are arising, as an increasing number of governments are recognizing the need for flexibility in their labor markets.

Applying our knowledge



We believe the best way of finding the most appropriate balance of regulations for our services is through constructive social dialogue. This is in line with our core value of 'simultaneous promotion of all interests', which lies at the heart of our labor market relationships and stakeholder dialogue. Through proactive collaboration with governmental authorities, industry associations, unions, and others, we can help influence legislation and regulations in positive ways that stimulate sustainable growth, employment, flexibility, and equal opportunities. We strongly believe that our business must always benefit society as a whole.

Randstad believes government authorities will have to take measures to encourage the creation of jobs and participation in the labor market. Key to this will be the stimulation of life-long learning and flexible labor contracts. Randstad could play a vital role as transition manager here, as we move to the next stage in the evolution of labor markets.

Regulatory environment in our markets

A major step forward in the regulation of the European staffing market was taken in 2008, when the European Parliament adopted the Agency Work Directive (AWD). The AWD recognizes the role of agency work and allows for greater flexibility, which provides greater scope for further evolution. The aim of the AWD is twofold: to identify and lift all unjustified and/or disproportionate restrictions on temporary agency work, while still protecting the rights of temporary-agency workers, including their right to equal treatment and equal pay.

We observed that, since the introduction of the AWD in 2008, several countries in southern and eastern European have lifted or eased restrictions on temporary work. Recent relevant examples include the following:

- In France, the restriction on the number of times an assignment can be renewed was eased (from once to twice), as well as the restriction on the maximum length of assignments. In addition, the waiting period between assignments for open-ended contracts was abolished in 2015;
- In Greece, the grounds for using temporary workers were removed and sectoral bans were lifted, while restrictions on rehiring after dismissal were eased;
- In Italy, the restrictions on the use of vulnerable workers and young people as temporary-agency workers were eased, as well as the justification for using them, while the maximum length of assignments was extended;
- Spain saw several reforms in the past few years, including the lifting of legal bans in the public and construction sectors, and the introduction of specific training and learning contracts for agency workers and apprenticeship contracts;
- In Luxembourg, the requirement for on-the-job training contracts between assignments was lifted;
- In Portugal, the financial guarantee was lowered;
- In the Czech Republic, the restriction on hiring disabled people was lifted.

The regulatory environment in some other large economies is showing both favorable and unfavorable developments:

Japan

The amendment bill on the Worker Dispatch Law was approved in 2015. This regulatory reform, which has already been implemented, scraps the prohibition to assign temporary agency workers for more than three years to one post. As a result of the reform, companies will be able to use staffing as a solution for an indefinite period of time, on condition that the same post is filled by new individuals every three years and that the companies' labor unions are consulted on these matters. If the temporary work agency has the opportunity to offer an open-ended (indefinite) employment contract, the agency worker can continue work beyond the three-year period in the same position at the client company.

State of play on staffing regulation and trends, 2015

Country	Regulation	Regulatory trend
Argentina	🟥	⟷
Australia	🟩	⟵
Austria	🟧	⟷
Belgium	🟧	⟶
Brazil	🟥	⟶
Canada	🟩	⟷
China	🟧	⟷
Czech Republic	🟥	⟷
Denmark	🟩	⟷
France	🟧	⟷
Germany	🟧	⟵
Greece	🟧	⟷
Hungary	🟧	⟷
India	🟥	⟷
Italy	🟧	⟶
Japan	🟧	⟶
Luxembourg	🟥	⟷
Mexico	🟧	⟷
Netherlands	🟩	⟷
New Zealand	🟩	⟷
Poland	🟥	⟷
Portugal	🟧	⟷
Spain	🟥	⟷
Sweden	🟧	⟷
Switzerland	🟩	⟷
Turkey	🟥	⟷
UK	🟩	⟷
US	🟩	⟷

🟩 Appropriate/liberal regulation
🟥 Workable regulation/to be improved
🟧 Restrictive/ no specific regulation

⟶ Trend has improved
⟷ Trend has not changed
⟵ Trend has reversed

The Netherlands

In July 2015, the new Work and Security Act came into force. This law represents the conversion into law of an agreement between the principal associations of employers, employees, social partners, and government. The new law simplifies dismissal regulation, reduces the disparity between permanent and fixed-term contracts, and increases income protection for employees on a flexible contract. The new legislation does not affect agency work. In combination with the current CLA for agency work, the new legislation has led to an extended flexibility period from 3.5 years to 5.5 years. Also in July 2015, the new Act on Combating Sham Arrangements ('Wet aanpak schijnconstructies') came into force, introducing a new chain liability. This legislation makes every user company in the chain liable for the correct payment of wages to temporary employees.

tech and touch

A software developer in Spain deploys on-demand Java developers half way around the world to keep projects moving. A talent manager in the US accesses a wealth of new-hire data with one tap on a mobile device. A passive candidate is converted into an active job seeker when automated recruitment marketing catches his attention on social media in China. All around the world, cutting-edge technology is transforming how we live and work, and how companies engage, acquire, and utilize talent. At the same time, candidates have unfiltered real-time access to the inner workings of employers, empowering them to make more informed career choices. Welcome to the new 'hyper-connected' world of work.

In today's intensely dynamic market, the relationship between employer and employee is evolving rapidly. Driven by accelerated investments in innovation, both sides are enabled like never before. There is more transparency than any other time in history. Access to talent is no longer limited by organizational silos, geographic boundaries, or even the time of day. The candidate experience is paramount in winning talent, and innovation sits at the heart of the shift.

But with this also comes complexity. Making sense of innovation, what technologies to adopt, and how to use them to benefit your organization requires deep expertise, comprehensive market knowledge and human intelligence. Now more than ever, employers need consultative support to fulfill their talent needs and meet their business imperatives. Under pressure to quickly adapt, they need a strong partner who can guide them forward in a time when hundreds of technologies are coming to market every quarter, and there is a burning need to turn HR and talent analytics into business insights, strategic choices, and quantifiable impact.

In 2015, Randstad was at the forefront of talent technology enablement, providing clients with strategic advice, support, and solutions, even when the landscape was seemingly changing overnight. We made significant investments in various trend-forward recruiting and HR technologies through the Randstad Innovation Fund (RIF). RIF is our way of staying agile, constantly scoping the rapidly evolving HR technology space for new innovations that will help our clients to transform their strategy, and to attract and engage the people they need across the entire talent lifecycle, from entering the company to transitioning to new careers. Offerings such as Crunchr HR analytics, Checkster screening automation, VONQ recruitment marketing, and many others position us as the go-to experts in technology and people solutions.

These investments greatly benefit our clients by helping them access the best possible talent more quickly and cost-effectively. They also complement our internal innovation efforts. Our subject matter experts have greater experience with and insights into technology deployment. It is a winning combination that builds confidence and trust in our commitment to evolving the HR and talent solutions market.

Hybrid model
Randstad delivers tools for both clients and candidates that help to increase efficiency and engagement

Technology with a human touch

With technology having an increasing impact on the way we live, work, and play, this raises the question of how and where to connect to people in real life, in person, face-to-face. Through the Randstad Innovation Fund we try to discover and learn what is out there in terms of HR technology solutions and what these technologies mean for the way we work. But there is more to technological developments than investing in solutions and tools. What all our innovations have in common is that they combine technology with our human touch. 'Tech and Touch' is what will differentiate Randstad from the competition.

Reimagining the future: innovations at work

HR technology in the past was viewed as complex, difficult to implement, and slow to provide a return on investment. We are shattering this perception with impactful, practical tools. By providing clients with simplified but powerful technology, we accelerate market adoption and help them gain value more quickly. More importantly, strong partnerships with many leading global businesses give us a view into the future of their workforce. This is a powerful vantage point, which provides a roadmap for developing new tools to address any company's – large or small – future challenges well before they need them.

While many of the technologies we have invested in are still maturing, some are already producing great results for clients. To accelerate this process, we are committed throughout all of our businesses to delivering innovation to clients. Part of this commitment is to ensure we are optimally implementing new tools to demonstrate success. This will also help us to speed up adoption among our customers. Every 'Tech and Touch' innovation we bring to market should be scalable, data-driven and measurable from end to end. This provides us with the input for driving continuous improvements in our offerings.

Our clients know the talent landscape has shifted dramatically. They must adapt to attract the critical talent they need to drive their business. As for us, we have to not just adapt, but stay ahead of the curve. By investing in technology, tools, and expertise to create market foresight and appropriate solutions, we are in the best position to meet our clients' needs.

Driving business results through holistic talent management

CEOs around the world worry about attracting and retaining the right talent for their business. According to our global survey of nearly 400 C-suite HR and talent leaders, most businesses (72%) are negatively afftected by talent scarcity. To address this concern, 82% said their business leaders are now making talent acquisition a top organizational priority. So what does this mean? Companies overwhelmingly believe that a holistic talent management approach will enhance resources to drive business growth. By breaking down organizational silos and choosing optimal talent, regardless of whether it is permanent or contingent, companies gain talent quality, agility, and cost efficiency.

To enable clients to take such a holistic approach, Randstad is increasingly serving as a talent advisor. As a provider of the complete range of talent and HR services, from staffing and recruiting to RPO, MSP, outplacement, and career transition, we are strongly positioned to analyze and create effective tactics in support of their strategies. At the same time, their needs are leading us into new territory, where our voices are having a strong influence on those strategies. For instance, they want greater value from their recruiting programs, and one way to achieve this is through integrated talent management solutions.

For some global clients, we already fulfill both permanent and contingent talent needs under one program, which offers an array of benefits. In many instances, our role is to meet a client’s immediate need. But as they continue to seek greater value, we evolve into strategic advisors. We use analytics and insights to predict supply and demand, determining the right kind of talent for the work that needs to be done to achieve the client's short- and long-term business goals. For our large clients, we call this the *Total Talent Architecture (TTA)* approach. TTA is about future-proofing our clients' workforces and giving them the strategic support they need, so they can focus on their core business: building sustainable, successful organizations.

Big Data working for you

Randstad France has developed a Big Data solution that is based on data aggregation. This solution is innovative in its capacity to build bridges between jobs through skills analysis. It also aims to improve decision-making by providing targeted real-time insight into the labor market. This new approach to employment-related data will help companies, candidates, and public organizations to gain a detailed picture of available skills and skill shortages in every local labor market across France. For example, if a company is growing, we can help them to target the right population with the right skills. They will know who their competitors are, and they will have insight into how they can best present themselves in a particular labor market to attract the best people.

On the other hand, we can provide outplacement options in many local markets to help transitioning employees find new jobs. For candidates, this Big Data tool is ideal for identifying local companies seeking the skills being outplaced. For government organizations, the tool gives them insight into how to attract companies as well as developing training programs that prepare outplaced workers for a career transition. This newly developed algorithm combines data from CV databases with job orders received and geographical information, enabling our consultants to present the required

"The French Big Data solution: a new approach to employment-related data."

information in real time to clients. This tool is a prime example of Randstad's internal innovation, helping to transform the way our consultants work and accelerate the delivery of services and solutions for our clients.

RiseSmart: innovative career transition solution

The rapidly evolving HR technology landscape has led us to invest in RiseSmart, an outplacement service challenging the traditional model of offerings in today's market place and transforming the way in which employers interact with talent. RiseSmart provides transitioning solutions to companies whose employees are impacted by restructuring, downsizing, mergers, and similar events. Powered by a virtual, scalable model, RiseSmart is considered disruptive to traditional competitors by taking a proprietary, smart-technology-driven approach that accelerates the time to place transitioning candidates (60% faster than average). They have already helped thousands of people find new jobs quickly, while also helping some of the world's leading companies reduce costs and protect their valuable employer brands. By adding RiseSmart to our mix, we are able to further strengthen our position as a true HR partner for all phases of the talent life cycle.

Market intelligence with the Sales Navigator

Tempo-Team Netherlands has developed an internal app for lead generation: the Sales Navigator. This app uses 'smart matching', and its data is easy to understand and apply. The insights provided by the app enable consultants to optimize matches between candidates and clients. It not only combines knowledge about seasonal peaks with customer history, but also with data from Statistics Netherlands (CBS) and various other sources of internal and external data. On this basis, the app generates a list showing the most promising leads, rated with one to five stars. The more stars, the more promising the commercial lead. An additional advantage of the tool is that we find new prospects thanks to a complete market view and up-to-date company information. So by extending our customer base, Tempo-Team can offer candidates a larger number of interesting jobs. For Tempo-Team, it is one of the first applications developed from a data-driven perspective, and we are convinced it provides clear direction for the future of the staffing industry. The accuracy and effectiveness of the app are continuously being refined, as feedback and user experiences are incorporated into the software. With this app, Tempo-Team was nominated for the Dutch Business Intelligence Award – the Smartest Organization.

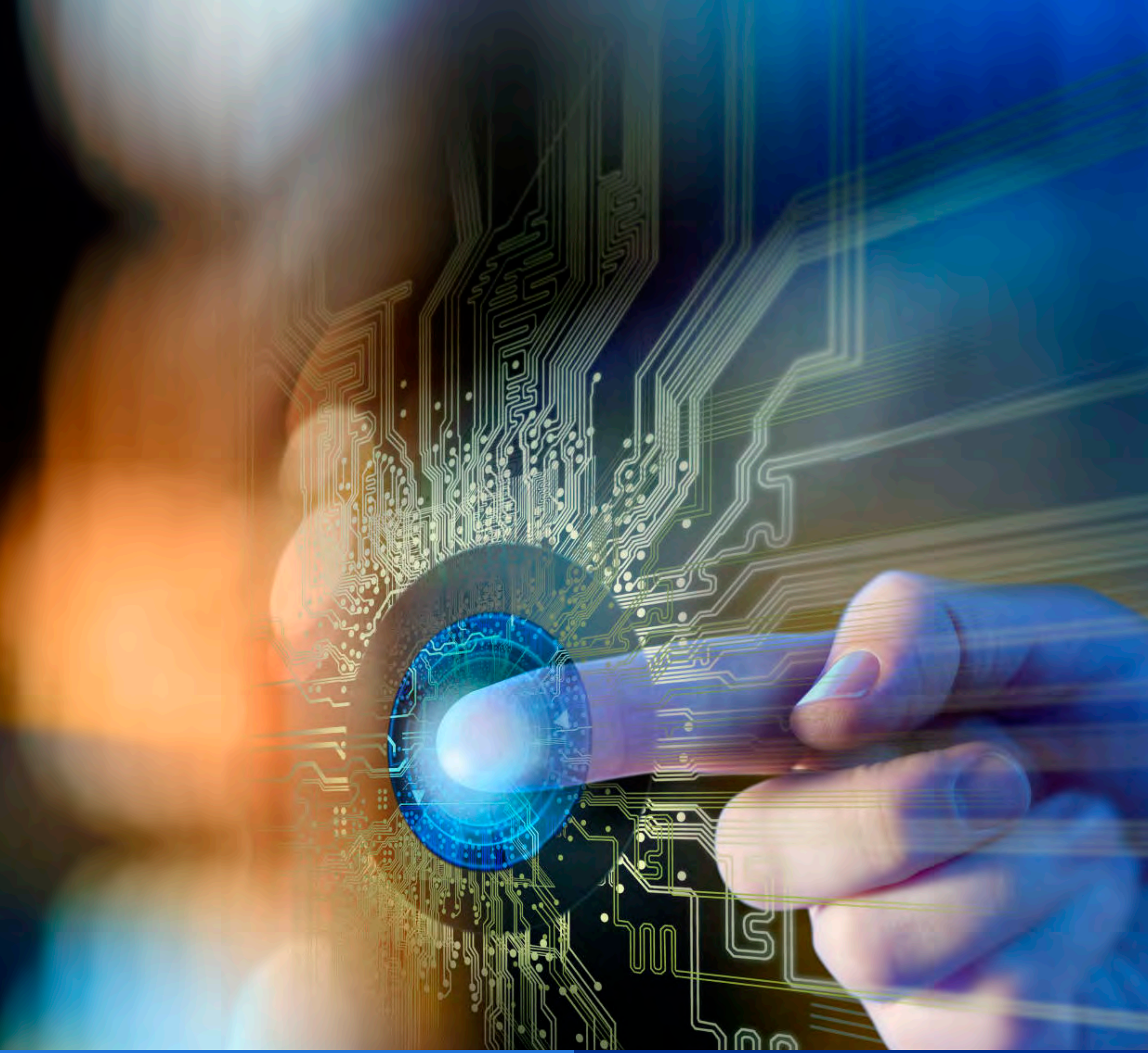
The future of sourcing is now

The talent market place is rapidly evolving. Job vacancies are staying open longer. Business leaders are expressing greater concerns about their companies' ability to secure critical skills. Companies are under greater pressure than ever to adapt to challenging conditions. Today's talent scarcity means that a generic approach to recruiting hard-to-win talent will not work – the power has shifted from employers to candidates, who now have more choices when it comes to where they want to work.

To accelerate our ability to find, attract, and engage candidates for our clients in this competitive talent environment, we have invested in a global network of sourcing centers of expertise. We combine world-leading subject matter expertise, state-of-the-art technology, and predictive analytics across all types of talent, industries and geographies. Our centers are staffed by highly skilled talent sourcing specialists, who are trained to search and engage potential candidates using today's complex array of digital and social media channels. They use their combined experience, our global Boolean Builder technology, and our proprietary Total Talent Sourcing Methodology (TTSM) and tools to define job roles, map markets, customize recruiting and search strategies, and engage candidates.

The result for our clients: greater insight and foresight to redefine the way they find and engage the talent our competitors simply cannot find, leading to faster time-to-fill for business-critical roles and improving the hiring manager and candidate experience.

"Can we predict demand? And can we help our salesforce to find promising leads easier and faster...?"



safe harbor statement

This annual report contains forward-looking statements on Randstad Holding nv's future financial performance, results from operations, and goals and strategy. By definition, forward-looking statements generate risk and uncertainty because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forward-looking statements.

Such factors can include general economic circumstances, scarcity on the labor market, demand for (flexible) personnel or our other HR services, entry into new markets, the provision of new services, changes in staffing and labor legislation, personnel costs, future exchange and interest rates, changes in tax rates and subsidies, future corporate mergers, acquisitions and divestments, and the development of technology. You should not place undue reliance on these forward-looking statements.

They are made at the time of publication of the annual financial statements of the company and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, we can offer no assurances that the forward-looking statements published here will prove correct at a future date, and the company assumes no duty to update any such forward-looking statements.

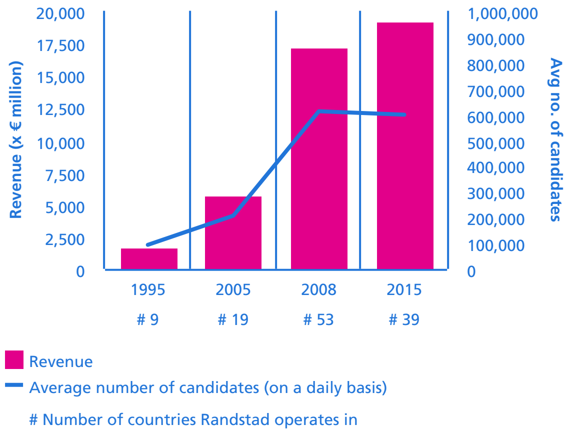
value proposition & strategy

how we create value

Introduction

Having as many people as possible at work is a good thing for society as a whole. It makes companies productive and it provides people with a fulfilling life. It is our ambition to be an employer of choice ourselves, so that we can continue to attract the best people, who in turn will provide our clients with the excellent execution they need. In this way, we can contribute to a better society, leveraging the experience and expertise we have gained over more than 55 years. As such, we help to maximize future employment and economic growth. In 2015, Randstad placed over 2 million people in temporary jobs (~600,000 on a daily basis) and over 120,000 people into permanent positions.

Helping more people to find work



Since the introduction of our core values, we have aspired to grow sustainably, our aim being to safeguard the business and its long-term viability, while taking the interests of all stakeholders into account, and making our business increasingly relevant to all parties involved. This aspiration is clearly reflected in our core value of 'simultaneous promotion of all interests'. As a result, we also adhere to the integrated reporting guidelines for the structure of this annual report.

Value through our strategy

Helping people to find work is our key driver, it supports the role of Randstad in society. The same objective also translates directly into the company's financial ambitions. This connection is a huge inspiration for our corporate employees. Geographically, Randstad is active in countries representing over 90% of the global HR services market. As described in the section 'Our business environment', in these geographies, we aim to capitalize on the structural growth drivers of our industry.

The diagram 'Our strategy and strategic roadmap' shows how our structural growth drivers, via the strategic building blocks, create value for our stakeholders. Our strategy to capture the growth opportunities consists of four strategic building blocks, which will be explained in the following sections. The combination of our strategic building blocks will enable us to serve the interests of our stakeholders and to create sustainable value for all of them.

Creating value through our strategy

		Strategic building blocks			
		Strong concepts	Best people	Excellent execution	Superior brands
Stakeholders	Clients	We create and manage a balanced workforce by connecting candidates with suitable employment opportunities	We attract bright, agile and adaptable employees and challenge them to outperform towards clients and candidates	We use best practices and proven procedures to ensure candidate engagement and first-class service delivery	We guarantee to our clients that they will receive the highest quality service and get access to the best candidates
	Candidates				We are well-known for making the best jobs available and giving people the opportunity to develop their talents
	Employees	Our strong concepts drive excellent development opportunities for our employees	We aim to be the most attractive employer for our employees	Our high-performance culture helps us to recruit, retain and develop the best people	Superior brands help us to attract, recruit and retain the best people
	Society Including shareholders	Simultaneous promotion of all interests: we help to maximize future employment and economic growth and we create shareholder value			

Our strategy and strategic roadmap

Randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

Structural growth drivers

- Flexibility & outsourcing
- Demographics
- Clients look for a total offering
- Regulation

Strategic building blocks

- Strong concepts
- Best people
- Excellent execution
- Superior brands

Value for our stakeholders

Optimal workforces for clients	The best jobs for candidates
Expertise for a better society and shareholder return	The employer of choice for our employees

Sustainability basics

Today

	Objectives	Progress in 2015
ABFS	**Activity-Based Field Steering** - Driving productivity through commercial excellence - Brand strength, leads and conversion	- Activity levels up +15% (2014: >30%) - SME picking up in Netherlands, France & Germany
Org	**World League People, at the right place, at the right time** - Optimized organization structure - High-performance culture and people engagement - Continuous process improvement	- € 60-70m cost savings on track (2015-16) - New IT strategy (incl. cost savings) - New Sourceright EMEA organization in place - Vertical approach in Professionals
TTA	**Total Talent Architecture, World Class Customer Experience** - Creating quantifiable business impact by addressing the entire workforce of our clients - Increasing share of wallet - 1,000 large clients targeted	- TTA implemented in 10 countries - Growth in MSP (+30%) & RPO (+24%) - Inhouse surpassed € 1b revenue in Q2
Talent	**Talent management, unique candidate engagement** - Optimum integration of technology and touch - Leader in speed of matching and quality of hire - Fostering talent engagement and communities	- Sourcing Centers (Hungary, India, Malaysia) - Talent engagement programs - End-to-end marketing
Tech	**HR Technology** - Being the most agile integrator of technology & services in our industry **Randstad Innovation Fund** - Capturing trends and future business in HR technology	- Randstad Innovation Fund (RIF): 8 investments made to date - Career Transition – RiseSmart - Business systems development/innovation - Sales Navigator - 'Big Data' matching tool
M&A	**M&A, seamless fit integrations** - Strategic fit - Value creation - Manageability - EVA positive after 3 years	- Acquisition of Proffice and RiseSmart - Leverage ratio at 0.2
Goals	**Shape the world of work** - Optimized workforces for clients - The best jobs for candidates **Grow to 5-6% EBITA** - Profitable growth - Improving margin - Increasing productivity	- 6.2% revenue growth - EBITA margin improved from 4.1% to 4.5% - Productivity (GP/FTE) up 4% - >2 million candidates placed - >120,000 permanent positions filled

strategic priorities and targets

Strategic priorities

Our strategic priorities and roadmap (see previous page) will enable us to capitalize on the structural growth drivers in our markets. To further guide this process, we have formulated the following financial targets:

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement;
- Continuous profitable market share gains.

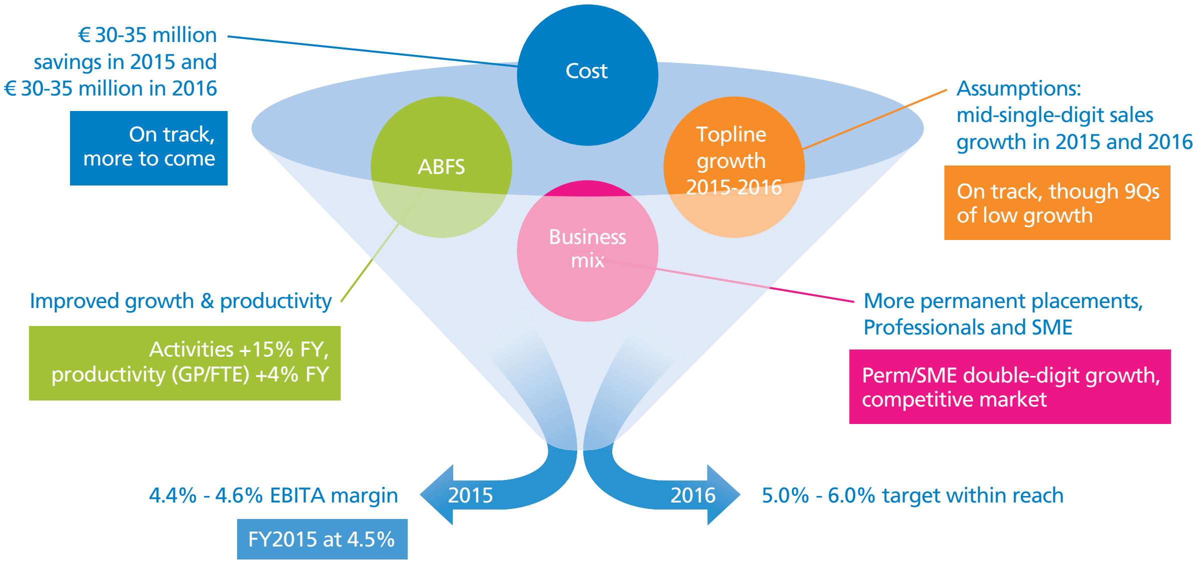
Targets within reach

As the Group sustained growth throughout 2015 (6.2% revenue growth), our focus is on leveraging our strategic initiatives and on improving our profitability (EBITA margin up 40bp to 4.5%). These initiatives should help us to improve our business mix by accelerating growth in the Professionals segment, permanent placements, and small and medium-sized enterprises (SMEs). Given the trends in our industry, these segments will play a greater role in our markets, and we are ready to capture growth in these segments. In Staffing, we aim to grow in the SME segment of the market by focusing on specialties and permanent placements. For Professionals, we have modified our approach to accelerate profitable growth. In mature markets, we will apply a verticals approach, allowing us to better align our delivery models to the dynamics of the core segments of IT, finance, and engineering. We will 'copy and paste' these best practices globally to ensure our consultants reach the desired productivity levels faster. In new and emerging markets, we will focus on accelerating growth by providing our companies with standardized toolkits to ensure strong growth in the startup phase. At the same time, we aim to broaden our service offering by stepping up growth in other HR services, such as MSP, RPO, and outsourcing.

On our Capital Markets Day (held on November 17, 2015), we indicated that our 5-6% EBITA margin target could come within reach in 2016, assuming:

- high-single-digit sales growth;
- increased productivity through ABFS;
- € 60-70 million cost savings following our global head-office and back-office benchmark study;
- continued mix changes towards permanent placements, Professionals, and SMEs (2015: € 50 million realized).

Targets within reach



how sustainability is embedded within Randstad

introduction

It is our job to make work work – in the long term and for everyone. Sustainability is at the heart of our strategy and our operations. Our engagement with our stakeholders and the service we provide them with builds mutual trust. This trust is enhanced by simultaneously promoting the interests of all stakeholders and society as a whole. We believe this creates an essential and long-term foundation for our business. Simultaneous promotion of all interests, one of our core values, is the basis for our social responsibility and our sustainability framework.

Our Executive Board bears ultimate responsibility for the Group's social responsibility and our sustainability framework, while related topics are discussed frequently with the Supervisory Board. Randstad not only contributes to society at an international level, but the wider Randstad community also participates in many socially involved and volunteering initiatives on a local level. These activities are listed on our corporate website. Our operating companies have their own Sustainability Managers or a dedicated coordinator for sustainability matters, depending on their size. As from mid-2015 the Group Sustainability Manager reports directly to the Company Secretary.

In the area of sustainability in the workforce, in dialogue with a number of highly influential global companies, Randstad focuses on several key topics to identify the principal global dilemmas facing today's world of work and possible solutions. These dilemmas include knowledge transfer and leadership skills.

This year, we are again publishing an integrated annual report, in which we not only provide legally required information, but also give an update on the development of the interests of Randstad's stakeholders, including our contribution to society and the environment.

Sustainability framework

With regard to sustainability, until 2011, we reported on a number of sector-specific topics, based on indicators proposed by GRI (Global Reporting Initiative) and the United Nations Global Compact. In 2012, we published our Randstad-specific sustainability framework, which sets the direction for our ambitions. It is based on a series of dialogues with multiple stakeholders. The Executive Board and Supervisory Board were involved in developing the framework, which forms the heart of our value proposition and therefore reflects our activities from the perspective of our clients, candidates, employees, shareholders, employment markets, and society at large.

Through stakeholder engagement during 2015, we identified 27 key material issues in the social, economic, and environmental domains. These issues have been captured in a materiality matrix as elaborated on below. The sustainability framework has now been updated including those material issues which are ranked as having the highest importance to stakeholders and/or the highest impact on the Randstad business. We also added the related risks, Key Performance Indicators (KPIs), and relevant measurable targets.

We have communicated and promoted our sustainability framework across all layers of the organization. Several of our larger operating companies publish their own detailed sustainability report to facilitate their local stakeholder dialogue.

Our sustainability framework contains KPIs. Several of these KPIs have already been in place for years, while other KPIs are under development. New KPIs will be added, while others may be relinquished if they turn out to have become obsolete. Assessing KPIs for feasibility, and validating them in light of developments in the company and society, has become a continuous process. Our operating companies report on these KPIs through the reporting system on a quarterly basis. Our non-financial reporting is therefore embedded in the planning and control cycle of the organization, and CFOs of operating companies bear final responsibility for its quality. Elements related to sustainability reporting are explicitly included in our key control framework.

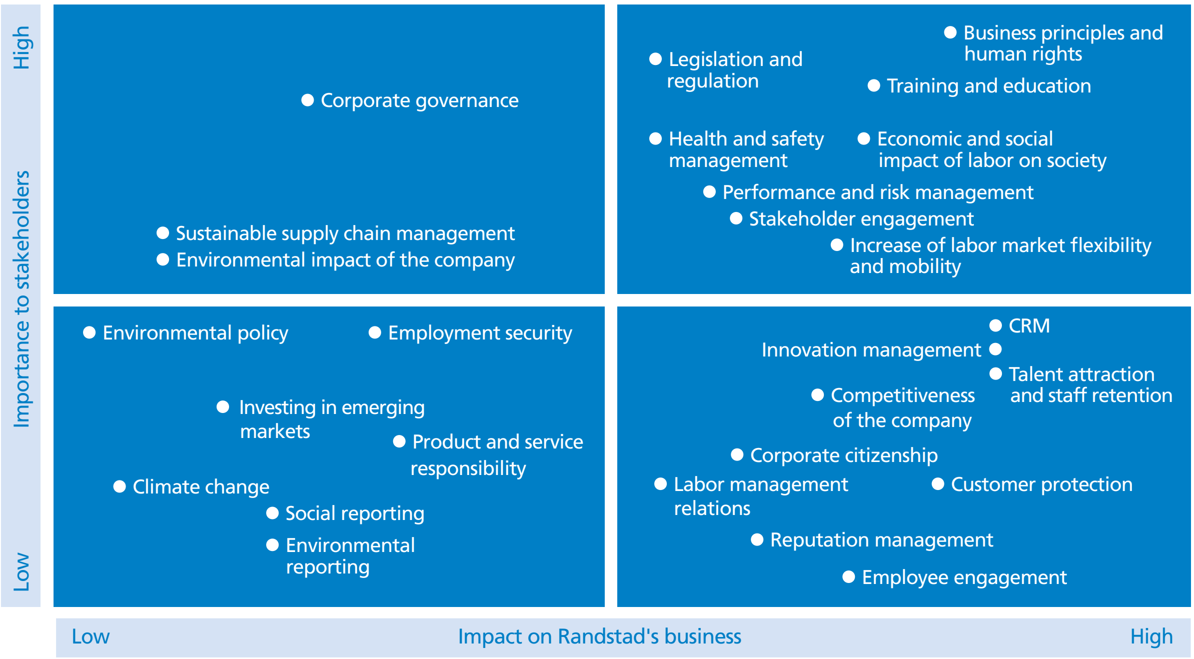
Given the relevance of sustainability for Randstad's business, its ambition, and long-term viability, the Supervisory Board has added KPIs from the sustainability framework – one from each pillar – to the Executive Board's long-term incentive performance targets, in a ratio of 80% Total Shareholder Return (TSR) and 20% sustainability. For the performance period 2015–2017, the performance targets are (1) our Net Promoter Score; (2) increased focus on health & safety and relative reduction of fatalities and injuries; (3) proportion of females in senior management positions; (4) increased staffing penetration rates; and (5) return to/inclusion in the Dow Jones Sustainability Index.

Materiality matrix

Identifying material issues is an important part of our approach to reporting. It helps Randstad to prioritize our reporting on what matters most to the business and to our stakeholders. It makes those items more explicit which are key to Randstad's strategic direction. To identify these matters, we take input from both inside and outside Randstad. In the first half of 2015, we had a materiality analysis conducted by independent consultants in order to validate our sustainability framework, involving almost 8,000 stakeholders. The stakeholder groups included clients, candidates, employees, suppliers, authorities, investors, the financial sector, trade unions, civil society, and sector organizations. The analysis encompassed desk research, interviews with internal stakeholders, client and candidate surveys, and the Great People Survey for employees. Based on a ranking of the stakeholders (their power to influence, the urgency of issues they deemed important, and the legitimacy of their interests) and an extensive analysis of all data generated during the process, we identified 27 key material issues in the social, economic, and environmental domains. These issues are captured in a materiality matrix. The matrix has been adopted by the Executive Board.

The x-axis of the matrix outlines issues we have identified internally as having the strongest impact on our business in terms of revenue growth, gross-margin protection, and cost reduction. Issues identified as having the highest overall relevance to stakeholders are ranked on the y-axis. The materiality matrix was compiled of overall results for each stakeholder group globally and therefore does not reflect regional or cultural differences.

Materiality matrix



The Top 20 materialities and their location in this report:

1. Business principles on page 50 and human rights on page 51
2. Training and education on page 38
3. Increase of labor market flexibility and mobility on page 13
4. Economic & social impact of labor on society on page 12
5. Stakeholder engagement on page 24
6. Performance on page 55 & risk management on page 78
7. Legislation & regulation on page 14
8. Health & safety management on page 39
9. Client relationship management (CRM) on page 37
10. Innovation management on page 35
11. Talent attraction on page 40 & staff retention on page 43
12. Customer protection on page 82
13. Competitiveness of the company on page 12
14. Employee engagement on page 43
15. Reputation management on page 36
16. Labor management relations on page 48
17. Corporate citizenship on page 48
18. Corporate governance on page 87
19. Sustainable supply chain management on page 52
20. Environmental impact of the company on page 53

we strive for the simultaneous promotion of all interests

	pillar	key material matters	risks	vision 2020
shaping the world of work	optimal workforces for clients	- Client relationship management - Innovation management - Increase of labor market flexibility and mobility	- Adapting to economic conditions - Contract liability	We are the leading HR solutions partner and support our clients in creating a balanced workforce, and in becoming more attractive employers and effective organizations, now and in the coming years.
	the best jobs for candidates	- Training and education - Health & safety management	- Candidate screening - Contract liability	We give as many people as possible access to jobs, providing them with options to develop themselves, with equal opportunities for all, with respect for health and safety, and with unyielding integrity. We also play a crucial role in guiding people from unemployment to employment.
	the employer of choice for our employees	- Talent attraction and staff retention - Employee engagement - Training and education - Health & safety management - Labor management relations	- Attraction and retention of talent	We want to be an attractive employer with equal opportunities for everyone in an environment in which knowledge, trust, and diversity are highly valued. We are aware that we can only achieve this through serving others.
	expertise for a better society	- Increase of labor market flexibility and mobility - Legislation & regulation - Economic and social impact of labor on society - Corporate citizenship	- Increased complexity of laws and regulations - Competition law compliance - Tax and labor law compliance	We aim to shape a better society by activating our knowledge and expertise. This is focused on (but not limited to) our knowledge of employment markets. We advocate developments which benefit individuals as well as society at large.
	value for our shareholders	- Performance & risk management - Competitiveness of the company	- Credit risk - Other financial reporting risks - Adapting to economic conditions	
	sustainability basics	- Business principles & human rights - Stakeholder management - Customer protection - Reputation management - Environmental impact - Corporate governance - Sustainable supply chain management	- Protecting our reputation - Data protection and system development & integration - Business continuity and data recovery	We aim to have a set of management tools, business principles and policies in place that are in line with or exceed the standard for our industry and that enable accountability for all elements of our sustainability framework.

key drivers 2012 - 2020	KPIs	measurable targets
- We provide innovative concepts for flexibility, based on our core values. - We support diversified workforces at our clients. - We have a continuous dialogue with and advise clients on the simultaneous promotion of all interests. - We provide clients with the best candidates. - We measure our success through surveys.	- Net Promoter Score (NPS) - Market share - Client consideration, preference; client retention - Investments in innovation	- NPS: Top 3 position or position improvement in our Top 15 markets - Increase market share in our main markets
- We advance the employability of candidates. - We provide candidates with the right jobs. - We make sure that our candidates work in a safe and healthy environment. - We guide people from unemployment to employment. - We measure our success through surveys.	- Candidate consideration, preference; candidate engagement - Injuries and fatalities during work - # of initiatives to place candidates with disabilities - # of initiatives to guide people from unemployment to employment - # of training hours; training costs - # of matches - # of permanent placements	- Zero fatalities and relative reduction of injuries - Increasing # of initiatives to place candidates with disabilities - Increasing # of initiatives to guide people from unemployment to employment
- We attract, recruit, develop, and retain the best people. - The composition of our workforce is such that employees are able to understand and work with the diverse groups that make up our markets. - We insist on ethical behavior and further embed business principles in our global organization (e.g., health and safety, human rights and environment). - We measure our success through surveys.	- Internal leadership appointments as % of total - Proportion of males and females in senior leadership positions - # of training hours; training costs - Injuries and fatalities during work - Employee retention rate - Outperformance score	- Fill 80% of our leadership roles internally - Proportion of females in senior leadership positions: 50% in 2017 - Zero fatalities and relative reduction of injuries - Outperformance score higher than benchmark with a participation rate of 70% or higher
- We contribute to the removal of barriers for global mobility. - We strive to improve global employment participation. - We strive to increase our role in the regulation of employment markets. - We contribute to the social dialogue at key forums. - We create partnerships that enable us to use our knowledge to benefit society.	- # of hours and employees involved in VSO - Contribution to the appropriate regulation of labor markets - Staffing penetration rates in our markets - Other community engagements	- Send 20–25 volunteers on overseas assignments annually - Staffing penetration rates: increased in Top 8 markets, where measurable
- We engage in a proactive and continuous stakeholder dialogue.	- EBITA - Incremental conversion ratio - Recovery ratio	- EBITA margin of 5% to 6% over time - Incremental conversion ratio ≥ 50% - Recovery ratio ≥ 65% - Dividend payout ratio of 40% to 50% of net profit - Increase of market share
- We create mechanisms to safeguard our core values, business principles, and good governance. - We strive for a responsible supply chain. - We strive to limit our environmental footprint by using sustainable energy sources, reducing use of water and paper.	- # of employees trained in business principles - # of business principles incidents (misconduct reporting procedure) - % of vendors who have agreed to our sustainable vendor policy, % of purchase value - Environmental footprint measures on consumption of energy, % of use of green energy sources, water and paper	- All our corporate employees trained in business principles - Sustainable supplier code fully rolled out throughout Randstad - Included in the Dow Jones Sustainability Index - % of electricity from sustainable sources: 50% in 2018

value for our clients and candidates

Introduction

In this section, we explain our value proposition for clients and candidates, in line with our strategic priorities. We will analyze a number of non-financial KPIs as presented in our sustainability framework. This section also includes an overview of our strategic building blocks, which ensure value creation for our clients and candidates.

Our value for clients

We help our clients become more attractive as employers and more effective as organizations. We do this by assisting our clients in creating and managing a balanced workforce, with employees who have the right skills, competencies, and cultural fit. In short, we play a key role in managing our clients' key assets: their people. Companies continue to compete for the best talent to drive organizational strategy, workforce productivity, and business performance. To compete, they increasingly look for a strategic talent partner with the expertise and scope to provide holistic HR solutions.

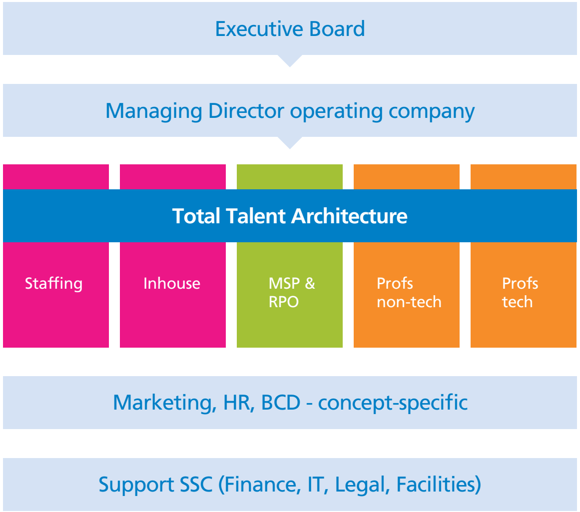
By finding the candidates with the talents and skills our clients need, when they need them, we give our clients the necessary flexibility and agility to improve their productivity and competitiveness. We provide our clients with a large range of services, partnering with them throughout economic cycles and structural changes in their organization. We help them to address these challenges. Moreover, our clients are increasingly outsourcing their HR processes to us. In addition, we provide value by putting our knowledge of local employment markets and our innovative solutions at our clients' disposal. In short, our people's knowledge and services shape our clients' businesses for the better.

Our range of services includes regular temporary staffing and the permanent placement of candidates. We also offer dedicated on-site workforce management with Inhouse Services – an offering unique in our industry – as well as other HR solutions, such as Recruitment Process Outsourcing (RPO), managed services programs (MSP), payroll services, and outplacement. We deliver our services in multiple ways, using multiple service concepts. Our service concepts, which are explained in the section 'Our strategy: strong concepts', offer a wide range of solutions and are always based on standardized best practices and proven procedures.

Total Talent Architecture (our large-client approach)

Total Talent Architecture (TTA) is a large-client approach (roughly 1,000 accounts), by which a company builds a holistic talent strategy with the optimal balance and supply of permanent, contingent, and freelance talent, making a measurable impact on business goals and growth. Achieving this requires a rigorous approach and deeply unified organizational behavior.

Total Talent Architecture

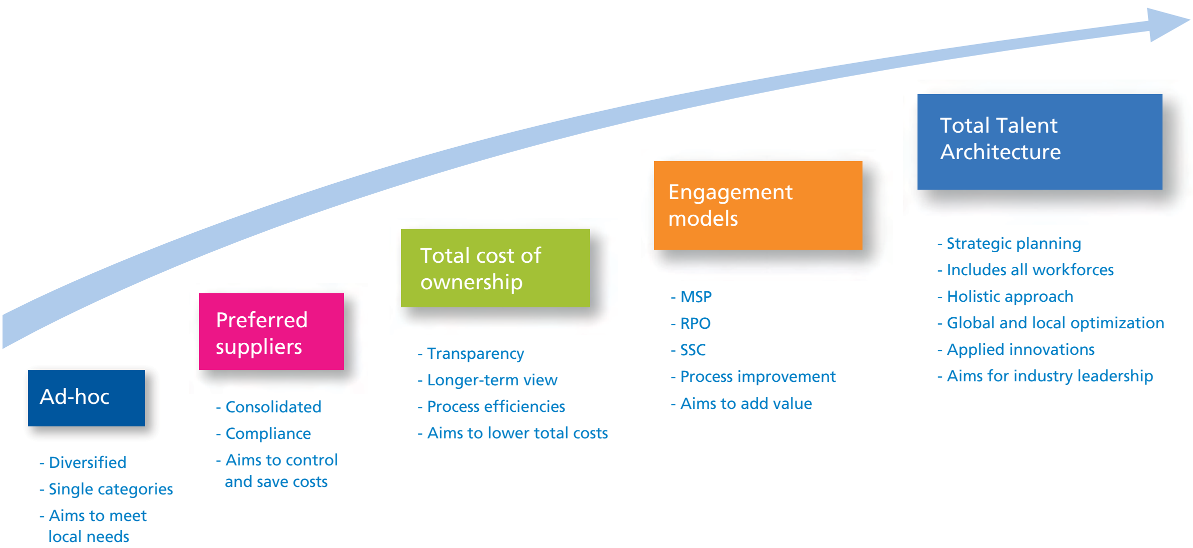


Traditional talent acquisition is typically executed in silos by many stakeholders concerned only with filling their particular talent needs at a certain moment. Hiring managers may utilize insourced, outsourced, or a mix of such services to acquire talent. As a result, process overhead is unavoidable, and the lack of transparency and internal communication can lead to cost, quality, and compliance issues.

TTA encompasses much more than a set of services. It examines an organization's business objectives and provides an in-depth analysis of the workforce planning and forecasting to deliver a talent strategy aligned to growth ambitions and profitability targets. This strategy may comprise various and flexible talent supply models based on differences in business needs, geography, and workforce demographics. Employers may adopt these models in local business operations, across multiple geographies, or even globally.

Randstad is well-positioned to provide these total talent solutions based on our broad service offering and international coverage. TTA connects all our business lines, where we see ample opportunities to increase our presence in higher-value-added services (such as Professionals and permanent placements). In most cases, we build on existing, long-standing relationships with clients. Through a comprehensive customer and market intelligence exercise, we review all internal and external data sources available in order to compare their results with those of other companies in the same industry. We review with clients their organizational performance and current HR/talent state with their desired future position. Drawing up a roadmap, we proactively show them their future talent strategy, demonstrating opportunities and barriers to success and potential business impact in terms of growth, financials, and competitive position.

Total talent roadmap



Our total talent roadmap engages our clients in a strategic conversation. It serves to demonstrate our capabilities in helping them shape their optimal workforce and serves as a guideline to help them gradually implement our broader range of solutions across all layers of their organization.

Through expert consultation, the TTA framework is built to meet a set of business goals common to all organizations. It aims to improve the alignment of organizational strategy and workforce planning, impacting:
- Quality of talent;
- Workforce productivity;
- Internal mobility (local, regional, and global);
- Process efficiency;
- Organizational agility;
- Risk mitigation;
- Social responsibility;
- Profitability and growth.

This approach keeps us agile, as we continuously adjust our delivery models to serve our clients in the most suitable way. As these models evolve, we share insights and drive strategic conversations with clients so that they can benefit from our depth of service offering, from staffing and recruitment of professionals through to highly customized RPO and MSP. Through TTA, we build long-term, sustainable relationships that are focused on value creation. In this way, we proactively shape the world of work.

Our value for candidates

Our mission is to make the best jobs available to as many people as possible, providing people with the opportunity to develop themselves. We strive to do this while providing equal opportunities for all, respecting health and safety, and with unyielding integrity. We advocate equal opportunities and unbiased competence management, irrespective of gender, race, religion, age, or background. In addition, we play a crucial role in helping people make the transition from unemployment to employment, for example, with a number of programs to help unemployed youth.

By connecting our candidates with suitable employment opportunities, we provide them and their families with independence, as well as job satisfaction, dignity, and respect. Through both temporary and permanent placements, we offer candidates opportunities to gain experience and improve their skills, while achieving personal growth and developing their career. Furthermore, by developing long-term relationships with our candidates, we are able to understand and help them formulate the best career path and help them achieve their long-term career ambitions. We enable freelancers to share their knowledge and experience with organizations, ensuring a good cultural and creative fit.

For many candidates, temporary work either represents their first step on the way to a permanent job, or liberates them from unemployment. It is the best possible training for a permanent job, as it gives candidates an opportunity to enhance and broaden their experience, which makes them more highly valued by organizations. On average, only 46% of workers were employed before agency work, but 72% are employed after agency work (source: Ciett, Economic Report 2015). For other candidates, the services we provide enable them to build a career, to earn additional income, or to adjust their work/life balance to their own circumstances, needs and wishes.

By finding work for people, we contribute to the optimization of talent allocation. By helping candidates manage their initial expectations and ambitions in terms of sector, client, and job profiles, and by providing training where necessary, we help them adapt to changing requirements. We recognize that various groups of people in society are distanced from work. We run a variety of local job- and skills-oriented training programs designed to help these people integrate or reintegrate into the employment market.

Our strategy: strong concepts

To ensure value creation for clients and candidates, we offer them our strong concepts:

- Staffing;
- Inhouse Services;
- Professionals;
- HR Solutions.

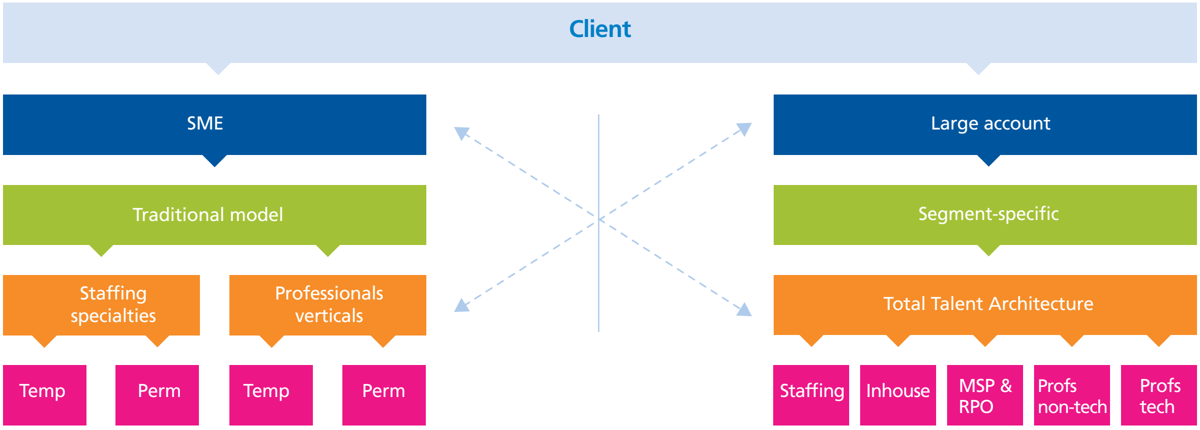
These four concepts are based on best practices and proven procedures. This ensures efficient working methods and first-class service delivery. The concepts can be rapidly replicated and leveraged in other markets, and are relatively easy to adapt to meet specific needs. Our service concepts are well-known for the consistency and quality of their delivery. As a result, all of our clients know they can trust Randstad to meet their needs throughout the world. Our concepts offer clients in-depth knowledge of their business and provide them with the right talent at the right time. Addressing the need of our clients for increased flexibility is something we do every day.

In 2015, we continued to focus on implementing the right delivery models for clients and on client profitability. For small and medium-sized clients, we offer Staffing and Professionals services through our branch network. Our units or teams in these businesses each focus on a specific market segment and/or job profile, offering temporary staffing and/or permanent placements. For larger clients requiring higher volumes, we have developed segment-specific delivery models. As the profiles of our clients continue to change, we adapt our service offering accordingly. Two good examples are Randstad Inhouse Services and Randstad Sourceright. The latter focuses on Recruitment Process Outsourcing (RPO) and Managed Services Programs (MSP).

Across the Randstad Group, as depicted by our client-delivery adaptability model, we continuously analyze our clients' requirements and assess whether the existing delivery model is the most effective and efficient one to meet our clients' needs. In addition, we analyze whether the existing contract and delivery models generate the desired profitability. Based on this assessment, clients may be transferred to an alternative delivery model to ensure we continue to tailor our services to their specific needs and challenges. For example, we may transfer a large Professionals client, serviced through our office network, to RPO, so that we can handle recruitment at the client's premises. Other examples involve launching an MSP for a large client to manage its supplier base, transferring Staffing from the branch network to Inhouse Services, or centralizing the recruitment of candidates through our international sourcing centers.

Such a dedicated delivery model increases the fill rate of the orders and hence leads to greater efficiency and client satisfaction. What is more, by transferring a larger client from the branch network to a segment-specific delivery model, we also ensure that the units and teams at the branches are better able to focus on their SME market segments and related job profiles.

Client strategy



Adaptability of the client-delivery model

To support the continuous improvement of our concepts and to create new delivery models, we innovate by being the most agile integrator of HR technology. Some of the HR technology trends we see are big data analytics, social sourcing, talent networks, and human cloud platforms. We are running several projects to embrace these new trends, which allows us to use these technologies in our service delivery to clients. In this context, the Randstad Innovation Fund (RIF) plays an important role.

We offer four distinct service concepts: Staffing, Inhouse Services, Professionals and HR Solutions. A detailed explanation of our service offering is given in the following sections. An overview of our performance by revenue category in 2015 is given in the section 'Performance'.

Staffing

In Staffing, our largest business, the concept covers both temporary staffing, where we charge our clients based on the hours worked, and permanent placements, where we charge our clients a fee based on the candidate's salary. In 2015, our focus on permanent placements continued to pay off. In a growing number of countries, we now have blended units that offer both temporary staffing and permanent placements.

Our Staffing service offering includes a range of specialties, with dedicated units that focus on staffing for certain market segments that require specific skills or experience (e.g., logistics, airports, and contact centers).

In the majority of our markets, we operate a unit structure in the Staffing segment. Each unit typically consists of two consultants who work within a given geographical area or industry and are jointly responsible for client service, candidate selection, and the matching of clients and candidates. The consultants work as a team, ensuring that, at all times, at least one of them is available to assist our clients and candidates. All consultants are experts in their local labor market, and become experts in their clients' businesses, understanding client needs and the candidate profiles that will best meet their requirements. Consultants are dedicated to clients and by having in-depth knowledge of our clients, we can anticipate our clients' needs. This is one of Randstad’s greatest differentiators, and provides a major boost to team performance and directly impacts productivity. The structure enables our consultants to dynamically address changing client demands as they arise. As clients' needs change, we may implement different ways of delivering services, such as centralizing the recruitment of candidates and digitizing parts of our services.

Inhouse Services

Randstad has developed Inhouse Services to meet the structural needs of companies requiring large-volume workforces with client-specific skill sets.

We provide dedicated consultants and process managers who work on-site, tailoring our processes to our clients' specific needs, and improving workforce flexibility, productivity, and efficiency. We focus mainly on the following segments: fast-moving consumer goods (FMCG), contact centers, manufacturing, and logistics. By providing a flexible work solution designed exclusively for each client, we optimize the workforce and drive cost effectiveness. This results in a number of notable client benefits, including improved labor flexibility and productivity, increased employee retention, and stronger employee engagement.

Being on-site is as close to a client as we can get, and it provides us with a unique opportunity to obtain a thorough understanding of how their business operates and what they need to do in order to become more agile, efficient and successful. As a result, hidden needs are easier to discover, and relationships often become long-lasting, providing a high level of trust, enabling clients to focus on core strategic issues, confident in the knowledge that their staffing needs are being met.

Over the years, we have gained valuable experience in providing Inhouse solutions across the industrial segments of our markets. We are now implementing our Inhouse Services concept in the administrative segments and in Professionals, where we see significant opportunities. In addition, we continue to see increasing demand for permanent placements through the Inhouse concept.

Professionals

Finding and retaining talent is an ongoing challenge for many of our clients. Even in volatile times with increased unemployment, there are many scarce profiles (especially IT and engineering professionals). We know where to find the

Key figures by revenue category

in millions of €

	revenue		growth%	
	2015	2014	total	organic
Staffing (incl. HR Solutions)	11,186.4	10,202.8	10	6
Inhouse Services	4,216.4	3,622.5	16	11
Professionals	3,816.4	3,424.5	11	3
Total	**19,219.2**	**17,249.8**	**11**	**6**

talent with the right skills and competencies, and are able to support our professionals in gaining additional skills through training if required. Our professionals, both those placed on temporary projects and those added as permanent staff, will add value from the moment they start the job and help achieve our clients' business goals.

Within Professionals, our experienced consultants are experts in their own specific fields, and have well-developed networks of contacts. We source professionals and executives across a range of sectors, including engineering, IT, finance and accounting, healthcare, and other disciplines, such as HR, education, legal affairs, and marketing & communitations. We place candidates on a temporary or interim basis, as well as in permanent postitions.

We continue to see big opportunities to leverage the strong relationships with our existing client base, where we already have a solid exposure to their staffing spend. Going forward, we will focus on verticals in mature markets, while aiming at accelerating growth in emerging markets based on a more generic approach.

Our verticals approach to mature markets is initially focused on the larger Professionals markets: IT, finance, and engineering. The emphasis is on further tailoring our Professionals concept to the dynamics of these markets and making use of the in-depth knowledge and experience in the most mature operating companies. Special attention is paid to on-boarding programs for new consultants and helping them to get to desired productivity levels faster. Our field steering model further supports our growth in these markets.

In emerging markets, we apply a more generic approach, and we have standardized toolkits available for accelerating growth across these markets. These toolkits include blueprints for working processes, databases, and dashboards. Special attention is paid to people, training, and development, to ensure we have the right level of expertise on board. By making use of the standardized toolkit, we ensure that best practices and proven procedures are used. Once these businesses grow in maturity, the activities will be aligned with the verticals approach, as explained above.

HR Solutions

HR Solutions frees up the time of our clients' HR managers by taking over several of their tasks, enabling them to focus on their company's strategic HR issues. Our HR Solutions services, which have been developed on the basis of our extensive experience in this field, are typically complementary to Staffing and Professionals, especially with long-standing client relationships. In addition, our HR Solutions offering provides an ideal opportunity to establish and deepen client relationships. Sometimes we start a client relationship by providing payroll services, and we also have many examples of now much larger clients for whom we initially only provided outsourcing or other HR Solutions services. By sharing our expertise and added value, we can often expand our service offering to Staffing and Professionals. We provide our clients with a number of key HR Solutions, which are described below.

In 2015, client demand for strategic talent solutions continued to drive demand for Randstad Sourceright's services. Through ongoing consultation and extensive partnerships, we helped organizations navigate constant market changes by providing the critical skills required to compete and succeed. Our insight, deep expertise, and services help clients fulfill their strategic business vision through a commitment to shaping an organization's 'talent readiness'. By delivering the right talent at the right time in the right modes of employment and at the right cost, we drive quantifiable and lasting business impact for our clients.

As clients seek new ways to stay ahead of the competition and secure the best talent faster, we see growth in market opportunities in Recruitment Process Outsourcing (RPO) and Managed Services Programs (MSPs).

Within the HR Solutions sector, the global RPO market continues to see strong demand at 15-20% growth annually. The largest market is North America, followed by EMEA, Asia Pacific, and Latin America. As the market matures, RPO buyers are looking beyond traditional drivers, such as flexibility, scalability, and cost. In addition, they are attaching greater importance to business impact – including improving quality of hire, reducing time-to-hire of business-critical talent, measurable process improvement, and greater visibility and insights.

Recruitment Process Outsourcing (RPO)

RPO is designed to increase the quality of a client's process of hiring permanent employees, and to reduce their administrative burden and costs. Our RPO services take control of a client's entire recruitment and talent acquisition process. We provide tailor-made, own-branded, and on-site HR services to deal with:

- Management of all vacancies;
- Response screening and assessment;
- Selection and management of external agencies;
- Cross-border services.

RPO is used by large, multinational organizations seeking strategic, operational and financial benefits. Clients need an RPO provider that can align organizational strategy with the workforce plan, adding value through innovative services around strategic sourcing, employer branding, diversity, talent community management, workforce planning, and talent analytics. Randstad Sourceright is well-positioned to capitalize on these developments through our global capabilities, our network of renowned thought leaders, and expert communities, as well as the innovation demonstrated by our centralized recruitment centers in the US, UK, Hungary, India and Malaysia. These recruitment centers are proving an important resource to clients, because of their innovations in sourcing, social media, recruitment and HR technology, and employer branding. These centers are growing very rapidly, having demonstrated how they can quickly and cost effectively find the right talent for clients throughout our regions.

Managed Services Programs (MSP)

In our Managed Services Programs, we take primary responsibility for the organization and management of a client's contingent workforce.

We manage the entire supply chain of all staffing providers on behalf of the client. This gives clients greater control of their recruitment activities and greater transparency regarding their spending. These services are particularly useful for companies wanting a single point of contact in order to ensure greater transparency and compliance in managing large volumes of professional skills from many different suppliers. We regularly operate in more than one country. We have experience with most Vendor Management System technologies that are used to automate the hiring process and to provide clients with statistical management information.

The MSP market continues to evolve rapidly, showing global growth of 15–20% in 2015. The largest MSP market is in North America, followed by EMEA, Asia Pacific, and Latin America. Besides the traditional MSP adoption drivers (such as cost reduction, improved compliance, and greater spend and workforce visibility), new drivers focusing on optimizing the blend of permanent and temporary workers and talent quality are also emerging. This development is driving change in MSP solutions, such as roles and functions in scope, delivery models, pricing approaches, geographic coverage, and the service provider landscape. Organizations are starting to look at talent holistically, with talent acquisition encompassing the temporary, contracting, freelance, and permanent workforce, as well as statement of work consultants. As organizations continue to recognize the value contributed by contingent workers, they are increasingly paying attention to the quality of hires and the satisfaction levels of hiring managers.

Both RPO and MSP are offered under the global Randstad Sourceright brand. Randstad Sourceright has seen rapid adaptation and expansion in Anglo-Saxon markets over the past few years, as clients become increasingly aware of the benefits. The long-term growth potential in Europe and the increasing proportion of multi-country deals have recently led us to realign our EMEA organization to capture this growth.

Payroll Services

Our Payroll Services take over the administrative burden of our clients, so that they can focus on their core business needs. We provide a broad range of services, including:

- Taking care of the entire personnel administration, payroll accounting, and contract management;
- Monitoring and addressing absenteeism;
- Providing a 24/7 service portal, which enables clients to register new employees, make changes, or find specific management information.

Outplacement and Career Transisition Services

Within Outplacement, we advise and support organizations in situations in which employment contracts need to be ended due to a strategic decision or for other reasons. We help employees to find suitable new employment, and try to make the transition as smooth as possible. In this segment, we are market leader in the Netherlands and Belgium. Our recent acquisition of RiseSmart significantly enhances our standing, not only providing Randstad with a strong position in the North American market, but also enabling us to be the leading innovator in this field.

Outsourcing

In Outsourcing, we manage several client activities with output responsibility in both production/logistics and administrative environments, while we also have a large outsourcing business in IT.

Consultancy

Through our Consultancy services, we support clients by providing expert advice on organizational development and personal improvement, which includes:

- Personal employee development and coaching;
- Optimization of HR processes and policies;
- Strategic workforce planning.

Our strategy: excellent execution

Our building block 'excellent execution' is based on best practices, which we have made the cornerstone of all our activities. We take best practices that have either been developed centrally at Group level or in any one of our operating companies, and translate them into standardized work processes that we can use right across our business. This means we can spend more time with clients and candidates, increasing client and candidate engagement, and enabling us to gain market share. By standardizing, we can rapidly 'copy and paste' our concepts across markets around the world, because the required processes and execution are fully developed, and we can replicate them with only minor adjustments to take account of local business practices or the local labor market culture.

Activity-based field steering (ABFS)

Our activity-based field steering model (ABFS) is designed to optimize adaptability and to drive productivity, which is essential in generating a strong conversion of gross profit into EBITA. ABFS is an input-driven (calls, visits) field steering model. It drives our daily operational activities, and enables us to improve our organizational readiness. One of our core strengths is being able to adjust to changing market circumstances quickly and adeptly, enabling us to provide clients with the services they need, when and where they need them. Building on the foundation of our strong concepts, we use our ABFS model to manage and direct performance across our businesses.

Our ABFS model drives decisions to exploit profitable growth potential or to reduce costs when needed. Both may apply in parallel – even in a growing operating company – which is why we align those decisions with local operational developments and local market trends at the lowest level in our organization. This means that we do not manage on the basis of averages or predictions, but on actual real-time, bottom-up figures. Furthermore, by embedding operational performance tools at every level of our organization, the ABFS model also helps operational managers to take the right decisions, at the right time, and translate them into action. Managers receive up-to-date, accurate reports on a weekly basis, covering a range of key performance indicators. The consolidated data enables them to manage their units and teams in the field by adapting to changing client and market demands as they occur. The field steering model also helps us identify best practices, which can then be rolled out globally as part of our strong concepts.

By ensuring the adaptability of the field organization, our field steering model helps us to achieve an efficient front-staff cost structure. In addition, we closely monitor the productivity and efficiency of the whole organization, including overhead and head-office costs. As we grow, our focus is on the conversion of additional gross profit into EBITA. Overall, we aim to achieve an incremental conversion ratio of around 50%.

Best practices for field and back-office activities

We standardize both front-office and back-office processes and, where possible, marketing processes. This improves the consistency and quality of our business and our execution. For our head-office activities, we are adopting a new way of working that is based on lean management principles and continuous improvement, ensuring that we deliver services with the right quality at the lowest costs to our internal and external customers (clients and candidates). In addition we continuously benchmark our local organizations and processes, in order to further drive the effectiveness and efficiency of our head-office activities.

IT strategy

By integrating services and technology, Randstad aims to continuously increase the value it creates for its clients, candidates, and employees. Given the fast pace of technological developments, Randstad strives for maximum agility to ensure that new technologies are integrated quickly, both locally and globally.

To increase agility and to reduce time-to-market for new developments, Randstad is moving its current physical infrastructure into 'the cloud', whilst simultaneously looking to create a Shared Service Center (SSC) infrastructure. This follows the successful rollout of Google for Work as our email and collaboration platform.

Randstad's application landscape is a balanced mix of global and local elements, ensuring that we are able to adapt to the vast variety of regulatory environments. In addition to enabling compliance with local regulations, these core systems are selected and configured to support Randstad's business concepts and other standards (e.g., our Blue2 web portal standard).

Local IT directors have discretion to optimize and extend these platforms (e.g., by integrating components newly available on the market). Randstad aims to have a repository of (mostly external) components that operating companies can integrate locally with relatively little effort. Given this focus, local Randstad IT staff are selected for and trained in business acumen and integration skills.

Randstad's Group-wide systems are geared, among other things, to consolidate financial and operational data and provide relevant management information to our international clients. Randstad aims to keep this international layer of systems relatively light and flexible, and non-intrusive to local operating company developments.

We are continuously scanning the HR technology market for promising new components and ideas. The Randstad Innovation Fund (RIF) plays an important role in identifying new technologies and inspiring ideas. Indeed RIF was instrumental in our recent acquisition of the innovating outplacement and career transition placement business RiseSmart.

Randstad recognizes that the traditional way of doing business through our branch network is evolving. While our branch network remains an important way of connecting to both our clients and candidates, our visibility and presence is enhanced through the use of other sales and delivery channels. These include our online presence and the use of mobile (location-based) devices. The 'Big Data' tool being utilized by our French business is a prime example of internal innovation, and demonstrates how our 'Tech and Touch' approach is transforming the way we work. Randstad is evolving from its traditional branch-based business into a hybrid model, where we deliver multiples tools to both clients and candidates, which help in increasing efficiency and engagement.

Randstad Innovation Fund (RIF)

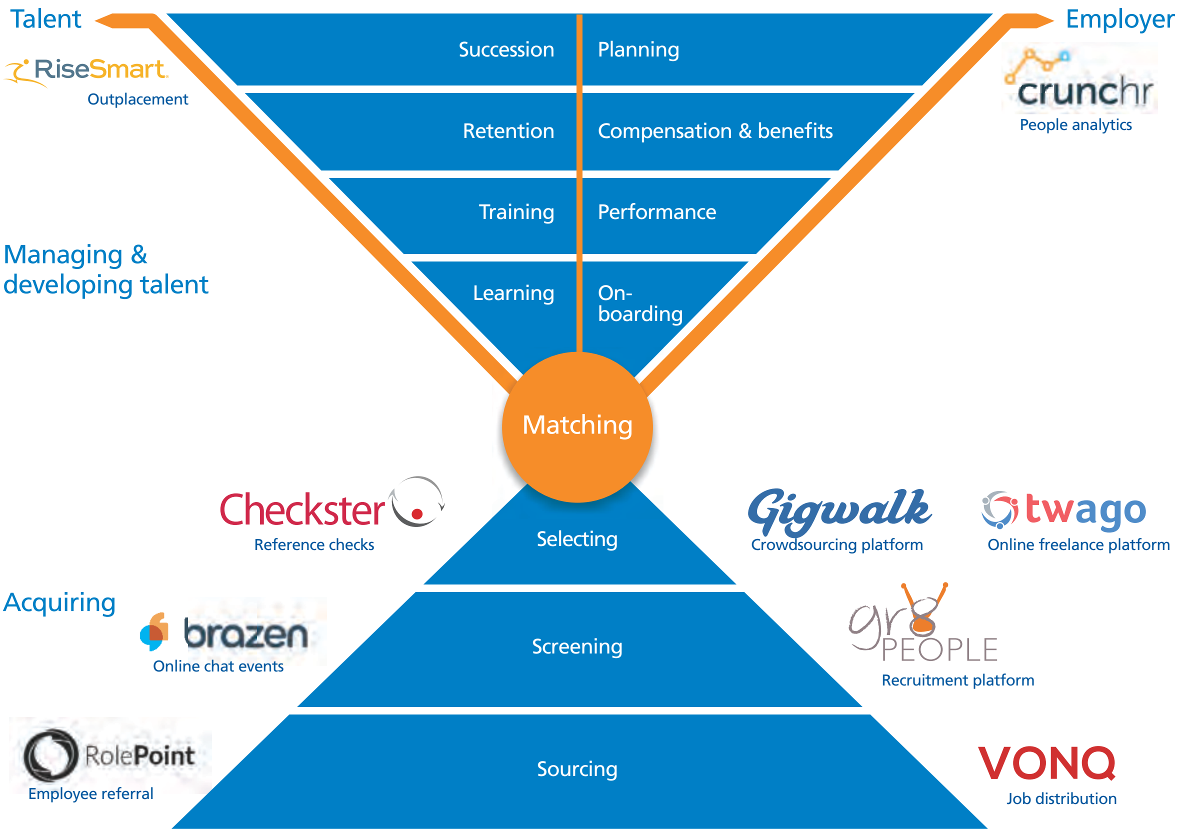
Learnings and expertise acquired by RIF contribute to the business strategy and innovation of the Group. With its investments and cooperations, RIF supports Randstad in shaping the world of work, enhancing client value and accelerating corporate growth.

As a strategic venture fund dedicated to HR technologies, RIF selects early- to expansion-stage companies that are strategically relevant to Randstad. The Fund is building knowledge and expertise in targeted areas, such as social sourcing and engagement, online platforms, and mobile solutions. Our goal is to take minority participations, ranging between € 1–5 million, alongside reputable venture capital firms or professional investors. Since its launch in March 2014, RIF has reviewed hundreds of opportunities across the HR technology landscape and made eight investments.

Our knowledge of the HR technology industry combined with our global brand and customer base provide unique value to all our stakeholders. Whether external or internal, a key pillar of our innovation strategy is to deploy successful concepts in a coherent way across the Group. An innovation board focuses on identifying the most promising practices that have the potential of being rolled out.

HR technology landscape

Enables innovative offerings in multiple strategic fields



Our strategy: superior brands

Our superior brands are a guarantee to our clients that they will receive the highest quality service and the best employees worldwide. Superior brands give us better pricing options and the type of awareness that accelerates selling and prospecting, as well as introducing new services. Superior brands also help us attract, recruit, and retain the best people, while enhancing our visibility and credibility with regulators and legislators.

Randstad is our main brand in most of our markets. However, in cases where the market situation makes this beneficial, we make use of other brands. This focused, centralized brand strategy enables us to leverage brand recognition, generate efficiency benefits for our online strategy, and share experiences across the Group. It also generates momentum behind our joint sponsorship initiatives, and we achieve significant cost reductions by sharing campaign materials, photo databases, and know-how.

International brand awareness rose slightly in 2015 (+8%). This was attributable to a number of branding campaigns, targeted marketing actions, and another very good performance by the Williams F1 team, resulting in much higher brand visibility.

Global traffic to our websites has continued to rise, partly in response to a larger percentage of our advertising budget being spent online. The relative share of job board and recruitment network spending has continued to decrease.

Our international reports on the world of work continue their rapid rise in visibility and popularity. Randstad Sourceright issues a well-received annual 'Talent Trends' report globally. The quarterly Randstad Workmonitor is now used in 34 countries, and the Randstad Award, our independent employer branding assessment of major employers in specific markets, has been extended to 23 countries. In addition, the Global Randstad Award ranking continued to gain traction in its second year (see the section 'Employer branding research/ Randstad Award').

According to Dow Jones Insight metrics, our global share of voice in press increased from 20% to 24%, strengthening our strong No. 2 position.

The level to which our clients and candidates are engaged with our activities is systematically measured and benchmarked in all major markets and in comparison with all major competitors.

Brand image

TNS Nipo has conducted the Randstad Brand Tracker survey since 2004. This international study covers all countries in which Randstad is active. Its main purpose is to monitor the positions of the Randstad brands, compared to our competitors and selected other benchmarks, by measuring awareness, consideration, preference, recommendation, and the image of our brands.

We also measure our brand image using an international methodology for rating brands in different product categories. We ask our target groups to what extent they associate 48 attributes – such as innovation, integrity, social responsibility, and best brand – with Randstad and competing HR services companies.

Net Promoter Score (NPS)

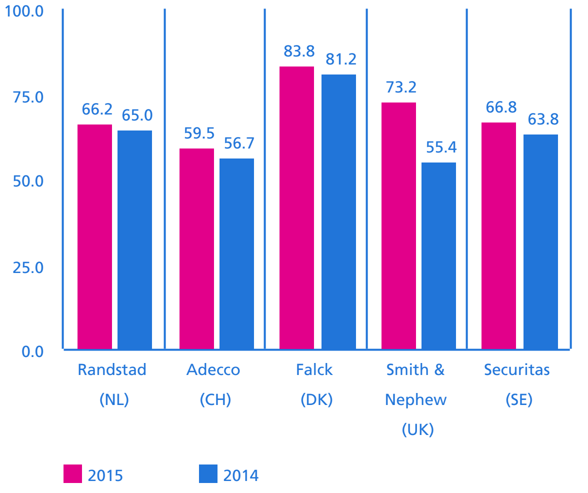
The Net Promoter Score represents the relationship between temporary employment agencies and their potential and actual candidates/clients. This indicator compares the number of respondents who would recommend the company in question with the number who would not. Our goal is to always have a Top 3 NPS score in our Top 15 countries (approx. 95% of our total sales). In 2015, Randstad scored a Top 3 position in 19 countries, compared to 10 countries in 2014.

Several of our operating companies also monitor client and candidate satisfaction through bespoke surveys, ISO and other certification systems, and review meetings. This enables them to not only measure NPS, but also the drivers behind the scores. In this way, we can continuously improve the satisfaction levels of both clients and candidates.

Reputation

In addition, we use RepTrak, a standardized scorecard, to analyze Randstad's reputation annually. This instrument provides us with detailed feedback on how our various stakeholders perceive our company: how investors and clients rate our performance, whether they are willing to support us, whether Randstad is a good place to work for employees and

Randstad's reputation within the global services industry



Source: Reputation Institute's Global Pulse study 2015 candidates, and how Randstad is perceived in society in terms of governance, citizenship, and leadership. We have been among the Top 15 corporate brands in in the Netherlands for many years. The Reputation Institute's Global Pulse study measures 600 companies globally. Companies are rated in their home country only. The graph 'Randstad's reputation within the global services industry' shows Randstad's reputation on a scale of 0 to 100. Although scores have decreased somewhat compared to 2014, Randstad still has the highest ranking in the international peer group.

Brand image, reputation, and client and candidate satisfaction all contribute to gaining profitable market share, one of our key performance indicators. In 2015, we consolidated our market share position in our seven key markets (market share position on page 66).

Engaging with our clients and candidates

Being a global leader in HR services, we see it as our responsibility to take an active role in developing our industry. Workforce360 is Randstad's platform for the latest insights, opinions, and research with regard to the world of work. Besides our international research and reports, such as the Randstad Workmonitor, the annual Employer Branding research, and the Talent Trends report, many research projects and events also take place on a country level, supporting us and our clients in making sound business decisions.

Randstad Workmonitor

The Randstad Workmonitor survey provides a comprehensive understanding of job market sentiments and employee trends. In addition to measuring mobility, it also measures employee satisfaction and personal motivation. The survey includes a rotating set of themed questions. It is conducted via an online questionnaire among a population aged 18–65, working a minimum of 24 hours a week in a paid job (not self-employed). The minimum sample size is 400 respondents per country. First introduced in the Netherlands in 2003, the survey now covers 34 countries around the world, encompassing Europe, Asia Pacific, and the Americas. The Randstad Workmonitor is published four times a year, making both local and global trends in mobility regularly visible over time. The results are published on our corporate website. Topics surveyed in 2015 include the impact of aging on employability; work-life balance; diversity in the workplace; and the growing need for STEM and digital profiles.

Employer branding research – Randstad Award

The impact of building a strong employer brand is immediate: stronger brands attract more and better candidates, and they benefit from faster hiring times, stronger employee engagement, increased retention rates, and lower recruitment costs. These gains turn into longer-term measurable business impact through stronger employee engagement and increased productivity of the workforce.

Randstad issues the largest independent employer branding research in the world. The companies with the highest scores per country/sector are granted the Randstad Award. First launched in Belgium in 1999, the research now includes over 200,000 respondents across 23 countries, covering 75% of the global economy. In 2015, the Randstad Award celebrated its 15th anniversary.

In the Randstad Award employer branding research, respondents are asked which aspects they value in companies when choosing a new employer. They are then asked whether they know the 150 companies selected in that specific geography and whether they would like to work for those companies. The survey includes a ranking of the most attractive industry sectors and a ranking of the means candidates use to look for a new job. Our research provides vital insights into how one can best build a company's talent attraction and engagement strategy, and drive future business success. The Randstad Award is an excellent benchmarking tool for ensuring companies' continued success in increasingly competitive talent markets. The participating countries organize their own Randstad Award events, attracting key players in the local HR industry.

In 2015, it was the second time that, in addition to the local Randstad Awards, we also organized the Global Randstad Award for the most attractive employer worldwide. The winning company was elected from a list of the 50 largest

Talent is drawn to the Randstad Award trophy, designed by Marcel Wanders, symbolizing employer brand strength.

companies worldwide, based on a set of objective criteria: the largest number of employees in corporate/profit organizations (governmental organizations are excluded), operating in at least 25 countries, under the same company name in all countries, with a minimum of 30% of its employees outside the home country. The winner of the 2015 Global Randstad Award was Microsoft. The first runner-up was Sony, and the second runner-up was Samsung.

Randstad Sourceright - Talent Trends Report

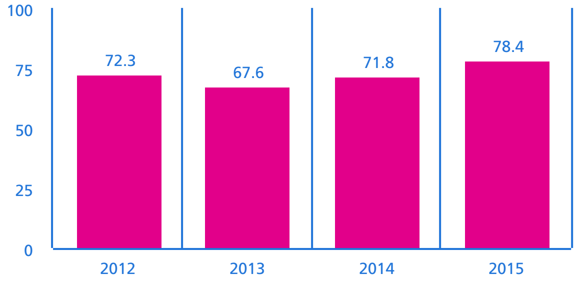
The Randstad Sourceright 2015 Talent Trends Report is an extensive exploration of global workforce trends. The report is based upon a global survey of 350 global HR and talent acquisition leaders from more than 40 countries. With this report, we provide our clients with a comprehensive view of key developments in the world of work, based on identifying the 25 most important trends affecting talent, employers, and business. By capturing the outlook of their peers, the report enables HR and talent acquisition leaders to benchmark how their strategies and execution stack up against fellow talent leaders. By sharing the thoughts of leaders from around the world, we believe it stimulates new ideas and creates greater dialogue within our clients' organizations.

Employability advancement

Ongoing skills development is essential for employability and sustainability in any workforce. Our training programs are tailored to meet the needs of clients and candidates in individual employment markets. Such programs include courses specific to IT, sales, contact centers, hospitality, and technical skills. Specialized programs leading to additional professional qualifications are also part of training and development. More information about our local initiatives of employability advancement can be found on our corporate website. The development of funds invested in training and development of candidates in recent years is shown in the graph 'Candidate training costs'.

Candidate training costs

in millions of €



From unemployment to employment: Youth unemployment

During CSR Europe's Enterprise 2020 Summit, Randstad Holding announced the launch of the European Pact for Youth. This is a pledge from EU and business leaders on the joint delivery of jobs, growth, and investment for the benefit of young people in Europe. Randstad was one of the co-writers of this mutual engagement of business and EU leaders, drafting it jointly with, among others, CSR Europe and the European Commission.

Youth unemployment at large is projected to rise to 12.8% globally by 2018. But unemployment does not paint the total picture, as many who have left education do not even appear in labor market statistics. The risks posed by having an entire generation 'scarred' by negative long-term effects have prompted many governments to take firm action. However, government programs cannot solve the entire issue alone, and well-coordinated efforts must come from all key stakeholders, including employers, trade unions, NGOs, and young people themselves.

Recognizing skills and striving for an inclusive labor market are key to helping youth navigate their way to sustained employment. Improving youth labor numbers requires an in-depth understanding of employment and labor market issues at local country level. Effective cooperation between the private employment industry and various public partners will be the recipe for success in combating youth unemployment.

Our operating companies offer an array of initiatives to assist people in getting the right job. In 2013, Randstad Netherlands launched 'Jeugd op zoek' ('Youth@work' program), which helped approximately 10,000 young people find their way in the labor market in just five weeks, with the participation of the government. This successful program continued in 2014 and 2015 in the Netherlands. In the month of September, a futuristic mobile lab traveled through the country. By means of assessments, expert support, and modern technologies, youngsters were invited to research what they really want and what their capabilities are. In 2015, Youth@work as a program was also copied by our operations in Greece, Poland, Italy, Germany, and Switzerland.

Diversified workforces

We value diversity. We do not discriminate on the grounds of age, skin color, disability, gender, marital status, nationality, race, religion, or sexual orientation, and we have a non-discrimination policy to underline this. Many of our operating companies have long-standing diversity and reintegration programs, and some provide consultancy services to clients on equal opportunity and competency management. By forging links with local community stakeholders, including public, private, NGO, and institutional partnerships, we stimulate diversity in the workplace. Our Randstad Institute in France and our foundations in Germany and Spain provide access to employment for disadvantaged groups, such as immigrant workers, women at risk, victims of domestic violence, single parents, older workers, and the long-term unemployed. Addressing the challenges that the growing number of older workers face in entering, re-entering, or staying active in the workforce is also part of our approach to furthering employment market sustainability.

In line with our aim to promote diversity in our workforce, we also welcome candidates with a disability. We have found that registration of disabled candidates varies in the different countries in which we operate. This may be related to local legislation, but also to the personal wishes of the people concerned. We are also running a variety of local programs to advance employment participation of minority groups. More information about our local initiatives regarding diversified workforces can be found on our corporate website.

Dialogue with clients

Our consultants receive training and support to enable them to promote diversity in their clients' workforces. For example, Randstad Portugal trained their consultants in presenting the benefits of hiring disabled people to clients in a partnership with a Portuguese NGO and identified the job positions suitable for people with low mobility on their website. We condemn agencies that cooperate with clients to exclude candidates with specific ethnic backgrounds. We organize seminars and roundtables with clients to raise their awareness of selecting personnel based on actual skills and personal merit. More information about our local initiatives involving dialogue with clients can be found on our corporate website.

A healthy and safe work environment

Caring for people is embedded in our core values, which forms a mandatory part of our induction programs. It is in this context that our consultants work with clients and candidates to support workplace safety. Several of our operating companies have specialized health and safety managers to provide guidance. We take a stance in advising our clients on matters of occupational health and safety; for example, by pointing out how to prevent workplace risks and by providing 'security at work' training. Formal audits at client locations are conducted in some business areas, such as construction, where taking extra health and safety precautions is best practice. More information about our local initiatives for a healthy and safe work environment can be found on our corporate website.

Health and safety is also an ongoing topic at the European Platform meetings, a Randstad network of national works council representatives, in which candidates are also represented.

All employees across the labor market have a right to a healthy and safe work environment. Our health and safety management is organized locally at operating company level, designed to safeguard business continuity and deal with risks. Our operating companies adhere to all applicable local standards and regulations, and many of them have a sophisticated health and safety structure in place. We track sickness rates, work-related accidents or incidents resulting in lost-time injury, and work-related fatalities, both for employees and candidates. Fatal incidents are immediately reported to the Executive Board.

In the past year, we provided work to more than two million people. Our first duty as a company is to make sure we do not send anyone into a work environment that may be harmful to them. Despite our best efforts, we still have to report a number of accidents in the workplace. Accidents may cause injuries. The aggregated number of work-related injuries among our candidates globally amounted to 23,288 (2014: 23,134), while the number of working days lost due to these injuries added up to 308,820 (2014: 308,831). Based on these data, our 'injury rate' is 0.2%.

Much to our regret, we were also confronted with fatal incidents among candidates:

Number of fatal incidents among candidates, 2015

	2015	2014
At work		
Germany	3	1
Belgium & Luxembourg	2	1
France	3	-
Italy	1	-
India	4	1
In traffic (while working)		
Belgium & Luxembourg	1	-
India	1	1
	15	**4**

The Belgian and Indian cases of fatal incidents in traffic relate to car accidents. We have local health and safety policies in place, as well as 'drive safely' workshops to help prevent such accidents.

When accidents happen, despite our efforts to ensure safety, these always trigger investigations from our side. Not all accidents are avoidable by better procedures. For instance, in 6 cases (1 in France, 2 in Germany, 2 in India, and 1 in Luxembourg) the fatalities were caused by natural reasons, such as heart attacks. In other cases, we were able to work with the clients involved and to further improve safety conditions and instructions.

We treat prevention, training, and safety awareness in general as very important subjects. We realize that while a zero score may prove impossible to achieve at the scale we operate, this is nevertheless the only acceptable target to strive for.

value for our employees

Our strategy: best people

The true value of our business lies in our people. We take pride in working with the best talent in the industry. Randstad attracts agile and adaptable people, capable of effectively dealing with and responding to rapidly changing circumstances. We challenge them to perform to the best of their ability and seize the opportunities a multinational company can offer. We challenge ourselves to provide our employees with an open and inclusive climate, which engages and fosters development. The following key performance indicators show the progress we made in 2015 strengthening our strategic building block of 'best people':

- Retention rose from 77.1% to 77.2%, with more employees rotating within the Group;
- Overall outperformance of Randstad (engagement score) increased from 63% to 66%, showing a steady improvement across almost all countries;
- Proportion of women in senior leadership has further improved to 46.4% , which means Randstad is taking a leadership position in the industry.

Making strong concepts work

At Randstad, attracting, developing and retaining the best people is facilitated by a strong partnership between Randstad's leadership and Randstad's human resources. As we set high standards and ambitions, it is essential that our HR function focuses on continuous improvement. To this end, we follow a set of clear and simple HR Standards, which are designed to guide our HR professionals through robust HR processes. In 2014, the HR Standards were refreshed and revised. In 2015, new strategic HR metrics were added and monitored throughout our global operations. More data-driven processes were introduced in Randstad's strong HR practices, and pilots on predictive modeling were set up, all with the aim of further improving the way we:

- Monitor the development of our global workforce;
- Assess the effectiveness of our global HR practices; and
- Align our global people strategy with the global business strategy.

Randstad leadership

Randstad's leaders have always focused on supporting progress. They are always ready to fuel our clients' and talents' ambitions, to create opportunities, and to help them achieve success. In today's ever-changing world of work, our leaders will continue to take this approach. Randstad leaders are known for their ambitious strategy, combined with excellent execution and agility, as well as their ability to 'think global and act local'. Making the most of technology, they make intelligent choices, while not losing sight of the human side of business. This means they can effectively connect with stakeholders, partner with candidates and clients, and lead both their own team and our global organization to success. This is what makes Randstad unique.

Attracting the best people

We understand how important it is for people to have a challenging job, as well as the opportunity to develop themselves. It is our passion and pride to ensure that our people enjoy the best work environment, excellent training, exciting opportunities, and all the support they need to develop their full potential. We attract the best people, and we invest in their development. 'Great people, great opportunities' – that's our promise.

Great people, great opportunities

Great people, because we:	Great opportunities, because we offer:
Work together	Diverse career paths
Are customer-focused	Global mobility
Can be trusted	International trainee programs
Are proactive	World league programs
Are driven and motivated	A valuable brand
Are high achievers	A highly dynamic environment
Care about details	80% internal promotions
Are industry experts	VSO volunteering assignments

To ensure we deliver on our promise, we measure employee satisfaction and engagement through our internal Great People Survey each year. In 2015, the three criteria most valued by Randstad employees were (1) a pleasant working atmosphere, (2) interesting job content, and (3) a good work-life balance.

Developing great people

We believe that the ability to adapt to ever-changing business environments is critical in people's careers today. Continuous learning is a crucial part of this. At Randstad, we fuel development by taking a multi-faceted 'blended' approach to learning and by continuously improving our offerings. Our successful leadership development programs can now also be followed by external talents, clients and stakeholders. In collaboration with our partners, we are innovating in both content and style. We are also shifting our organization towards digital and on-demand learning platforms. At the same time, we strongly believe that learning is most powerful on the job and through mentors, both formal and informal.

Our Learning & Development strategy defines the knowledge, skills and competencies required by our workforce, and how these can be developed. To ensure a sustainable, successful organization, people development at Randstad is transformational, proactive and future-focused. We make use of 'blended learning' (70-20-10 model), which at Randstad comprises the following:

- On-the-job learning to develop employees within their roles (70%);
- Coaching to support employees in achieving their personal and professional goals (20%);
- Training programs to develop the knowledge, skills, and competencies employees need for continued career development within Randstad (10%).

On-the-job learning

All employees starting in a new role follow a formal induction program in the first few months, which helps them to become successful in their new role as quickly as possible. The program covers our ambitions, strategy, values, culture, history, and corporate policies, as well as targeted and relevant job-related information. Randstad tracks the effectiveness of the induction programs by measuring time to productivity. Immediately after the induction program, an individual development plan is drawn up to further enhance the employee's skills and competencies.

Virtual onboarding experience

Randstad Group in the Netherlands created a virtual experience as part of the onboarding program. Before their first working day, new employees will receive a Google cardboard kit at home, providing a virtual reality experience that takes them through the history of our company and our brands.

Coaching and mentoring

At Randstad, we work with the best and learn from the best. Through developmental relationships, Randstad employees are coached or mentored by a senior leader. These initiatives are generally organized locally, but are also offered as an integrated part of certain Learning & Development programs.

Senior leaders are also offered coaching by professional external coaches to enable them to achieve specific personal or professional goals. As part of the Frits Goldschmeding Academy, the Sales Leadership Program and the Senior Executive Program include professional coaching facilitated by certified trainers and/or coaches.

Finally, Randstad employees receive 360-degree feedback from their colleagues, their manager, direct reports and other stakeholders. This thorough process, which monitors the organizational climate, leadership styles, and competences, is aligned with Randstad's leadership vision and model, and was renewed in 2015.

Choose your own with ADVANCEMentor

To further develop their skills and capabilities, employees in the US can choose from a wealth of mentor programs via the Randstad ADVANCEMentor: Post New Hire Onboarding, high-potential programs, program-specific mentoring, virtual mentoring, and peer networks. The individual mentoring program is linked to the Individual Development Plan (IDP) of the employee.

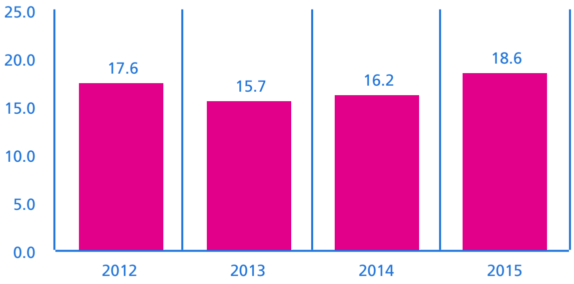
Training programs

In our training programs, we offer combinations of action-based learning, classroom-based skills training, e-learning, virtual classrooms, and gamification. Our programs are always competency-based and focus on soft skills, sales, leadership skills, and functional skills. They are offered to all levels within the organization. For field positions, we have dedicated training programs that focus on operational skills and specific knowledge required for the job.

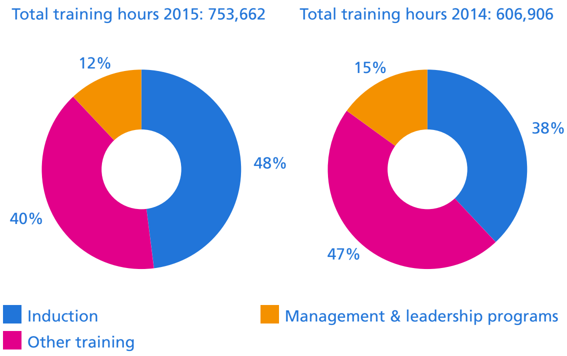
The graphs below show our commitment and investment in terms of both costs and time spent in developing our employees.

Employee training costs

in millions of €



Employee training hours


Total training hours 2015: 753,662

Total training hours 2014: 606,906

Randstad offers programs at local, regional, and global level. On a local level, the programs are developed by the operating companies, sometimes in cooperation with business schools. Regionally and globally, the Frits Goldschmeding Academy offers state-of-the-art leadership programs, aligned to our strategic objectives. Key themes for Randstad are leadership, digitalization, and innovation.

The programs are created in cooperation with leading global business schools and partners, such as INSEAD, TIAS, IMD, SMU, and Stand & Deliver Group. Our senior leadership is closely involved in the development and delivery of the programs.

In 2015, the Frits Goldschmeding Academy trained 326 senior leaders in 11 different development programs.

E-learning platform catering to all

The e-learning platform of Randstad UK is a key part of its Learning & Development offering. Over the past two years, 85 courses have been produced covering a range of topics, business specialisms, and core compliance requirements, which are accessible to all employees. Based on the success of the platform, the tool has also been opened partially to candidates, and expanded to Randstad in Southeast Asia.

Talent management

Randstad recognizes the importance of talent management as one of the key factors underpinning company growth and ensuring the continuity of our business. We develop and promote talent – both future leaders and highly skilled experts – for our current needs, while also anticipating future needs and preparing the next generation for new roles.

Through our talent management process, we use strategic human resource planning to improve Randstad's business value and make sure we reach our goals.

Talent management enables us to:
- Attract high-caliber people;
- Identify and develop our talents;
- Continuously anticipate needs for future positions on a local and global level.

The annual Talent Review process forms the foundation of Randstad's leadership and talent management approach throughout the company, from the lowest organizational level up to senior management. This process addresses the performance and potential of all employees on an individual level. Randstad's senior leadership (up to and including the Executive Board) takes a keen interest in Randstad's human resources and continuously reviews the company's strategic HR planning, focusing on strategic human resource planning, and subsequently on the strengths and development needs of our senior leadership, succession plans, pipeline development, and future leadership talents.

We believe that learning is most powerful when we encourage growth by pushing our leaders out of their comfort zone. Enabling Global Mobility, we move them to new territories. This may involve a new geographical location, a new department, and/or a new business line. Such moves will deepen their understanding of our clients' needs.

As a company with a global footprint, we require our local leaders to operate effectively and comfortably in a global environment. The nature of our company provides ample opportunities for employees to further develop their leadership skills, to acquire and build a global mindset and awareness, and to effectively manage and leverage cultural differences.

Randstad's World League Programs are designed to develop our functional communities (Finance, Legal, HR, Marketing & Communications, and IT) in the areas of people and organization, and the way these functional communities act as business partners of line management. The programs provide a shared vision, mission, and language for key behaviors, skills, and knowledge within each function, supported by specific tools and development actions. World League Programs enable the global functional communities to deal with performance and development needs in an aligned and constructive way.

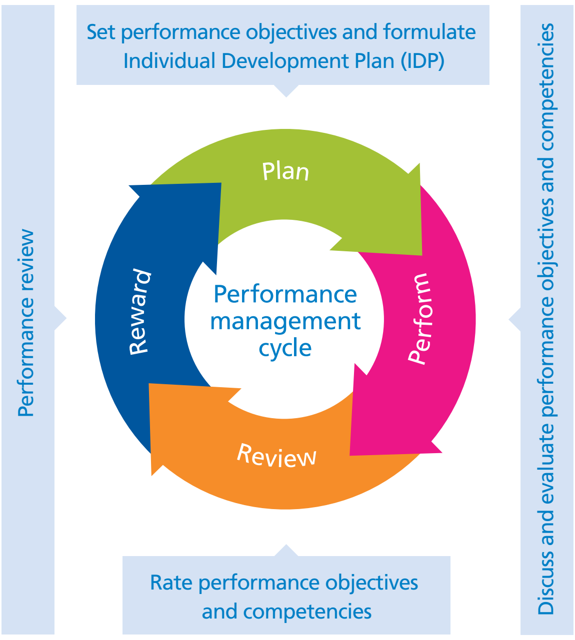
Talent development program

The Young Executive Program in APAC was newly developed in 2015: a regional corporate program focusing on the development of a robust leadership pipeline in a highly competitive market. This dynamic and interactive program, set up in collaboration with Randstad's global academy, has already taken 21 leaders of 7 countries on a learning journey.

Achievements so far include development-related initiatives, such as High Performing Business Partner 2.0, which offers training for key talents in all functional areas. In the field of marketing, we rolled out the Professionals Services Leadership Initiative (PSLI). In addition, targeted functional training programs and leadership programs for Finance (IFMP) and HR (HRDP) have been launched and rolled out.

The success of the World League Programs is reflected in solid talent pipelines and global appointments in key talent functions.

Performance management cycle



Performance management and reward
Each Randstad employee follows our performance management process, in accordance with the performance management cycle. This cycle, which is a fully standardized process across the Group, enables us to effectively manage and calibrate the performance of our global leadership talent pool.

The cycle starts with a rigorous goal-setting process, which specifies expected business results and competency development. Relevant competencies are defined for each role and level.

During the cycle, frequent and accurate feedback is provided. Towards the end of the cycle, results are assessed through a formal performance appraisal, both on business results and competency development. If merited, this results in performance rewards and IDPs. For senior leaders, we focus on leadership behavior as seen through the eyes of the client. This leads to insights that enhance our leaders' customer-oriented behavior, which contributes to current and future success. The individual performance appraisal serves as the basis of our talent review process.

Having a total reward strategy that is linked to our business strategy is crucial to attracting and retaining employees. It is our goal to provide our employees with meaningful rewards that have a positive effect on their performance while encouraging desired culture and behaviors.

For our senior leadership, a long-term incentive plan is in place in the form of a performance share plan. The purpose of the plan is to retain our best people and to drive and reward the sustained performance of our company by allowing our senior leadership to share in our success. To encourage our corporate employees' affiliation to Randstad and to enable them to participate in Randstad's success, an employee share purchase plan is in place, which currently has more than 10,000 active participants.

Company culture and retention

One of our biggest assets for retaining talent is our engaging culture. Our founder, Frits Goldschmeding, instilled our company with an entrepreneurial spirit. Our open, friendly, professional, and results-driven culture has always been part of the organization. Once every five years, when celebrating our anniversary, we take the opportunity to actively connect our people all over the world. Although last year's celebrations of Randstad's 55th anniversary had a high fun factor, we also inspired our employees to connect, share experiences, and inspire each other in a light-hearted and engaging way. In additon, we invited them to speak up in a 'CEO for a day' contest.

Route 55 – an unforgettable journey through place and time

The engaging theme of Randstad's 55th anniversary, ‘Route 55’, was prominent in online and offline events leading up to the festive celebrations, when employees partied around the clock at 26 locations worldwide!

We believe strongly in developing talent within the company. Although we invest in retaining our talent, attrition rates are around 23%. This is a common development in our industry. The vast majority of our staff work as consultants at our branches. They are relatively young, well-educated, and ambitious employees, who tend to want to move on in their career relatively quickly.

Nevertheless, we strive to limit our overall attrition rate to 20-30% on an annual basis, which provides us with the optimal balance between experienced employees and new recruits.

Employee retention rate

in % of total number of employees

	2015	2014
Employees staying with their operating company	75.5	76.6
Employees transferred within the Group	1.7	0.5
	77.2	**77.1**

Outperformance at Randstad

At Randstad we believe that our ability to empower and engage our people, our good leadership style, and our strong company culture all encourage innovation and accountability, and that this will eventually lead to business outperformance. Once a year, we monitor our progress through our Great People Survey. This measures our employees' views on key factors that make our company an 'outperformance organization'.

Randstad outperformance

In 2015, the participation rate was 81.7% (2014: 81.6%). Compared to 2014, our results on Empowerment & Engagement, Leadership, and Organizational Capabilities increased. This resulted in a higher score on outperformance. Of all Randstad employees, 66% agree or strongly agree with the statement that Randstad is an outperforming organization. In 2015, our Organizational Capabilities score was even higher than the Service Provider Benchmark (Source: TNS). More results above benchmark are now within reach. By continuing to focus on organizational development, we aim to achieve this in 2016.

Randstad outperformance by geography

as % of total number of respondents

	Outperformance score		Benchmark	
	2015	2014	2015	2014
North America[1]	75%	72%	73%	73%
Netherlands	68%	67%	69%	68%
France	56%	51%	63%	62%
Germany	64%	64%	68%	67%
Belgium & Luxembourg[2]	57%	54%	69%	68%
Iberia[3]	70%	67%	66%	65%
United Kingdom	70%	67%	65%	64%
Other European countries	64%	62%	n.a.	n.a.
Rest of the world	62%	59%	n.a.	n.a.
Corporate	71%	73%	n.a.	n.a.
	66%	**63%**	**67%**	**70%**

1 Benchmark only available for the USA.
2 Benchmark only available for Belgium.
3 Benchmark only available for Spain.

Source: Great People Survey

Internal promotion

'Great people, great opportunities' is also reflected in our ambition to offer talented employees internal growth opportunities. When business allows, vacant leadership positions are first offered to our own employees. In our mature Staffing & Professionals markets, we strive to fill 80% of our leadership roles internally. Compared to 2014, we saw a downward move in the overall mix towards the 80% mark in 2015. The actual score in 2015 was 67.3% (2014: 74.6%). The number of internal leadership appointments (441) increased compared to 2014 (366).

Internal leadership appointments by geography[1]

	Total number of appointments		% Internal appointments	
	2015	2014	2015	2014
North America	68	127	67.6%	89.0%
Netherlands[2]	106	42	69.8%	92.9%
France	19	35	73.7%	71.4%
Germany	7	11	85.7%	54.5%
Belgium & Luxembourg	n.a.	n.a.	n.a	n.a.
Iberia[3]	15	4	60.0%	75.0%
United Kingdom	29	27	72.4%	59.3%
Other European countries[4]	40	7	62.5%	85.7%
Rest of the world	119	74	63.9%	55.4%
Corporate	38	39	68.4%	61.5%
	441	**366**	**67.3%**	**74.6%**

1 Mature operating companies only (>500 FTEs).
2 In 2014, Tempo-Team and Randstad Netherlands only.
3 In 2014, the number refers to Spain only.
4 In 2014, the number refers to Italy only.

A healthy and safe environment

Our operating companies use a variety of measures designed to advance employee well-being. These include procedures to promote safety at work, training programs, health checks, and services and products to stimulate well-being. In several countries, we have formal agreements with trade unions on health and safety topics.

Our companies offer employees an array of programs, services, and products to stimulate their well-being. Randstad Belgium and Randstad Netherlands offer an online platform that stimulates and helps employees with a healthy lifestyle. Employees can take several modules (e.g., stress, weight, or sports), and if they have specific questions, they can consult specialists. More information about our local initiatives for a healthy and safe work environment can be found on our corporate website.

We aim to achieve a sickness absenteeism rate that is lower than the national average. If this target is not met, we will implement performance improvement programs. In 2015, the overall sickness absenteeism rate was 2.4% (2014: 2.2%). The total number of working days lost due to sickness absenteeism amounted to 182,883 (2014: 166,766).

Randstad has aligned crisis and continuity plans in place. Serious security incidents are reported (and in some cases dealt with) at central level. Despite our high safety standards and prevention measures, we have not been able to prevent all accidents. In 2015, we were faced with several incidents in the workplace, causing 280 (2014: 244) injuries among our corporate employees. The number of working days lost due to these injuries amounted to 1,861 (2014: 1,564). This results in an overall injury rate of 0.02%.

Diversity and inclusion

Randstad is strongly committed to gender equality. Our efforts are paying off, as we see the number of women in senior leadership positions going up year on year (see table ‘Proportion of women in senior management), giving us an industry leadership position. We actively support women climbing the career ladder, both in the core of our organization and at the top. A large-scale internal survey conducted in 2015 showed that 80% of our senior leaders are personally committed to gender equality, and we actively monitor gender equality using various HR metrics.

Inclusion

At Randstad, we strive to offer an inclusive company culture. We do not discriminate on the basis of age, skin color, disability, gender, marital status, nationality, race, religion, or sexual orientation. We have a policy of hiring and promoting the best person for the job, based on proven performance and potential assessment, and in line with our business principles. We look at diversity and inclusion from a value-add perspective: it helps us to build a more agile, productive, and innovative workforce.

Locally, many initiatives have been launched that go beyond gender equality to support diversity and inclusion in the broadest sense. For example, in 2014, Randstad joined Workplace Pride, a non-profit foundation that promotes greater acceptance of lesbian, gay, bisexual and transgendered (LGBT) people in the workplace. In 2015, Randstad was rated among the Top 5 companies that most improved in terms of LGBT inclusion. More local initiatives can be found on our corporate website.

Proportion of women in senior leadership positions[1]

	% women in organization		% women in senior leadership positions	
	2015	2014	2015	2014
North America	60.8	60.5	47.7	49.1
Netherlands	69.2	70.9	39.5	36.7
France	77.0	76.9	47.9	47.9
Germany	58.7	59.5	38.9	40.5
Belgium & Luxembourg	85.4	85.0	57.9	58.8
Iberia	77.7	77.9	54.7	52.8
United Kingdom	59.4	59.5	51.7	45.9
Other European countries	77.7	78.1	53.1	53.4
Rest of the world	57.2	56.5	44.1	39.9
Total	**67.2**	**67.5**	**46.4**	**45.2**

[1] Senior leadership refers to all levels equal to or above district/regional management, including account management or commercial management reporting to a regional director or higher.

Source: Great People Survey

Social acceptance

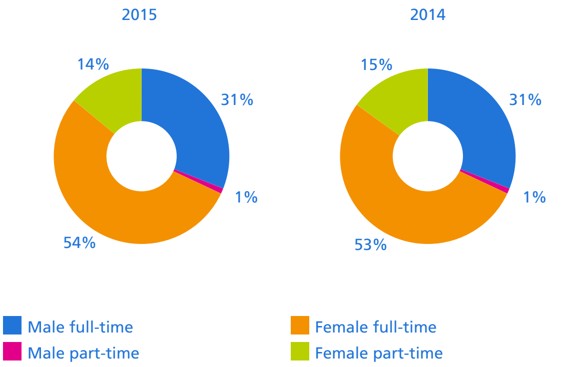
Our commitment to diversity is reflected in the active stance Randstad takes when promoting diversity through publications. In 2015, the Randstad Workmonitor, a quarterly external survey conducted in 34 countries, showed that, despite the fact that diversity is a hot topic (78% of respondents said they value diversity in the workplace), discrimination in the workplace remains an issue. On average, 20% of respondents said they had been subject to discrimination in the workplace on the basis of gender (21%), sexual orientation (15%), religion (16%), race (17%), or age (26%).

Randstad is the industry leader in terms of diversity and inclusion, and serves its clients with this expertise to improve social acceptance in the world of work. Our commitment and initiatives were recognized in the award of Gender Equality European & International Standard (GEEIS) accreditation, and in our inclusion in the Dow Jones Sustainability Index (DJSI) in 2015.

Randstad Germany recognized for its women-friendly work environment

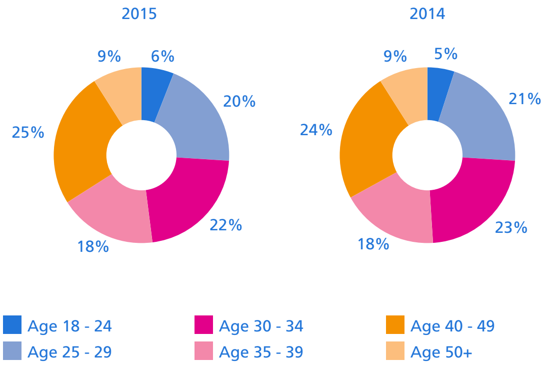
In 2015, Randstad Germany was named one of the most women-friendly organizations by the Frauen-Karriere-Index (FKi), but it also strongly supports diversity in all other areas, in line with Randstad's global ambition.

Composition of our workforce by gender



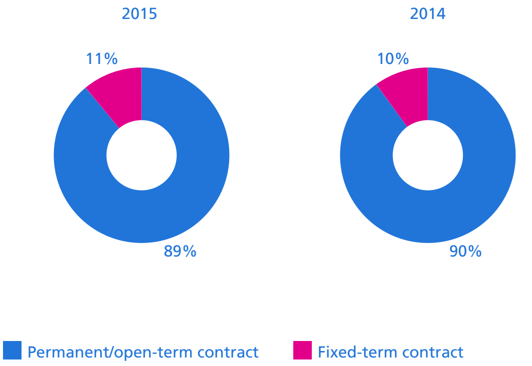
Source: Great People Survey

Composition of our workforce by age group



Source: Great People Survey

Composition of our workforce by type of contract



Source: Great People Survey

value for society

Our role in society

Our core values inspire us to conduct our activities, both inside and outside the corporate environment, in a sustainable manner, and to use our knowledge and experience to make a positive contribution to the world around us.

For example, we can make a meaningful difference by using our knowledge and services to influence diversity, social cohesion, and inclusion in the world's employment markets. Research shows that countries with more developed HR services markets typically have lower overall unemployment and fewer people in long-term unemployment. These markets are more inclusive and suffer less from unfair working conditions, exploitation, and irregular work.

We are well-positioned to help address the growing challenges the employment markets are facing around the world. These challenges include structural shortages of skills and talent, declining population growth, cultural changes in the way new generations view work, as well as the demographic challenges posed by aging populations in many Western economies.

Of course, we also need to address the sustainability issues common to all businesses, such as our environmental impact and how we affect the world around us. Our sustainability framework addresses those issues, and we measure our progress in this area. This is an integral part of how we safeguard our business and its long-term viability, while taking into account the interests of all our stakeholders. At the same time, we believe our industry has a unique opportunity to help create a truly sustainable future, both socially and economically, by literally shaping the world of work.

Stakeholder dialogue

One of our key surveys is the Randstad Workmonitor. Published four times a year, the Randstad Workmonitor reports make both local and global trends in mobility visible over time. The results are published on our corporate website.

At the same time, we have developed leading programs to enhance labor market knowledge. Together with partners such as SEO Economic Research (affiliated with the University of Amsterdam), we have carried out studies into the implications of future demographic shifts for the employment markets in Europe, among which the 'Gap' series. Since 2013, Randstad annually publishes flexibility@work, an annual report on flexible labor and employment. The 2015 edition carried a study on self-employment across countries in the Great Recession of 2008-2014 by Prof. David G. Blanchflower of Dartmouth University. The 2016 edition will focus on productivity growth and the evolution of high-tech employment and will be published in April 2016. These and more examples of our research can be found on our corporate website. In 2016, together with IZA (Institute for the Study of Labor) in Bonn (Germany), Randstad will publish a study of the consequences for the labor market of global migration (including labor migration) and mobility.

Besides our global research and publications, Randstad also collects industry insights and conducts research through its operating companies around the world. This work yields a valuable source of information for local stakeholders. Relevant publications issued include the World of Work research (Asia Pacific), the Workpocket (Netherlands, Belgium and others), various salary surveys tailored to specific target groups (e.g., the Professionals segment), white papers, and online polls. More information about local initiatives regarding stakeholder dialogue can be found on our corporate website.

HR Transformation Forum

Since 2014, Randstad has hosted the HR Transformation Forum, bringing together a network of nearly 200 HR Directors from global blue-chip companies based all over Europe. The forum provides senior HR directors with a platform to candidly discuss the issues they face in their companies' transformations, spur cross-industry fertilization of ideas, and exchange views on the global themes of the future on a quarterly basis.

Workforce360

Randstad shares its insights, opinions, and research on the world of work through the Workforce360 platform. This platform has been implemented on randstad.com, throughout Europe, the United States, India and the Asia-Pacific region, giving our stakeholders the latest industry information and expert opinions from both a global and local perspective. The platform will continue to grow, as more Randstad countries are adding it to their websites.

Employment market KPIs

In accordance with our sustainability framework, we also report on our contribution to employment markets. In this respect, two relevant KPIs are staffing penetration rates and our contribution to the regulation of labor markets. The former shows the development of the number of temporary workers as a percentage of the total labor market, while the latter provides insight into the status of regulation in the main countries in which Randstad operates, as well as the expected trends.

A third relevant KPI is our involvement in national and international employment institutions. The overview 'Highest Randstad positions in industry associations' shows Randstad's participation in staffing industry institutions in countries where we are active and where such associations exist.

Apart from our involvement within these institutions, we are also heavily engaged in key forums and other initiatives through which we focus on social dialogue. How we do this is described under 'Industry involvement'. A list of all the memberships and partnerships we are engaged in can be found under 'Supplementary information'.

Our performance with respect to social involvement and our partnership with VSO can be found under 'Partnerships and social involvement'.

Shareholder return

We maintain an active dialogue with existing and potential shareholders, witnessed by the more than 650 contact moments we had last year across the globe. By executing our strategy and achieving our mid-term targets (see 'Strategic priorities and targets'), we believe shareholders will be awarded with improved dividends. Please refer to the investor relations section for more information on this topic.

Industry involvement

We strongly believe that social dialogue and active participation in industry bodies will help produce clear, fair, and workable regulations in the markets in which we operate. By investing in strong industry federations – on a national, regional, and global level – we believe we can contribute to the future development of the HR services industry.

The objectives and action plans of Ciett (International Confederation of Private Employment Agencies) and Eurociett (European Confederation of Private Employment Agencies) are well aligned with Randstad's agenda. In May 2014, our Group Public Affairs director was elected President of Ciett for a 3-year term. She has already chaired Eurociett since 2005.

Labor market relationships

Randstad's core value 'Simultaneous promotion of all interests' lies at the heart of our labor market relationships and stakeholder dialogue.

Employee participation in social dialogue

Employee participation in social dialogue is promoted through a network of national works councils, in which managers and employees across the Randstad Group regularly address work- and HR-related issues. The results of these dialogues are fed into Randstad's European Works Council, which meets twice a year to discuss policy issues and information relevant to Randstad Group companies. UNI-Europa, the representative trade union federation for services in Europe, is invited to attend the international platform meetings as an observer.

Active dialogue with labor unions

Randstad also actively engages in national and international dialogue with labor unions. At EU level, UNI-Europa and Eurociett meet regularly in the sectoral social dialogue committee on temporary agency work to discuss issues of mutual importance, and to further professionalize and gain more societal acceptance for the industry. As a Eurociett member, Randstad is represented in the Eurociett delegation. Moderated by the European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities, the committee met three times in 2015. The 2015/2016 work program included issues such as promoting national social dialogue through presentations on national bipartite funds and collective labor agreements. For instance, the bipartite funds of Italy, Belgium, and France gave a presentation on temporary agency work in the context of the Agency Work Directive. Furthermore, a joint study called 'How temporary agency work compares to other forms of employment' was conducted, with regard to which Eurociett and UNI Europa have adopted joint recommendations.

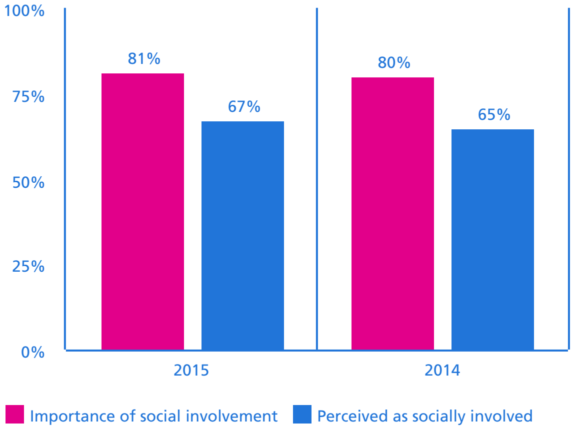
Partnerships and social involvement

Social involvement

Since 2009, we have been measuring staff perception of sustainability in the organization to gain a better understanding of how our own people feel about Randstad's performance. More specifically, we asked them if they feel it is important for their company to be socially involved, and whether they perceive Randstad as being so. The results are shown in the graph 'Employee perception of social involvement'.

Employee perception of social involvement

as % of total number of respondents



Source: Great People Survey

Voluntary Service Overseas (VSO)

We not only partner with research institutes, we also join forces with organizations that aim to have a direct impact on creating more sustainable economic and employment conditions, both inside and outside our remit. As part of our commitment to provide expertise for a better society, we have a global partnership with Voluntary Service Overseas (VSO) to provide support to communities in countries that need it most.

For more than five decades, VSO has worked relentlessly to help poor and marginalized people build a brighter future. VSO's main activity is recruiting and placing qualified volunteers from around the world to live and work in developing countries in Africa and Asia. Their high-impact approach ensures that people come together to share skills, build capabilities, promote mutual understanding, and ultimately change lives to make the world a fairer place for all.

In 2015, 987 international volunteers, 1,370 youth volunteers and 294 national volunteers were dispatched to 31 countries. Together, they reached 1,950,000 people, providing relief and support in the areas of education, health, HIV and AIDS, secure livelihoods, participation, and governance.

In the 11th year of our partnership with VSO, we focused on continuous improvement. In September, business leaders from Randstad and VSO got together to devise new, innovative ways of positively impacting the lives of some of the poorest people in the world. Harnessing the combined strengths of the partnership, it was decided to focus resources on three areas:

1. Improving employment and entrepreneurship opportunities for the most vulnerable, especially women and youth;
2. Supporting VSO's core recruitment function, thus enhancing the organization's ability to bring volunteering to scale;
3. Utilizing Randstad's specialist internal business operations to source highly skilled volunteer talent across the globe.

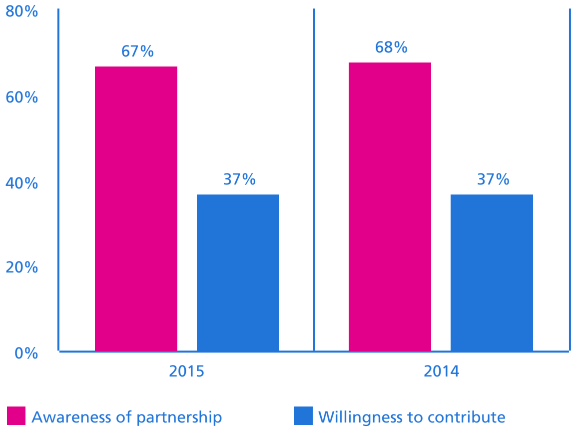
Randstad's support of VSO works on several levels. It allows our company to provide expertise for a better society, while also perfectly fitting in with our core value of 'simultaneous promotion of all interests'. Our partnership is proud to offer Randstad employees the opportunity to be at the heart of incentives that simultaneously promote the interests of communities, employees, and the business.

In 2015, 19 employees (10,200 hours) went overseas and provided expertise in the areas of HR, recruitment, communications, business development, and marketing. Two volunteers (1,300 hours) supported the VSO organization in their home country, through pro bono work or fundraising.

The total number of overseas VSO volunteers was below target last year. We will therefore be making extra efforts to raise the number of overseas VSO volunteers in 2016. One way we will do this is by offering assignments dealing with very specific recruitment issues that will strengthen VSO's internal organization.

Attitude of employees towards VSO

as % of total number of respondents



Source: Great People Survey

Other volunteer projects

In addition to these primary projects, Randstad participated in many other volunteer projects in 2015, including socially involved and philanthropic initiatives.

For example, Randstad Germany has a project called 'Ehrensache': Randstad employees are eligible to receive funding for undertaking voluntary work in their free time. The purpose is to support projects for the common good, to promote voluntary work by all employees, and to stimulate employees to broaden their personal outlook and build networks.

Randstad Argentina supports a program against child labor, called 'Jardines de Cosecha' (Harvest Kindergarten). The program runs during harvesting seasons, and provides rural workers with a safe place to leave their children during the work day. More information about these initiatives and other examples of local volunteer initiatives can be found on our corporate website.

Randstad VSO volunteers overseas 2011–2015

	2015	2014	2013	2012	2011
Volunteer hours	10,200	10,300	10,500	12,000	15,000
Volunteers	19	16	15	21	18

Other volunteer projects during working hours

	2015	2014
Volunteer hours	16,500	10,000
Volunteers	1,000	1,400

sustainability basics

'Shaping the world of work' can only be achieved if attention is also paid to sustainability 'basics'. These range from safeguarding ethical behavior, applying decent environmental care, taking supply chain responsibility with regard to being a good corporate citizen, and ensuring our organization is transparent. Our goal is to have a set of management tools, business principles, policies, and a governance structure in place that are in line with, or exceed, the standards set for our industry, and that enable accountability for all elements of our sustainability framework.

Business principles

Randstad's business principles are based on – and support – our core values. They project a positive message, help us live up to our values, and ensure that the needs of the world in which we work, as well as our business and personal behavior, are well aligned and reinforce one another. Our business principles can be found in the 'corporate governance' section on our corporate website.

Our business principles – coupled with our key corporate policies referred to below – have been an integral and mandatory part of our global induction program. Local induction training programs include an explanation of the business principles, some of our policies, and the misconduct reporting procedure. In 2014, training in business principles became part of our key control framework for ensuring global execution.

In 2015, well over 8,000 employees (2014: well over 8,500) received business principles training. To set a minimum standard, a new compliance induction training program, including even more extensive reference to the business principles and corporate policies, has been communicated to all heads of Legal and the HR community. We made this compliance induction training program compulsory in 2015.

Understanding of business principles

as % of total number of respondents

	2015	2014
North America	84%	84%
Netherlands	86%	87%
France	77%	77%
Germany	95%	94%
Belgium & Luxembourg	87%	86%
Iberia	83%	81%
United Kingdom	75%	74%
Other European countries	83%	83%
Rest of the world	74%	73%
Corporate	96%	95%
Group	**83%**	**82%**

Source: Great People Survey

Understanding of our business principles is measured through our annual Great People Survey. The results of this survey relating to the understanding of our business principles can be found in the table 'Understanding of business principles'.

To further enhance awareness of the business principles, they are included in our HR Standards and communicated through various internal communication channels across the Group.

Corporate policies

The majority of our corporate policies are directly linked to our business principles. They provide our people around the world with specific guidance and instructions on their business behavior.

Over the years, we have developed other key corporate policies related to compliance with competition law; business principles, insider dealing, bribery, gifts & hospitality, data protection, discrimination, intimidation and harassment, contract liability, and e-communications. These policies are a mandatory part of our induction training, and are highlighted during refresher training, tailored to the position of the relevant employee. Promoting best practices and raising awareness of relevant laws and policies is an ongoing process worldwide.

At the end of 2014, we made our tax policy more explicit. In line with our core value 'the simultaneous promotion of all interests', and in order to safeguard our good reputation, Randstad demonstrates ethical tax behavior by paying the proper amounts of taxes in the countries where value is created. Our position with regard to tax control, tax contribution, tax compliance, and tax planning is elaborated on in our tax policy. VBDO (Dutch Association of Investors for Sustainable Development) in the Netherlands have included Randstad in its Tax Transparency Benchmark 2015 as an example of 'good practice', due to the way we 'report on effective tax rate (ETR) to statutory tax rate reconciliation, both quantitatively and qualitatively'.

Mid-2015, we established an environmental policy. Realizing that the world's natural resources are limited and fragile, Randstad believes environmental protection is consistent with its overall goals and core values, and should therefore be an important consideration in its activities. This commitment to environmental protection is reflected in our sustainability framework. It is validated through a materiality analysis, and is included in all our programs and practices that encourage the conduct of operations in a manner that is both environmentally and economically responsible.

We have developed corporate HR Standards that are not only based on our core values and business principles, but also on our sustainability ambitions. These standards are designed to guide our HR community and to safeguard the recruitment, development, and retention of our employees – our most important asset. They are essential in helping us achieve our strategic goals. That is why our policies and our sustainability framework are both included in our HR Standards, and form a mandatory part of our induction training.

Randstad's corporate policies are published on our intranet sites, and summaries of the policies are published on our corporate website. Through our in-control framework (which includes the key control framework), our operating companies certify, semi-annually, their compliance with these policies, or explain any deviations.

Human rights

We are signatories to, and participants in, the United Nations Global Compact, and we support its Ten Principles regarding human rights, labor rights, the protection of the environment, and anticorruption. We have posted more details about our progress on the website of the UN Global Compact (www.unglobalcompact.org).

The principles regarding labor are those outlined in the ILO Declaration on Fundamental Principles and Rights at Work. These are freedom of association and the right to collective bargaining, elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in respect of employment and occupation. While always complying with national laws and practices, we are also committed to making the Global Compact's principles part of Randstad's strategy, culture, and day-to-day operations. We therefore regard the Ten Principles as forming part of our business principles. Our CEO explicitly expressed Randstad's support to the UN's Secretary-General. This statement is published on our corporate website.

Randstad Holding's CEO and CFO signed the United Nations' Call to Action to Governments to promote anti-corruption measures and to implement policies to establish systems of good governance. Signing this Call to Action underlines our commitment to work against corruption in all its forms, including extortion and bribery. We believe that corruption is one of the greatest obstacles to economic and social development around the world.

Over the past years, Randstad has participated in the business and human rights initiative of the Global Compact Network Netherlands. As part of this, we have embedded the Ten Principles into our corporate policies and developed a tool for human rights risk mapping. Our Human Rights Impact Assessment Framework 2015 can be found on our corporate website. We have also reviewed our global key control framework and expanded it to cover a number of relevant risks and controls related to business and human rights, notably bribery, workers' rights, health and safety, and discrimination. Other ways in which we monitor potential human rights risks include continuous training of our employees and management locally, and promoting organizational sensitivity to human rights issues in general.

In addition, as a signatory to the UN Global Compact, Randstad Argentina shared experiences with colleagues in a human rights workshop. From 2014 to 2015, the CEO of Randstad Argentina was the local network UN Global Compact representative. More information about our local initiatives in the field of human rights can be found on our corporate website.

Benchmarks

After having been excluded in 2014, Randstad was again included in the 2015 Dow Jones Sustainability Index (DJSI) review. Launched in 1999, the DJSI World is the first global index to track the leading sustainability-driven companies worldwide, based on RobecoSAM's analysis of financially material Environmental, Social, and Governance (ESG) factors. Randstad is the only HR services provider to be admitted to membership of the Professional Services industry section of the DJSI World and DJSI Europe indices. Of the 19 companies within our industry eligible for inclusion in the DJSI World index, only Randstad and one other company were included.

We are also an active participant in other international benchmarks and platforms, such as the Dutch Transparency Benchmark, Euronext Vigeo, VBDO's tax transparency benchmark, FTSE4 Good, Carbon Disclosure Project, Ecovadis, and Sedex.

Integrity and grievance mechanism

Under the Randstad misconduct reporting procedure, we encourage the reporting of serious misconduct, preferably directly to local management and through established operational channels. If, for any reason, these reporting lines are considered inappropriate or are likely to be ineffective, or if a complainant fears retaliation, use can be made of our special reporting facility. This reporting facility consists of a telephone hotline (accessible 24 hours a day via free local access numbers) and a secure webpage. Although reports can also be submitted anonymously, Randstad encourages complainants to reveal their identity when they submit a report, as this greatly facilitates the investigation of the issue. Reports can always be drawn up in the local language. The facility is operated by an independent external provider and allows communication between the two parties, even if the misconduct has been reported anonymously. This way of communicating with an anonymous complainant has proven to be successful in several instances. Consistent with Randstad's decentralized organization, reports are received by local integrity officers, who are responsible for handling complaints, supported, where appropriate, by other functions,

Misconduct reporting

	2015	2014
New complaints	113	136
Of which anonymous	35	52
Concerns referred to other channels/not legitimate	79	91
Proven or partially proven	10	21
Not proven	20	24[1]
Under investigation	4	-
Total	**113**	**136**

[1] The complaint reported as 'Under investigation' in 2014, appeared to be 'Not proven'.

either locally or within Randstad Holding. Actions resulting from this procedure vary from apologizing to the complainant and correcting mistakes to moving a temporary worker to a new assignment or even terminating an employment contract, be it of a corporate employee or a temporary worker.

Following up on our project in 2011, which considered the implications of the UN's 'Protect, Respect and Remedy' framework, we continue to work on raising and maintaining awareness of our grievance mechanism, including among our employees and candidates. Until last year, we continued to see a substantial increase in the number of complaints or concerns raised by these groups. However, they included a substantial number of complaints that bypassed the normal local reporting channels, such as the branch manager or local complaint desk. Through local communication efforts, we aim to maintain and increase awareness of the correct routing.

Of a total of 113 complaints made in 2015, 34 were accepted as admissible. After thorough investigation of these 34 complaints, 20 were found to be not proven, and 4 complaints were still under investigation at the end of the year. The proven complaints (10) related to fraud (4), intimidation/improper management practices (2), non-compliance with internal policies and procedures (2), employment conditions/health & safety (1), and breach of confidentiality/privacy (1).

In 2014, we assessed our grievance mechanism by means of the Management of Complaints Assessment tool developed by CSR Europe. This tool reviews performance against eight criteria as indicated by the UN Guiding Principles on Business and Human Rights: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue. Our overall score compared to our peers was well above average on most criteria.

Awareness of misconduct reporting procedure

as % of total number of respondents

	2015	2014
North America	72%	72%
Netherlands	56%	54%
France	85%	88%
Germany	83%	81%
Belgium & Luxembourg	63%	65%
Iberia	66%	65%
United Kingdom	67%	64%
Other European countries	73%	70%
Rest of the world	67%	67%
Corporate	87%	85%
Group	**70%**	**70%**

Source: Great People Survey

Supply chain responsibility

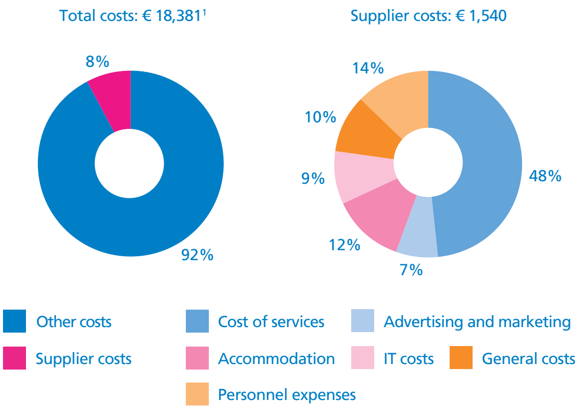
Our suppliers make an important contribution to the quality of our services. We therefore ask them to embrace our standards and to comply with our Supplier Code. This code is an integral part of our international terms and conditions. It aims to ensure that the procurement of goods, works, and services takes place in a socially responsible manner and in conformity with our business principles. In this code, we explicitly request our suppliers to respect our regulatory, social, and ecological principles, and to adopt practices consistent with those principles. Suppliers must ensure that their own suppliers and subcontractors also respect the principles set out in the code. We consult with suppliers periodically in order to verify compliance with the code. If deemed necessary, Randstad may have an audit conducted at the supplier's premises. The Supplier Code is published on our corporate website.

The related purchasing blueprint was rolled out in 2014. During the second half of the year, we audited usage of the blueprint and the Supplier Code, and found that implementation of the blueprint can be further enhanced in our operating companies. At the end of 2015, around 80% of our procurement expenditure in the Netherlands was covered by the Supplier Code.

A good example of supply chain management is the procedure followed by Randstad Argentina. This works as follows: the first mandatory step for suppliers in formalizing the relationship is to register on Randstad's website and explicitly subscribe to the Supplier Code. Once they are in the system, they are automatically notified when changes are made in the Supplier Code or in other conditions. Randstad Italy launched a new web portal for the qualifications of its suppliers. This consists of a very detailed questionnaire with general information about the supplier company, its organizational structure, its approach to quality and social responsibility, and relevant certifications.

Composition of the supply chain

as % of total (supplier) costs (x 1,000)



1 Actual reported operating expenses and cost of services excluding amortization, impairment and acquisition-related intangible assets.

On a global scale, around 8.4% of our cost base consists of supplier spending. The graph 'Composition of the supply chain' shows the proportions of the various supplier categories across the globe.

Our impact on the environment

The fact that our business is a people business is also reflected in our cost base. The vast majority of our costs consist of the salaries we pay to our own corporate staff and our candidates working for our clients. Because of the nature of our business, our impact on the environment is much less than that of some other sectors, such as manufacturing. Almost all of our business is conducted in local markets, and we have many locations close to both clients and candidates, greatly reducing travel and the resulting CO_2 emissions. Despite this inherently minimal impact, we do what we can to limit our ecological footprint by conserving energy, using sustainable energy sources, and reducing water and paper usage, while re-using or recycling wherever possible.

Mid-2015, we established a global environmental policy. This commitment to environmental protection is reflected in our sustainability framework, validated through a materiality analysis, as well as in our programs and practices for conducting operations in an environmentally, as well as economically, responsible manner. The policy can be found on our corporate website.

Our CO_2 footprint[1]

	2015		2014	
	Usage	CO_2 emission	Usage	CO_2 emission
Scope 1 (direct emissions)				
Gas for heating (m^3)	3,405,584	6,215	2,163,420	3,948
Fuel for heating (ltr)	54,000	172	72,000	229
District heating (Gj)	12,940	259	4,571	91
Business cars petrol (ltr)	4,470,000	12,427	4,232,000	11,765
Business cars diesel (ltr)	10,868,000	34,071	11,170,000	35,018
Business cars gas (ltr)	42,000	80	-	-
CO_2 metric ton scope 1		**53,224**		**51,051**
Scope 2 (indirect emissions)				
Electricity (Gj)	183,953	22,132	131,159	14,815
Sustainable electricity (Gj)	66,034	275	40,468	169
Airplane (km)	53,055,054	10,611	47,219,004	9,444
CO_2 metric ton scope 2		**33,018**		**24,428**
Scope 3 (remaining emissions)				
Water use (m^3)	263,411	78	194,865	58
Paper use (kg)	626,000	756	720,000	870
Paper waste (kg)[2]	666,000	633	446,000	424
Waste general (kg)[2]	1,207,000	1,147	1,169,000	1,111
CO_2 metric ton scope 3		**2,614**		**2,463**
Total CO_2 metric ton		**88,856**		**77,942**

1 Based on 90% of our operating companies.
2 Based on Randstad estimates.

CO_2 footprint

As a part of our framework, we continue to improve the completeness and accuracy of our Group environmental data, using a step-by-step approach. In 2012, we concentrated on measuring our impact due to travel, in particular journeys made using company cars. In 2013, we added to this the distances traveled by air. In 2015, we performed an internal review on the environmental data reported in 2013 and 2014. The main operating companies (constituting 90% of the total) were asked to check their data and make adjustments where necessary. This gave us better insight into the challenges related to collecting and reporting environmental data, which led to improvements and more extensive coverage. In previous years, we had only been able to calculate the CO_2 footprint of our Dutch operating companies, but now we can calculate a global CO_2 footprint, based on 90% of our operating companies. Having said that, our CO_2 emissions in 2015 were higher than in 2014. This was due to the rise in the number of FTEs and branches, as well as due to the fact that we are now reporting more actual figures rather than estimates. We still face challenges collecting actual figures on paper waste and general waste. We use mostly estimates to calculate the numbers, because only a few operating companies are able to receive this information from their suppliers. Most of our branches are located in collective tenant buildings where the collection of waste (including paper waste) is centralized, which means we cannot collect our own data.

Energy resources

To limit the use of fossil fuels, we constantly seek to increase the use of alternative, efficient, and natural energy resources (e.g., by replacing traditional lighting by LED lighting in our buildings). We are in the process of migrating our computing capacity to the cloud on a global level. As we are sharing capacity and optimizing our usage of servers by only making them available when we need them, we expect our energy consumption to decrease further. The Randstad corporate head office is the only major building we actually own, almost all other buildings worldwide being rented. Our head office uses 100% certified green electricity, while its environmental management system is ISO 15001 certified. The Randstad Belgium head office is certified for BREEAM (Building Research Establishment Environmental Assessment Method).

Increasing our people's awareness of simple ways to reduce the use of energy in our offices is the least we can do. At the same time, its impact is difficult to measure, given the fact that our offices are often leased all-in, and we share buildings with other tenants. We continue to try and convince our landlords to provide us with specifications of energy use, separate from lease costs, or to install smart meters. Our European operating companies have taken the necessary steps to comply with the European Commission's Energy Efficiency Directive and will increasingly have better insight into their energy consumption and possible improvements.

Travel and company cars

We are limiting our business travel impact on the environment by increasing the use of video and phone conferencing and VoIP. Increasingly, we are digitizing time sheets and staffing contracts, including signatures, which reduces paper use and traveling by both candidates and our consultants. Several operating companies in other countries have switched their cars to hybrid or fuel-efficient cars, or cars with capped CO_2 emissions. In addition, various operating companies run bike schemes, commuting projects, gas-saving contests, and other initiatives to reduce conventional energy usage. If traveling cannot be avoided, we prefer train travel over plane or car travel, which in several countries is supported by strict policies. In the Netherlands, we participate in a CO_2 compensation program for business flight emissions with our national airline.

More information about our local initiatives on the environment can be found on our corporate website.

Company cars

	Average number of cars		Kilometers driven (x 1,000)	
	2015	2014	2015	2014
North America	-	-	-	-
Netherlands	3,237	3,265	107,932	98,683
France	1,646	1,637	33,925	33,764
Germany	1,634	1,636	50,248	48,122
Belgium & Luxembourg	1,612	1,467	37,300	35,664
Iberia	595	638	19,503	20,196
United Kingdom	227	249	3,314	3,673
Other European countries	543	508	11,539	12,111
Rest of the world	572	554	9,766	10,324
Corporate	125	118	3,257	3,495
Group	**10,191**	**10,072**	**276,784**	**266,032**

Business flights

Total distance traveled (x 1,000 km)

	2015	2014
North America	32,248	30,682
Netherlands	314	286
France	3,188	3,412
Germany	2,570	2,514
Belgium & Luxembourg	31	40
Iberia	3,683	3,454
United Kingdom	1,081	916
Other European countries	1,911	1,863
Rest of the world [1]	19,864	11,618
Corporate	8,560	8,787
Group	**73,450**	**63,572**

[1] 2015 increase due to reporting of more actual figures and inclusion of Singapore.

performance

introduction

How we measure performance

Randstad has an extensive performance management system in place. Performance management at Randstad starts at the lowest level in our organization in the context of what we call 'activity-based field steering' (ABFS). Our ABFS model requires our units and teams to translate commercial goals (active clients, people at work) into actual activities on a daily basis. As our planning and control cycle is operationally driven, the data acquired through ABFS drives action right up to the Executive Board level. As a result, Executive Board members are closely involved with the operating companies under their responsibility.

Performance management

The performance of each operating company is measured at various stages during the year:

- Weekly overview of activities (ABFS tracker), temporary employees working (volumes), and permanent placements;
- Monthly income statement, balance sheet, cash flow, selected non-financial data, and a forecast with analysis;
- Quarterly income statement, balance sheet, cash flow, non-financial data, and a forecast with extensive analysis and benchmarking.

Each month, the Executive Board discusses performance with the management team of each operating company. The agenda includes financial and operational performance, forecasts, risk management, and the progress made in achieving strategic goals. Internal and external benchmarks are used to challenge performance and to identify points for improvement. In addition to the monthly control cycle, a yearly strategic planning cycle takes place in the spring, and an operational planning cycle takes place in the fall. The planning and control cycle is embedded in our Risk & Control framework.

Key performance indicators

Our day-to-day performance overview includes key performance indicators (KPIs) showing our growth, productivity, profitability, working capital, and cash flow. We use a variety of tools within our planning and control cycle to assess our performance and align future strategic and investment decisions to best utilize commercial and organizational opportunities. KPIs are used to measure and monitor performance against budgets, forecasts, the previous year, and our strategic targets. These indicators are described below.

Weekly indicators

Weekly volumes of employees working are an important indicator within our field steering model and measure the success of the units and teams. In addition, we track weekly information on permanent placements.

Market share

Gaining profitable market share is an important strategic target. Where possible, we aim to measure market shares at the lowest possible level (units and teams).

Profitability

Profitability indicates the quality of our top line and operational efficiency. Our overall financial goal is to achieve an EBITA margin of 5% to 6% over time. More information on our performance in 2015 can be found in the 'Financial performance' section, and information about our targets can be found in the 'Strategic priorities and targets' section.

Gross margin

We focus on temp margin (gross profit generated through temporary staffing) and the contribution of permanent placements and other fee-based business. Gross margin is, however, not a strategic target as such. In order to realize our EBITA-margin target, we focus on the extent to which gross profit is converted into EBITA.

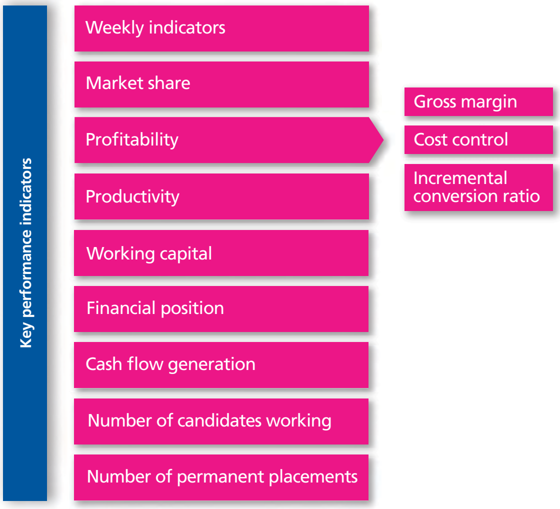
Cost control

Personnel costs are the largest contributor to operating expenses. By using our ABFS model, we know when and where we need to add or reduce staff. Relatively high staff turnover facilitates a good degree of flexibility of these costs. Other costs are also highly flexible and tightly controlled.

Incremental conversion ratio

We measure the percentage of gross profit converted into EBITA. In the early stages of recovery, we generally require the incremental conversion ratio (ICR) of a company to be over 70%. Once recovery has developed further, an ICR of 50% is required. In a period of contraction, we aim for a recovery ratio of 50%. This means that 50% of lost gross profit is recovered through reduced operating expenses. In the

Key performance indicators



'Financial performance' section, we have included an overview of conversion ratios in recent years.

Productivity

Productivity improvements (see 'Financial performance' for more details) are important in helping us to achieve our profitability targets. We measure productivity in three ways:

- Gross profit per staff member (GP/FTE);
- Gross profit in relation to personnel expenses GP/PE);
- The number of candidates per staff member (Temps/FTE).

Working capital

There is a strong focus within Randstad on Days Sales Outstanding (DSO), the amount of overdues, and working capital. This focus is also reflected in the bonus targets set for our senior management. As a further incentive, through a simplified EVA method, operating companies are charged for their use of operating working capital. Within working capital, the 'trade receivables' component is the most important for us to influence. Our liabilities comprise mainly wage tax and social security payments to tax authorities. Clearly, those payment terms are more difficult to influence. Over the years, we have shown substantial progress in improving our working capital management. In the 'Financial performance' section, we have included a more detailed analysis of our historical performance.

Financial position

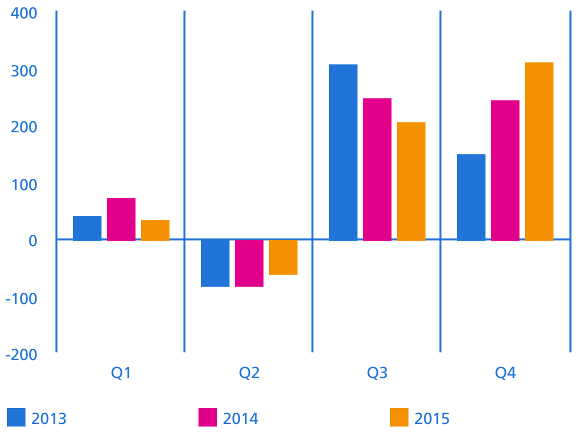
To maintain a solid financial position, we monitor our leverage ratio (net debt divided by 12-month EBITDA). This is used as guidance for dividend payment on ordinary shares and as a basis for our acquisition policy. Strategically, our target range is between 0 and 2, while our bank covenants allow for 3.5. In certain cases, we are now allowed to report to a maximum leverage ratio of 4.25x EBITDA for a limited amount of time. This provides us with a cushion in managing through the cycle. More information on our financial position and capital structure can be found in the section 'Investor relations and share performance'.

Cash flow generation

Better profitability and more efficient use of working capital result in sound cash generation, which we measure on the basis of the amount of free cash flow generated. Free cash flow includes operating profit and movements in working capital plus capital expenditure. In a normal year, our free cash flow moves in line with the seasonal pattern in our business. While the free cash flow in the first quarter is normally low, it is negative in the second quarter, as working capital requirements increase in line with higher revenue and the payment of holiday allowances in Belgium and the Netherlands. Free cash flow in the second half of the year is normally higher, based on higher revenue and profit. Traditionally, we experience unwinding of working capital in December, impacted by the holidays. The development in free cash flow per quarter is shown in the graph 'free cash flow development'. In a downturn, we typically see significant unwinding of working capital. More information on cash flow analysis can be found in our quarterly press releases, and in the section 'Performance'.

Free cash flow development[1]

in millions of €



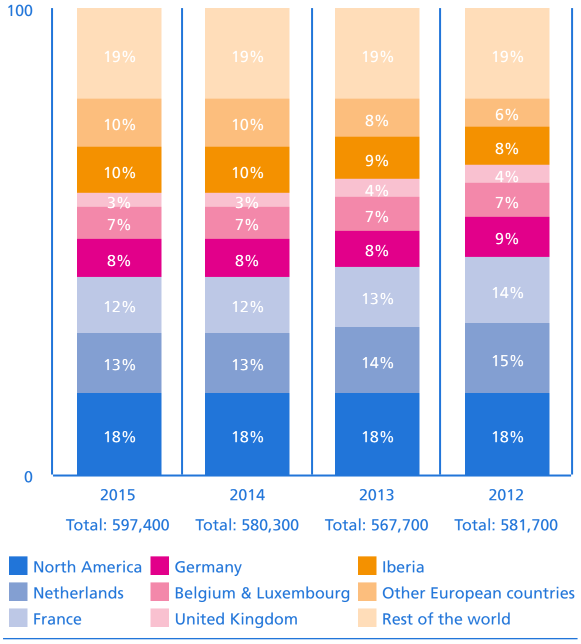
[1] Q4 2013 is adjusted for a payment of € 131 million to the Dutch tax authority.

Number of candidates working

In order to determine our success across the various markets in which we operate, we also regularly monitor the number of candidates we place with our clients, as well as our market share across countries. See the graph 'Candidates working split by geography' for more details on the development per region. Performance relating to market share can be found in the section 'Country performance'.

Candidates working split by geography

as a % of total number of candidates working per day



Number of permanent placements

Matching candidates with clients for temporary assignments has always been the biggest part of our business. However, over the past few years, permanent placements have become a growing proportion of our daily work. The table 'Number of permanent placements' reflects the 2015 numbers compared to 2014, broken down by geography.

Number of permanent placements

	2015	2014
North America	19,700	19,900
Netherlands	7,300	6,800
France	32,400	21,000
Germany	3,800	3,100
Belgium & Luxembourg	2,900	2,700
Iberia	14,600	9,100
United Kingdom	9,900	9,100
Other European countries	10,200	9,800
Rest of the world	19,500	23,900
Group	**120,300**	**105,400**

financial performance

Income statement

For a meaningful analysis of our results, we need to look at the underlying results, which excludes the impact of foreign exchange movements, mergers and acquisitions, and one-off items such as restructuring costs, integration costs, and certain incidental benefits or charges.

Income statement, underlying

in millions of €, unless otherwise indicated

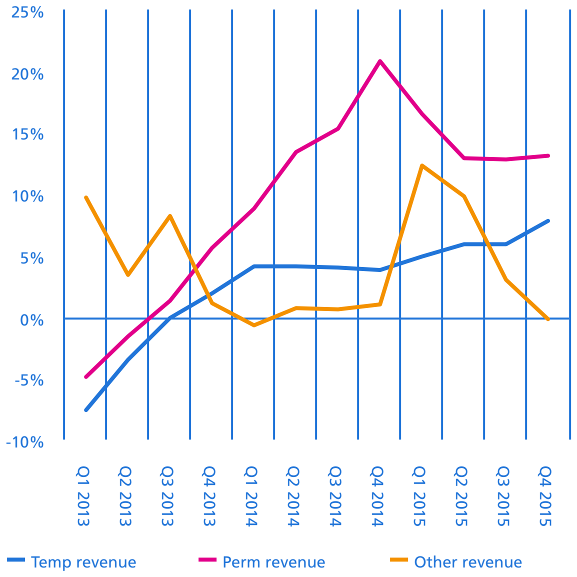
	note [1]	2015	2014	organic Δ%
Revenue	**4.4**	**19,219.2**	**17,249.8**	**6**
Cost of services	8.1	15,624.7	14,069.8	
Gross profit	**5.1**	**3,594.5**	**3,180.0**	**7**
Personnel expenses		2,077.0	1,854.7	
Other expenses		655.6	619.3	
Operating expenses	**8.2**	**2,732.6**	**2,474.0**	**4**
EBITA		**861.9**	**706.0**	**16**
Gross margin		18.7%	18.4%	
Operating expenses margin		14.2%	14.3%	
EBITA margin		4.5%	4.1%	

[1] Note refers to the notes to the consolidated financial statements, which present actual numbers.

Revenue

At Group level, organic revenue increased 6.2% in 2015 (2014: 3.9%). Currency effects had a positive impact of 4.6%, with a small impact from acquisitions/disposals and working days. Overall reported revenue for the year increased 11% to € 19,219.2 million. Our European operations grew 6% in 2015 (2014: up 3%), North America grew 5% (2014: up 3%), Asia grew 8% (2014: up 10%), and Latin America grew 15% (2014: up 14%). More detailed information is included in the section 'Country performance'. More information about the three main business lines (Staffing, Inhouse and Professionals) can be found in the section 'Performance by revenue category'.

Year-on-year organic growth



Permanent placements were up 14% (2014: up 14%). Permanent placements made up 2.0% of revenue (2014: 1.8%). Revenue from temporary Staffing increased by 6% organically (2014: up 4%)

On average, we employed 597,400 candidates per day, and we made around 120,300 permanent placements in 2015. Annually, we employ around two million people.

Organic growth per working day

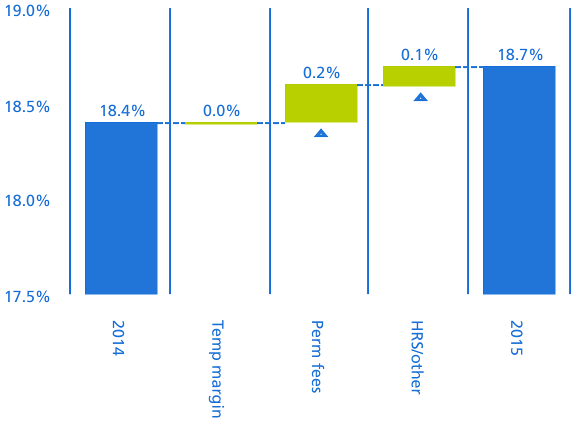
in %

	Q1	Q2	Q3	Q4	full year
Geographic areas					
North America	5	5	4	4	5
Netherlands	10	15	10	9	11
France	(0)	4	3	10	4
Germany	(3)	0	2	1	0
Belgium & Luxembourg	7	6	1	6	5
Iberia	12	8	8	11	10
United Kingdom	3	0	1	(4)	0
Other European countries	12	9	11	13	12
Rest of the world	12	12	11	7	11
Revenue categories					
Staffing	5	6	5	6	6
Inhouse	11	12	9	12	11
Professionals	3	3	4	3	3
Group	**6**	**7**	**5**	**7**	**6**

Gross profit

Gross profit reflects our effectiveness in pricing, cost of employee benefits, and idle-time management. In 2015, gross profit amounted to € 3,594 million, an increase of 7% compared to the previous year (2014: up 6%). Gross margin increased 30bp to 18.7%. The graph 'Change in gross margin' shows the change in gross margin in 2015. Note 5 to the financial statements includes an overview of the actual reported gross profit per geography.

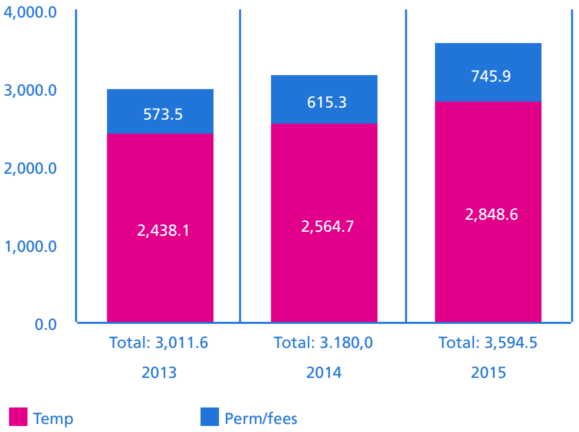
Change in gross margin



Our temp margin was stable compared to last year as mix effects offset a more competitive market. Permanent placements and HR Solutions fees had a positive impact of 30bp. At Group level, the contribution from permanent placements ('perm fees') made up 10.6% (2014: 9.8%) of gross profit.

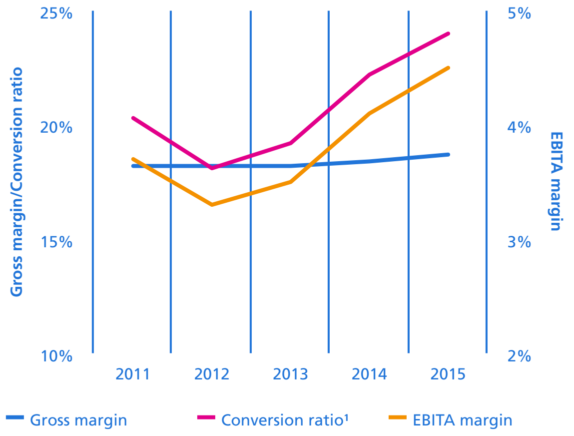
Gross profit

in millions of €



The trend in gross margin is monitored closely. An improvement indicates that we are succeeding in improving our business mix towards higher-value-added segments in the HR outsourcing space. In order to realize our EBITA margin targets, we aim to maximize conversion of gross profit into EBITA.

Gross margin, conversion ratio and EBITA margin



1 EBITA as percentage of gross profit.

Productivity

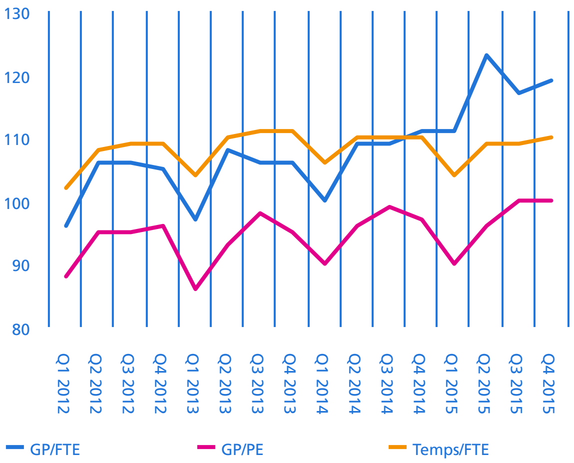
As explained in the sections 'Value proposition & strategy' and 'How we measure performance', productivity improvements are key to achieving our profitability targets. We measure productivity in three ways:

- Gross profit per staff member (GP/FTE);
- Gross profit in relation to personnel expenses (GP/PE);
- Number of candidates per staff member (Temps/FTE).

Productivity (GP/FTE) increased by 4.0% in 2015 (2014: up 3%). We focused on achieving greater efficiencies across the organization, mainly through better execution based on field steering and the implementation of the right delivery models for our clients. The lack of material growth over the past years made it difficult to significantly improve our productivity.

Productivity, indexed

100 = 2007



Operating expenses

A breakdown of operating expenses is shown in the table 'Operating expenses'. These expenses reflect the costs related to our sales and delivery organization, as well as our head offices.

Operating expenses

in millions of €, unless otherwise indicated

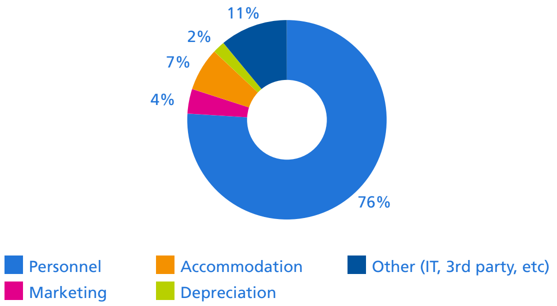
	2015	2014
Personnel expenses	2,077.0	1,854.7
Advertising and marketing	109.4	102.2
Accommodation costs	184.2	184.7
Other operating expenses	298.2	268.2
Depreciation, amortization and impairment PPE and software	63.8	64.2
Operating expenses, underlying	**2,732.6**	**2,474.0**
Average number of corporate staff	29,750	28,720
Number of branches, year-end	2,750	2,816
Number of inhouse locations, year-end	1,723	1,595

In 2015, underlying operating expenses amounted to € 2,732.6 million, up 4% organically. Foreign exchange effects increased our cost base by € 142.7 million. As a result of a benchmarking study, we are implementing a restructuring aimed at reducing overhead by reorganizing management, head-office and back-office functions. Actual operating expenses in 2015 included € 29.9 million one-offs, which are mainly restructuring charges (2014: € 37.1 million), for which we aim to achieve a payback period of twelve months.

The graph 'Change in operating expenses' shows the most important changes in our underlying cost base in 2015.

Personnel expenses increased by 5% organically. We invested in areas where growth continued, such as in the US (Staffing), Spain and Italy. Personnel expenses per FTE were higher compared to 2014, due to growth in our more developed markets. An overview of corporate staff by region is given in the section 'Country performance'. Further details on actual personnel expenses can be found in note 9 to the financial statements.

Operating expenses

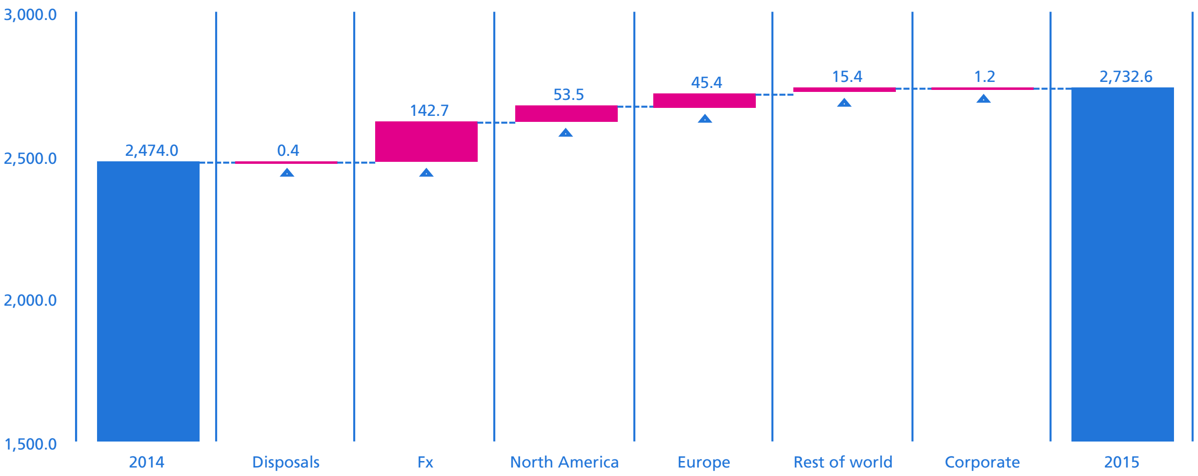


Marketing costs were 0.6% of revenue (in line with 2014). Further information about our marketing strategy is included in the section 'Value for our clients and candidates'.

Accommodation costs fell by 3% organically. Across the board, we continued to consolidate branches, without leaving markets. As we continued to see strong demand for Inhouse Services, we opened 128 new Inhouse locations in 2015 (2014: 169), most notably in North America, France, Belgium, and Spain. At the end of 2015, we were operating a network of 2,750 branches (down 2%) and 1,723 Inhouse locations (up 8%).

Change in operating expenses

in millions of €



Other operating expenses – mainly IT and general costs – decreased by 3%. IT costs generally contract and expand with our capacity. General costs, which mainly consist of postage, office supplies, and consultancy costs, decreased in line with our focus on cost control.

Depreciation and amortization charges were lower than in 2014. Because of our reduced office network, investments in branches and IT have been relatively low over the past few years. On average, we depreciate assets over three to five years.

Branches and Inhouse locations, year-end

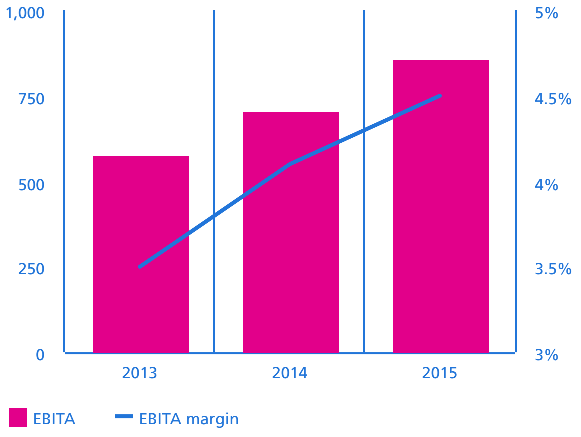
	2015		2014	
	branches	inhouse locations	branches	inhouse locations
North America	696	423	704	380
Netherlands	311	333	321	368
France	521	207	564	177
Germany	274	276	285	270
Belgium & Luxembourg	150	153	172	138
Iberia	207	99	216	76
United Kingdom	75	64	89	51
Other European countries	288	118	278	113
Rest of the world	228	50	187	22
	2,750	**1,723**	**2,816**	**1,595**

EBITA

Underlying EBITA increased to € 861.9 million, with the EBITA margin improving to 4.5%, compared to 4.1% in 2014. Currency effects had a positive impact on EBITA of € 36.7 million.

EBITA development

in millions of €



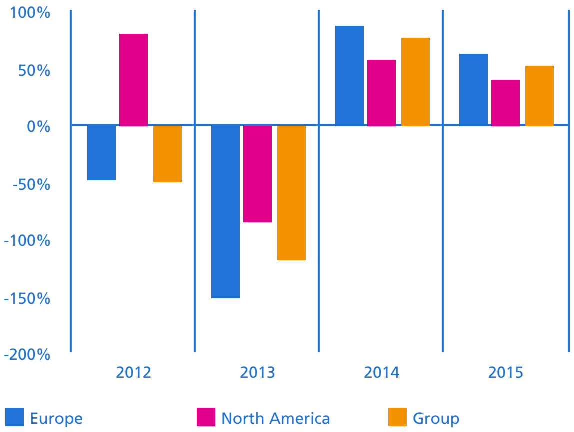
EBITA

in millions of €

	2015	2014	Δ%
EBITA, underlying	**861.9**	**706.0**	**22**
Integration costs	-	5.8	
One-offs	29.9	39.5	
EBITA, actual	**832.0**	**660.7**	**26**
Amortization of intangible assets	127.3	145.4	
Operating profit	**704.7**	**515.3**	**37**
Net finance costs	(29.1)	(30.5)	
Share in profit of associates	0.7	0.3	
Result on disposal of associates (one-off)	6.1	-	
Income before taxes	**682.4**	**485.1**	
Taxes on income	(163.6)	(145.0)	
Net income	**518.8**	**340.1**	**53**

As explained in the section 'How we measure performance', we measure the conversion of gross profit into EBITA. If we grow, our target is to convert at least 50% of incremental gross profit into EBITA (incremental conversion ratio). If our gross profit declines, our target is to achieve cost savings of at least 50% of lost gross profit (recovery ratio). For the Group as a whole, the incremental conversion ratio was 52%, in line with our ambition.

Incremental conversion ratio



Target:

- Incremental conversion ratio: 50%
- Recovery ratio: -50%

Amortization of intangible assets, impairment of goodwill, and badwill

Intangible assets are capitalized in the balance sheet upon acquisition of companies and reflect the value that is allocated to assets, such as brand names, customer relationships, and candidate databases. These intangible assets are amortized over a period of one to eight years. During the year, the amortization charge decreased, mainly due to the phasing out of intangibles related to the Vedior acquisition. For more information, see note 4.1 and note 15 to the financial statements.

Operating profit

Operating profit is EBITA including the non-cash amortization and impairment charges on acquisition-related intangible assets and goodwill. As a result of the change in the aforementioned charges, operating profit increased by 37% compared to 2014 to € 704.7 million.

Net finance costs

For the full year, net finance costs amounted to € 29.1 million, compared to € 30.5 million in 2014. Net finance costs include net interest expenses on our net debt position, as well as foreign currency effects and adjustments in the valuation of certain assets and liabilities. Interest expenses on our net debt position amounted to € 13.3 million (2014: € 16.7 million). Interest expenses decreased, following the strong cash flow generation during the year and low interest rates. We have a policy of using floating rates as a natural hedge against the development in operational results, which continued to pay off significantly. Foreign currency effects had a negative effect of € 17.5 million (2014: € 13.8 million negative). Further details on net finance costs are included in note 10 to the financial statements.

Taxes on income

The effective tax rate before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs, and one-offs amounted to 25.5% in 2015 (2014: 30.1%). More information on the actual effective tax rate is given in note 4.3 to the financial statements.

Net income, earnings per share and dividend

Adjusted net income for holders of ordinary shares amounted to € 608.3 million (2014: € 459.9 million).

Diluted EPS increased by 31% to € 3.32 (2014: € 2.54). The number of outstanding ordinary shares increased by 2% (to 183 million shares), due to stock dividend and the exercise of stock options.

In line with our dividend policy, we will propose the payment of a cash dividend of € 1.68 per ordinary share (2014: € 1.29). This means a payout ratio of 50% (in line with 2014). Our dividend proposal is further elaborated on in the 'Investor relations' section.

Net income, earnings per share and dividend

in millions of €, unless otherwise indicated

	2015	2014
Net income	**518.8**	**340.1**
Net income for non-controlling interests	0.0	0.0
Net income for holders of preference shares	12.6	12.6
Net income for holders of ordinary shares	**506.2**	**327.5**
Amortization of intangible assets [1]	127.3	145.4
Integration costs	-	5.8
One-offs [2]	23.8	39.5
Tax effect on amortization, integration costs and one-offs	(49.0)	(58.3)
Net income for holders of ordinary shares, adjusted	**608.3**	**459.9**
Basic EPS (€)	2.79	1.83
Underlying basic EPS (€)	3.35	2.57
Underlying diluted EPS (€)	3.32	2.54
Proposed dividend (€)	1.68	1.29
Payout ratio (% of underlying basic EPS)	50	50

1 Amortization of acquisition-related intangible assets and impairment of goodwill.
2 Including € 6.1 million gain on disposal of associates.

Invested capital

Our invested capital amounted to € 4.0 billion (2014: € 3.7 billion). The primary components of our invested capital, as shown in the overview below, are goodwill and acquisition-related intangible assets, working capital, and net tax assets. Return on invested capital further improved to 18.8% (2014: 15.8%).

Invested capital

in millions of €, unless otherwise indicated

	note [1]	2015	2014
Goodwill and intangible assets	4.1,14,15	2,649.1	2,597.5
Trade and other receivables [2]	21.2	3,428.9	3,073.9
Trade and other payables [3]	21.3	2,807.5	2,586.2
Operating working capital		**621.4**	**487.7**
Net tax assets [4]	4.3	516.8	527.1
Other assets/(liabilities) [5]	13,16,21	247.6	122.8
Invested capital		**4,034.9**	**3,735.1**
Financed by			
Equity	19	3,861.7	3,313.1
Net debt	3.2	173.2	422.0
Invested capital		**4,034.9**	**3,735.1**
Ratios			
DSO (Days Sales Outstanding, moving average)		50.7	51.7
Working capital as % of revenue		3.2%	2.8%
Leverage ratio (net debt/EBITDA)		0.2	0.5
Return on invested capital [6]		18.8%	15.8%

[1] Note refers to the notes to the consolidated financial statements.
[2] Trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed Group companies, and interest receivable.
[3] Trade and other payables minus interest payable.
[4] Net tax assets: deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.
[5] Other assets/liabilities: property, plant and equipment plus financial assets and associates, less provisions and employee benefit obligations and other liabilities.
[6] Return on invested capital: underlying EBITA less income tax paid as a percentage of invested capital.

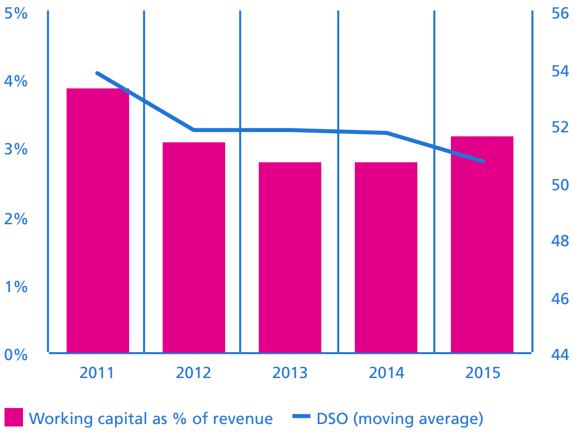
Operating working capital

During the year, we continued our focus on working capital management, paying special attention to the collection of trade receivables and the reduction of overdues. As growth returned towards the end of the year, trade receivables grew accordingly. As a percentage of revenue, working capital was 3.2% (2014: 2.8%). Within working capital, the component we most need to be able to influence is trade receivables. Our DSO was 50.7 days (2014: 51.7). We aim to realize further improvements by focusing on the aging of trade receivables, including payment terms and overdues. The graph 'Working capital management' shows the development of working capital and DSO over the past few years. In 2011, working capital as % of revenue was impacted by the timing of the acquisition of SFN Group.

Our exposure to bad debt remained limited, and only 0.2% of revenue (2014: 0.2%) was written off, as these receivables were considered to be uncollectible. Our trade receivables portfolio is very diversified geographically, in terms of both segmentation and client base, which mitigates credit risk. Current liabilities mainly comprise liabilities such as wage tax, social security charges, and pensions, for which payment terms are determined by law and therefore difficult to change.

We experience that some clients are challenging the EU directive on payment terms. Randstad has no flexibility in terms of its own payments (as these are to candidates and tax and social security authorities). That is why we continue to make an appeal to our clients for payment terms that are in line with EU guidelines, respecting a sustainable way of doing business.

Working capital management



Other assets and liabilities

For the purpose of analyzing our invested capital, we have grouped various other assets and liabilities. Please refer to footnote 5 of the invested capital table for a description of the constituents. The largest part of the year-on-year change in this section was caused by a € 101.9 million increase of the CICE receivable (arising from tax credits under the French Competitive Employment Act). These tax credits can be offset against the income tax liability with respect to the calendar year to which the wages (based on which the tax credit is calculated) relate. Any excess credit can be carried forward and offset against the tax liability during the next three years. Any excess after three years will be refunded.

Net debt

Our net debt position decreased to € 173.2 million, mainly as a result of a solid free cash flow of € 498.8 million. As a result, the leverage ratio (net debt divided by 12-month EBITDA) was 0.2 at year-end, well within our targeted range of between 0 and 2. The section 'How we measure performance' contains an overview of the development of net debt and the leverage ratio.

Net debt

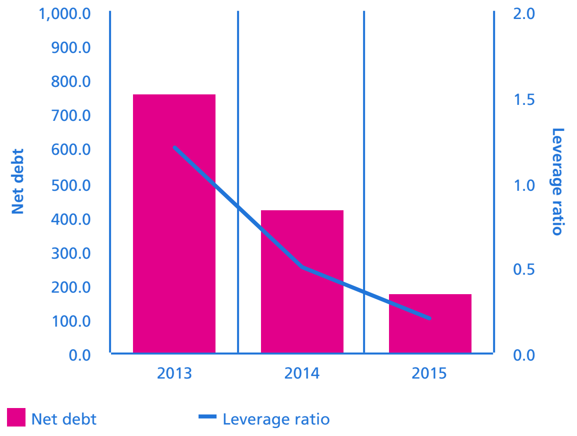
in millions of €, unless otherwise indicated

	2015	2014
Cash and cash equivalents	133.5	117.1
Less: Non-current borrowings	124.6	315.0
Less: Current borrowings	182.1	224.1
Net debt	**173.2**	**422.0**
Leverage ratio	0.2	0.5

Since December 31, 2014, Randstad has had a revolving multicurrency credit facility of € 1,800 million, which will mature mid-2020. The maturity can potentially be extended to a maximum of 7 years (e.g., to mid-2021) through the exercise of two extension options, which are at the banks' discretion. In addition to this credit facility, Randstad can avail of uncommitted and guaranteed credit lines of roughly € 1.1 billion. Randstad has agreed on financial covenants, which requires us to have a maximum leverage ratio of 3.5x EBITDA. In some specific scenarios, Randstad is permitted to report a maximum leverage ratio of 4.25x EBITDA for a limited amount of time.

Net debt and leverage ratio development

in millions of €



In February 2013, Randstad launched standby facilities with a small group of banks, which ran up to 24 months from the start. These facilities offer Randstad the opportunity to sell trade receivables of selected European activities up to a maximum of € 275 million. On December 31, 2014, the remaining facilities, with a maximum of € 150 million, were not activated or extended. These facilities lapsed on February 13, 2015.

Cash flow analysis

Free cash flow

Free cash flow amounted to € 498.8 million (2014: € 487.7 million). Working capital requirements increased to support the accelerated growth we have seen this year (€ 121.9 million outflow). Please refer to the Consolidated statement of cash flows on page 113 for more details on this topic.

Consolidated cash flow statement

in millions of €

	2015	2014
EBITA, actual	**832.0**	**660.7**
Depreciation, amortization and impairment of property, plant and equipment and software	64.7	65.2
EBITDA	**896.7**	**725.9**
Working capital	(121.9)	8.9
Provisions and other items	(103.8)	(60.6)
Income taxes paid	(105.4)	(116.7)
Net cash flow from operating activities	**565.6**	**557.5**
Net capital expenditures [1]	(63.0)	(63.3)
Financial receivables	(3.8)	(6.5)
Free cash flow	**498.8**	**487.7**
Net acquisitions and disposals [2]	(83.9)	(5.7)
Issue of ordinary shares	4.2	1.5
Purchase of own shares	(58.3)	(25.7)
Dividend paid on ordinary shares	(81.5)	(56.0)
Dividend paid on preference shares	(12.6)	(12.1)
Net finance costs	(9.1)	(30.4)
Translation and other effects	(8.8)	(20.3)
Net decrease of net debt	**248.8**	**339.0**

1 Net additions in property, plant and equipment and software.
2 Net acquisitions and disposals of subsidiaries/activities, associates and equity investments.

country performance

Introduction

Randstad operates in 39 countries, representing more than 90% of the global HR services market. This is not likely to change, as we believe our current network covers the most attractive geographies. In this section, we provide an overview of our underlying performance in these countries in 2015.

North America

in millions of €	2015	2014	organic Δ%
Revenue	4,653.4	3,765.9	5
EBITA	249.1	180.0	17
EBITA margin	5.4%	4.8%	

Randstad is the third-largest provider of HR services in North America. We hold market leading positions in key verticals, including IT, accounting and finance, office/clerical, and permanent placements. We also lead the market in providing innovative solutions, with offerings including MSP, RPO, Inhouse Services, and, as of 2015, outplacement.

During 2015, sales in North America increased 4.8%, while gross profit was up 9.3%. Overall profitability in North America reached a new record level for the third year in a row. This was a result of pricing discipline, increased share of permanent placements, and ongoing improvements in the efficiency of our cost base. EBITA margin increased to 5.4%, compared to 4.8% in 2014 and 4.5% in 2013.

US revenue grew by 5.5%, while gross profit grew by 10.2%. With our continued advancements in field steering and improvements in back-office efficiency, EBITA margin for our combined US business improved again.

The US Staffing and Inhouse businesses benefited from the combined impact of rigorous field steering, significant sales traction, investment in field staff, and positive market developments in manufacturing and logistics staffing and permanent placements. With full-year growth of 7% in revenue and 13% in gross profit, we outperformed the market. Inhouse Services performed particularly well, driven by record new account growth and strong customer retention. Overall permanent placements within our Staffing business grew 17% compared to 2014, accounting for 7.5% of gross profit.

Main market positions, 2015

in billions of local currency

regions	market size [1]	market growth %	market share in %	market position[1]
United States	120	4	4	2
Netherlands	19	12	18	1
France	22	4	13	3
Germany	24	5	8	1
Belgium & Luxembourg	7	9	20	1
Spain	4	18	23	1
United Kingdom	34	8	2	4

1 Based on country data, 2014 figures, and estimated growth rates.

Revenue growth in our Professionals group was 1%, and gross profit growth was 5%, as a result of further advancements in field steering, strong perm revenue growth, and continued focus on pricing. EBITA margin in our combined Professionals business also improved. In our Finance & Accounting business, perm revenue grew at 12%, outpacing growth in temporary staffing, and overall gross profit grew by 6%. IT experienced strong demand within our large-account segment (21% revenue growth) and solutions offering (11% gross profit growth), but experienced weaker growth in the SME staffing segment. Our relatively small Healthcare business outperformed a strong market, growing revenue per day by 39.4%. Our Engineering business grew gross profit by 9%, despite challenging market conditions in the energy sector,

Development in the main geographic markets

in millions of €, unless otherwise indicated

	revenue		organic	average candidates		average corporate staff	
	2015	2014	growth %	2015	2014	2015	2014
North America	4,653.4	3,765.9	5	108,800	106,400	6,430	6,220
Netherlands	3,076.9	2,794.7	11	76,600	75,600	4,150	4,350
France	2,845.1	2,726.2	4	74,600	70,400	3,460	3,390
Germany	1,969.6	1,949.3	0	45,800	46,600	2,570	2,610
Belgium & Luxembourg	1,350.3	1,283.3	5	41,400	40,000	1,890	1,750
Iberia	1,193.5	1,086.1	10	61,000	58,100	1,750	1,560
United Kingdom	909.5	821.7	0	16,000	17,200	1,560	1,530
Other European countries	1,576.6	1,371.3	12	60,100	55,800	2,820	2,450
Rest of the world	1,644.3	1,451.3	11	113,100	110,200	4,930	4,660
Corporate	n.a.	n.a.	n.a.	n.a.	n.a.	190	200
	19,219.2	**17,249.8**	**6**	**597,400**	**580,300**	**29,750**	**28,720**

with a solid performance in permanent placements and disciplined pricing.

Early in 2015, the formation of our Talent Solutions Group (TSG) brought together all of our strategic solutions and enterprise sales teams into a single organization dedicated to providing integrated talent management solutions that elevate and maximize the strategic value delivered within our highest-potential client relationships. Within the TSG, the North American Randstad Sourceright MSP business increased spend under management by 35% in 2015, as a result of substantial new client wins and expansion of existing programs. In 2015, our Randstad Sourceright RPO business achieved record growth (21%) and record profitability. We continue to reap the benefits of our centers of excellence, combining process standardization with technology platforms, which yield continued efficiencies.

Randstad Canada performed well despite very challenging market conditions and saw revenue contract by 1.8%. A strong performance in perm, which grew by 7%, resulted in a gross profit performance and profitability in line with prior year.

The Netherlands

in millions of €	2015	2014	organic Δ%
Revenue	3,076.9	2,794.7	11
EBITA	194.4	170.6	14
EBITA margin	6.3%	6.1%	

In the Netherlands, where Randstad is the market leader, revenue grew 11% organically and our EBITA margin increased 20bp to 6.3%. Perm fees increased 17%.

Our combined Staffing and Inhouse revenues (represented by the Randstad and Tempo-Team brands) increased 10%. In the SME market, we continued the strong growth rates (>15%) that had already started in 2014. In both segments, the market remained competitive. Having the right delivery models in place with both our Inhouse concept and central delivery, we were able to offset this with higher productivity.

Significant progress was made in the Professionals segment, whose revenues grew 17% (above the market). The Yacht, Randstad Professionals, Tempo-Team Professionals, and MartinWardAnderson businesses have been combined to create a stronger and more focused Professionals business under the Yacht brand. The internationally proven vertical approach has been introduced to be more aligned with client wishes, while also catering to the needs of our professionals, who want to be connected with peers in communities. The introduction of a split model (with separated sales and recruitment functions) has helped to create more focus. Within this year of multiple transitions, commercial activity remained at a high level. Yacht booked solid growth in the main verticals of IT, Engineering, and Finance, supplemented by even stronger growth in particularly Supply Chain & Procurement, Legal, and the Social Domain.

Perspective Statement

Together with Obvion and 'Vereniging Eigen Huis', Randstad developed the Perspective Statement in 2013. In 2015, the successful pilot of this declaration was expanded, with participation of almost all large banks and mortgage lenders in the Netherlands. The declaration makes it easier for people with a flexible employment contract to get a mortgage. Rather than focusing on an individual's employment contract, the prospects of employment are decisive. Education, work experience, competences, the level of the job, flexibility, and the future situation on the labor market are all taken into account.

Finger scan

Another innovation rolled out by Tempo-Team was the finger scan. Under the name of T-Point Touch, this innovation not only helps to reduce companies' administrative costs, but also results in significant time savings. This means there is more time left for the personal guidance of employees. Tempo-Team expects an explosive growth of this form of identification in the next few years.

France

in millions of €	2015	2014	organic Δ%
Revenue	2,845.1	2,726.2	4
EBITA	148.7	145.5	2
EBITA margin	5.2%	5.3%	

Randstad is the third-largest provider of HR services in France, with a 13% market share. Revenue grew 4%, while EBITA margin came out at 5.2% (down 10bp compared to 2014). In France, we have leading positions in Inhouse Services, Healthcare, and permanent placements. The French market returned to a growth of 4% in 2015, which is an improvement compared to 2014 (flat). This growth was mainly driven by strong growth in tertiary services (up 8.8%) and industry (up 4.1%), partially offset by a continued decline in construction (down 6.6%).

Regaining market share while consolidating higher profitability levels was Randstad's primary goal in France throughout 2015. Our focus remains strongly on profitable market segments. This is of paramount importance, as we operate in a mature market with pressure on prices. Our combined Staffing and Inhouse revenues grew 4%, and we achieved 4% growth in Professionals. Overall revenue from permanent placements grew by 17% in 2015 across all business lines, with Professionals placements increasing more than 20%. The growth in Professionals was driven by another strong year for our Healthcare businesses l'Appel Médical and JBM (up 11%).

Big Data solution

In 2015, Randstad France rolled out its Big Data project. Combining its own data with external data from partners and open data sources, Randstad France developed a solution that improves decision-making by providing better insight into the labor market. Focusing on skills rather than jobs, the new tool displays the qualities recruiters are looking for, as well as the skills that are available in a particular employment area. This new approach to employment-related data will help companies, job seekers, and even public organizations to gain a detailed picture of available skills and skills shortages in every local labor market across France. Consultants can also use this mobile application during client visits, thereby improving productivity.

Germany

in millions of €	2015	2014	organic Δ%
Revenue	1,969.6	1,949.3	0
EBITA	95.7	85.6	12
EBITA margin	4.9%	4.4%	

In 2015, we retained our market leadership position in Germany, and our overall revenue remained stable compared to the previous year. Underlying EBITA margin reached 4.9%, compared to 4.4% in 2014. The German staffing market saw a recovery in 2015, after a decline that had been visible since 2013. We were able to stabilize our gross margin in 2015, after some pressure in previous years driven by adverse regulatory issues.

In Staffing and Inhouse Services, our combined Staffing and Inhouse businesses (where we operate as Randstad and Tempo-Team) grew by 1%. Randstad Inhouse Services continued to do well, but grew at a lower level compared to last year, due to fewer transfers and less business from some dominant clients. Our Inhouse business is currently operating from 276 locations across Germany. Our continued efforts to improve our business mix resulted in another strong performance in permanent placements, with revenue increasing by 28% compared to last year.

Revenue in Professionals declined by 2%. Our IT freelancer business (GULP) grew by 3%, remaining the most important source of IT project candidates among external specialists in Germany. GULP is also the leading internet-based project intermediary, offering clients a comprehensive online portal that provides information and services for IT-related project business. It contains profiles of 90% of all German IT freelancers. Randstad Professionals provides high-end HR solutions in the engineering and IT services segments. Its revenue and profitability remained under pressure, with developments easing slightly towards the end of the year.

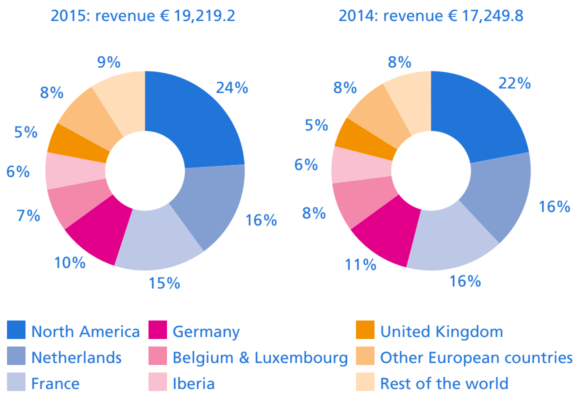
Belgium & Luxembourg

in millions of €	2015	2014	organic Δ%
Revenue	1,350.3	1,283.3	5
EBITA	79.6	66.5	20
EBITA margin	5.9%	5.2%	

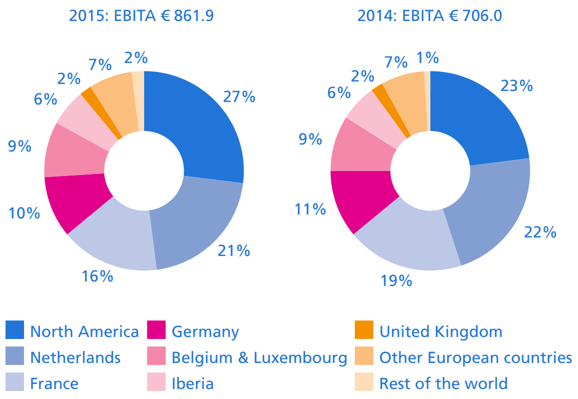
Randstad remains the clear market leader in Belgium and Luxembourg. The market recorded 9% growth in the year, despite a brief slowdown in Q3. Overall, revenue grew by 5% in 2015, with growth in both Randstad and Tempo-Team, while gross profit increased by 7%. Our EBITA increased by 70bp to 5.9%.

The ongoing implementation of activity-based field steering (ABFS) led to higher activity levels and strong productivity gains in 2015. The combined Staffing and Inhouse businesses (where we operate as Randstad and Tempo-Team) reported 5% topline growth. Throughout the year, the focus was on profitability.

Revenue split by geography



EBITA split by geography



Iberia

in millions of €	2015	2014	organic Δ%
Revenue	1,193.5	1,086.1	10
EBITA	51.4	42.9	20
EBITA margin	4.3%	3.9%	

Revenue growth in our Iberia division was 10%, with EBITA margin reaching 4.3%, compared to 3.9% in 2014. We are market leader in both Spain and Portugal.

Spain

Spain enjoyed a very strong year in 2015 (revenue up 14%). This was thanks to the underlying improvement in the economy and labor market, as well as our relentless focus on client profitability, internal productivity, and risk control. Our Staffing business once again reached double-digit growth, broadly in line with the market, and with a clear positive trend throughout the year. Our decision to continue to invest in the Professionals business has paid off, as we are now clearly one of the Top 3 Professionals players in Spain. Innovation also played an important role in 2015. Applying an integrated approach, we developed a range of new tools for consultants, clients, and candidates, leading to seamless interactions and greater satisfaction levels all round.

Portugal

Overall revenue was stable compared to last year. Solid growth was achieved in the Contact Center business, and our Professionals business also had a good year, with strong growth in permanent placements. This was offset by lower revenue in Staffing, where we focused on client profitability and delivery models. The implementation of field steering and the ongoing optimization of administrative processes were important achievements in 2015. As we continue to benefit from these initiatives, our strategic focus remains on enriching our business mix, better delivery models for our clients and candidates, and risk management.

United Kingdom

in millions of €	2015	2014	organic Δ%
Revenue	909.5	821.7	0
EBITA	22.0	14.2	40
EBITA margin	2.4%	1.7%	

A year of two halves, the UK market in the first half-year was strong, whereas the second half-year was much more difficult. Overall for the year, revenue was flat on an organic basis and our EBITA margin improved 70bp to 2.4%.

Our growth can be attributed to our investment in new hires, as we have added some 100 consultants in our front-office. Growth was led by three businesses: CPE, Care, and Education. We also refocused our Business Support and Technologies business lines to be more closely aligned to their markets.

We continue to improve our speed to productivity for new hires by improving our induction and onboarding programs. We achieve this by investing significantly in our Learning & Development team. We further enhanced growth in our CPE business by holding a series of targeted marketing campaigns to improve candidate sourcing in specific skills-short markets. We also invested in digital marketing, as a result of which traffic to our website rose and online applications were up significantly.

Other European countries

in millions of €	2015	2014	organic Δ%
Revenue	1,576.6	1,371.3	12
EBITA	61.9	54.0	13
EBITA margin	3.9%	3.9%	

Revenue growth for 'Other European Countries' was 12% in 2015, while EBITA margin remained stable at 3.9%.

Poland

In Poland, we had again a good year, growing 8%. Randstad Poland was particularly successful in the Inhouse business, as well as in Professionals. However, we do see that market conditions are becoming tougher, due to a scarcity of candidates. The bigger cities in Poland already have almost no unemployment.

Italy

In Italy, where we are the fourth-largest in the market, revenue grew by 17%. Growth accelerated in the second half of the year, with a positive effect on market share. This was led by good growth in both Staffing and Inhouse, supported by significant investments in consultants. In addition, we achieved very good results in permanent placements and Professionals, with 48% year-on-year growth. Operational expenditure remained under control, with dedicated investments to maintain growth.

Nordics

In Sweden, our business continued to do well, and we saw overall revenue grow by 11%. Our Inhouse Services led the way, while we saw improving performance in Staffing, on the back of better execution through our ABFS principles. In Denmark, we outperformed the market, with revenue growth reaching 11%. In 2015, the market in Norway faced the most severe downturn since 2009. Although our business struggled, we managed to perform in line with the market. By the end of the year, we announced an offer to shareholders to combine forces with Proffice (a large Nordic competitor). The combination would create the third-largest HR services provider in the Nordic region and the No. 2 in Sweden.

Switzerland

In 2015, the Swiss market was challenging due to the Swiss franc revaluation. With 3% sales growth, we outperformed the Swiss market (for the fifth consecutive year). Our Professionals business accelerated, reaching a growth rate of more than 40%.

Austria

Despite a challenging market, Randstad Austria was able to improve its profitability in 2015. Our client base was further extended, and we diversified our portfolio by investing in Inhouse and Professionals.

Hungary

Our Hungarian operations had a record year in 2015. Sales doubled, combined with excellent profitability. Randstad reinforced its market leadership in permanent placements in Hungary. Our holistic approach to ABFS resulted in the highest ever number of placed candidates at an increasing number of clients. Besides permanent placements, new business lines were profitably developed, such as the added-value staffing business, RPO, and outplacement.

Turkey, Czech Republic, and Greece

In Turkey, we concentrated on improving our business mix and profitability. As a result, our HR Solutions business line grew by 17%. In the Czech Republic, we had a very successful year, again showing high double-digit growth (31%). Randstad also had an excellent year in Greece, given the turbulent political situation in the country. We grew 19%, which was ahead of the market. We also improved our profitability by 80 bp, and were able to collect all our invoices.

Rest of the world

in millions of €	2015	2014	organic Δ%
Revenue	1,644.3	1,451.3	11
EBITA	20.8	7.5	183
EBITA margin	1.3%	0.5%	

Revenue in the 'Rest of the world' region grew by 11% organically. EBITA margin improved from 0.5% to 1.3%.

Japan

Japan represents 31% of the 'Rest of the world' region, and Randstad holds the sixth position in the market. In 2015, we continued to invest in expanding our position in Professionals and permanent placements, as well as in our own IT platform. Overall, revenue grew by 4% year on year, with solid performance in Staffing and Outsourcing. Permanent placements for entry-level jobs grew by more than 30%, with strong demand from clients due to talent shortages resulting from the lowest unemployment rate in 20 years in Japan (below 3.5%). Inhouse successfully expanded the number of locations to 52. Professionals showed rapid growth, exceeding 70%.

In March 2015, Randstad was certified as an Excellent Staffing Agency, which shows that both candidates and client companies clearly recognize Randstad as a reliable service provider. The online career support tool My Career Note was strengthened in 2015. Currently, 9,000 candidates actively use the tool, enabling them to input, review, and plan their career information, while receiving constructive feedback.

Australia and New Zealand

Our operations in Australia and New Zealand continued to grow (up 15% in 2015) across both temporary and permanent recruitment. Our performance in Staffing was particularly driven by solid growth in the blue-collar industrial business, with positive developments in the transport and logistics segments. Business Support again had an excellent year, mainly as a result of momentum in our Contact Center business, where we saw strong growth in permanent placement fees. Within Professionals, construction, property and engineering delivered a solid performance. Our Sales & Marketing division had a strong finish to the year. We restructured the New Zealand business and left lower-margin accounts. To create a more focused and more profitable business, we will primarily target white-collar staffing and permanent placement of professionals. Our Education business continues to deliver well.

India

In 2015, we continued on the path of further right-sizing our business model in India. We are reshaping our various service lines to ensure solid returns for the future. In temporary staffing we terminated our relationship with low-margin clients, while adding new clients at a higher margin. We focus on specialties, which is why we developed a Professionals contracting offering aimed specifically at the Technologies market. We split our Search & Selection offering between roles filled by our consultants and roles filled by a centralized sourcing team. Finally, we accelerated our RPO presence and sales efforts in 2015, as RPO is a very attractive market segment for Randstad in india.

China and other Asian countries

The double-digit revenue growth of our Chinese business continued into 2015, driven by both our Search & Selection and our temporary staffing business. To take advantage of the growing demand for high-volume recruitment project services, we will continue to invest in Randstad Sourceright in China. The revenue growth in our temporary staffing business was particularly strong in project-based staffing, where we added new clients, mainly in IT.

Outside mainland China, our business in Hong Kong delivered good revenue growth. In our permanent placements market, the best performing teams were Banking and Luxury/Retail. We changed our Technologies business and split the sales and sourcing part of the classic 360-degree consultant role.

In Malaysia, we continued our repositioning strategy towards the Professionals segment. Our staff currently consist of around 70 people, operating mostly from Kuala Lumpur. In addition to our regular business, we operate a sourcing center from Kuala Lumpur to service RPO clients in the region.

Our operations in Singapore saw another year of strong performance with full-year gross-profit growth above 40%, and with solid returns. In this highly competitive market, we maintained market leading positions in 2015 in Banking, Technologies, and Business Support.

Latin America

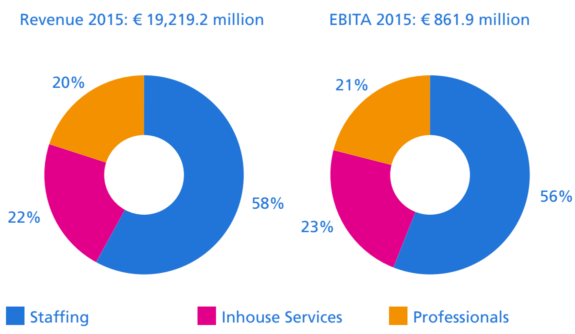
In Latin America, both our Argentinean and Chilean businesses continued to show good progress and delivered profitable growth. Our Brazilian business performed solidly in a very challenging environment, and was particularly successful in introducing a range of new value propositions. In Mexico, we faced a few challenges during the year, but focused on improving our productivity and client profitability mix.

performance by revenue category

Introduction

In this section, we provide an overview of the underlying performance per revenue category in 2015. More detailed information on these service concepts can be found in the section 'Value for our clients and candidates'. In our financial reporting, we have merged these service concepts into three revenue categories: Staffing (including HR Solutions), Inhouse Services, and Professionals (including Search & Selection).

Split by revenue category



Staffing (including HR Solutions)

in millions of €	2015	2014	organic Δ%
Revenue	11,186.4	10,202.8	6
EBITA	514.9	421.1	17
EBITA margin	4.6%	4.1%	

In the revenue category of Staffing, we include the service concepts of Staffing and HR Solutions. Within Staffing, we serve clients in the industrial segment (blue-collar) and administrative segment (white-collar). In our revenue mix, this is about 50:50. HR Solutions includes a wide range of services, of which Payroll Services, RPO, MSP, and Outsourcing are the largest. HR Solutions is well-established in the Netherlands and North America, while we have implemented a number of initiatives to further diversify our service portfolio in Europe and Asia. One of our priorities has been to achieve a greater share of permanent placements in our Staffing businesses. In 2015, we continued our progress in this regard, with permanent placements increasing proportionately, with growth of 19% in the year (excluding RPO).

Staffing revenue was € 11.2 billion. On an organic basis, this was an increase of 6%. The growth rate is impacted by the transfer of business from Staffing to Inhouse as we continued to optimize our service delivery to our clients. However, we also saw an increase in the amount of business through central delivery. In the Netherlands, where central delivery is more established, we already see that close to 60% of our business is no longer serviced through branches. This allows our branches to focus on SMEs.

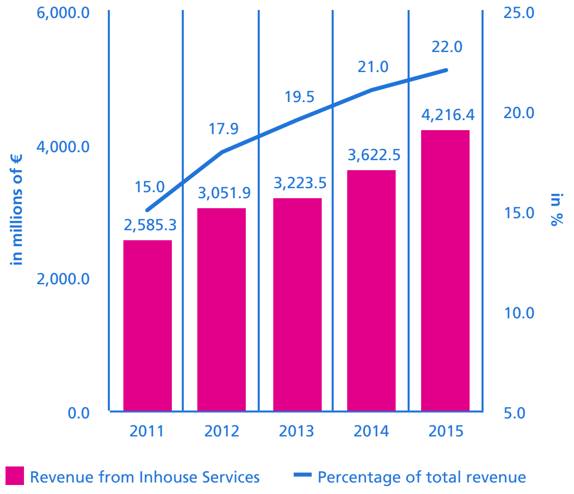
In HR Solutions, revenue continued to see solid growth. RPO showed a solid performance, while revenue in MSP saw strong growth throughout the year. Payroll Services also improved, following new client wins. With the transformation of our European RPO/MSP business, we continue to see benefits, notably in the cross-border/multi-country growth of RPO and MSP.

Underlying EBITA margin improved from 4.1% to 4.6%. Operating leverage improved thoughout the year.

Inhouse Services

in millions of €	2015	2014	organic Δ%
Revenue	4,216.4	3,622.5	11
EBITA	212.7	189.6	11
EBITA margin	5.0%	5.2%	

Revenue from Inhouse Services



Inhouse Services continued to see good growth in 2015. Revenue grew by 11% to € 4.2 billion as we continued to align clients to the most appropriate delivery model.

The concept has grown significantly in recent years, and continues to perform well within the traditional large-client, large-volume, blue-collar manufacturing space. Growth continues to be supported by transfers from Staffing. However, we also see growth from clients entering directly into an Inhouse relationship.

In addition to the strong position we retain in the blue-collar manufacturing segment, we also see opportunities for further growth in white-collar staffing, and indeed within those Professionals segments where volume recruitment is evident.

EBITA margin remained at a good level moving to 5.0% (from 5.2%), still at the top end of our targeted range of between 4% and 5% for this revenue category.

Professionals

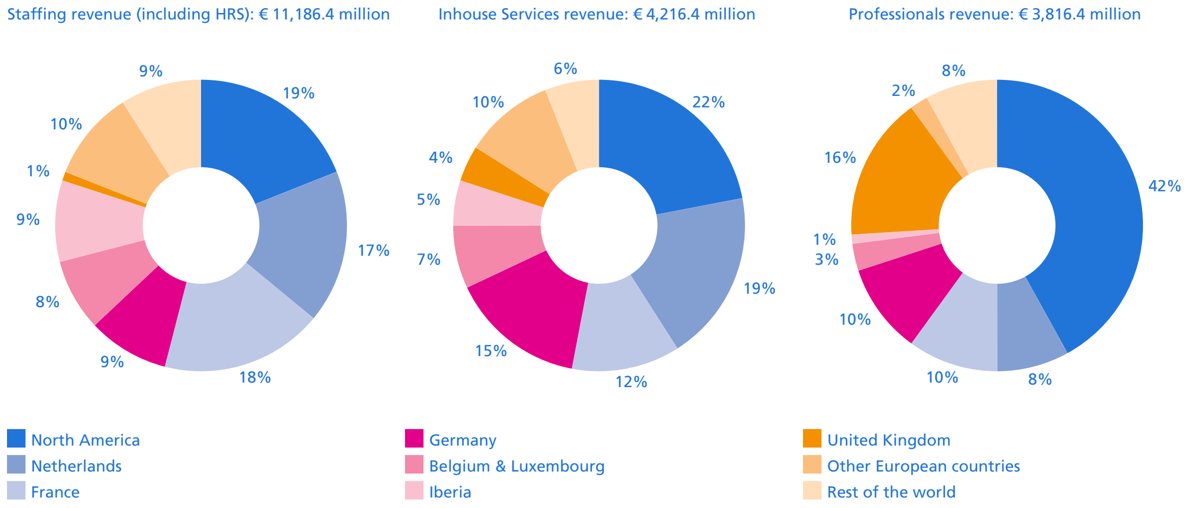
in millions of €	2015	2014	organic Δ%
Revenue	3,816.4	3,424.5	3
EBITA	196.0	156.1	15
EBITA margin	5.1%	4.6%	

Revenue in Professionals was 3% higher year-on-year. Perm fees were 12% ahead of last year.

Our Professionals business strengthened its operations based on industry sectors (verticals). The use of verticals strengthens our position in the Professionals segment, with strong verticals apparent in IT, Finance & Accounting, Healthcare, and Construction/Engineering. New management has been brought in to strengthen the Professionals organization, where there were opportunities to enhance operational performance (e.g., in the US).

Profitabililty continued to improve across many geographies, with EBITA margin reaching 5.1%, compared to 4.6% in 2014. We continue to see opportunities for profitable growth in the Professionals segment, both organically and through acquisitions.

Geographic revenue spread



Staffing revenue (including HRS): € 11,186.4 million

Inhouse Services revenue: € 4,216.4 million

Professionals revenue: € 3,816.4 million

investor relations & share performance

Investor Relations

Randstad Investor Relations' main goal is to safeguard our 'financial brand'. Whereas clients and candidates recognize the Randstad brand for its reliability and service quality, investors and analysts should recognize our brand for its open and transparent communication. Our aim is to be best in class in terms of disclosure and to provide insight into the strategic direction of the business. These efforts should enable an accurate valuation of Randstad shares over time.

Investor relations policy

We maintain an active, open and transparent dialogue with existing and potential shareholders, as well as with analysts and banks. We organize road shows, attend investor conferences, and accommodate meeting requests wherever feasible, and we adhere to all legal obligations relating to confidentiality.

We are committed to providing high-quality and timely information to all stakeholders, while at the same time ensuring that the entire market has access to such information (including price-sensitive data). Our policy is that, whenever possible, we make a member of the Executive Board and/or a representative of the Investor Relations department available to meet with investors. From time to time, we also involve country management and facilitate field trips.

Bilateral meetings and conference calls with analysts and actual or potential shareholders will not be held during 'closed periods', which normally run from the end of a quarter until publication date. Our policy of holding bilateral meetings with shareholders is set out in the corporate governance section on our corporate website.

Dialogue with investors, analysts, and other stakeholders

Each quarter, Randstad organizes conference calls to discuss the latest results. These events are broadcast on the web. In addition, we hold additional events to inform the markets on our business. In May 2015, we hosted an analyst day in Barcelona. The focus of the day was to provide insight into our Southern European operations. In November 2015, we hosted a full Capital Markets Day in London for analysts and investors. During the day, we provided an update on our strategy and targets, and an overview of our change programs and cost savings. We also provided an update on the impact of technology on Randstad, including the continued development of our Randstad Innovation Fund and some internal innovations that we are implementing.

In 2015, we expanded the geographic coverage of our road shows and investor conferences. We participated in conferences in the Netherlands, Belgium, France, the UK, and the US. Road shows for institutional investors were organized in Austria, Belgium, Canada, France, Germany, Hong Kong, Italy, Ireland, Japan, the Nordics, Poland, Singapore, Spain, Switzerland, the Netherlands, the UK, and the US. In addition, a large number of investor meetings were held at our head office in the Netherlands. Over the year, we met more than 650 investors.

- Dividend: € 1.68 per share, 50% payout ratio
- Dividend yield: 2.9%
- Diluted earnings per share, underlying: € 3.32
- Market capitalization at year-end: € 10,529.1 billion

On April 2, 2015, we held our Annual General Meeting (AGM) of Shareholders. More information on the AGM, including key decisions and attendance, can be found in the section 'Report of the Supervisory Board'.

Financial strategy

In 2015, we continued to focus on strong cash flow generation. As a result, the free cash flow rose 2% to € 498.8 million. We used our free cash flow to reduce our debt, acquire the RiseSmart business, and pay a dividend. Our net debt position decreased from € 422.0 million to € 173.2 million, and our leverage ratio was 0.2, well within our targeted range of between 0 and 2.

More information on our debt can be found in the 'Capital structure' section.

Capital structure

Invested capital amounted to € 4.0 billion, and we achieved return on invested capital of 18.8%, up from 15.8% last year. More information on and an analysis of invested capital can be found in the section 'Financial performance'.

Invested capital

in millions of €

	2015	2014
Net debt	173.2	422.0
Equity	3,861.7	3,313.1
	4,034.9	**3,735.1**
Return on invested capital	18.8%	15.8%

Debt

Our financing policy aims to secure financing that matches the mid- to long-term financing requirements of the Group. During the year, we took the opportunity to extend our debt facility on favorable terms with another year. In addition, our balance sheet continues to strengthen, with our debt coming down by € 248.8 million over the year, which in turn helped bring our leverage ratio (net debt/12-month EBITDA) down toward the lower end of our targeted range of between 0 and 2. We consider being within this range important for continuity. We have maintained our policy of using floating interest rates as a natural hedge against the development of operational results, which continued to pay off significantly in 2015.

Debt

in millions of €

	2015	2014
Total debt facility	1,800.0	1,950.0[1]
Net debt	173.2	422.0
Leverage ratio	0.2	0.5

1 Amount includes a € 150 million facility that lapsed on February 13, 2015.

Equity

During 2015, the number of issued and outstanding ordinary shares increased by 2.9 million, of which the majority was issued for stock dividend, and the remainder for stock option plans and performance share plans for Executive Board members and senior management.

We aim to offset the dilutive effect of the performance share plans through share repurchase programs. This policy will be pursued as long as the value of shares to be issued is below € 25 million, and if higher, when our financial position allows for it. In January 2015, we repurchased around 525,000 shares. Between October 29, 2015 and February 17, 2016, we started a share repurchase program to buy back around 920,000 shares. These will be used for the allocation of shares under the performance share plans on February 18, 2016.

Equity

	numbers year-end (in millions)		nominal value per share
	2015	2014	
Ordinary shares	183.0	180.1	€ 0.10
Preference shares B	25.2	25.2	€ 0.10
Preference shares C	50.1	50.1	€ 0.10
Total number of shares	**258.3**	**255.4**	

On April 2, 2015, the Annual General Meeting of Shareholders approved a proposal to pay a dividend of € 1.29 per ordinary share. Shareholders had a choice between cash and shares. As a result, we issued 2.73 million ordinary shares in April 2015.

On December 31, 2015, there were 50.1 million preference shares C in issue. The dividend yield on these shares is 5.8%. For preference shares B, there were 25.2 million shares in issue, with a dividend yield of 2.7%. We consider preference shares to be an attractive part of equity. It provides fully committed long-term capital at relatively low cost.

Voting rights on shares

The ordinary shares have equal voting rights (one share, one vote). The voting rights on the preference shares B and C are aligned with the historical capital contribution. This means that there are 3.6 million voting rights on preference shares B and 5.6 million voting rights on preference shares C.

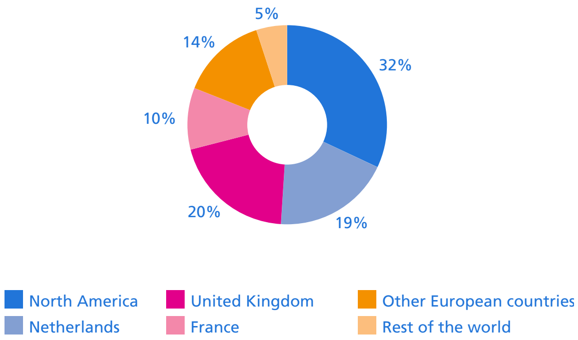
Listing and indices

Randstad Holding is publicly listed on the Euronext Amsterdam (ticker symbol RAND.AS), where Randstad shares and options can be traded. Randstad shares are also included in a number of other indices, such as Euronext 100, Dow Jones Stoxx TMI, Dow Jones Stoxx Europe Sustainability, Dow Jones Sustainability World Index, Euronext Vigeo Benelux 20, Euronext Vigeo Eurozone 120, and the MSCI Europe Index. Inclusion in major indices is important, because it improves visibility and liquidity.

Indicative free float

Randstad's free float amounts to approximately 60%. The majority of the free float of ordinary shares is held outside the Netherlands. We actively pursue an international spread. We estimate that approximately 5% of our ordinary shares are held by private investors.

Indicative geographic spread of ordinary shares (free float)



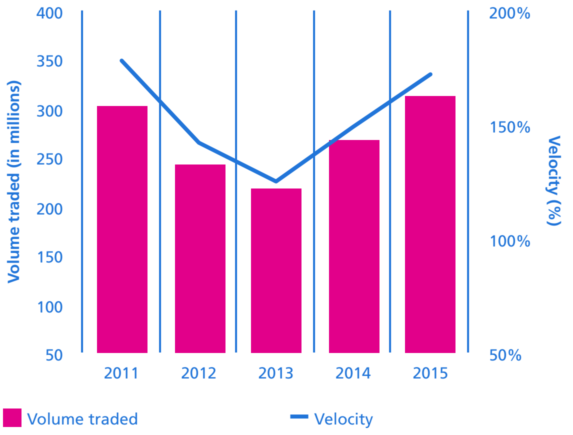
Major shareholders

A list of our major shareholders can be found in the report of the Supervisory Board under 'Legal transparency obligations'.

Liquidity

The number of shares traded has risen substantially, from 86 million in 2005 (mainly on Euronext) to about 315 million in 2015 on various trading platforms, but mainly Euronext. The mixed offer for Vedior in 2008 helped to improve liquidity, as the number of shares increased by 45%. Velocity (measured as the total number of shares traded divided by the average number of shares outstanding) also played a role. Velocity increased significantly in the year, reflecting the increased volatility in the markets. Our velocity level implies that the average holding period is around six to nine months for the total number of outstanding shares, or approximately three to six months for the free float.

Share volume traded and velocity



Dividend policy on ordinary shares

We continue to aim at a flexible payout ratio of 40% to 50% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs, provided our financial position allows for it.

In 2015, we further enhanced our financial position. In addition, our business sustained growth throughout the year, and we improved profitability. As a result, and in line with our dividend policy, we will propose to our shareholders a dividend payment of € 1.68 per ordinary share, based on a payout of 50% (2014: 50%). Shareholders will receive a full cash dividend. The ex-dividend date will be April 4, 2016. The number of shares entitled to dividend will be determined on April 5, 2016 (record date). The payment of cash dividend will take place on April 7, 2016.

We will also propose a dividend payment on preference shares B and C of € 12.6 million.

Per share data

	2015	2014	2013	2012	2011
Dividend (€)	1.68	1.29	0.95	1.25	1.25
Dividend yield (%)	2.9	3.2	2.0	4.5	5.5
Payout (%)	50	50	45	59	53
Diluted EPS (€) [1]	3.32	2.54	2.07	2.11	2.32
EBITA (€) [2]	4.74	3.92	3.26	3.25	3.49
Free cash flow (€)	2.75	2.66	1.65	2.69	2.53
Equity (€)	21.25	18.28	16.40	15.74	16.83

[1] Before amortization and impairment of acquisition-related intangible assets and goodwill, badwill (2013 only), integration costs and one-offs.

[2] Underlying.

Share performance

Share price development

The share price ended the year 2015 at € 57.53, which was 44% higher than the 2014 closing price of € 40.06. In April, a dividend of € 1.29 per ordinary share was paid out. As a result, the total shareholder return (TSR) for 2015 was 47%.

In the first half of the year, the share price increased from € 39.82 to € 58.41, as macroeconomic expectations improved, in addition to the improved business performance. The second half of the year saw the share price fluctuate across a wide range, reaching a high of € 64.92, but ultimately ending the year at € 57.53, being 2% below the half-year price, as the macroeconomic expectations were lowered.

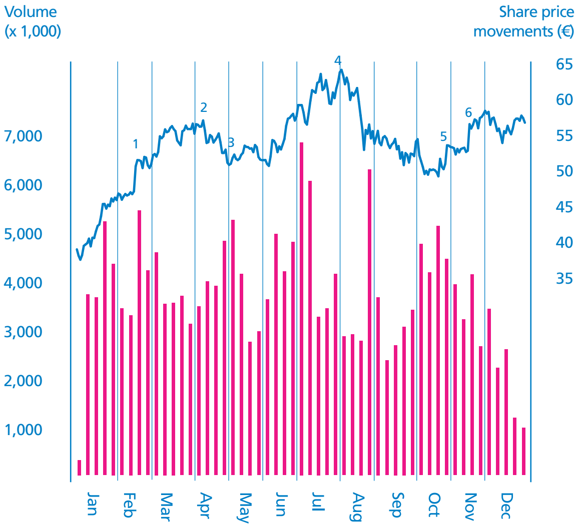
Share price development

in millions of €, unless otherwise indicated

	2015	2014	2013	2012	2011
Closing price (€)	57.53	40.06	47.15	27.81	22.86
TSR (%)	47	(12)	74	27	(39)
High (€)	64.92	49.54	47.15	30.09	43.10
Low (€)	38.37	31.40	27.81	20.52	19.59
P/E ratio	17.3	15.8	22.8	13.2	9.9
EV/Sales	0.56	0.44	0.55	0.34	0.32
Market capitalization	10,529.1	7,215.2	8,366.0	4,785.3	3,907.9
Enterprise value	10,702.3	7,637.2	9,127.0	5,881.0	5,210.5

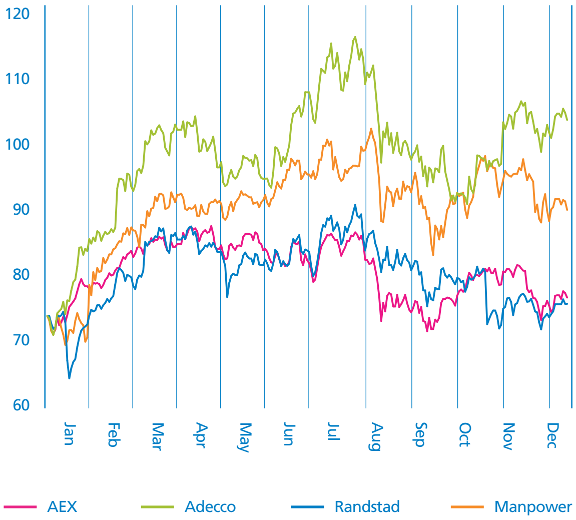
Market capitalization of ordinary Randstad shares amounted to € 10,529.1 million on December 31, 2015, compared to € 7,215.2 million on December 31, 2014.

Share price development of Randstad ordinary shares



1	February 19, 2015	- Q4 and full year 2014
2	April 8, 2015	- Ex-dividend
3	April 30, 2015	- Q1 results
4	July 30, 2015	- Q2 results
5	October 29, 2015	- Q3 results
6	November 17, 2015	- Capital Markets Day

Share price development of Randstad ordinary shares compared to Euronext AEX Index and peers



Analyst recommendations

Some 21 financial analysts regularly publish reports on Randstad. At the end of 2015, around 52% had a 'buy' rating, while 33% of analysts recommended holding on to our shares, and 14% (three analysts) had a 'sell' rating. On December 31, 2015, the average target share price – according to analyst consensus – was around € 61. The highest target price was € 85, and the lowest was € 33.

Earnings per share reporting

Randstad reports earnings per share on a fully diluted basis. We focus on earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs, and one-offs. In our view, this gives the best reflection of underlying business performance.

Diluted earnings per share

before amortization, impairment, badwill, integration costs, and one-offs

	2015	2014	2013	2012	2011
Q1	€ 0.50	€ 0.45	€ 0.33	€ 0.39	€ 0.38
Q2	€ 0.83	€ 0.64	€ 0.51	€ 0.51	€ 0.59
Q3	€ 0.93	€ 0.77	€ 0.65	€ 0.62	€ 0.66
Q4	€ 1.05	€ 0.68	€ 0.58	€ 0.60	€ 0.69
Full year	€ 3.32	€ 2.54	€ 2.07	€ 2.11	€ 2.32

risk & opportunity management

Introduction

Risk and opportunity management is embedded in our strategy and is essential for achieving our targets. Entrepreneurship is actively stimulated throughout the organization, and we encourage people to identify and seize opportunities. At the same time, we counterbalance this with clear risk boundaries, which are set for the operating companies in the various policies and agreed in the budgets.

This section provides a high-level description of our Risk & Control framework and its effectiveness, substantiating our Risk & Control statement. We discuss in turn the various elements that together make up our Risk & Control framework, and describe how we manage our company in this regard.

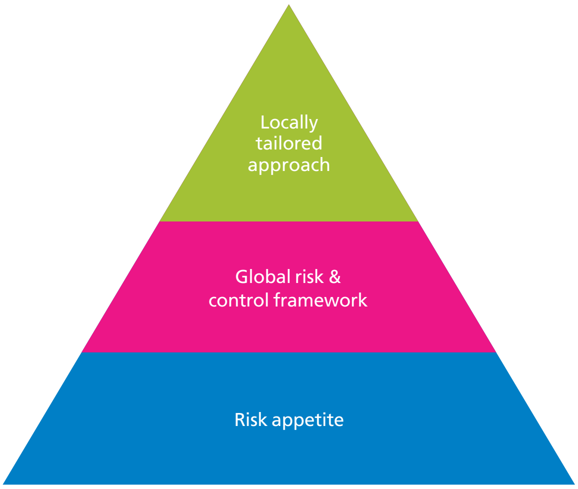
Risk profile

Our risk profile is closely determined by our geographic coverage. We have wide geographic coverage. This means our exposure is spread across both mature and emerging markets, which are experiencing a variety of economic conditions. These conditions are very relevant to development in our markets. Since it remains extremely difficult to predict future economic developments successfully, we focus on responding to actual performance in all of our local markets. Our business model, our processes, and our weekly indicators help to ensure that we are flexible enough to quickly respond to growth or decline in our markets. To protect our working capital positions, we keep cash levels in our countries to a minimum. We continuously and closely monitor key risks and opportunities, both locally and centrally, and respond appropriately to any emerging risks.

Missing out on opportunities can also result in a loss. We therefore focus on 'copying and pasting' successful concepts and best practices across the Group. We concentrate innovation in those parts of our organization where success is most likely. In addition, we have a dedicated entity, the Randstad Innovation Fund, to secure access to outside innovation.

Risk & Control management approach

Risk & Control management approach



We manage our risks and opportunities following local circumstances. We operate in many markets around the

Sensitivity analysis

	change	impact	on	assumption FY 2015
Revenue	+/-1%	+/- € 36 million	EBITA	Flat gross margin and no change to cost base
Revenue	+1%	+ € 18 million	EBITA	Flat gross margin and target 50% conversion (ICR)
Revenue	(1%)	- € 18 million	EBITA	Flat gross margin and target 50% recovery (RR)
Gross margin	+/-0,1%	+/- € 19 million	EBITA	Flat revenue and no change to cost base
Gross margin	+0.1%	+ € 10 million	EBITA	Flat revenue and target 50% conversion (ICR)
Gross margin	-0.1%	- € 10 million	EBITA	Flat revenue and target 50% recovery (RR)
Operating expenses	+/-1%	+/- € 28 million	EBITA	
USD	+/-10%	+/- € 22 million	EBITA	Stable revenue and margin in US
GBP	+/-10%	+/- € 2 million	EBITA	Stable revenue and margin in UK
JPY	+/-10%	+/- € 2 million	EBITA	Stable revenue and margin in Japan
Interest rate	+100 bp	+/- € 4 million	Financial charges	Average net debt 2015
Net debt	+/- € 200 million	+/- € 1 million	Financial charges	Stable interest rates

globe. This requires a flexible approach to opportunity and risk management. Our global Risk & Control structure is flexible and customized to local circumstances. Factors that we consider in our Risk & Control framework include the size, the service offering, and the local regulatory and market environment of the individual operating company.

Risk appetite

Our risk appetite is derived from our strategy and priorities, and is broken down into four risk areas:

- **Strategic**: We allow strategic risks in the pursuit of profitable growth and changes in our business mix in both mature and emerging markets. Given the volatility of the markets and economic climates in which we operate, the adaptability of our people, service offering, and infrastructure plays a key part in enabling us to identify and seize opportunities.
- **Operational**: We take a balanced approach to operational risk, mainly related to increased productivity in the field, meaning that we consider both the risk and the reward of key business decisions.
- **Finance & Reporting**: We maintain a prudent financing strategy, even when undertaking major acquisitions, and therefore take calculated risks in this area. Only minimal risk is accepted in relation to errors in our reporting.
- **Compliance**: We consider adherence to laws, regulations, and agreements to be fundamental in enabling us to provide our clients, our candidates, and our employees with quality services. Compliance is strongly embedded in the culture of our company. We therefore take a strict approach to breaches of our core values and business principles.

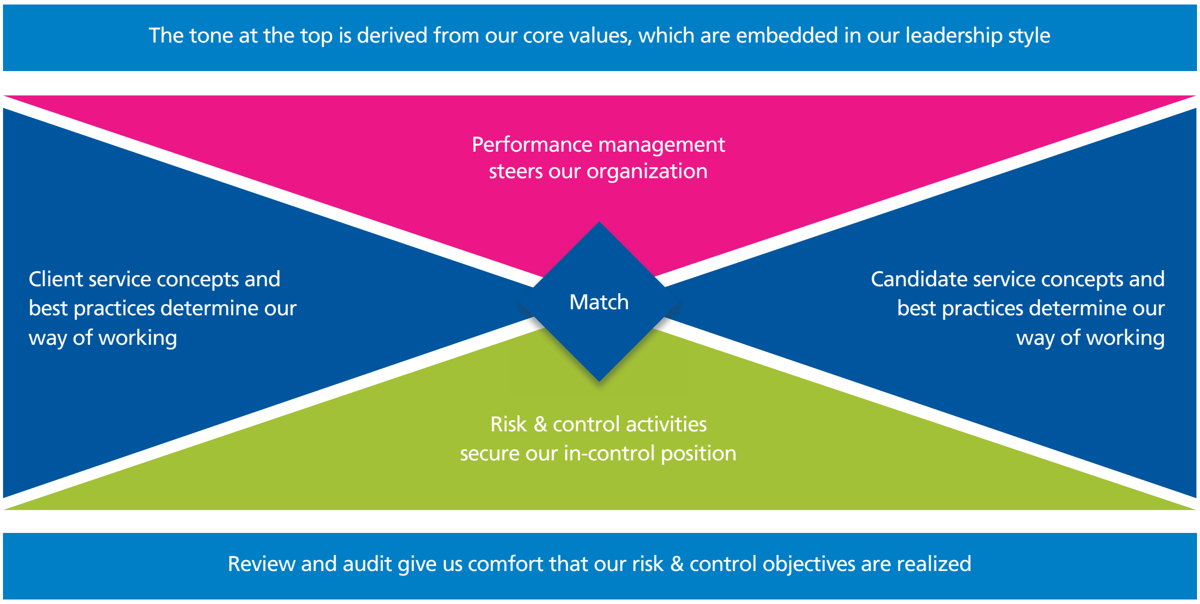
The table entitled 'Sensitivity analysis' illustrates the impact of the various changes and trends on our revenue, gross margin, operating expenses, and currency and interest rates on our EBITA. Typically, a trend will include several of these elements. Overall, we aim to achieve an incremental conversion ratio of 50% (see 'Activity-based field steering' for more details).

Risk & Control framework

Our global Risk & Control framework is designed to secure the Group's in-control position. The components provide Group-wide comfort in terms of control, while giving the flexibility to adapt to the local business environment and enabling entrepreneurship. The components of the framework are shown in the Risk & Control framework diagram. Our Risk & Control framework is based on the COSO internal control framework, complemented with elements from various management and control models.

To avoid surprises, operating companies and Holding departments assess, on at least a semi-annual basis, the components of the Risk & Control framework. The results of this assessment are reported to the Group's Business Risk & Audit department, and possible improvements are discussed with local management and the responsible Executive Board member. Every six months, the department reports to the

Risk & Control framework



Executive Board and the Audit Committee on the state of the in-control situation in the Group. The Executive Board and Audit Committee set priorities and provide guidance to further enhance control throughout the Group.

Tone at the top

The tone at the top is derived from our core values, which are embedded in our leadership style.

Randstad benefits from strong leadership, built during 55 years of experience. We have been able to extensively develop management by example, based on our core values and business principles.

Our core values are embodied in 16 business principles, which form the basis for the behavior we expect from all our employees. The Executive Board secures alignment of the tone at the top among senior management, while senior management ensures alignment among staff in our operating companies. This alignment exercise is a continuous effort and drives our company's culture.

Upon joining our company, our employees receive a copy of and training in the business principles and acknowledge that they will comply with them. Periodic refresher courses have also been implemented. These courses also form a crucial part of our strategy for integrating acquired companies.

A misconduct reporting procedure is in place, which enables people to report any suspicion they have of wrongdoing via a secure phone line or website. In 2015, we received 113 complaints, 35 of which were anonymous. These complaints were assessed and investigated where necessary by the local integrity officers and/or the central Integrity Officer, together with the Group Business Risk & Audit department. When deemed necessary, disciplinary actions and mitigating controls were put in place.

Each year, our Great People Survey is carried out by an external provider. This allows us to monitor the engagement of our employees, and provides indicators of the tone at the top in each of the operating companies and at the head office. Based on the results, action plans are initiated. The Great People Survey is reviewed by Group HR and the Executive Board. The results are taken into account in appraisal discussions, as well as in setting our managers' bonus targets.

Performance management

Performance management steers our organization.

The two-year plans and rolling forecasts of our operating companies are set in accordance with strategic priorities and market trends. While setting their budgets for the year ahead in relation to their plan, the operating companies also describe their main risks and opportunities. By constructing various scenarios, we are able to prepare for and react to market volatility. Monthly rolling forecasts and conversion ratio monitoring are used to enable us to make rapid adjustments to our cost base.

Our operating companies report various performance indicators on financial results, underlying process activities, and people. By setting reporting dates, performance indicators, and formats, we provide clarity that enables us to plan ahead, without disrupting our focus on day-to-day activities. By further combining this planning and control cycle with our focus on activity-based field steering (ABFS), our monitoring systems have improved, providing more in-depth insights that form the basis of our business review meetings. See the section 'How we measure performance' for more details.

Our Group Corporate Sustainability Reporting guidelines prescribe detailed non-financial performance indicators.

These regular performance discussions at all levels help us adapt our Risk & Control framework to dynamic local circumstances.

Concepts and best practices

Our client and candidate services concepts and best practices determine our way of working.

Our strong concepts, as described in the section 'Value for our clients and candidates', provide best practices for our core commercial operations. Our concepts are tailored to local practices and market conditions. Concept audits are carried out to identify, understand, and remediate deviations to ensure our objectives are realized.

Blueprints describe our operational best practices. They are used to govern our key processes and to enable our local operations to adapt and tailor best practices to their needs. All our country organizations have implemented a contract-to-cash and a procurement-to-payment blueprint. These include an authorization procedure for sales pricing and client contracting, as well as a purchasing and tender procedure. In addition, a financial close process blueprint has been implemented in all operating companies. This blueprint is relevant for all historical financial and non-financial information, including the income statement, balance sheet, cash flow statement, and disclosures.

We have an extensive framework of Group policies, which cover compliance across multiple areas. These include our finance manual; discrimination, intimidation and harassment policy; bribery, gifts and hospitality policy; and data protection policy. Our policies are derived from best practices identified. Group policies are assessed and updated annually as required, and are then communicated throughout the Group in various ways. The Approval and Information Requirements policy specifies events that either need to be approved by, or reported to, the Executive Board.

Risk & Control activities

Risk & Control activities secure our in-control position.

Our operating companies compile risk registers semi-annually. These show the local business risks they may be exposed to, together with action plans and deadlines to address them. The risk registers are drawn up using input from Risk & Control round tables that are held at least twice a year in most operating companies. The aggregated data enables us to get insight into the most important risks impacting the Group. These are discussed twice a year by the Executive Board and by the Audit Committee.

Our key control framework contains a concise list of key risks and practical control activities to guide all operating companies. The structure of the key control framework is organized around Randstad's core process: the 'funnel'. Every six months, operating companies perform a self-assessment with regard to the relevant controls. The results of these self-assessments are subsequently challenged by the Group's Business Risk & Audit department and tested on a risk basis. Where necessary, Business Risk & Audit staff help local operating companies to improve their processes and controls.

The key control framework is updated annually, using control experiences and best practices from around 10 different operating companies. In 2015, a fraud risk assessment was performed to further upgrade the key control framework. These updates have led to a renewed management focus on internal control and an improved control situation throughout the Group, as well as a more focused and adapted set of controls. By implementing web-based tooling for opportunities, risk, control, and audit, we are able to systematically and closely monitor the adequacy of our Risk & Control framework. In 2015, the tool was rolled out globally to all our operating companies.

Our insurance risk program follows the same principles as our global Risk & Control framework. Insurable risks are periodically assessed, and Group-wide risks are transferred to the insurance market under our global insurance program. We regularly review insurable risks and our insurance policy coverage, as well as the credit ratings of our insurers.

Reviews and audits

Reviews and audits reassure us that our Risk & Control objectives are being realized.

The semi-annual Risk & Control framework assessments on operating company level lead to a Group-wide in-control benchmark discussion in meetings of both the Executive Board and the Audit Committee. In these discussions, Risk & Control priorities are set, and the Group Business Risk & Audit plan is updated and agreed. The annual Group Business Risk & Audit plan is risk-based. The Executive Board identified four focus areas for 2015: candidate screening, client contract management and liabilities, payroll, and data privacy and protection.

The Group Business Risk & Audit department leads the internal audits and collaborates closely with other corporate departments (most commonly IT, Legal, and Tax) and the local Risk & Audit managers to cover the key risks. Findings and recommendations from the audits are discussed with the operating companies. Local management is responsible for setting action plans and deadlines. The progress of the action plans is monitored by management and through the Business Risk & Audit network. The internal audit reports are submitted to the responsible Executive Board member and the Group CFO.

In 2015, Group Business Risk & Audit rolled out the internal audit manual, which is aligned with global professional standards. In addition, standard audit programs were introduced. For example, the standard candidate screening and client contract management and liability audit programs were implemented in several countries.

The global Business Risk & Audit staff network provides a platform for sharing best practices, and is a sounding board for emerging opportunities, risks, and possible internal control gaps. The network consists of a cross-disciplinary team with

Putting the framework into practice

Framework component		Practical applications to our business		
Tone at the top	Core values and business principles	Onboarding training	Great People Survey	Misconduct reporting procedure
Performance management	Strategic plan and rolling forecast	Scenarios and conversion ratio monitoring	Planning, reporting and review cycles and activity-based field steering (ABFS)	Business review meetings
Concepts and best practices	Strong concepts (commercial best practices)	Corporate policies and procedures	Blueprints (operational best practices)	Authorization levels
Risk & Control activities	Risk register	Key control framework	Risk & Control round tables	Global insurance program
Reviews and audits	Semi-annual Risk & Control framework assessments	In-control benchmarks	Internal audits	In-control statement for each operating company

Risk & Audit staff from the operating companies, and the Group's Business Risk & Audit department.

In 2015, we detected a few cases of fraud, involving, for example, the recording of non-existent permanent placements, and the payment of fictitious candidates. These fraud cases were investigated, and in cooperation with local management, corrective action was taken. These cases involved small amounts of money, and as such had no material impact on the results of the Group.

Operating companies submit their in-control statement semi-annually. This statement certifies that the corporate policies have been complied with, and explains any exceptions or deviations that have occurred. The statement therefore forms a cascaded certification, which assists the Executive Board in making the conclusions required by the Dutch Financial Supervision Act.

Deloitte has been appointed to act as our external auditor from 2015 onwards. In its audit plan, Deloitte covers all financially significant operations. As such, these audits are an important supplement to our own review and audit activities.

The Audit Committee is informed about the results of both external and internal audits. The role of the Audit Committee includes monitoring the risk management and control systems, the quality of the financial information, and the follow-up of recommendations made as a result of the audits. More information can be found in the Report of the Supervisory Board and in the section 'Corporate governance'.

Our main risks

Our main risks are those that threaten the achievement of the Group’s objectives, as well as the in-control position of the Group over the next three years. The general risk profile has not changed significantly since last year. Continuous effort is required to address evolving strategic and compliance risks. The table below depicts the main risks identified (categorized into four areas: Strategic, Operational, Financial & Reporting, and Compliance) that could prevent us from realizing our financial and non-financial strategic targets, as well as how we address these risks through the six building blocks of our strategic road map.

Our risks related to our strategic targets

	Strategic		Operational				Financial & Reporting		Compliance			
Strategic roadmap building blocks[1]	Adapting to economic and market conditions[2]	Protecting our reputation	Data protection and system development and integration[2]	Business continuity and data recovery	Talent attraction and retention	Contract liability[2]	Credit risk	Other financial reporting risks	Increased complexity of laws and regulations[2]	Competition law compliance	Tax and labor law compliance[2]	Candidate screening
ABFS	V		V	V		V			V	V	V	V
Org	V	V	V	V		V	V	V	V	V	V	
TTA		V	V	V	V				V	V	V	
TM		V			V							
HRT	V		V	V		V			V			V
M&A	V	V							V	V		

[1] Activity-based field steering, organizational, total talent architecture, talent management, HR technology, and mergers & acquisitions.
[2] Main risk in both 2015 and 2014.

The following table provides an overview of the main risks in 2015, with key risks in bold, including the actions taken to mitigate these risks and related opportunities. This list should not be considered exhaustive.

Strategic risks	Risk-mitigating actions	Related opportunities
Adapting to economic conditions Our operations are highly susceptible to macroeconomic volatility. Although we see economic improvement in some of the territories, we continue to focus on the flexibility of our cost base. Not being flexible enough to respond timely to economic conditions could have a negative impact on the profitability of the Group. Conversely, cutting costs too much could limit our ability to take advantage of a market upturn. In addition, the business landscape is changing, with new technologies being developed that over time may displace traditional business services.	The geographical diversity and the spread of the Group's revenues across mature and emerging markets has helped us to mitigate the impact of volatile economic conditions worldwide. By 'managing through the cycle', we provide operating companies with guidelines on how to react to changes in economic conditions. These guidelines are described in the section 'Performance'. Our Randstad Innovation Fund invests in HR technology companies to increase our agility. In 2015, we invested in outplacement innovator RiseSmart, talent quality platform Checkster, and real-time messaging platform Brazen. Our organizational strategic bulding block contains various actions to further prepare Randstad for market dynamics, as explained in our strategic prioirties.	With our strong concepts and varied service offering, we can respond appropriately to different market conditions, and thus address changing macroeconomic conditions. Our operations respond differently to economic uncertainties in the market. For example, in an uncertain market, our clients tend to use more temporary workers rather than hire permanent staff. Staffing and HR Solutions tend to be more resilient in a weaker market, while Professionals tends to perform better in a stronger market. With the timely investment in our organization and HR technologies, there will be opportunities for innovative solutions to make HR services more efficient and bring fresh answers to future HR challenges.
Protecting our reputation Randstad and Tempo-Team are valuable international brands, and the Randstad brand is used in all countries in which we operate. Damage to the Randstad or Tempo-Team brand in one country could have a serious impact on our global reputation.	We protect the strong reputation of our brands by ensuring that all our people adhere to our core values and business principles, and comply with our policies and guidelines. When necessary, we react competently, using internal and external communications to mitigate potential damage. We use our Net Promoter Score as a metric to measure our image. We also have a misconduct reporting procedure in place, so that our people and stakeholders can report any complaints or breaches of compliance.	Our brands are managed centrally, which ensures consistency across the world, and increases cost efficiency. The operating companies apply locally targeted marketing. This will continue to strengthen the global recognition of our brands in a cost-effective manner.

Operational risks	Risk-mitigating actions	Related opportunities
Contract liability For contract liability, especially in Anglo-Saxon countries, clients ask us to take a greater share of the liability for our flexworkers while on their premises and under their supervision. This seems to become a market trend. Accepting inappropriately high contractual liability could result in a client making a claim that would materially affect the Group's results. Client requirements may vary, resulting in unique contract clauses. Deviation from standard contract clauses increase the likelihood of contract liability.	Whenever possible, we work with standard contracts. In the case of non-standard terms, a cost-benefit analysis is carried out to determine whether projected profit levels are high enough to absorb the costs associated with the additional risks. The local legal department reviews the contract and the risk and reward assessment, after which operating company management decides whether to accept the contract. In certain cases, additional approvals from the Executive Board are required, as set out in the contract liability policy. This risk mitigation is coupled with a Group liability insurance, which provides us with cost-effective coverage of many potential risks. In 2015, our experts were engaged to further mitigate contractual liability risks in the US. On a global basis, we focused on further improvement of our contract delivery models and contract management to ensure proper services delivery. In addition, periodic compliance reviews are conducted by Group Business Risk & Audit and Group Legal.	Improvement in contract management and quality of services will add value to our clients by improving our service delivery models and practices.
Data protection and system development and integration Increased integration of business with technology in both front office and back office has increased our exposure to security, data and system availability risks. Leakages of candidate or employee personal data and company-sensitive information pose significant financial and reputational risks. In addition, with the recent and upcoming legislative focus on personal data protection (particularly in Europe), the risk exposure deriving from data security and availability has escalated, along with greater integration of technology within our business.	Our Group data protection policy has been localized for all operating companies. We perform continuous rotating IT audits to ensure our IT controls are up to date and effective in all countries. For example, we perform periodical security penetration tests, have implemented two-step verification for e-mail accounts, and regularly review information security policies and processes for operating companies. In addition, awareness activities have been rolled out to increase employees' awareness of personal data protection and IT security risks. Furthermore, periodic compliance audits are conducted. In 2015, a Data Protection Officer was appointed and a global program started to prepare our operations for the upcoming EU data protection legislation and continuous cyber threats.	Improvement in system security gives us the opportunity to ensure data protection for all our candidates and clients and thus increase the value of our services offering to them.
Business continuity and data recovery Serious long-term business disruption of IT systems could result in financial losses, fines, and damage to our reputation. For example, our business entails paying flexworkers on a weekly or monthly basis, and then billing these amounts to our clients. A problem with one of our IT systems for payrolling and billing could cause a major business disruption in a country.	We have local front- and back-office IT systems in each country. This spreads our risks of an IT failure, which will be limited to one country or operating company. On a country level, disaster recovery plans are in place or are being developed to address possible IT failures and are tested at least once a year. Group IT performs regular audits on the disaster recovery plans. These audits result in best-practice sharing and continuous improvement. Integration of IT operations in 2016 will help mitigate this risk further.	In several countries, we now have a shared service center, and we are initiating cloud infrastructure usage. This has increased efficiency and further improved the quality of business continuity planning by concentrating expertise.
Attraction and retention of talent People are our most important asset, and it is challenging to retain them in a competitive market. If we cannot attract and retain the right people, we could fail to achieve our objectives.	Retention rates are analyzed and reported by every operating company on a monthly basis. Our Great People Survey is carried out annually to monitor engagement levels at each operating company and each department. Swift action is taken by local and Group HR departments to investigate and reverse any negative trends. We provide training for the purposes of coaching and developing our people. In addition, we identify our future leaders and provide management development programs for those with high potential. Our reward systems, which are tailored to local market conditions, include bonuses and employee share purchase plans, among other things. We monitor our employer branding and initiate local programs to attract talent.	It is our rule to fill 80% of management positions through internal promotions. This increases the loyalty of our people. As a result, we will continue to have a pipeline of talent who understand our people, our clients, and our operations.

Financial & Reporting risks	Risk-mitigating activities	Related opportunities
Credit risk In the current economic climate, some clients try to delay payment of invoices. An increase of just one day in the time taken to collect the receivable (days sales outstanding, or DSO) leads to greater usage of operating working capital and increased interest costs.	Invoicing and credit control policies and best practices are included in our blueprints. Operating companies have an operating working capital charge included in their results, which highlights awareness throughout the Group of the cost of capital. DSO is a component of the budgets and performance targets of operating company management. In addition, a provision is made for all receivables older than 182 days. Compliance with the contract-to-cash blueprint is monitored by Group Business Risk & Audit. Further details on credit risk are provided in note 3 to the financial statements: 'Capital and financial risk management'. An improving economy generally reduces credit risk.	As more best practices are implemented across our operating companies in the contract-to-cash cycle, our approach to credit risk is becoming more rigorous across the Group, resulting in a relatively low DSO and a correspondingly lower operating working capital need.
Other financial reporting risks Other financial reporting risks mainly relate to the valuation of deferred tax assets and goodwill, to the provisions for claims by third parties, and to revenue recognition.	Further details on these risks and risk-mitigation actions are included in note 3 to the financial statements: 'Capital and financial risk management'.	

Compliance risks	Risk-mitigating actions	Related opportunities
Increased complexity of laws and regulations The complexity and quantity of laws and regulations have increased over the years, especially with respect to data protection, competition, staffing (e.g., equal pay), outsourcing, and payrolling services. Consequently, we are exposed to greater risk of non-compliance, which could result in class actions, claims, and fines or reputational damage.	In all our major operations worldwide, we have in-house legal teams who help management comply with local laws and legislation. On an annual basis, the in-house legal counsels of the largest operating companies get together, and once a year, a legal conference is organized for all in-house legal counsels, with the aim of sharing knowledge and creating operating standards. Topics discussed at these conferences include updates on new laws and regulations, and legal risk management. If we are affected by new laws and regulations (e.g., EU data protection regulation), project teams are formed with Legal, Risk & Audit, and IT staff, and other experts to anticipate the effects, provide training, and ensure that proper processes and controls are embedded in our local organizations.	New laws bring administrative burden and risk to our customers, which for us creates opportunities for new service offerings. The new regulations require a critical review of existing training, systems, policies, and procedures in order to keep these processes and documents up to date and topical. We can share our knowledge regarding new legislation (e.g., Staffing laws, EU data protection regulation) with our clients, thus strengthening our relationship with our clients.
Competition law compliance Our staff may breach competition law by intentionally or accidentally sharing information. This could result in material fines or penalties and could harm our brand. On July 10, 2013, the French Competition Law Authorities started an investigation into Randstad France and a number of competitors. The investigation, which is still ongoing, relates to certain French operations and, in particular, activities concerning vendor-neutral platforms relating to HR outsourcing management.	Training with regard to competition law compliance, our core values, and our business principles forms an integral part of our onboarding program. Management needs to make sure that written acknowledgement is obtained that such training has been understood and compliance is observed. We encourage our employees to report any breaches they find through the misconduct reporting procedure. When developing new business models or concepts, our Legal department (and if necessary competition law experts) is consulted to ensure legal compliance. Randstad France is cooperating closely with the French Competition Law Authorities in relation to their investigation. Consistent with Randstad's core values and business principles, we seek to conduct our business in accordance with all applicable laws, and have invested considerable time and resources in improving competition controls and awareness in our French operation and in abiding by the commitments given to the authorities, following a previous investigation in France (which concluded in 2009). We are confident that the outcome of the present investigation will be positive.	

Compliance risks	Risk-mitigating actions	Related opportunities
Tax and labor law compliance Complex and changing labor, tax and social security regulations could lead to a lack of clarity and errors in wage, social security and payroll tax compliance, leading to possible disputes, claims and fines.	The payroll calculation process and actual calculation is subject to an independent periodic review. Where labor legislation is unclear, we monitor market developments regarding similar cases, as well as reviewing our existing policies and procedures. Group Tax, together with GBR&A, perform regular payroll and payroll system audits in selected countries in order to review compliance with local laws and regulations.	In our payroll compliance audits, we also focus on identifying best practices to increase efficiencies in administering payroll taxes and social securities.
Candidate screening Our candidates may be working with patients, children or the elderly or in the finance services industry, for example. In such cases, criminal record checks are often required. Failure to carry out this type of screening could lead to, for example, patients receiving wrong medical treatment, or fraud being committed.	In the past, deficiencies in the screening of candidates were noted in various situations. In response, we tightened control in this area. Risk-based audits are carried out annually, and candidate screening has become a permanent priority on the agenda of our operating companies.	We are continuously developing and sharing our best practices for candidate screening across the Group. Through our increasingly rigorous approach to such matters, we will be able to demonstrate to clients the consistently high quality of our candidates across the globe.

Conclusions

The Executive Board is responsible for Randstad's Risk & Control framework and for reviewing its effectiveness. The framework, as described in this report, is designed to manage the risks that may prevent us from achieving our business objectives. However, the framework cannot provide full assurance that all material misstatements, cases of fraud, or violations of laws and regulations will be prevented. Future effectiveness of the framework is subject to the risk that the controls in place or the degree of compliance with the Group's policies and procedures may deteriorate.

In 2015, the Executive Board reviewed and analyzed the Strategic, Operational, Financial & Reporting, and Compliance risks to which the Group is exposed, and it regularly reviewed the design and operational effectiveness of the Randstad Risk & Control framework. The outcome of these reviews was shared with the Audit Committee and the Supervisory Board, and was discussed with our external auditor.

The Risk & Control framework should ensure consistent and reliable financial reporting, both internally and externally. The operating companies develop annual business plans and budgets, which are subject to amendment and approval by the Executive Board. Subsequently, the actual performance of the operating companies is measured against these business plans and budgets, and the results are discussed in regular review meetings between the operating company management and the responsible Executive Board member.

In accordance with best-practice provision II.1.4 of the Dutch Corporate Governance Code, we have assessed the design and operational effectiveness of our Risk & Control framework. Based on the activities performed during 2015, and in accordance with best-practice provision II.1.5, the Executive Board considers that, during 2015, the Risk & Control framework regarding the Financial & Reporting risks worked effectively, and that this provides reasonable assurance that the financial statements 2015 do not contain any material misstatements.

In accordance with the Dutch Financial Supervision Act, section 5.25c, the Executive Board declares that, to the best of its knowledge:

- The financial statements for 2015 provide, in accordance with IFRS as endorsed by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2015, and of the 2015 consolidated income statement of Randstad Holding nv;
- The annual report provides a true and fair view of the situation as at December 31, 2015, and the state of affairs during the financial year 2015, together with a description of the principal risks faced by the Group.

Diemen, the Netherlands, February 16, 2016

The Executive Board,

Jacques van den Broek	Linda Galipeau
Robert Jan van de Kraats	Chris Heutink
François Béharel	

governance

Executive Board

Chris Heutink
(1962, Dutch)

- Joined Randstad in 1991
- Appointed to the Executive Board in 2014

Background
Chris Heutink obtained a Master's degree in history. He started his career at Randstad as a consultant in the Netherlands. Various management positions followed until 2004, when he was promoted to become Managing Director of Randstad Poland. After moving back to the Netherlands in 2007, he became Director of Operations. In 2009, he was appointed Managing Director of Randstad Netherlands.

Responsibilities
Chris Heutink is responsible for all operations in the Netherlands (Randstad, Tempo-Team, and Yacht), Austria, Italy, Switzerland, and Eastern Europe (Poland, Turkey, Greece, Slovakia, Czech Republic, and Hungary), as well as for Global Client Solutions.

Jacques van den Broek
(1960, Dutch)
CEO and Chairman of the Executive Board

- Joined Randstad in 1988
- Appointed to the Executive Board in 2004
- Appointed as CEO and Chairman of the Executive Board in 2014

Background
After graduating in law, Jacques van den Broek held a management position with an international trading company until he joined Randstad as a branch manager. Appointments followed as Regional Director in the Netherlands and, subsequently, as Marketing Director Randstad Europe.
In 2002, he moved to Capac Inhouse Services as Managing Director, also taking on responsibility for Randstad in Denmark and Switzerland.

Responsibilities
Jacques van den Broek is responsible for Germany, Australia, New Zealand, China, Hong Kong, and Singapore & Malaysia. In addition, he is responsible for Group Business Concept Development, HR, Marketing & Communications, and Public Affairs.

François Béharel
(1970, French)

- Joined Randstad in 2008
- Appointed to the Executive Board in 2013

Background
With a Bachelor's degree in distribution management and commercialization techniques, François Béharel joined Vedior in 1999 as a regional manager. Following various promotions, he became CEO of Vedior France in May 2007. Following the acquisition by Randstad, he was appointed President and CEO of the new combined Randstad Groupe France and played a key role in the integration of its businesses.

Responsibilities
François Béharel is responsible for France, Spain, Portugal, Belgium & Luxembourg, Brazil, Argentina, Mexico, Chile, and Uruguay.

Linda Galipeau

(1963, Canadian)

- Joined Randstad in 1995
- Appointed to the Executive Board in 2012

Background

After receiving an MBA degree in marketing and managerial economics and several years in the staffing industry, Linda Galipeau joined Randstad in 1995 as district manager in the US. In 1997, she started the Canadian operations, and in 2008 she was appointed President of Randstad Staffing in the US.

Responsibilities

Linda Galipeau is responsible for the US, Canada, the UK, Professionals coordination, and innovation.

Robert Jan van de Kraats

(1960, Dutch)

CFO and Vice-Chairman of the Executive Board

- Joined Randstad in 2001
- Appointed to the Executive Board in 2001
- Appointed as Vice-Chairman of the Executive Board in 2006

Background

A certified auditor, Robert Jan van de Kraats began his career with one of the big four accountancy firms. In 1989, he joined an international technology group as Finance and IT Director for the Netherlands. He held various senior positions with an international credit insurance group from 1994, and in 1999 he was appointed CFO and member of its managing board. He joined Randstad in 2001 as CFO. He is also a member of the Board of Directors of OCI NV, a member of the Supervisory Board of Schiphol Group, and a member of the monitoring committee of the Dutch Corporate Governance Code.

Responsibilities

Robert Jan van de Kraats is responsible for Japan, India, Denmark, Sweden, and Norway. In addition, he is responsible for Group Finance & Accounting, Tax, Treasury, Business Risk & Audit, Legal, IT, and Investor Relations

Supervisory Board

Henri M.E.V. Giscard d’Estaing

(1956, French)

- Member of the Supervisory Board since 2008
- Current term of office 2012–2016

Background

Henri Giscard d’Estaing has been Chairman of the Board and CEO of Club Méditerranée SA since December 2002. Before joining Club Méditerranée in 1997, he held various management positions at Groupe Danone and Cofremca. He was formerly a member of the Supervisory Board of Vedior N.V. He is currently also a member of the Board of Directors of Groupe Casino Guichard-Perrachon SA. He privately holds 450 ordinary shares in Randstad Holding nv.

Responsibilities

Henri Giscard d’Estaing is a member of the Strategy Committee.

Frank Dorjee

(1960, Dutch)

- Member of the Supervisory Board since 2014
- Current term of office 2014–2018

Background

Frank Dorjee was Chief Strategic Officer and member of the Board of Directors of Prysmian Spa from March 2011 until January 2014. Until its takeover by Prysmian Spa, he was CEO and Chairman of the Executive Board of Draka Holding NV from 2010 to 2011 and its CFO from 2004 until 2009.

Responsibilities

Frank Dorjee is Chair of the Audit Committee.

Giovanna Kampouri Monnas

(1955, Greek)

- Member of the Supervisory Board since 2006
- Current and final term of office 2014–2018

Background

Giovanna Kampouri Monnas is the former President of the international division and member of the Executive Committee of Joh. A. Benckiser GmbH. She is a Non-Executive Director of Puig S.L, Aptar Group Inc, Fondation Air France and Imerys SA. She is President of the Estia Agios Nikolaos Foundation in Germany and Greece.

Responsibilities

Giovanna Kampouri Monnas is Chair of the Remuneration and Nomination Committee (Remuneration only) and a member of the Strategy Committee.

Wout Dekker
(1956, Dutch)
Chair of the Supervisory Board

- Member of the Supervisory Board since 2012
- Current term of office 2012–2016

Background
Wout Dekker is the former Chairman of the Executive Board and CEO of Nutreco N.V. He is Chairman of the Supervisory Boards of Rabobank and the Princess Maxima Centre for Child Oncology.

Responsibilities
Wout Dekker is Chair of the Remuneration and Nomination Committee (Nomination only) and a member of the Audit Committee.

Barbara Borra
(1960, Italian)

- Member of the Supervisory Board since 2015
- Current term of office 2015–2019

Background
Barbara Borra has been Senior Advisor Integration at Pirelli China since June 2015. Before joining Pirelli, she was with Whirlpool for 10 years, serving in different senior management positions and more recently as Vice-President of its Chinese operations. Before joining Whirlpool, she held a number of international roles in various countries at Rhodia, GE and Lev-O-Cal Company.

Responsibilities
Barbara Borra is a member of the Remuneration and Nomination Committee.

Rudy Provoost
(1959, Belgian)

- Member of the Supervisory Board since 2015
- Current term of office 2015–2019

Background
Rudy Provoost is CEO and Chairman of the Board of Directors of the Rexel Group. Before joining the Rexel Group, he held various senior leadership and executive management positions at Royal Philips. He is a member of the Board of Directors of the Vlerick Leuven Gent Management School.

Responsibilities
Rudy Provoost is a member of the Strategy Committee.

Jaap Winter
(1963, Dutch)
Vice-Chair of the Supervisory Board

- Member of the Supervisory Board since 2011
- Current term of office 2015–2019

Background
Jaap Winter is President of the Executive Board of Vrije Universiteit Amsterdam. Until December 2012, he was partner at law firm De Brauw Blackstone Westbroek. He is a Professor of International Company Law at the University of Amsterdam. He was a member of the Dutch Corporate Governance Committee and the European Corporate Governance Forum. He is a member of the Supervisory Board of Het Koninklijk Concertgebouw N.V. and Stichting Het Van Gogh Museum.

Responsibilities
Jaap Winter is Chair of the Strategy Committee and a member of the Audit Committee.

report of the Supervisory Board

Introduction

Randstad has a two-tier board structure, requiring a well-managed relationship between the Executive Board and the Supervisory Board. The two Boards have specific responsibilities. The Supervisory Board oversees and advises the Executive Board in performing its management tasks and guides its general development, including the financial policies and corporate structure. The Supervisory Board has the employer role for the members of the Executive Board. In performing their duties, the members of the Supervisory Board are guided by the interests of Randstad and all its stakeholders. Although set by the company's articles of association and by-laws, the role of the Supervisory Board has grown in recent years, and now requires Board members to play a more prominent and active role, thinking along with and advising the Executive Board on key matters, such as strategic processes, important operational decisions, organizational structure, and senior management development. In this report, the Supervisory Board explains how it fulfilled these duties and responsibilities in 2015.

Composition, diversity and independence

The Supervisory Board currently comprises seven members: Wout Dekker (Chair), Jaap Winter (Vice-Chair), Barbara Borra, Frank Dorjee, Henri Giscard d'Estaing, Giovanna Kampouri Monnas, and Rudy Provoost (see the section Supervisory Board for their biographies). They have a diverse mix of knowledge, skills, and expertise, in line with the required profiles. The Supervisory Board aims to ensure that its members represent a good balance in terms of diversity (including nationality, gender, and area of expertise). The Supervisory Board also aims for at least one-third of its membership to meet the gender criteria, which are currently met and are taken into consideration for each vacancy.

Effective April 2015, Wout Dekker succeeded Fritz Fröhlich as Chair of the Supervisory Board. The Supervisory Board is extremely grateful to Fritz Fröhlich for his important contribution to Randstad during the 12 years he has served the company in key roles, notably as its Chair. Jaap Winter was appointed Vice-Chair, and Barbara Borra and Rudy Provoost were appointed to the Supervisory Board. At the next Annual General Meeting of Shareholders to be held on March 31, 2016, the first term of Wout Dekker and the second term of Henri Giscard d'Estaing will expire. The Supervisory Board proposes to reappoint Wout Dekker for a second term of four years and Henri Giscard d'Estaing for a third and final term of four years, taking into account their valuable contribution to the Supervisory Board during the past years.

The Supervisory Board attaches great importance to the independence of its members. As a rule, all members, with the exception of no more than one, should be independent in the sense of Article 1 of the Supervisory Board's by-laws. With the exception of Jaap Winter, who was appointed upon

Diversity profile of the Supervisory Board

Name	Year of birth	Nationality	International experience	Financial expertise	Specific experience	Gender
Wout Dekker	1956	Dutch	yes	(CEO)	Nutrition	male
Barbara Borra	1960	Italian	yes		Home appliances	female
Frank Dorjee	1960	Dutch	yes	CFO	Cables	male
Henri Giscard d'Estaing	1956	French	yes	(CEO)	Tourism	male
Giovanna Kampouri Monnas	1955	Greek	yes		Consumer goods	female
Rudy Provoost	1959	Belgian	yes	(CEO)	Distribution	male
Jaap Winter	1963	Dutch	yes		Legal/Governance	male

Retirement and reappointment schedule

Name	Year appointed	Year of possible reappointment	Final term expires	Current number of SB positions including Randstad
Wout Dekker	2012	2016	2024	3 (2 Chair)
Barbara Borra	2015	2019	2027	1
Frank Dorjee	2014	2018	2026	1
Henri Giscard d'Estaing	2008	2016	2020	2
Giovanna Kampouri MOnnas	2006	-	2018	4
Rudy Provoost	2015	2019	2027	1
Jaap Winter	2015	2019	2023	1

nomination by Randstad Beheer (the private shareholding company of Frits Goldschmeding, Randstad's founder and leading shareholder), all members are independent. They were not granted, nor do they possess, any Randstad options or shares, with the exception of Henri Giscard d'Estaing, who personally holds 450 shares in the company. In 2015, there was no actual or potential conflict of interest between Randstad and any Board member.

Induction, training and performance assessment

Ongoing education is an important part of good governance. New members of the Supervisory Board attend induction sessions at which they are informed on the financial, reporting, risk & audit, HR, marketing, legal, and governance related affairs of the Company. Members of the Supervisory Board regularly visit Randstad's operations to gain familiarity with senior operational and functional management and to develop deeper knowledge of operations, opportunities, and challenges.

At a separate meeting held in December 2015, the Supervisory Board discussed at length its composition, its own performance, and that of its three committees. For the first time, this self-assessment was facilitated by an external advisor, Aberkyn. In preparation, each member completed an online questionnaire. In addition, Aberkyn's facilitators also conducted one-on-one meetings with each member of the Supervisory Board, as well as with each member of the Executive Board and some corporate staff, in order to include their individual anonymous observations in regard to the functioning of the Supervisory Board and its relationship with the Executive Board and other stakeholders of the Company. Items assessed and subsequently discussed by the Supervisory Board during the meeting held in December 2015 included (1) team effectiveness, (2) interaction and dialogue, (3) content-related effectiveness, (4) relationship with the Executive Board, (5) effectiveness of the Committees, (6) effectiveness of the individual members, and (7) effectiveness of and engagement with the organization.

The Supervisory Board concluded that the large majority of these items were assessed positively. Team spirit is considered strong, encouraging mutual trust, open discussion, and clear understanding of each board member's role. The functioning of the Supervisory Board during the past two years has been influenced by the changes in the leadership during this period, with the CEO transition in 2014 and the appointment of Wout Dekker as Chair of the Supervisory Board in April 2015. At the same time, two new members, Barbara Borra and Rudy Provoost, joined the Supervisory Board. For the two Boards, this period can be defined as one of finding a new balance, both with regard to the functioning of each Board and with regard to the Boards' mutual relationship. In 2015, the new Chair continued his initiative of 2014 (then as Chair of the Strategy Committee) for a strategic retreat of the two Boards. All participants are very positive about the results of this strategic retreat in terms of openness and depth of discussion. Both Boards want to develop this process further in order to create professional and effective cooperation. The effectiveness of the Committees is good, although there is some scope for optimization. The new Chair and the quality of support are highly valued. Some of the key findings and points for follow-up are:

- The Supervisory Board is growing in its advisory role, but further improvement could be realized through in-depth discussion and exchange of ideas about specific topics, strategic subjects, and dilemmas faced by the Executive Board.
- In both Boards, there is a need to ensure diversity in terms of international influence and expertise.
- The Supervisory Board aims to develop its knowledge agenda on external developments, further encouraging a learning mindset for the organization.
- The Supervisory Board will design a more structured performance evaluation and feedback process for the individual members of the Executive Board and will pay more attention to leadership development and succession planning.

This year's self-assessment process was highly valued by the members of the Supervisory Board.

Supervisory and advisory activities in 2015

The Supervisory Board met eleven times face-to-face during 2015 (2014: nine times). Seven of these meetings were held jointly with the full Executive Board. The other four meetings were held without the Executive Board, but some were in part attended by the CEO. The latter four meetings were held to discuss Executive Board remuneration, the composition and assessment of the Executive Board, and the composition and assessment of the Supervisory Board. One of the eleven meetings was attended by the external auditor to discuss the 2014 annual report and accounts.

Between meetings, the Chair of the Supervisory Board maintained informal contact with the CEO and CFO. He also regularly meets with Randstad's leading shareholder. The Chair of the Audit Committee had regular contact with the CFO and some of his senior staff, particularly in preparing the Audit Committee meetings.

The Supervisory Board does not disclose rates of attendance at meetings in abstract numbers, because this is perceived as a box-ticking exercise. In 2015, none of the members of the Supervisory Board were absent during any of the meetings, except Rudy Provoost, who was unable to join on three days that conflicted with the financial agenda at Rexel, where he is Chairman of the Board and CEO. This was already known when he was appointed to the Supervisory Board in April 2015. All members have sufficient time, including between meetings, to devote to the affairs of Randstad.

One of the Supervisory Board's main priorities is strategy. Accordingly, and following up on last year's strategic retreat, even more time was spent on in-depth discussions with the Executive Board about the overall strategy and the realization of the strategic targets. The Strategy Committee prepared and set the framework for these discussions. A two-day strategic retreat was organized in October 2015, during which the Supervisory Board and the Executive Board discussed a significant number of relevant strategic topics, including:

- The strategic roadmap and the progress made on strategic initiatives for improving the business mix, including Professionals, permanent placements, and SME targeting;
- The outcome of the 2-year growth plan, which is based on the input from the operating countries;
- The strategy for the Professionals segment, which requires more focus on talent engagement, organizational alignment, and further acceleration to enable the company to become a truly global player in this field;
- The importance of purpose, culture, and core values within the company;
- The framework and strategic objectives of acquisitions, including an assessment of possible targets;
- Innovation initiatives, mostly in relation to Randstad's Innovation Fund, which aims to drive external innovation within Randstad by investing in HR technology start-ups;
- The acquisition of RiseSmart, which creates a disruptive entry in the outplacement/career-transition market, building a foundation in terms of technology and delivery through online platforms;
- Technology developments that impact the core business, the optimization of global IT spend on administrative and business systems, and generic IT infrastructure; and
- Organizational development, Randstad's people strategy, including the competencies required for current and future leaders within the company, and the role of corporate functions.

The Supervisory Board meets in any case each quarter shortly before the publication of the quarterly results, when it discusses these results with the Executive Board, as well as related documents, such as the auditor's quarterly report on procedures performed and the draft press release. These results and related documents are first discussed by the Audit Committee prior to the Supervisory Board meeting.

In addition to the standard agenda items for meetings, such as the development of the financials and the business performance, throughout the year, the Supervisory Board regularly discusses with the Executive Board the following topics:

- Corporate planning projects, including actual or potential acquisitions and divestments;
- Organizational changes and senior management appointments;
- Compliance with relevant rules and legislation, as well as developments in corporate governance;
- The assessment of strategic, operational, financial, and compliance risks, including Randstad's approach to risk & opportunity management;
- The preparation, evaluation, and follow-up of the Annual General Meeting of Shareholders;
- Topics related to sustainability relevant to Randstad, including the corporate sustainability framework and related key drivers and key performance indicators;
- The views of analysts and investors, as well as changes in the shareholder structure and base; and
- The external auditor's management letter.

The Supervisory Board is frequently updated on developments in operating countries and markets. Senior management of the operations in Germany and Italy joined some meetings in 2015 to give an update on their markets in person. Every year, the Supervisory Board, jointly with the Executive Board, pays a two-day visit to the operations in a different country. Their joint visit to clients, branches, and Randstad's head office in Germany in June 2015 provided additional insight into the quality of local operations and management. Individual members of the Supervisory Board also paid personal visits to various businesses within Randstad on an ad-hoc basis.

To underline the importance of Randstad's business principles and the procedure for reporting misconduct, the Supervisory Board shares responsibility for these matters with the Executive Board. An assessment of the complaints reported under the misconduct reporting procedure is shared with the Audit Committee annually.

Supervisory Board Committee activities in 2015

The Supervisory Board has three Committees: the Audit Committee, the Remuneration and Nomination Committee, and the Strategy Committee. Their roles are described in more detail in the section corporate governance. They generate detailed information and prepare recommendations relating to their specific areas, while the full Supervisory Board retains overall responsibility. In each case, the Committee Chair reports the Committee's main considerations and findings to the full Supervisory Board, usually immediately after the relevant Committee meeting.

Effective April 2015, following the changes in the Supervisory Board, the composition of these Committees is as follows:

Audit Committee

Frank Dorjee (Chair), Wout Dekker, and Jaap Winter. The first two members in particular have relevant expertise in the field of financial management.

Remuneration & Nomination Committee
Giovanna Monnas (Chair regarding remuneration), Wout Dekker (Chair regarding nomination), and Barbara Borra.

Strategy Committee
Jaap Winter (Chair), Henri Giscard d'Estaing, Giovanna Kampouri Monnas, and Rudy Provoost.

All Supervisory Board members have a standing invitation to attend meetings of Committees of which they are not a member, which they do attend on an ad-hoc basis.

Report of the Audit Committee

The Audit Committee assists the Supervisory Board in its responsibility to oversee Randstad's financing, financial statements, financial reporting process, and system of internal business controls, risk management and audit.

Five meetings were held in 2015 (2014: five). All meetings were attended by the CEO, the CFO, and the managing directors for Control, Accounting and Group Business Risk & Audit. The external auditor was also present. Generally, at the end of each meeting, the Audit Committee discusses with the external auditor, without management being present, their assessment of Randstad's performance, as well as the collaboration with the Executive Board and the finance departments, including their functioning.

In addition to the standard agenda items (e.g., the financial performance, which is discussed in more detail), the following topics are discussed during the year:
- Randstad's financing strategy, possible alternative long-term funding sources, and the floating interest policy;
- The external auditor's reports on procedures performed for each quarter and their annual management letter;
- The impact of possible changes in legislation;
- The procedure for reporting misconduct, including the report of the central integrity officer;
- A review of fiscal, treasury, legal, and pension-related developments, mostly provided by the responsible corporate managing director;
- A report from the Managing Director Group Legal on operating companies' compliance with key policies, including the business principles, insider dealing, competition law, bribery, gifts & hospitality, data protection, discrimination, intimidation and harassment, contract liability, and e-communications;
- The annual legal letter, listing material litigation (where potential liability exceeds € 1 million). Any cases with a potential liability exceeding € 2.5 million are promptly reported to the Audit Committee; and
- The annual talent and performance review of the finance function and its key people, including the World League Finance Program, whose aim is to develop the finance function, all finance staff and the finance organization throughout Randstad. In the course of each year, the CFOs of some of the larger operating companies are invited to report on their approach to this program in their country. In 2015, the CFO of Randstad Belgium was invited for this purpose.

In 2015, the Audit Committee gave special attention to:
- The Group's current IT state of affairs and strategy going forward, aimed at optimizing the distribution of IT spend and longer-term savings;
- The change to the dividend policy, as outlined below;
- The bi-annual review of Group tax performed by EY, which indicated that the tax function is well embedded and the tax strategy is solid, both on tax planning and tax compliance;
- The framework for data protection, indicating a need for further development of related policies and procedures.

The Audit Committee discussed various items relating to the risk profile and in-control situation, such as the risk profile of the Group, the annual internal audit plan and priorities for 2015, and the quarterly reports prepared by Group Business Risk & Audit. These reports contain audit results, fraud investigations, and reviews of control situations and improvements in particular countries and processes.

At year-end, the overall company's in-control situation was discussed by the Audit Committee, using the control assessment of management and Group Business Risk & Audit, as well as the external auditor's reflections on the in-control situation. This quarterly discussion on the various risk and control topics allows management and Group Business Risk & Audit to focus on the right priorities throughout the year. Based on these discussions, control themes are defined. These themes get extra attention to enhance control efficiency and effectiveness in those specific areas, resulting in tailored local improvement plans.

In the second and fourth quarters, the Group's in-control situation was discussed in detail, using the results of the renewed key control framework. It addresses key risks, looks at the controls to mitigate these risks, and requires a management assessment of these controls. Priorities for internal audits of local audit teams are set by the Managing Director Group Business Risk & Audit and discussed and agreed with the Executive Board and the Audit Committee. This framework allows all Group companies to further develop their controls using a maturity model. Further information can be found in the section risk & opportunity management. The Business Risk & Audit department is adequately embedded within the organization by way of the Global Risk & Audit network, consisting of local internal auditors at operating company level. In 2015, the Audit Committee approved the updated Business Risk & Audit Charter, which confirms the direct access of the department's managing director to the Chair of the Audit Committee, and as such ensures objectivity, authority, and responsibility setting.

With regard to the external audit, the Audit Committee reviewed the proposed audit plan relating to the audit scope, approach, transition plan, and fees (see note 28 to the financial statements). This was the first year that Deloitte acted as external auditor, replacing PricewaterhouseCoopers. Therefore, a more thorough and in-depth assessment of Randstad's procedures and controls was performed by the external auditor to make itself familiar with the company.

The Audit Committee assured itself of the independence of the external auditor and the non-audit services provided by the external auditor, in line with the relevant policy. The Audit Committee assessed the performance of the external auditor, based on a satisfaction survey conducted among all CFOs of the operating companies and key corporate finance people. As part of this annual evaluation process, the following items are taken into consideration: (1) the quality of the audit work, (2) the sufficiency and fulfillment of the audit engagement, (3) the quality of the auditor's reports, (4) the independence of the auditors, (5) the expertise and composition of the audit team, (6) the audit fee, and (7) quality control within the audit firm.

Report of the Strategy Committee

The Strategy Committee acts as a sparring partner for the Executive Board and contributes in depth to the preparation of the semi-annual discussion of Randstad's strategy with the full Supervisory Board. Each member has his own specific and extensive experience in strategy development and related processes. All meetings are attended by the full Executive Board.

In 2015, the Committee fully focused on the follow-up of the strategic retreat held in September 2014 and the preparation of the strategic retreat in October 2015 as elaborated on in detail above.

Report of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee primarily makes recommendations regarding the remuneration (and the remuneration policy) of the Executive Board and the Supervisory Board. It is also tasked with advising on candidates to fill vacancies in both Boards. Each Committee member has specific expertise in the area of remuneration and HR-related issues.

The Committee met three times in the course of 2015 (2014: four). The CEO and the Managing Director HR participated in part of the meetings. The Committee regularly makes use of external advice, notably from Focus Orange and Towers Watson.

The following list provides an overview of the items discussed during the year:

- Proposals regarding the base salary of the Executive Board, based on a benchmark against the international labor market peer group and against a peer group of companies listed on the AEX index (consisting of large companies listed on Euronext Amsterdam);
- Proposals regarding variable pay of the Executive Board: the realization of the annual bonus targets, the targets for next year's annual bonus, the realization of the targets of the long-term incentive plan, and the annual allocation of shares and options;
- The annual assessment of the Executive Board and its individual members;
- The proposals to reappoint Linda Galipeau and François Béharel as members of the Executive Board;
- The proposals to reappoint Wout Dekker and Henri Giscard d'Estaing as members of the Supervisory Board;
- The self-assessment of the Supervisory Board;
- Randstad's HR strategy and focus for the coming years, key actions, its function and organization,
- The outcomes and conclusions of the annual talent review and succession planning; and
- The annual assessment of the senior country and functional managing directors (all of whom are scheduled to meet and present to the Supervisory Board, if feasible), as well as high potentials and possible successors to the Executive Board.

The Committee also discussed diversity-related topics. The Supervisory Board aims to ensure that both its own composition as well as the composition of the Executive Board represents a good balance in terms of diversity (including experience, gender, and nationality). The aim is that at least one-third of its members meet the criteria regarding gender. These gender criteria are currently being met for the Supervisory Board, but not yet for the Executive Board. Randstad's policy regarding diversity is described in the diversity and inclusion section of this annual report. A key factor in diversity is providing equal opportunities for women. The percentage of women in senior management positions amounted to 46.4% (2014: 45.2%) in 2015, which is close to our target of 50% in 2017. The Executive Board welcomed its first female member in 2012. Diversity will continue to be an important consideration for all future nominations to the Boards.

Supervisory Board remuneration

The Annual General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board. Their remuneration is a fixed annual allowance paid in monthly installments. It is not linked to the financial results of the company. Members of the Supervisory Board do not receive any performance-related compensation or shares, and do not accrue any pension rights with the company.

Members of the Supervisory Board who hold shares in the company are only allowed to do so as long-term investments. They adhere to the company's insider-dealing rules. Randstad does not grant loans or guarantees to Supervisory Board members.

The annual allowances were last determined by the Annual General Meeting of Shareholders held in 2012, while the annual Committee fees were last determined by the Annual General Meeting of Shareholders held in 2011. The annual allowances and Committee fees for the Chair and members of the Supervisory Board are shown in the table below.

Allowances of Supervisory Board members

in €

	2015	2014
Supervisory Board		
Chair	110,000	110,000
Vice-Chair	90,000	90,000
Members	75,000	75,000
Audit Committee		
Chair	12,000	12,000
Members	8,000	8,000
Remuneration & Nomination Committee		
Chair	9,000	9,000
Members	7,000	7,000
Strategy Committee		
Chair	8,000	8,000
Members	6,000	6,000

In addition, Supervisory Board members receive a fixed annual expense allowance of € 2,000 net for members and € 3,000 net for the Chair. Taking into consideration their significant effort and travel time, Supervisory Board members receive an attendance fee of € 1,500 per meeting when cross-border travel is required in order to attend a Supervisory Board meeting.

Report of the Annual General Meeting of Shareholders

At the Annual General Meeting of Shareholders, held on April 2, 2015, the CEO and the CFO gave an account of the general state of affairs at Randstad and its financial performance in 2014. The meeting adopted the 2014 financial statements and the dividend proposal. The members of the Executive Board were granted discharge of liability for their management, and the members of the Supervisory Board for their supervision thereof. Barbara Borra, Rudy Provoost, and Jaap Winter were (re)appointed as members of the Supervisory Board. Fritz Fröhlich stepped down as member and Chair of the Supervisory Board, as his final term had expired. Beverley Hodson stepped down as member of the Supervisory Board for personal reasons. The meeting authorized the Executive Board to issue ordinary shares, limited to a maximum of 3% of the ordinary issued share capital for a period of 18 months, as well as to repurchase ordinary shares, limited to a maximum of 10% of the ordinary issued share capital for a period of 18 months. Stépan Breedveld was appointed as Board member of Stichting Administratiekantoor Preferente Aandelen Randstad Holding. Deloitte Accountants B.V. in the Netherlands was appointed as external auditor for the financial year 2016.

Similar to prior year, the Chair of the Audit Committee proactively elaborated on the work of the Audit Committee in 2014, the company's collaboration with the external auditor, and some specific items that were relevant in the past year:

- Goodwill valuation, partly as a result of the annual goodwill impairment test. Based on current insights and estimates, this did not lead to an impairment;
- The valuation of the position regarding deferred taxes, as described in detail in the financial statements;
- The CICE subsidies on low wages in France, which Randstad continued to receive in 2014;
- Some fraud-related matters that were entirely immaterial to Randstad;
- Estimates by the management in regard to important items in the financial statements, which were judged to be consistently conservative; and
- Processing the USG acquisitions, pensions, and provisions, as well as reconciliation of 'hours paid/hours billed', which was important for Randstad.

The lead partner of PricewaterhouseCoopers, then the external auditor, was given the floor to elaborate on the auditor's opinion. For the second year, in content and design, this was more company-specific, describing the responsibilities of the Executive Board and the external audit, the scope of the audit and the definition of materiality. The most important matters concern valuation of goodwill, the deferred tax position, and the audit environment. He also stated that the description of the risk management and audit system included in the 2014 annual report does not conflict with the findings arising from the audit of the financial statements.

Financial statements for 2015

The financial statements for 2015 have been audited and provided with an unqualified opinion by Deloitte Accountants BV (see the auditor's report) and were extensively discussed with the auditors by the Audit Committee in the presence of the CEO and the CFO in February 2016. The full Supervisory Board then discussed them with the full Executive Board in the presence of the auditors. The Supervisory Board is of the opinion that the financial statements 2015 meet all requirements for correctness and transparency. During the year, the Audit Committee extensively discussed the risk management framework that supports this. As such, the Supervisory Board recommends that the Annual General Meeting of Shareholders, to be held on March 31, 2016, adopt the financial statements and the appropriation of net income proposed by the Executive Board.

The Supervisory Board endorses the Executive Board's proposal to the Annual General Meeting of Shareholders to pay a full cash dividend per ordinary share of € 1.68 for 2015 (€ 1.29 for 2014) and a cash dividend on preference shares B and C of € 12.6 million (€ 12.6 million for 2014).

The Supervisory Board requests that the Annual General Meeting of Shareholders grant discharge to the members of the Executive Board for their management and to the members of the Supervisory Board for their supervision in 2015.

The Supervisory Board would like to thank all Randstad employees, under the strong leadership of the Executive Board, for their contribution and continuing dedication in 2015.

Diemen, the Netherlands, February 16, 2016

The Supervisory Board,
Wout Dekker, Chair
Jaap Winter, Vice-Chair
Barbara Borra
Frank Dorjee
Henri Giscard d'Estaing
Giovanna Kampouri Monnas
Rudy Provoost

remuneration report

Remuneration policy

The main objective of the remuneration policy is to attract, motivate, and retain qualified senior executives of the highest caliber, who have an international mindset and the background required for the successful leadership and effective management of a large global company. The members of the Executive Board are rewarded accordingly, and most of their remuneration is based on Randstad's performance. The remuneration structure for the Executive Board is therefore designed to balance short-term operational performance with the long-term objectives of the company and value creation for its stakeholders.

Remuneration levels are determined on the basis of a number of clear, transparent criteria, and reflect general as well as specific individual responsibilities in an international context. They are benchmarked against an international labor market peer group regarding fixed salary levels, and against an international performance peer group to establish relative performance:

- The international labor market peer group represents the market in which Randstad competes for senior management talent, and is used to benchmark fixed salary levels. It is composed of international staffing and business services companies, reflecting Randstad's international scope. They are Adecco SA, Rentokil Initial Plc, Capgemini SA, Atos Origin SA, Robert Half International Inc, LogicaCMG Plc, Manpower Inc, Kelly Services Inc, Michael Page International Plc, Hays Plc, TUI AG, G4S Plc, and Sodexo Group SA;
- The international performance peer group is used as a benchmark to establish relative performance in terms of Total Shareholder Return (TSR) for the payout of the long-term incentive plan. It reflects the market in which the company competes for shareholder preference. This group is composed solely of staffing companies, and can therefore be characterized as 'sector-specific'. It consists of Adecco SA, Kelly Services Inc, Trueblue Inc, Manpower Inc, Robert Half International Inc, USG People NV, Michael Page International Plc, Hays Plc, and Groupe Synergie SA.
- In addition, as an extra check, total compensation levels are benchmarked annually against a peer group of companies listed on the AEX index (consisting of large companies listed on Euronext Amsterdam).

The last update of the remuneration policy was approved by the Annual General Meeting of Shareholders held on March 28, 2013.

Executive Board remuneration 2015

The remuneration of the Executive Board consists of three components:

1. Short-term compensation, consisting of a base salary and an annual cash bonus opportunity;
2. Long-term compensation, consisting of performance shares;
3. Pension and other benefits.

The variable portion of the total remuneration package is performance-related. It consists of short- and long-term components. For on-target performance, approximately half of the total compensation of a member of the Executive Board is performance-related. The Supervisory Board, on the recommendation of its Remuneration and Nomination Committee, sets the targets prior to each performance period. Performance targets and conditions are derived from Randstad's strategy, annual budget plan, and market analysis. An overview of the 2015 and comparable 2014 remuneration amounts is included in note 24 to the financial statements.

Short-term compensation

Base salary

In line with the relevant size and profile of Randstad, compared to the other companies included in the international labor market peer group, base salaries of the Executive Board members are set at between the median and 75% percentile level.

In line with the company's remuneration policy and confirmed by benchmarking carried out by Focus Orange, it was decided to increase the base salaries of the Executive Board members by 2.5% as from January 1, 2015. The general pay differentials within the company, and specifically within senior management, were taken into account when taking this decision.

Effective January 1, 2015, the base salary of Jacques van den Broek, CEO and Chairman of the Executive Board, was increased to € 900,000, which is still below the relevant median to 75% percentile level of the international labor market peer group and group of companies listed on the AEX index. This was the second step in a three-step salary increase, following his appointment as CEO.

Annual cash bonus opportunity

The total annual cash bonus opportunity amounts to 70% of base salary for on-target performance, and the maximum bonus level is 100% of base salary. If performance is below a pre-defined minimum level, no bonus will be paid out. In calculating the pro-rata bonus, a sliding scale between the minimum level and the maximum level is used. The Supervisory Board sets the targets at the beginning of each financial year.

The framework for the annual cash bonus relates to:

- Gross profit, revenue or market share, with the bonus opportunity ranging from 10% for minimum performance, 15% for on-target performance, and 25% for maximum performance;
- EBITA or EPS realization, with the bonus opportunity ranging from 10% for minimum performance, 15% for on-target performance, and 25% for maximum performance;
- Leverage ratio, or efficiency of working capital (e.g., DSO or net debt), with the bonus opportunity ranging from 10% for minimum performance, 15% for on-target performance, and 25% for maximum performance;
- Individual targets; with a maximum of 15%;
- Additional bonus at the discretion of the Supervisory Board, with a maximum of 10%.

The actual targets for these and the individual targets are not disclosed, as they qualify as information that is confidential and/or commercially and potentially share-price sensitive.

If a variable remuneration component conditionally awarded in a previous year would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the performance period, the Supervisory Board has the power to adjust the value upwards or downwards. The Supervisory Board may also recover from the Executive Board any variable remuneration awarded on the basis of incorrect financial or other data. These provisions are included in the annual bonus and grant letter. This power was not used in 2015, nor was any remuneration recovered from present or former Executive Board members.

Based on the achievement of the shared and individual targets for 2015, and using the discretionary space available to the Supervisory Board, the bonus entitlement with regard to the performance in 2015 as percentage of annual base salary is specified as follows:

Annual bonus payout, 2015

2015 performance target	possible maximum	payout as % of annual base salary
Group revenue performance	25%	25%
Group EBITA margin	25%	20%
Net debt at year-end	25%	25%
Individual targets	15%	Varies from 5.5% - 14.5%
Discretionary	10%	10%
	100%	Varies from 85.5% - 94.5%

Long-term compensation

In order to align their own objectives with the value creation objectives of shareholders, performance shares are granted to the members of the Executive Board on an annual basis.

Due to their long-term nature, performance shares are inherently and significantly more open to market uncertainties than short-term compensation elements. Shares can become unconditional (i.e., may vest) depending solely on Randstad's TSR performance compared to the performance peer group, measured over a three-year period starting from January 1 of the year in which they are granted. As from 2013, the related payout range was amended as follows:

TSR payout range

	as from 2013	until 2013
Position 1	250%	250%
Position 2	200%	200%
Position 3	150%	150%
Position 4	100%	125%
Position 5	50%	100%
Position 6	0%	75%
Position 7	0%	50%
Position 8	0%	25%
Position 9	0%	0%
Position 10	0%	0%

The grant is divided into TSR-dependent (80%) and sustainability-related (20%). TSR reflects the return received by a shareholder and captures both the change in the company's share price and the value of dividend income, assuming dividends are reinvested in the company. TSR is an appropriate measure, as it objectively measures the company's financial performance and assesses its long-term value creation as compared to other companies in the sector. TSR performance for the companies of the international performance peer group is calculated based on their 'home/primary listing'. TSR data are compiled and reported by external data provider Towers Watson. Given the relevance of sustainability for Randstad's business, ambition, and long-term viability, performance targets within Randstad's sustainability KPI framework are added at the discretion of the Supervisory Board. These targets are also set at the start of the three-year vesting period.

Performance shares are granted in the open period following the publication of the Group's fourth-quarter financial results in February. The number of shares will be calculated based on the fair value of the Randstad share as at January 1. At the moment the performance shares are granted, their fair value assuming on-target performance is equal to an amount of 100% of the base salary for all Executive Board members alike. If a member of the Executive Board resigns before the vesting date, conditional grants of performance shares will in principle lapse or, for example, in case of retirement due to reaching pension age, will vest pro rata related to the performance period in service. The company offers no financing arrangements at grant or exercise of the options. Performance shares need to be retained for at least two years after vesting, except to the extent necessary to settle any related tax liabilities.

Prior to the grant, and following the advice of the Remuneration and Nomination Committee, the Supervisory Board analyzes the possible outcomes of the allocation.

On February 19, 2015 (the grant date under the relevant plan), a conditional grant of performance shares for on-target performance was made, based on 100% of the annual base salary per Executive Board member as at January 1, 2014, and on the fair value of the performance shares as at the same date of € 28.47 per share (TSR-dependent grant) and € 37.43 per share (sustainability-related grant).

The conditional on-target awards for 2015 are as follows:

Conditional on-target awards, 2015

	Number of shares
Jacques van den Broek	30,099
Robert Jan van de Kraats	23,060
François Béharel	20,258
Linda Galipeau	20,258
Chris Heutink	20,258
	113,933

The sustainability-related performance targets for this grant are the following five targets from Randstad's sustainability KPI framework:

- Net Promoter Score (NPS): a Top 3 position or at least position improvement in the Top 12 countries over the performance period;
- Increased focus on health and safety within the Group and relative reduction of fatalities and injuries;
- Proportion of females in senior management positions: 50% in 2017 (45.2% in 2014);
- Staffing penetration rates in Top 8 markets, where measurable;
- Return to/inclusion in the Dow Jones Sustainability Index.

At the end of the performance period 2015–2017, the Supervisory Board will have the discretion to determine the actual vesting based on progress made over the performance period as reported by the Executive Board in relation to each of these targets. Each target accounts for 50% vesting, the minimum vesting equals 0%, and the maximum vesting equals 250%, in line with the minimum and maximum opportunity for the TSR-dependent grant.

Early 2015, the performance shares and performance options that had been conditionally granted in February 2011 vested based on the relative TSR performance over the period January 1, 2011, to December 31, 2014. Performance resulted in 50% vesting.

Pension and other benefits

Pension contribution

The pension arrangements for members of the Executive Board are based on defined contribution. Randstad provides an annual contribution of 27% of base salary to the schemes of Executive Board members. For Netherlands based members, this contribution includes compensation for limitations of accrual of pension rights as of 2015. The company has no specific early retirement arrangements in place for Board members.

Other benefits

Additional arrangements include expense and relocation allowances, a company car or car allowance, and health and accident insurance.

Loans

The company has issued no loans or guarantees to Executive Board members.

Severance

In the event of severance, a maximum of one year's annual base salary, in addition to the 12-month notice period, applies to all Executive Board members.

Executive service agreements

In line with the relevant regulation, Executive Board members have a four-year executive service agreement with the company, which supersedes any previous employment agreements.

Appointment terms

The members of the Executive Board appointed before 2005 were appointed for an indefinite period. The members of the Executive Board, including the CEO, appointed since 2005 have been appointed for a period of four years.

Executive Board remuneration 2016

In line with the company's remuneration policy and confirmed by benchmarking carried out by Focus Orange, it was decided to increase the base salaries of the Executive Board members by 3.0% as of January 1, 2016. The general pay differentials within the company, and specifically within senior management, were taken into account when taking this decision.

Effective January 1, 2016, the base salary of Jacques van den Broek, CEO and Chairman of the Executive Board, was increased to € 1,000,000. This is the last step in a three-step salary increase following his appointment as CEO and brought his salary at the median level of the international labor market peer group and group of companies listed on the AEX index.

Supervisory Board remuneration 2015 and 2016

Information with regard to the remuneration of the Supervisory Board in 2015 is included in the section Report of the Supervisory Board. An overview of the 2015 and comparable 2014 remuneration amounts is included in note 24 to the financial statements.

The remuneration of the Supervisory Board, including its Committees, will remain unchanged in 2016.

corporate governance

Principles

Sound corporate governance is a key component of Randstad's culture and is consistent with its core values. Randstad's corporate governance is supported by a strong focus on integrity, transparency, and clear and timely communication. Good governance and proper supervision are important prerequisites for generating and maintaining trust in Randstad and its management.

Randstad is incorporated and based in the Netherlands. As a result, Randstad's governance structure is based on the requirements of Dutch legislation, the company's articles of association, complemented by internal policies and procedures. Given the worldwide exposure of its businesses, the international context is of vital importance, and international developments are closely monitored.

Randstad has always sought to enhance its governance in line with the Dutch Corporate Governance Code ('the Code', which can be found at www.commissiecorporategovernance.nl) and international best practices. Any substantial changes in Randstad's corporate governance structure will be submitted to the Annual General Meeting of Shareholders.

Corporate governance declaration

The Executive Board and the Supervisory Board, which are jointly responsible for the corporate governance structure of Randstad, are of the opinion that almost all of the principles and best-practice provisions of the Code are being applied. We strongly believe that these principles and provisions are consistent with our core values. This means that we do not merely take a 'box ticking' approach to compliance. As the Code is based on the 'apply or explain' principle, a very limited number of exceptions to the Code, which are deemed necessary in the interests of Randstad, have been explained to shareholders and are described in this report. This report also includes the information that needs to be disclosed in accordance with the corporate governance declaration as referred to in the relevant Dutch governmental decree.

Executive Board

Tasked with the overall management of Randstad, the Executive Board is accountable for developing and executing the strategy. The Executive Board is also responsible for the associated risk profile, financial controls, the development of results, and the resolution of corporate responsibility issues, while simultaneously respecting policies that have been set. The responsibility for the management of Randstad is vested collectively in the Executive Board. Each member has duties related to the pecific area of responsibilities and expertise. The Company Secretary acts as secretary to the Executive Board.

The Supervisory Board is empowered to recommend to the Annual General Meeting of Shareholders candidates to be appointed to the Executive Board. The Supervisory Board determines the remuneration of the members of the Executive Board, in accordance with the remuneration policy adopted by the Annual General Meeting of Shareholders.

Since 2005, new board members have been appointed for a maximum term of four years. The division of tasks between the members of the Executive Board requires the approval of the Supervisory Board. Members need the prior approval of the Supervisory Board before they can take up a board position at another company. A member of the Executive Board may not be a member of the Supervisory Board of more than two listed companies or serve as Chair of the Supervisory Board of another listed company.

Supervisory Board

The Supervisory Board supervises and advises the Executive Board in performing its management tasks, sets the direction of the Randstad business and guides its general development, including the financial policies and corporate structure. It evaluates the strategy, development of results, operating model, and sustainability framework established under the Executive Board's management. Major management decisions, including those involving strategy, require the approval of the Supervisory Board. The Supervisory Board further supervises the structure and management of systems of internal business controls and the financial reporting process.

The Supervisory Board is empowered to recommend to the Annual General Meeting of Shareholders candidates to be appointed to the Supervisory Board. Such appointments are considered on the basis of a profile, taking into account the nature of Randstad's activities and the desired background and expertise of candidates. Diversity is an important criterion in order to establish a balance in nationality, gender, age, experience, and background of the individual members. The Supervisory Board aims for at least one-third of its membership to meet the diversity criteria. Members of the Supervisory Board should limit the number of Supervisory Board memberships and other positions they may hold at listed and non-listed companies in such a way as to guarantee the proper performance of his or her duties, and may not hold more than five Supervisory Board memberships in Dutch companies or other large organizations, whereby a Chair counts as two memberships. Supervisory Board remuneration is determined by the Annual General Meeting of Shareholders and not linked to the company's results.

Randstad ensures that there are structured reporting lines to the Supervisory Board. The Supervisory Board meets regularly throughout the year, according to a pre-arranged schedule, both with and without the Executive Board and senior management. Through frequent informal consultation with and updates from the members of the Executive Board in between the meetings, the Supervisory Board remains well informed about the general state of affairs within Randstad. At the end of each year, the Supervisory Board extensively assesses the composition, performance, and functioning of the Executive Board and the Supervisory Board, as well as their individual members.

The Chair of the Supervisory Board ensures the proper functioning of the Board and its Committees, and acts as the main contact for the Executive Board. The Vice-Chair replaces the Chair when required, and acts as the contact for the other Board members on matters relating to the functioning of the Chair. The Company Secretary acts as secretary to the Supervisory Board.

Supervisory Board Committees

While the Supervisory Board retains overall responsibility for its functions, it assigns some of its tasks to three Committees: the Audit Committee, the Strategy Committee, and the Remuneration and Nomination Committee. Their advice and recommendations assist the Supervisory Board in its decision-making. All Supervisory Board members are, in principle, also members of at least one but no more than two Committees.

The Audit Committee assists the Supervisory Board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, and the external audit process. The Committee assesses the audit plan and the scope and approach of the external auditor, and monitors progress and performance. The relationship with the external auditors is evaluated annually. Together with the Executive Board, the Audit Committee reviews quarterly and full-year financial statements, auditors' reports and the management letter. The internal risk and control framework and tax- and treasury-related activities are recurring topics. The Audit Committee may opt to meet separately with the external auditors to discuss the quality of financial reporting and cooperation with the finance departments.

The Strategy Committee acts as a sparring partner for the Executive Board and contributes in depth to the preparation of the annual discussion of Randstad's strategy with the full Supervisory Board.

The Remuneration and Nomination Committee makes recommendations regarding the remuneration policy for the Executive Board and the Supervisory Board, for adoption by the Annual General Meeting of Shareholders. The approved policy then forms the basis for the fixed and variable remuneration of the Executive Board. The Committee is also tasked with advising on candidates to fill vacancies in the Executive Board and Supervisory Board, evaluating the performance of both Boards and their members, reviewing the company's HR strategy and development of senior management, and ensuring long-term succession planning.

Board compliance

Both Boards, including the Committees of the Supervisory Board, have their own by-laws, which set rules regarding objectives, composition, responsibilities, and working methods. These by-laws are available on our corporate website.

Any conflict of interest between Randstad and a Board member should be avoided. Any actual or potential conflict of interest must be reported immediately to the other Board members and/or the Chair of the Supervisory Board. Any shareholding in the company must be for the purpose of long-term investment. Board members must at all times comply with the provisions contained in the Randstad insider dealing rules. These rules include, among other items, a policy that stipulates that dealings in Randstad shares and options by Board members should normally be restricted to the four weeks following the publication of quarterly financial results, provided that the person involved is not in possession of any inside information at that time.

Annual General Meeting of Shareholders

Important matters that require the approval of the (Annual) General Meeting of Shareholders are:

- Adoption of the annual accounts;
- Adoption of profit appropriation and additions to reserves;
- Dividends;
- Significant changes to the company's corporate governance;
- Remuneration policy of the Executive Board;
- Remuneration of the Supervisory Board;
- Discharge from liability of the Executive Board for its management;
- Discharge from liability of the Supervisory Board for its supervision of the management;
- Appointment of the external auditor;
- Appointment, suspension, or dismissal of the members of the Executive Board and the Supervisory Board;
- Authorization to purchase, issue, or sell shares in the Group's capital;
- Adoption of amendments to the Articles of Association.

Further details about the proposals that the Executive Board or the Supervisory Board can submit to the meeting and the procedure according to which shareholders themselves can submit matters for consideration by the meeting are specified in the company's Articles of Association.

The Annual General Meeting of Shareholders, which is normally held at the end of March or in early April, is broadcast live by audio webcast via our corporate website. As specified in the notice for the meeting, voting instructions (anonymous if desired) can be given to an independent third party in advance of the meeting. Within three months of the meeting, the draft minutes of the meeting are made available for three months for comments. The definitive minutes are published on our corporate website.

Voting rights

The issued share capital of Randstad currently consists of 183.0 million ordinary shares, 25.2 million preference shares B, 14.6 million preference shares C1, and 35.6 million preference shares C2. The ordinary shares have equal voting rights ('1 share, 1 vote'). The voting rights on the preference shares are aligned with the capital contribution upon issuance. Effective at a Shareholders' meeting, the voting rights on the preference shares B are 3.6 million, and the voting rights on the preference shares C are 5.6 million.

The foundation Stichting Administratiekantoor Preferente Aandelen Randstad Holding holds the preference shares B and C. The foundation's Board consists of Bas Kortmann (Chair), Stépan Breedveld and Sjoerd van Keulen. The Board members are fully independent. The foundation's Articles of Association were compiled in accordance with Annex X, Euronext Amsterdam Rule Book, Book II. Depository receipts issued by the foundation are held by, among others, Nationale Nederlanden NV, ASR NV, Richmond, and Randstad Beheer BV. Although the voting rights attached to the preference shares are vested in the foundation, each depositary receipt holder can ask for a proxy to exercise the voting rights underlying his or her depositary receipts during a Shareholders' Meeting.

Randstad may issue preference shares A to a legal entity charged with safeguarding the company's interests and preventing influences that may threaten its continuity, independence, or identity. To date, no such shares have been issued. Resolutions for such an issue would require the cooperation of the Annual General Meeting of Shareholders.

As at December 31, 2015, the holders of approximately 95.8% of ordinary shares have been able to make unrestricted use of their voting rights. The other 4.2% of ordinary shares have been converted into depository receipts. A foundation, Stichting Administratiekantoor Randstad Optiefonds, holds those shares, in which the attached voting rights are vested. The depository receipts issued by Stichting Administratiekantoor Randstad Optiefonds are fully exchangeable into ordinary shares, and are held by Stichting Randstad Optiefonds. Frits Goldschmeding, the company's founder, is the sole Board member of Stichting Administratiekantoor Randstad Optiefonds.

Internal risk management and control systems

A detailed description of Randstad's Risk & Control framework, including a description of the most important risk management and control systems, is given in the section 'Risk & opportunity management'.

Exceptions to the Code

Randstad applies all relevant provisions of the (updated) Dutch Corporate Governance Code, with the following exceptions.

II.1.1 A Management Board member is appointed for a maximum period of four years.
The members of the Executive Board appointed before 2005 were appointed for an indefinite period. Those since 2005, including the CEO, have been appointed for a period of four years.

II.2.5 Shares granted to Management Board members without financial consideration shall be retained for a period of at least five years.
The long-term incentive for the Executive Board is paid in performance shares, which vest after three years. Performance shares need to be retained for at least two more years. We believe this five-year term sufficiently enhances shareholder alignment and is in line with the long-term nature of the incentive. However, Randstad also believes that share sales should be allowed earlier to the extent necessary to settle any related tax liabilities.

III.5 If the Supervisory Board comprises more than four members, it should designate a Remuneration Committee and a Selection and Appointment Committee.
As it felt that issues related to selection, appointment, and remuneration are interlinked, the Supervisory Board decided that all these activities should be dealt with by one Committee: the Remuneration and Nomination Committee.

Legal transparency obligations

The information that needs to be disclosed under Article 10, Takeover Directive Decree, and section 391, sub-section 5, book 2 of the Dutch Civil Code is available in various sections of this annual report. In this section, we provide additional information or indicate where the information can be found.

a. Capital structure and attached rights and duties

An overview of the company's capital structure, voting rights and dividend policy is provided in the section 'Investor relations & share performance' of this annual report.

b. Statutory or contractual restrictions on share transfers

Approximately 32.2% of the total share capital (3.0% ordinary shares, 9.8% preference shares B, and 19.4% of preference shares C) has been converted into depository receipts (see section Voting rights). The transfer of depositary receipts of preference shares requires the approval of the Executive Board and the Supervisory Board.

c. Major shareholders

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM). Almost all the holdings listed below are a combination of (depositary receipts of) ordinary shares and (depositary receipts of) preference shares. All transactions between Randstad and holders of at least 10% of the total number of shares are agreed on terms that are customary in the sector concerned. (See the section on Related-party transactions in the financial statements). This means that best-practice provision III.6.4 of the Dutch Corporate Governance Code has been observed.

Major shareholders

	2015	2014
F.J.D. Goldschmeding	30%-40%	30%-40%
Stichting Administratiekantoor Preferente Aandelen Randstad Holding [1]	25%-30%	25%-30%
NN Group[1]	10%-15%	10%-15%
ASR[1]	5%-10%	5%-10%
Richmond[1]	5%-10%	5%-10%
Stichting Randstad Optiefonds	3%-5%	3%-5%
Stichting Administratiekantoor Randstad Optiefonds	3%-5%	3%-5%
Blackrock Inc	3%-5%	0%
Capital	3%-5%	0%
MFS Investments	0%	3%-5%

[1] Mainly based on preference shares.

d. Special rights of control

The company has not issued special rights of control to specific shares or shareholders. Preference shares A can be issued, but only with the approval of the Annual General Meeting of Shareholders.

e. Control mechanisms relating to option plans, share plans, and share purchase plans

The following share-based payment arrangements are in effect: a performance stock option plan for the Executive Board, two performance share plans (one for the Executive Board members and one for senior management), and a share purchase plan for all corporate employees. The relevant characteristics of these plans can be found in the notes to share-based payments.

f. Voting limitations

Holders of depository receipts of ordinary shares have no voting rights.

g. Agreements with shareholders that can limit the transfer of shares or voting rights

Randstad Holding nv announces that it has signed a continuity agreement with its founder Frits Goldschmeding through his private holding company Randstad Beheer, replacing the previous agreement from 2007. The new agreement relates to the creation of a future-proof structure, independent on the life and involvement of individuals. This means Randstad Beheer is committed to Randstad for the long-term, safeguarding the heritage and spirit of Frits Goldschmeding and the values bestowed on the company, now and in the future.

As a result of an amendment of its articles of association, the purpose of Randstad Beheer will be to safeguard the continuity of its shareholding for the longer term, its strategic position and to promote the sustainable success and development of Randstad. This is in line with the current modus operandi. The long-term involvement of Randstad Beheer is reflected by its right to one seat on Randstad's Supervisory Board, provided Randstad Beheer holds a stake in Randstad Holding of at least 25% (which is currently the case).

As the 2007 agreement included a notice period for possible changes, the new continuity agreement also holds an arrangement that ensures a careful consultation process in case Randstad Beheer at some point considers to amend the purpose of its articles of association and if Randstad Beheer's voting rights in Randstad Holding are at that point at least 25%. In the event Randstad Beheer decides to amend its purpose at the end of that process, Randstad Beheer and Randstad Holding will reasonably consult on the new situation and the potential reduction of Randstad Beheer's shareholding in Randstad, and Randstad Holding will assist in such reduction if and when it occurs.

In line with the intent of the previous agreement, the new agreement ensures that, if Randstad Beheer's voting rights fall below 25% or it has the intention to do so, Randstad Holding and Randstad Beheer will discuss potential consequences for Randstad Holding's governance aimed at safeguarding Randstad's development, continuity and strategic position in the new share ownership structure.

h. Regulations concerning the appointment and dismissal of Board members and changes to the Articles of Association

Members of the Executive Board and Supervisory Board are appointed by, and may at any time be suspended or dismissed by, the Annual General Meeting of Shareholders. A Supervisory Board member is eligible for reappointment twice. Resolutions with respect to appointment and dismissal are passed by an absolute majority of the votes cast. When a proposal for the amendment of the Articles of Association is made to the Annual General Meeting of Shareholders, this is always stated in the convening notice for that meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, is simultaneously deposited at the company's head office, for perusal by every shareholder, as well as by every holder of depository receipts, until the end of the meeting. Copies are made available free of charge. Amendments to the Articles of Association involving changes to the special rights accruing to the holders of preference shares require the approval of the holders of preference shares concerned at the meeting.

i. Authority of the Executive Board, especially to issue and repurchase shares in the company

Subject to the approval of the Supervisory Board, the Executive Board is authorized to issue shares, grant subscription rights, and restrict or exclude pre-emptive rights for holders of ordinary shares until October 2, 2016, for an annual maximum of 3% of the issued share capital of the company. This issuance will mainly be for the purposes of the performance stock option and share plans pertaining to the Executive Board and senior management. The Executive Board is also authorized, subject to the approval of the Supervisory Board, to repurchase shares until October 2, 2016, for an annual maximum of 10% of the issued share capital of the company. The repurchase will mainly be for the purposes of the performance share plans pertaining to the Executive Board and senior management .

j. Change of control arrangements

Change of control provisions have been included in the company's revolving syndicated credit facility, as well as the company's performance share and option plans for the Executive Board and senior management, and the share purchase plan for corporate employees.

k. Agreements with Board members or employees

The severance payment for all members of the Executive Board has been set at maximum one annual base salary in addition to the notice period of twelve months.

financial statements

contents

consolidated statement of comprehensive income

The notes on pages 115 to 154 are an integral part of these consolidated financial statements.

in millions of €	Note	Page	2015	2014
Revenue	4.4	128	**19,219.2**	**17,249.8**
Cost of services	8.1	133	15,624.7	14,072.2
Gross profit	5.1	129	**3,594.5**	**3,177.6**
Selling expenses	8.2	133	1,922.4	1,715.0
Amortization and impairment of acquisition-related intangible assets and goodwill	8.4	134	127.3	145.4
Other general and administrative expenses	8.2	133	840.1	801.9
General and administrative expenses			**967.4**	**947.3**
Total operating expenses	8.2	133	**2,889.8**	**2,662.3**
Operating profit	5.1	129	**704.7**	**515.3**
Finance income	10	134	8.5	9.0
Finance expenses	10	134	(37.6)	(39.5)
Net finance costs	10	134	**(29.1)**	**(30.5)**
Share in profit and result on disposal of associates	17	140	6.8	0.3
Income before taxes			**682.4**	**485.1**
Taxes on income	4.3	125	(163.6)	(145.0)
Net income	11	135	**518.8**	**340.1**
Translation differences	*12*	*135*	*149.5*	*145.8*
Other comprehensive income	*12*	*135*	*0.0*	*(16.1)*
Total other comprehensive income			**149.5**	**129.7**
Total comprehensive income			**668.3**	**469.8**
Net income attributable to:				
Holders of ordinary shares of Randstad Holding nv			506.2	327.5
Holders of preference shares of Randstad Holding nv			12.6	12.6
Equity holders			**518.8**	**340.1**
Non-controlling interests			0.0	0.0
Net income			**518.8**	**340.1**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (expressed in € per ordinary share)				
Basic earnings per ordinary share (€)	7	132	2.79	1.83
Diluted earnings per ordinary share (€)	7	132	2.76	1.81
Total comprehensive income attributable to:				
Holders of ordinary shares of Randstad Holding nv			*655.7*	*457.2*
Holders of preference shares of Randstad Holding nv			*12.6*	*12.6*
Equity holders			**668.3**	**469.8**
Non-controlling interests			*0.0*	*0.0*
Total comprehensive income			**668.3**	**469.8**

consolidated balance sheet at December 31

The notes on pages 115 to 154 are an integral part of these consolidated financial statements.

in millions of €	Note	Page	2015	2014
ASSETS				
Property, plant and equipment	13	136	124.9	128.8
Software	14	137	45.8	38.6
Goodwill	4.1	120	2,494.8	2,375.1
Acquisition-related intangible assets	15	137	108.5	183.8
Intangible assets			**2,649.1**	**2,597.5**
Deferred income tax assets	4.3	125	531.5	534.7
Financial assets	16	138	376.1	263.9
Associates	17	140	-	1.6
Non-current assets			**3,681.6**	**3,526.5**
Trade and other receivables	3.2	116	3,435.7	3,077.9
Income tax receivables	4.3	125	58.0	56.4
Cash and cash equivalents	3.2	116	133.5	117.1
Current assets			**3,627.2**	**3,251.4**
TOTAL ASSETS	5.2	130	**7,308.8**	**6,777.9**
EQUITY AND LIABILITIES				
Issued capital			25.8	25.5
Share premium			2,270.5	2,261.1
Reserves			1,046.6	686.4
Net income for the year			518.8	340.1
Shareholders' equity	19.1	140	**3,861.7**	**3,313.1**
Non-controlling interests	19.3	142	0.0	0.0
Total equity			**3,861.7**	**3,313.1**
Borrowings	3.2	116	124.6	315.0
Deferred income tax liabilities	4.3	125	35.9	34.8
Provisions	4.2	123	71.6	73.6
Employee benefit obligations	4.2	123	94.9	91.0
Other liabilities	20	142	14.5	12.5
Non-current liabilities			**341.5**	**526.9**
Borrowings	3.2	116	182.1	224.1
Trade and other payables	18	140	2,811.9	2,589.9
Income tax liabilities	4.3	125	36.8	29.2
Provisions	4.2	123	55.4	69.9
Employee benefit obligations	4.2	123	12.4	17.8
Other liabilities	20	142	7.0	7.0
Current liabilities			**3,105.6**	**2,937.9**
Liabilities			**3,447.1**	**3,464.8**
TOTAL EQUITY AND LIABILITIES			**7,308.8**	**6,777.9**

consolidated statement of cash flows

The notes on pages 115 to 154 are an integral part of these consolidated financial statements.

in millions of €	**Note**	**Page**	**2015**	**2014**
Operating profit			**704.7**	**515.3**
Amortization and impairment of acquisition-related intangible assets	8.4	134	127.3	145.4
Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill (EBITA)	**5.1**	**129**	**832.0**	**660.7**
Depreciation and impairment of property, plant and equipment	8.3	133	45.5	45.6
Amortization and impairment of software	8.3	133	19.2	19.6
Operating profit before depreciation, amortization and impairment (EBITDA)	**5.1**	**129**	**896.7**	**725.9**
Provisions	4.2	123	(27.8)	3.6
Employee benefit obligations	25	152	(4.6)	3.0
Share-based compensations	9	134	29.1	27.4
Loss on disposals of property, plant and equipment	13	136	0.3	0.4
Gain on disposal of activities	8.2	133	(1.6)	-
Other non-cash items	21.4	144	(99.2)	(95.0)
Cash flow from operations before operating working capital and income taxes			**792.9**	**665.3**
Trade and other receivables	21.2	143	(270.6)	(61.3)
Trade and other payables	21.3	144	148.7	70.2
Operating working capital			**(121.9)**	**8.9**
Income taxes	21.5	144	(105.4)	(116.7)
Net cash flow from operating activities			**565.6**	**557.5**
Additions to property, plant and equipment	13	136	(42.0)	(41.7)
Additions to software	14	137	(25.2)	(24.0)
Acquisition of subsidiaries/activities	6.1	131	(89.0)	(0.6)
Acquisition of equity investments	16.3	139	(7.4)	(5.3)
Held-to-maturity investments	16.1	138	(3.8)	(6.5)
Disposals of property, plant and equipment	13	136	4.2	2.4
Disposal of subsidiaries/activities	6.2	131	4.1	0.2
Disposal of associates	17	140	8.4	-
Net cash flow from investing activities			**(150.7)**	**(75.5)**
Issue of new ordinary shares	19.1	140	4.2	1.5
Purchase of own ordinary shares	19.1	140	(58.3)	(25.7)
Repayments of non-current borrowings	3.2	116	(212.1)	(455.7)
Net financing			**(266.2)**	**(479.9)**
Finance income	10	134	3.9	1.4
Finance expenses	10	134	(13.0)	(31.8)
Dividend on ordinary shares	19.2	141	(81.5)	(56.0)
Dividend on preference shares	19.2	141	(12.6)	(12.1)
Net reimbursement to financiers			**(103.2)**	**(98.5)**
Net cash flow from financing activities			**(369.4)**	**(578.4)**
Net increase/ (net decrease) in cash, cash equivalents and current borrowings			**45.5**	**(96.4)**
Cash, cash equivalents and current borrowings at January 1	**21.1**	**143**	**(107.0)**	**(17.6)**
Net movement in cash, cash equivalents and current borrowings			45.5	(96.4)
Translation and currency gains			12.9	7.0
Cash, cash equivalents and current borrowings at December 31	**21.1**	**143**	**(48.6)**	**(107.0)**
Free cash flow	**21.6**	**144**	**498.8**	**487.7**

consolidated statement of changes in equity

The notes on pages 115 to 154 are an integral part of these consolidated financial statements.

	Issued capital	Share premium	Reserves [1]				Retained earnings	Net income	Share-holders' equity	Non-controlling interests	Total equity
in millions of €			Treasury shares	Translation	Share-based compensations	Employee benefits and other [2]					
Balance at January 1, 2015	**25.5**	**2,261.1**	**(13.0)**	**55.0**	**56.9**	**(40.0)**	**627.5**	**340.1**	**3,313.1**	**0.0**	**3,313.1**
Net income 2015	0.0	-	-	-	-	-	-	518.8	518.8	0.0	518.8
Translation differences	-	-	-	149.5	-	-	-	-	149.5	0.0	149.5
Other comprehensive income	-	-	-	-	-	0.0	-	-	0.0	-	0.0
Total other comprehensive income	**-**	**-**	**-**	**149.5**	**-**	**0.0**	**-**	**-**	**149.5**	**0.0**	**149.5**
Total comprehensive income 2015	**-**	**-**	**-**	**149.5**	**-**	**0.0**	**-**	**518.8**	**668.3**	**0.0**	**668.3**
Transactions with owners:											
Dividend 2014 on ordinary shares	0.3	(0.4)	-	-	-	-	246.1	(327.5)	(81.5)	-	(81.5)
Dividend 2014 on preference shares	-	-	-	-	-	-	0.0	(12.6)	(12.6)	-	(12.6)
Purchase of own ordinary shares	-	-	(58.3)	-	-	-	-	-	(58.3)	-	(58.3)
Share-based compensations:											
- fair value of vesting rights	-	-	-	-	29.1	-	-	-	29.1	-	29.1
- stock options exercised (on newly issued shares)	0.0	9.8	-	-	(2.7)	-	(2.9)	-	4.2	-	4.2
- performance shares issued	-	-	23.8	-	(32.9)	-	9.1	-	-	-	-
- taxes on share-based compensations	-	-	-	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Total transactions with owners	**0.3**	**9.4**	**(34.5)**	**-**	**(6.5)**	**-**	**251.7**	**(340.1)**	**(119.7)**	**-**	**(119.7)**
Balance at December 31, 2015	**25.8**	**2,270.5**	**(47.5)**	**204.5**	**50.4**	**(40.0)**	**879.2**	**518.8**	**3,861.7**	**0.0**	**3,861.7**
Balance at January 1, 2014	**25.3**	**2,258.7**	**(8.7)**	**(90.8)**	**58.4**	**(23.9)**	**458.1**	**230.7**	**2,907.8**	**0.0**	**2,907.8**
Net income 2014	-	-	-	-	-	-	-	340.1	340.1	0.0	340.1
Translation differences	-	-	-	145.8	-	-	-	-	145.8	0.0	145.8
Other comprehensive income	-	-	-	-	-	(16.1)	-	-	(16.1)	-	(16.1)
Total other comprehensive income	**-**	**-**	**-**	**145.8**	**-**	**(16.1)**	**-**	**-**	**129.7**	**0.0**	**129.7**
Total comprehensive income 2014	**-**	**-**	**-**	**145.8**	**-**	**(16.1)**	**-**	**340.1**	**469.8**	**0.0**	**469.8**
Transactions with owners:											
Dividend 2013 on ordinary shares	0.2	(0.2)	-	-	-	-	162.6	(218.6)	(56.0)	-	(56.0)
Dividend 2013 on preference shares	-	-	-	-	-	-	-	(12.1)	(12.1)	-	(12.1)
Purchase of own ordinary shares	-	-	(25.7)	-	-	-	-	-	(25.7)	-	(25.7)
Share-based compensations:											
- fair value of vesting rights	-	-	-	-	27.4	-	-	-	27.4	-	27.4
- stock options exercised (on newly issued shares)	0.0	2.6	-	-	(7.1)	-	6.0	-	1.5	-	1.5
- performance shares issued	-	-	21.4	-	(21.8)	-	0.4	-	-	-	-
- taxes on share-based compensations	-	-	-	-	-	-	0.4	-	0.4	-	0.4
Total transactions with owners	**0.2**	**2.4**	**(4.3)**	**-**	**(1.5)**	**-**	**169.4**	**(230.7)**	**(64.5)**	**-**	**(64.5)**
Balance at December 31, 2014	**25.5**	**2,261.1**	**(13.0)**	**55.0**	**56.9**	**(40.0)**	**627.5**	**340.1**	**3,313.1**	**0.0**	**3,313.1**

[1] The total of the various items included under 'reserves' within shareholders' equity as at December 31, 2015 is € 1,046.6 million (December 31, 2014: € 686.4 million). Additional information with respect to equity is given in note 19.

[2] As at December 31, 2015, this reserve includes € 0.6 million (December 31, 2014: zero) in respect of 'fair-value through other comprehensive income'-investments.

main notes to the consolidated financial statements

(in millions of €, unless otherwise indicated)

1. General information

Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam. The registered office of the company is in Amsterdam. The address of the company is Diemermere 25, 1112 TC Diemen, The Netherlands.

The consolidated financial statements of Randstad Holding nv include the company and its subsidiaries (together called the 'Group').

See note 22 for an overview of the major subsidiaries and consolidation policies.

1.1 Activities

Randstad specializes in solutions in the field of flexible work and human resources services. Our services comprise temporary staffing and permanent placements. We also offer on-site workforce management, as well as other HR services, such as payroll services and outplacement.

1.2 Date of authorization of issue

The financial statements were signed and authorized for issue by the Executive Board and Supervisory Board on February 16, 2016. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders in the Annual General Meeting of Shareholders (AGM) on March 31, 2016.

2. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out separately below or explained in the respective notes to these financial statements. These policies have been consistently applied to the periods presented.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and IFRS IC interpretations (IFRIC), as adopted by the European Union (hereinafter IFRS) and in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code.

In 2015, a number of new standards as well as amendments to and interpretations of existing IFRS standards became effective. These new standards, amendments and interpretations, as far as they are relevant to the Group, have no impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

In 2015, various other new standards (including IFRS 9 'Financial instruments'), as well as amendments to and interpretations of existing IFRS standards were published for application in accounting periods beginning on or after January 1, 2016. As far as these standards, amendments and interpretations are applicable to the Group, the Group has decided not to opt for early adoption. These new standards, amendments and interpretations, including IFRS 15 'Revenue from contracts with customers', are expected to have no material impact on the valuation and classification of the assets and liabilities of the Group, nor on its income statement or cash flows.

Early 2016, IFRS 16 'Leases' was issued. The Group is currently in the process of assessing the impact of the valuation of assets and liabilities and on its income statement. Based on current lease commitments, the impact on the valuation of assets and liabilities is expected to be material. The new standard is effective as of January 1, 2019.

Unless otherwise stated, the financial statements are prepared under the historical cost convention and on a going concern basis.

For both current assets and liabilities (expected to be recovered or settled within 1 year) and non-current assets and liabilities (expected to be recovered or settled after 1 year), the corresponding presentation is used on the face of the balance sheet.

The Group operates in countries with different currencies. All subsidiaries have as their functional currency the local currency of the country in which they operate. The Group and its parent company use the euro as their functional and presentation currency.

All amounts in tables are presented in millions of euros.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

2.2 Fair value estimation

Fair value estimations are mainly used with respect to financial assets and financial liabilities.

As no financial assets and liabilities of the Group are traded in active markets, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at current market interest rates that are available to the Group for similar financial assets and liabilities. The fair value is only calculated for disclosure purposes.

Because of this valuation method that uses observable market data for the interest rates, the resulting fair value estimates reflect 'Level 2 Financial Instruments' for 2015 and 2014.

3. Capital and financial risk management

3.1 Capital management

Randstad Holding's policy is to maintain a sound financial position through a leverage ratio (net debt/EBITDA) of between 0 and 2. We believe this is important in order to maintain candidate, client, creditor and investor confidence and to sustain the future development of our business.

Our financing policy aims to secure financing which matches the Group's mid- to long-term financing requirements.

3.1.1 Dividend policy

Our target is to achieve a flexible payout ratio of 40% to 50% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs, provided that the financial position allows for it.

Dividend is paid in cash, unless shareholders are given the choice between a cash or stock dividend and opt for a stock dividend.

3.2 Financial risk management

The Group is exposed to a variety of financial risks, including credit risk, liquidity risk, foreign currency exchange risk and interest rate risk. One of the objectives of the Group's risk and control framework is to minimize potential adverse effects on the financial performance of the Group.

Our risk and control framework is in place to ensure that risks are detected, measured and reported properly. Risk management procedures are carried out under policies that have been approved by the Executive Board.

3.2.1 Credit risk

Credit risk within the Group arises from the possibility that clients and other counterparties may not be able to settle their obligations towards the Group.

Credit control policies are included in a blueprint, which is a global document including prescribed work procedures and guidelines. To manage credit risk, credit checks are performed up front for new customers. For high-risk clients, credit limits are put in place based on internal and/or external ratings. Credit risk is monitored by the credit control departments of our operating companies on a daily basis.

The Group has no significant concentrations of credit risk, as the Group has very many clients in a large number of industries and countries.

Trade and other receivables

	2015	2014
Trade receivables	2,993.3	2,642.7
Less: provision for impairment	38.4	36.5
Trade receivables, net of provision for impairment	**2,954.9**	**2,606.2**
Other receivables	393.7	394.1
Prepayments	80.4	73.9
Held-to-maturity investments	6.7	3.7
	3,435.7	**3,077.9**

The carrying amount of these receivables reflects the fair value.

The Group does not hold any collateral as security.

Accounting policy

Trade and other receivables are initially stated at fair value. Subsequent measurement is at amortized cost using the effective interest method less provision for impairment.

A provision for impairment of trade and other receivables is established when it is more likely than not that the Group will not be able to collect the amounts receivable. The provision for impairment of trade receivables is based on the trade receivable portfolio experience of subsidiaries, as well as on individual assessments of expected non-recoverable receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy or financial reorganization, and serious default or delinquency in payments, are considered indicators that the trade receivable is impaired. The amount of the provision is equal to the difference between the carrying amount of the asset and the present value of estimated future cash flows.

Movements in the provision for impairment of trade receivables

	2015	2014
Balance at January 1	**36.5**	**41.8**
Charged to selling expenses	9.4	9.1
Receivables written off as uncollectable	(7.8)	(15.1)
Translation differences	0.3	0.7
Balance at December 31	**38.4**	**36.5**

In the provision for impairment of trade receivables, an amount of € 24.6 million (2014: € 24.1 million) is included for individually impaired receivables.

The provision for impaired trade receivables is excluding recoverable value-added taxes.

Amounts charged to the provision for impairment of trade receivables are generally written off when there is no expectation of recovering additional cash.

Aging of trade receivables, based on invoice date

	2015		2014	
	Amount	%	Amount	%
0-4 weeks	1,756.6	58.7	1,483.3	56.1
5-16 weeks	1,148.4	38.4	1,079.7	40.9
17-26 weeks	43.4	1.4	37.9	1.4
Not impaired	**2,948.4**	**98.5**	**2,600.9**	**98.4**
Impaired	44.9	1.5	41.8	1.6
	2,993.3	**100.0**	**2,642.7**	**100.0**

The information with regard to aging categories is based on invoice date, as the risk of non-payment starts from this date.

Trade receivables that are neither past due nor impaired amount to € 2.452 million (2014: € 2,144 million); an amount of € 496 million (2014: € 457 million) is past due, but not impaired.

Excess cash positions are invested with preferred financial partners, which are considered to be high-quality financial institutions with sound credit ratings, or in highly rated liquidity funds. Policies are in place that limit the amount of credit exposure to any one financial institution.

For other financial assets – which mainly comprise receivables on governmental or semi-governmental bodies – see note 16.

3.2.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. The Group’s approach to liquidity risk is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities when due, under both normal and stressed conditions. This risk is managed by having sufficient availability of cash, as well as committed and uncommitted credit lines, both at Group and subsidiary level.

Credit facilities

At December 31, 2015 and 2014 , the Group has a € 1.800 million committed multi-currency syndicated revolving credit facility at its disposal, which matures July 2020. The maturity term may potentially be extended to a maximum of 7 years (i.e., mid-2022) through the exercise of two extension options, which are at the banks' discretion. During the year a first extension option has been exercised (from mid-2019 to July 2020).The facility agreement contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio), as well as a paragraph on material adverse changes. The net debt to EBITDA ratio has a limit of 3.5 and is calculated based on the results of the Group on a 12-month basis. In certain cases, Randstad is allowed to report a leverage ratio of 4.25 x EBITA for a limited period of time.

The actual net debt to EBITDA ratio as at December 31, 2015, is 0.2, and is safely within the limits of the facility agreement.

The credit facility has an interest rate that is based each time on the term of the drawings, increased by a margin above the applicable Euribor or Libor rates. The margin is variable and depends on the leverage ratio. The interest rates at year-end are 0.87% for drawings in US dollars, 0.96% for drawings in UK pounds sterling and 0.50% for drawings in Japanese Yens, for a term shorter than one month. These are also the effective interest rates.

On February 13, 2015, the remaining € 150 million of the standby facility to sell trade receivables of selected European entities (up to a maximum of originally € 275 million) lapsed.

Borrowings

Borrowings are initially recognized at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost.

Any difference between the proceeds and the amount to be repaid is recognized in net finance costs during the term of the borrowings using the effective interest method.

Total borrowings

	2015	2014
Non-current borrowings comprising drawings on the multi currency syndicated revolving credit facility	124.6	315.0
Non-current borrowings	**124.6**	**315.0**
Current borrowings	182.1	224.1
	306.7	**539.1**

Transaction costs included in the drawings amount to € 7.6 million (2014: € 9.8 million).

The existing drawings on the multi-currency syndicated revolving credit facility are denominated in US dollars (€ 57 million), UK pounds sterling (€ 37 million) and Japanese Yens (€ 38 million). All amounts denominated in currencies other than the euro are designated as hedges of the net investment in subsidiaries in the US, the UK and Japan. These net-investment hedges are all considered effective.

Current borrowings are denominated in various currencies. At December 31, 2015, the major amounts denominated in foreign currencies are for an amount of € 13.4 million in US dollars, € 7.9 million in Argentine pesos, € 6.9 million in Indian rupees, and € 6.5 million in Chinese renminbi.

Since the interest rates on the current borrowings fluctuate with the market, the effective interest rates are considered equal to the actual rates.

Negative pledges have been issued for purposes of bank overdraft facilities and 'pari passu' clauses apply.

At year-ends 2015 and 2014, the Group has no outstanding interest rate or currency derivatives.

Movements in non-current borrowings

	2015	2014
Balance at January 1	**315.0**	**643.8**
Repayments of syndicated loan	(212.1)	(298.7)
Repayments on other non-current borrowings, net	-	(57.0)
Amortization of transaction costs	2.2	2.3
Translation differences	19.5	24.6
Balance at December 31	**124.6**	**315.0**

In the 2014 statement of cash flows under cash flow from financing activities (non-current borrowings) was presented the short-term part of non-current borrowings as of December 31, 2013 (€ 100 million).

Total amortization of transaction costs amounted to € 2.7 million in 2014 which included € 0.4 million for that part of non-current borrowings presented as short-term as at December 31, 2013.

Maturities of financial liabilities are expected to be:

Expected maturities of financial liabilities

including interest payments

December 31, 2015	Carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	More than 5 years
Non-current borrowings[1]	124.6	132.3	-	-	-
Current borrowings[2]	182.1	182.1	-	-	-
Trade and other payables[3]	2,768.6	2,307.3	461.3	-	-
Other liabilities[4]	21.5	-	0.4	1.8	25.1
	3,096.8	**2,621.7**	**461.7**	**1.8**	**25.1**

December 31, 2014	carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	more than 5 years
Non-current borrowings[1]	315.0	325.0	-	-	-
Current borrowings[2]	224.1	224.1	-	-	-
Trade and other payables[3]	2,549.7	2,120.3	429.4	-	-
Other liabilities[4]	19.5	-	1.2	0.9	22.5
	3,108.3	**2,669.4**	**430.6**	**0.9**	**22.5**

1 Drawings on the syndicated loan contractually mature in January of the subsequent year; most likely to be extended by new drawings. All amounts are undiscounted.
2 No interest is included, since current borrowings are considered repayable upon demand. All amounts are undiscounted.
3 Excluding deferred income. All amounts are undiscounted.
4 Other liabilities are based upon the estimated maturities, due to the nature of put options. Carrying amount is discounted, whereas other amounts are undiscounted.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and at bank, as well as time deposits and other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents

	2015	2014
Time deposits	5.6	5.8
Cash on hand and at bank	127.9	111.3
	133.5	**117.1**

Time deposits fall due, on average, within a month. The average interest rate for time deposits is 5.9% (2014: 4.5%).

An amount of € 130.4 million out of € 133.5 million (2014: € 111.1 million out of € 117.1 million) is available upon demand.

Net debt
The net debt includes the balance of cash, cash equivalents and borrowings (both current and non-current).

Net debt

	2015	2014
Non-current borrowings	(124.6)	(315.0)
Current borrowings	(182.1)	(224.1)
Total borrowings	**(306.7)**	**(539.1)**
Cash and cash equivalents	133.5	117.1
Net debt	**(173.2)**	**(422.0)**

3.2.3 Foreign currency exchange risk

Transactions and balances in currencies other than the functional currency
Transactions in currencies other than the functional currency of the related subsidiary are converted at the foreign exchange rate at the date of the transaction.

Monetary balance sheet items (such as cash and borrowings) in currencies other than the functional currency of the related subsidiary are converted at year-end exchange rates.

Exchange differences resulting from the settlement of transactions on cash, cash equivalents and borrowings, as well as from the conversion of these monetary balance sheet items are included in net finance costs. Exchange differences resulting from the settlement of other transactions and conversion of other monetary balance sheet items are included in operating expenses.

Non-monetary balance sheet items (such as property, plant and equipment) that are measured in terms of historical cost in currencies other than the functional currency of the related company are converted at the foreign exchange rates on the date of transaction.

Exposures to foreign currency exchange risk
The Group uses the euro as its reporting currency. Currencies other than the euro that are of primary importance to the Group are the Australian dollar, the Canadian dollar, the Japanese yen, the UK pound sterling and the US dollar.

Main exchange rates to the euro

averages on annual basis

	2015		2014	
	Average	At year-end	Average	At year-end
Australian dollar	0.68	0.67	0.68	0.68
Canadian dollar	0.71	0.66	0.68	0.71
Japanese yen	0.00745	0.00762	0.00713	0.00689
UK pound sterling	1.38	1.36	1.24	1.28
US dollar	0.90	0.92	0.75	0.82

The foreign currency exchange risk of the Group with respect to transactions is limited, because subsidiaries usually generate both revenues and expenses in the same local currency.

All other foreign exchange transactions, which mostly consist of intercompany financing (equity increases, dividends, intercompany loans and interests), are executed, in principle, on a spot basis. The Group has a policy to match, within certain preset boundaries, the currencies in the net debt positions with the currencies in the cash flow generation. The currency mix of the debt can easily be adjusted, as the € 1,800 million syndicated revolving credit facility is a multi-currency facility. In principle, the use of derivatives is therefore unnecessary.

Currency fluctuations can, however, affect the consolidated results, due to the translation of local results into the Group's reporting currency.

Translation effects from consolidation may also impact shareholders’ equity. The Group has a number of net investments in foreign subsidiaries whose assets and liabilities are exposed to currency translation risk that is accounted for, through total other comprehensive income, in equity. Currency exposures arising from the net assets of the Group’s foreign operations are monitored and, when considered necessary, hedged against borrowings in the relevant currencies through a net investment hedge; translation differences on borrowings classified as such are included, through comprehensive income, in equity.

Sensitivity

If the euro had weakened or strengthened 10% on average during 2015 against the currencies mentioned above, with all other variables held constant, EBITA for the year 2015 would have been higher or lower respectively in the range of € 2 million – € 22 million per currency. The effect on shareholders' equity would have been the same (before tax effects) (2014: range of € 1 million – € 16 million per currency).

3.2.4 Interest rate risk

As we believe the staffing industry has a natural hedge to interest rate changes (EBITDA levels usually move up and down more or less in line with interest rate levels), and since the Group is cash-generating, the general policy is to keep interest rates on net debt floating as much as possible. We also believe this adds value for shareholders in the long term, as over time the floating interest rates are on average significantly lower than the fixed interest rates.

Sensitivity

If the interest rate had been 1 percentage point higher on average during 2015, with all other variables held constant, net interest expenses for the year would have been € 4 million higher (2014: € 7 million effect).

4. Critical accounting policies, judgments, estimates and assumptions

In preparing the financial statements, management has to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these judgments, estimates and assumptions, and therefore could have a material effect on the carrying amount of the asset or liability involved. The timing of outflow of resources to settle provisions is subject to the same uncertain factors. Judgments, estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors, including expectations about future events, which are believed to be reasonable under the circumstances and for the item involved. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Group considers the following accounting policies, judgments, estimates and assumptions as critical:

- impairment of non-financial assets in general and impairment of goodwill specifically;
- provisions;
- corporate taxes;
- revenue recognition.

4.1 Impairments

4.1.1 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, with the exception of deferred tax assets and the plan assets in relation to defined benefit pension plans, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For goodwill, testing for impairment is performed at least annually.

If there are such indications, the recoverable amount of the asset is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. For purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to groups of cash-generating units, being operating segments, for purposes of impairment testing.

If the recoverable amount of an asset or a cash-generating unit (or operating segment) is estimated to be lower than its carrying amount, the related carrying amount is reduced to its recoverable amount.

The resulting impairment loss is immediately recognized in total operating expenses.

The recoverable amount is the higher of an asset's fair value less costs to dispose and its value in use.

The value in use is determined by using the present value of estimated cash flow projections. The discount rates are based on interest rates that align with the terms of the projections and the specific risks of the asset or business respectively.

In determining the fair value less costs to dispose, information such as recent market transactions is taken into account; if no such transactions (or comparable transactions) can be identified, an appropriate valuation model is used. This valuation model is supplemented by valuation multiples, quoted share prices, or other available fair-value indicators.

Impairment losses relating to a cash-generating unit (or operating segment) are first allocated to reduce the carrying amount of the goodwill of the related cash-generating unit (or operating segment) and then to reduce the carrying amount of the other assets of that cash-generating unit (or operating segment) on a pro rata basis.

An impairment loss with respect to goodwill is not reversed.

With respect to other assets, an impairment loss recognized in a prior period is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

For the impairment-testing method of property, plant and equipment, software and acquisition-related intangible assets, see notes 13, 14 and 15 respectively.

4.1.2 Goodwill and impairment of goodwill

Goodwill

	2015	2014
Cost	3,193.7	3,096.0
Accumulated impairment	818.6	785.6
Balance at January 1	**2,375.1**	**2,310.4**
Acquisition of subsidiaries	58.2	-
Disposal of subsidiaries	(1.5)	-
Impairment	-	-
Translation differences	63.0	64.7
Balance at December 31	**2,494.8**	**2,375.1**
Cost	3,334.8	3,193.7
Accumulated impairment	840.0	818.6
Balance at December 31	**2,494.8**	**2,375.1**

In 2015, the Group acquired the US based company RiseSmart Inc. This acquisition resulted in an amount of goodwill of 58.2 million, based on a provisional purchase price allocation (see note 6.1).

In 2015, the Group disposed of activities in Australia. The related carrying amount of goodwill amounting to € 1.5 million has been derecognized.

Accounting policies

Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of associates is included in investments in associates. For the measurement of goodwill at initial recognition, see note 6.1.

Goodwill upon acquisitions represents payments made by the Group in anticipation of future economic benefits from assets that cannot be identified individually and cannot be recognized separately. These relate, for example, to synergies expected from integrating the acquired companies and the workforces of the acquired companies.

Goodwill is stated at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold. Where goodwill has been allocated to an operating segment and part of the operation within that operating segment is disposed of, the goodwill related to that part is included in the carrying amount of the disposed operation when determining the gain or loss on disposal. Goodwill disposed is calculated based on the relative value of the disposed operation of the total value of the operating segment to which the disposed operation belongs. If disposal of an entity results in a loss, the goodwill part in the loss is presented in the statement of comprehensive income as an impairment of goodwill, up to a maximum amount of the loss on disposal.

Goodwill is allocated to operating segments for the purpose of impairment testing. The allocation is made to those operating segments that are expected to benefit from the business combination in which the goodwill arose.

Impairment testing

In the case of triggering events and at least annually, the Group tests whether intangible assets, being goodwill and acquisition-related intangible assets, have suffered any impairment. The recoverable amounts of cash-generating units have been determined using, among other instruments, value-in-use calculations. These calculations require the use of estimates. Based on these impairment tests, impairment losses, if any, are identified.

Determination of recoverable amount

The recoverable amount for all operating segments is based on the higher of value in use and fair value less cost to dispose. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation and amortization) and the expected future performance, which in turn is based on historical performance, management's estimates and assumptions of revenue growth, and of developments of operating margins, assessed using external data, covering a period of, in principle, nine years (2014: nine years). Cash flow projections after this period are extrapolated by means of a growth percentage of 0.25% (2014: 0.5%) throughout the Group. The nine-year period of the projections reflects an estimated full business cycle of the industry.

Yearly impairment test

Key assumptions in the cash flow projections are:

- annual revenue growth of the Group: on average between 3.7% and 7.6% for the first three years and 3.7% - 3.8% for the following six years (Netherlands: 2.0% to 8.1% and 2.0% respectively; USA: 4.0% to 8.0% and 4.0% respectively);
- EBITA of the Group in the range of 4.7% to 5.1% of revenue (Netherlands: 6.0% to 6.8%; USA: 6.0% to 6.1%);
- growth rate in revenue and EBITA percentages vary between segments in relatively limited terms and are dependent on the mix in revenue.

The cash flow projections are prepared in local currencies, and discounted with pre-tax discount rates for each currency involved. The pre-tax discount rates vary from 8.9% to 30.8%. The weighted average is 13.0% (2014: average 14.4%). Netherlands: 10.6% (2014: 12.0%); USA: 13.8% (2014: 15.7%).

Results of annual impairment test
The annual impairment tests carried out by the Group for 2015 and 2014 did not indicate that any of the operating segments that contain goodwill may be impaired.

Sensitivity relating to annual impairment test
The outcome of impairment testing is sensitive to variations in estimates and assumptions. Variations in estimates and assumptions have the following effect on the recoverable amount calculations:

- revenue growth: a 1 %-point lower growth rate would result in an impairment charge of € 1 million for India (2014: no impairment charge);
- EBITA: a 0.5 %-point lower EBITA in percentage of revenue would imply a € 13 million impairment charge for the operating segments India (€ 9 million), Latin America (€ 3 million) and Sourceright Asiapac (€ 1 million) (2014: € 9 million related to operating segment in Australia). A 1.0 %-point lower EBITA percentage of revenue would imply a € 13 million impairment charge mainly related to India and Latin America (2014: € 50 million, mainly related to Australia);
- discount rate: a 1.0 %-point higher discount rate would result in a € 4 million impairment charge for the operating segment India (2014: Australia € 3 million).

For the carrying amount of goodwill by reporting segment, see note 5.2.

In 2015, the operating segments Latin America, India and Sourceright Asiapac are most sensitive to variations in assumptions (2014: Australia). The recoverable amount of € 91 million exceeds the carrying amount (including € 13 million of goodwill) by € 5 million.

The operating segments UK, Australia and France have sufficient headroom to cover the previously mentioned variations in assumptions. The operating segments the Netherlands, Belgium & Luxembourg, Germany, USA, Canada, Italy, Spain, Portugal, Switzerland, Eastern Europe, Scandinavia, Poland, Japan, China, Sourceright North America and Sourceright Emea have substantial headroom available.

4.2 Provisions and employee benefit obligations

4.2.1 Provisions

Movements in provisions

	Restructuring	Workers' compensation	Other	Total
Balance at January 1, 2015	**41.5**	**46.3**	**55.7**	**143.5**
Movements in 2015				
Acquisition of subsidiaries	-	-	4.5	4.5
Charged to income statement	29.7	24.8	19.6	74.1
Released to income statement	(2.9)	-	(10.3)	(13.2)
Withdrawals	(45.7)	(29.3)	(13.7)	(88.7)
Total amount in statement of cash flows	**(18.9)**	**(4.5)**	**(4.4)**	**(27.8)**
Interest due to passage of time	-	1.5	0.2	1.7
Translation differences	0.2	5.0	(0.1)	5.1
Balance at December 31, 2015	**22.8**	**48.3**	**55.9**	**127.0**
Non-current	4.4	31.0	36.2	71.6
Current	18.4	17.3	19.7	55.4
Balance at December 31, 2015	**22.8**	**48.3**	**55.9**	**127.0**
Balance at January 1, 2014				
Non-current	1.0	28.3	47.4	76.7
Current	15.7	17.3	26.8	59.8
	16.7	**45.6**	**74.2**	**136.5**
Movements in 2014				
Acquisition of subsidiaries	-	-	(4.4)	(4.4)
Charged to income statement	40.6	23.1	10.3	74.0
Released to income statement	(1.8)	-	(8.2)	(10.0)
Withdrawals	(14.2)	(29.3)	(16.9)	(60.4)
Total amount in statement of cash flows	**24.6**	**(6.2)**	**(14.8)**	**3.6**
Interest due to passage of time	0.0	1.4	0.3	1.7
Translation differences	0.2	5.5	0.4	6.1
Balance at December 31, 2014	**41.5**	**46.3**	**55.7**	**143.5**
Non-current	2.5	27.9	43.2	73.6
Current	39.0	18.4	12.5	69.9
Balance at December 31, 2014	**41.5**	**46.3**	**55.7**	**143.5**

Provisions for restructuring are recognized when a detailed and formal restructuring plan is approved, and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise severance payments for personnel and lease termination penalties for branches.

Provisions for workers' compensation are based on claims for compensation and medical expenses (of both staffing and corporate employees) in relation to accidents during working hours, for which the Group is liable under applicable local laws. These provisions relate to our activities in North America and in part of Australia, where we are responsible for payment of workers' compensation claims up to a maximum amount per claim, beyond which the costs are insured. Independent actuaries calculate the amount of the provision.

The effective interest rate used in the calculation of the provision for workers' compensation lies in the range of 2.00 % to 3.00 % (2014: range of 2.25% to 3.00%).

Other provisions mainly relate to:

- Onerous contracts, where the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract; and
- Estimated amounts of claims from third parties. These generally consist of a large number of individual claims. These claims are provided for at the lowest amount at which the Group expects the claim to be reasonably settled. Due to the highly uncertain timing of the expected future cash outflow, provided amounts for claims from third parties are categorized to be settled within 1 year after the balance sheet date, unless these are explicitly expected to be settled differently.

The majority of the non-current part of these provisions is expected to be settled within three years of the balance sheet date.

Sensitivity
With respect to provisions, the provision for workers' compensation is sensitive to changes in the interest rate. Should the interest rate deviate by 1 percentage point, with all other variables held constant, the provision would deviate in the range of € 1 million - € 2 million (2014: range of € 1 million - € 2 million).

Accounting policy
Provisions are recognized for legally enforceable or constructive obligations as a result of a past event for which the settlement is likely to require an outflow of resources and to the extent these can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

4.2.2 Employee benefit obligations

Employee benefit obligations

	2015	2014
Defined benefit pension plans	72.0	46.0
Other post-employment benefits	4.8	3.9
Other long-term employee benefits	32.0	31.2
Balance at January 1	**108.8**	**81.1**
Movements during the year		
Reclassification balance sheet	-	(3.4)
Charged to comprehensive income	49.3	84.3
Withdrawals/benefits paid	(41.1)	(45.6)
Contributions, employers	(10.7)	(7.9)
Translation differences	1.0	0.3
Total movements	**(1.5)**	**27.7**
Defined benefit pension plans	77.8	72.0
Other post-employment benefits	4.2	4.8
Other long-term employee benefits	25.3	32.0
Balance at December 31	**107.3**	**108.8**

The current part of the balance at December 31, 2015 amounts to € 12.4 million (2014: € 17.8 million).

Employee benefit obligations charged to comprehensive income

	2015	2014
Current service cost, total	54.3	61.6
Contributions, employees	(7.1)	(5.1)
Current service cost net, charged to operating profit	**47.2**	**56.5**
Interest expense due to passage of time	3.2	4.3
Interest income due to passage of time	(1.7)	(2.4)
Charged to net finance costs	**1.5**	**1.9**
Actuarial losses, net	**0.6**	**25.9**
Charged to comprehensive income	**49.3**	**84.3**

The discount rates used in the calculation of the obligations for employee benefits are in the following ranges:

Discount rates employee benefits

	2015	2014
Defined benefit pension plans	0.7% - 2.5%	0.7% - 1.9%
Other post-employment benefits	2.0% - 7.6%	1.8% - 8.4%
Other long-term employee benefits	0.1% - 4.7%	0.2% - 2.3%

The obligations regarding other post-employment benefits and other long-term employee benefits are unfunded.

Pensions
The Group has various pension schemes, in accordance with local conditions and practices in the countries in which it operates. In some countries, such pension schemes are operated through a company pension fund. Most of the pension schemes are defined contribution plans, which are funded through payments to independent entities. For these schemes the Group's obligation is limited to the payment of these annual contributions. The contributions constitute net periodic costs for the year in which they are due and are included in personnel expenses and/or costs of services.

A few pension schemes are defined benefit plans. The liability recognized in the balance sheet is the present value of the defined benefit obligation less the fair value of plan assets. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service and compensation (projected unit credit method).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and with terms to maturity that approximate the term when the related pension liability is due.

Current service costs are recognized in personnel expenses and/or cost of services and reflect the increase in the defined benefit obligation resulting from employee service in the current year.

Past service costs are recognized immediately in personnel expenses and/or cost of services.

Remeasurements of the net defined benefit liability - comprising actuarial gains and losses from experience adjustments and changes in actuarial assumptions- are recognized immediately in other comprehensive income.

The net interest expense on the net defined benefit liability is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then net defined benefit liability. Net interest expense is recognized in net finance costs.

Other post-employment benefits
Other post-employment benefit plans are defined benefit plans and follow the same accounting treatment as defined benefit pension plans. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service and compensation (projected unit credit method). These plans mainly consist of state driven plans in Italy and India.

Remeasurements of the liability – comprising actuarial gains and losses – are recognized immediately in other comprehensive income.

Other long-term employee benefits
In accordance with applicable legal requirements, the Group recognizes liabilities for several other long-term employee benefit plans, such as sickness-related schemes and long-service leave plans. These liabilities are based on calculations made by independent actuaries based on factors such as age, years of service, expected sickness duration, and compensation (the 'projected unit credit method').

Actuarial gains and losses related to these plans are recognized in personnel expenses and/or cost of services in the year in which they occur.

For more information on pensions and employee benefit obligations, see note 25.

4.3 Corporate taxes

The Group is subject to corporate income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide deferred tax asset on, among other items, tax losses carry-forward. There are many uncertain factors that influence the amount of the tax losses carry-forward. The Group recognizes deferred tax assets on tax losses carry-forward based on its best estimates. The recoverability of deferred income tax assets is reviewed and assessed frequently, using forecasts that are based on the actual operating results and expected future performance. External data are used for reference if considered necessary. When the actual results are different from the amounts that were initially estimated, such differences will impact the income tax in the income statement (effective tax rate) and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur. The Group has also identified a number of uncertain tax positions, which could lead to positive and/or negative differences.

4.3.1 Deferred and current income taxes

Using the balance sheet liability method, deferred tax assets and liabilities are recognized to provide for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

Deferred tax assets, including those resulting from tax losses carry-forward, are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences, including tax losses carry-forward, can be utilized.

Deferred tax assets and liabilities are valued at tax rates enacted or substantially enacted at year-end and which are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities arising from undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

Movements in total position of corporate taxes

	2015	2014
Assets/(liabilities)		
Deferred income tax assets	534.7	521.9
Current income tax receivables	56.4	65.2
Deferred income tax liabilities	(34.8)	(36.6)
Current income tax liabilities	(29.2)	(53.4)
Balance at January 1	**527.1**	**497.1**
Movements during the year		
Charged to income statement	(163.6)	(145.0)
Net payments	105.4	116.7
Acquisition of subsidiaries' deferred taxes	(6.3)	(2.8)
Acquisition of subsidiaries' current taxes	-	1.8
Recognized in other comprehensive income	16.2	13.8
Recognized in equity on share-based compensations	(0.6)	0.4
Translation differences	38.6	45.1
Total movements	**(10.3)**	**30.0**
Assets/(liabilities)		
Deferred income tax assets	531.5	534.7
Current income tax receivables	58.0	56.4
Deferred income tax liabilities	(35.9)	(34.8)
Current income tax liabilities	(36.8)	(29.2)
Balance at December 31	**516.8**	**527.1**

Deferred income tax assets

Composition of deferred income tax assets

	2015	2014
Tax losses carry-forward	453.2	589.3
Property, plant, equipment, and intangible assets	66.7	71.9
Provisions	69.2	60.7
Other receivables/other payables	158.8	145.0
Temporary differences	**294.7**	**277.6**
Deferred income tax assets (before netting)	**747.9**	**866.9**
Amount netted with deferred income tax liabilities	(216.4)	(332.2)
Deferred income tax assets (after netting)	**531.5**	**534.7**

Deferred income tax assets in relation to tax losses carry-forward comprise an amount of € 81 million (2014: € 110 million), originating from subsidiaries that showed tax losses in the current or preceding year.

Certain deferred income tax assets, whose recoverability is considered not probable, are valued at nil. These comprise deferred tax assets in relation to tax losses carry-forward of € 307 million (2014: € 307 million), and deferred tax assets relating to other temporary differences of € 2 million (2014: € 2 million).

The part of deferred tax assets that is expected to be recovered within one year is estimated at € 99 million (2014: € 77 million).

Sensitivity
The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available, against which these deferred tax assets can be utilized. The scenarios used are in agreement with the estimates and assumptions used in the goodwill impairment testing (see note 4.1.2). The various scenarios yield potential outcomes that do not materially deviate from the carrying amount.

Deferred income tax liabilities

Composition of income tax liabilities

	2015	2014
Acquisition-related intangible assets	26.0	46.5
Temporary differences subsidiaries	117.2	220.0
Other temporary differences	109.1	100.5
Deferred income tax liabilities (before netting)	**252.3**	**367.0**
Amount netted with deferred income tax assets	(216.4)	(332.2)
Deferred income tax liabilities (after netting)	**35.9**	**34.8**

The part of deferred income tax liabilities that is expected to be settled within one year is estimated at € 27 million (2014: € 33 million).

Movements in deferred income taxes
In the table below, the balances of deferred income tax assets and deferred income tax liabilities have been included gross at the beginning and end of the year. The netting of deferred income tax assets and liabilities is shown in the tables for deferred income tax assets and liabilities.

Movements in deferred income taxes

	Tax losses carry-forward	Temporary differences	Total 2015	Total 2014
Deferred income tax assets	589.3	277.6	866.9	819.5
Deferred income tax liabilities	-	(367.0)	(367.0)	(334.2)
Balance at January 1	**589.3**	**(89.4)**	**499.9**	**485.3**
Movements during the year				
Acquisition of subsidiaries	8.8	(15.1)	(6.3)	(2.8)
Income statement	(111.5)	136.2	24.7	(22.0)
Other movements	(62.7)	-	(62.7)	(5.1)
Translation differences	29.3	10.7	40.0	44.5
Total movements	**(136.1)**	**131.8**	**(4.3)**	**14.6**
Deferred income tax assets	453.2	294.7	747.9	866.9
Deferred income tax liabilities	-	(252.3)	(252.3)	(367.0)
Balance at December 31	**453.2**	**42.4**	**495.6**	**499.9**

4.3.2 Corporate taxes on income

Corporate taxes on income for the year comprise current taxes and deferred taxes. Income taxes are recognized in the income statement, except for taxes that relate to items recognized in other comprehensive income; these taxes are then also directly recognized in other comprehensive income.

Current taxes on income are the sum of taxes levied on the results before taxes, in the countries where those results were generated, based on local tax regulations and at tax rates of the applicable year. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating current taxes on income.

Details of corporate taxes on income

	2015	2014
Current tax expense	188.3	123.0
Deferred tax (income) / expense	(24.7)	22.0
Tax expense	**163.6**	**145.0**

In 2015, the average effective tax rate on income before taxes was 24.0% (2014: 29.9%). The reconciliation between the applicable income tax rate of the company’s country of domicile and the average effective tax rate is as follows:

Reconciliation from applicable to effective tax rate

	2015	2014
Income tax rate of the company's country of domicile	25.0%	25.0%
Effect of income tax rates in other (non-domestic) jurisdictions	4.8%	4.2%
Weighted average applicable tax rate	**29.8%**	**29.2%**
Tax-exempt income/non-tax-deductible items	(5.2%)	(6.7%)
Changes in statutory applicable tax rates and effects of prior years	(0.4%)	4.1%
Change in valuation of deferred tax assets and other	(0.2%)	3.3%
Average effective tax rate	**24.0%**	**29.9%**

The change in the weighted average applicable tax rate in 2015 compared to 2014 is due to a changed relative mix in the results of subsidiaries in countries with different tax rates.

The tax-exempt income related to French CICE tax credits has an impact of 5.5%-points on the effective tax rate (2014: 7.4%), whereas the effect of the non-tax deductible French business tax (CVAE) was only 3.6%-points in 2015 (2014: 4.9%-points), which is due to the increase in profit before taxes. The other tax-exempt income and non-tax deductible expenses had a positive impact of 3.3%-points (2014: 4.2%-points).

'Changes in statutory applicable tax rates and effects of prior years' were relatively small in 2015, whereas in 2014 negative effects of tax rate changes and tax audits in certain countries, had a significant impact on the Group's average effective tax rate.

'Change in valuation of deferred tax assets and other' is impacted by the assessment of recoverability of the tax assets in various countries. In 2015 these assessments resulted in a small release of provisions recorded on the fiscal position in certain countries.

4.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services rendered during the year to third parties. Revenue from services rendered is recognized in the income statement in proportion to the progress in execution of the contract as of the balance sheet date. Progress in execution of the contract is measured by reference to costs (mainly hours) incurred to date as a percentage of total estimated costs for each contract. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration.

Revenue from temporary placements includes the amounts received or receivable for the services of candidates, including the salary and salary-related employment costs of those employees (gross basis). These revenues are generally based on the number of hours worked by these candidates.

Revenue from permanent placements includes the fee received or receivable for the services provided. This fee is generally a percentage of the candidate’s remuneration package (net basis). The revenue of these permanent placements is recognized on completion of the service, being, in principle, the start date of the candidate. For 'retained assignments', revenue is recognized on the completion of certain pre-agreed stages of the service and for which the fee is non-refundable. Allowances are established to estimate losses due to placed candidates not remaining employed during the agreed guarantee period.

In situations where the Group is the principal in the transaction and has risks and rewards of ownership, the transactions are recorded gross in the statement of comprehensive income. When the Group acts as an agent, such as in cases where the Group acts as a managed services provider, revenues are reported on a net basis.

4.4.1 Revenue categories

Revenue categories are our service concepts. Three different revenue categories are reported: ‘Staffing’ (including HR Solutions), ‘Professionals’, and ‘Inhouse Services’ (including Search & Selection). All service concepts have activities in all parts of the world. For a more detailed description of these service concepts, see the section 'value for our clients and candidates'.

Revenue by revenue category

	2015	2014
Staffing	11,186.4	10,202.8
Professionals	3,816.4	3,424.5
Inhouse Services	4,216.4	3,622.5
	19,219.2	**17,249.8**

5. Segment reporting

Segments are geographical areas and are reported in a manner consistent with internal management reporting provided to the Executive Board. There are no material sales or other transactions between the geographical areas. ‘Corporate’ is also included in the disclosures on segments, and represents the unallocated part of assets and liabilities of holding activities, as well as the income and expenses of holding activities; the latter net after management charges to geographical areas.

5.1 Income statement

Segmentation income statement

	Revenue		Gross profit		Operating profit	
	2015	2014	2015	2014	2015	2014
North America	4,653.4	3,765.9	1,049.4	813.1	212.4	150.0
Netherlands	3,076.9	2,794.7	603.0	577.0	167.7	124.8
France	2,845.1	2,726.2	468.4	452.9	115.7	110.6
Germany	1,969.6	1,949.3	346.6	336.3	85.4	73.6
Belgium & Luxembourg	1,350.3	1,283.3	271.5	245.4	70.7	58.6
Iberia	1,193.5	1,086.1	150.4	134.8	40.8	31.4
United Kingdom	909.5	821.7	170.8	149.8	14.0	(5.0)
Other European countries	1,576.6	1,371.3	244.3	214.4	56.0	45.0
Rest of the world	1,644.3	1,451.3	290.1	253.9	4.9	(12.9)
Corporate	-	-	-	-	(62.9)	(60.8)
Total	**19,219.2**	**17,249.8**	**3,594.5**	**3,177.6**	**704.7**	**515.3**

	Amortization and impairment of acquisition-related intangibles and goodwill		EBITA		Depreciation and impairment of property, plant and equipment, and software		EBITDA	
	2015	2014	2015	2014	2015	2014	2015	2014
North America	26.7	30.0	239.1	180.0	14.5	13.0	253.6	193.0
Netherlands	17.5	17.7	185.2	142.5	11.0	11.9	196.2	154.4
France	33.0	33.0	148.7	143.6	13.5	12.4	162.2	156.0
Germany	3.4	4.1	88.8	77.7	4.1	5.9	92.9	83.6
Belgium & Luxembourg	7.9	7.9	78.6	66.5	5.3	5.3	83.9	71.8
Iberia	9.1	9.1	49.9	40.5	1.9	1.8	51.8	42.3
United Kingdom	7.4	17.9	21.4	12.9	3.1	3.8	24.5	16.7
Other European countries	5.7	5.6	61.7	50.6	3.1	2.8	64.8	53.4
Rest of the world	16.6	20.1	21.5	7.2	7.8	7.9	29.3	15.1
Corporate	-	-	(62.9)	(60.8)	0.4	0.4	(62.5)	(60.4)
Total	**127.3**	**145.4**	**832.0**	**660.7**	**64.7**	**65.2**	**896.7**	**725.9**

5.2 Balance sheet

Segmentation balance sheet

	Property, plant & equipment		Software		Goodwill		Acquisition-related intangible assets		Operating working capital		Total assets	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
North America	28.4	30.8	12.7	7.9	604.0	507.1	69.2	46.6	391.7	304.5	1,518.3	1,251.8
Netherlands	35.5	36.7	2.0	2.1	796.8	795.9	6.3	23.8	(96.5)	(110.3)	1,366.7	1,306.5
France	19.6	22.1	10.2	10.6	399.6	398.7	10.8	43.8	(52.7)	(52.2)	1,369.5	1,251.5
Germany	3.9	4.9	5.3	4.5	205.4	204.5	0.5	3.9	(12.3)	(20.6)	491.8	472.8
Belgium & Luxembourg	8.5	7.4	3.0	3.6	126.8	125.9	3.2	11.0	42.6	20.4	363.9	358.5
Iberia	4.3	3.3	0.2	0.4	0.9	-	3.5	12.6	96.3	133.0	283.4	284.7
United Kingdom	4.4	4.0	1.9	2.0	136.0	127.3	-	6.9	130.0	84.0	315.2	309.2
Other European countries	6.0	4.9	2.2	1.8	102.9	96.9	2.0	7.4	77.9	50.3	440.0	386.2
Rest of the world	14.3	14.7	7.2	4.2	122.4	118.8	13.0	27.8	59.0	61.8	430.3	440.7
Corporate	-	-	1.1	1.5	-	-	-	-	(14.6)	16.8	35.4	36.3
Eliminations	-	-	-	-	-	-	-	-	-	-	(28.7)	(28.5)
Total	**124.9**	**128.8**	**45.8**	**38.6**	**2,494.8**	**2,375.1**	**108.5**	**183.8**	**621.4**	**487.7**	**6,585.8**	**6,069.7**

5.2.1 Operating working capital

Operating working capital includes current assets, excluding cash and cash equivalents, current income tax receivables, and the current part of held-to-maturity investments, minus current liabilities, excluding current borrowings, current income tax liabilities, and the current part of provisions, of employee benefit obligations and of other liabilities. Deferred receipts from disposal of subsidiaries, as well as the net interest payable, are also excluded in order to align the presentation of the movements in these latter two items, which are presented under net cash flow from investing activities and financing activities respectively.

5.2.2 Total assets

Assets by segment include total assets excluding deferred income tax assets, current income tax receivables and cash and cash equivalents.

Total assets

	2015	2014
Total assets	7,308.8	6,777.9
Less:		
- Deferred income tax assets	531.5	534.7
- Current income tax receivables	58.0	56.4
- Cash and cash equivalents	133.5	117.1
Assets by segment	**6,585.8**	**6,069.7**

Operating working capital

	2015	2014
Current assets	3,627.2	3,251.4
Current liabilities	(3,105.6)	(2,937.9)
Working capital	**521.6**	**313.5**
Current assets	**3,627.2**	**3,251.4**
Adjusted for:		
- Cash and cash equivalents	(133.5)	(117.1)
- Current income tax receivables	(58.0)	(56.4)
- Current part of held-to-maturity investments	(6.7)	(3.7)
- Deferred receipts disposed Group companies	0.0	(0.2)
- Interest receivable	(0.1)	(0.1)
Operating working capital assets	**3,428.9**	**3,073.9**
Current liabilities	**(3,105.6)**	**(2,937.9)**
Adjusted for:		
- Current borrowings	182.1	224.1
- Current income tax liabilities	36.8	29.2
- Current provisions	55.4	69.9
- Current employee benefit obligations	12.4	17.8
- Current other liabilities	7.0	7.0
- Interest payable	4.4	3.7
Operating working capital liabilities	**(2,807.5)**	**(2,586.2)**
Operating working capital assets	3,428.9	3,073.9
Operating working capital liabilities	(2,807.5)	(2,586.2)
Operating working capital	**621.4**	**487.7**

6. Business combinations

6.1 Information about acquisitions

In 2015, the Group acquired the US based company RiseSmart Inc. This acquisition resulted in an amount of goodwill of € 58.2 million, based on a provisional purchase price allocation.

During 2014, the Group did not acquire any activities as a result of business combinations.

Summary of assets and liabilities arising from acquisitions in 2015

	Provisional purchase price allocation
Property, plant and equipment	0.6
Intangibles	44.0
Deferred tax assets	10.9
Total non-current assets	**55.5**
Working capital	**4.4**
Provisions	4.5
Deferred tax liabilities	17.2
Total non-current liabilities	**21.7**
Net assets acquired	**38.2**
Goodwill	58.2
Total consideration	**96.4**

Reconciliation of cash flow acquisitions

	2015	2014
Total consideration	**96.4**	**-**
Net cash of subsidiaries acquired	(7.1)	-
Deferred compensation on acquisitions	(0.6)	-
Consideration paid, adjusted for net cash acquired	**88.7**	**-**
Consideration paid in respect of acquisitions in preceding years	0.3	0.6
Acquisition of subsidiaries/activities, statement of cash flows	**89.0**	**0.6**

Accounting policy
The Group uses the acquisition method to account for the acquisition of subsidiaries.

Goodwill at acquisition date is measured as:

- The fair value of the consideration transferred, being the fair value of the assets given and liabilities incurred or assumed; plus
- The recognized amount of any non-controlling interests in the acquiree; plus
- The fair value of any previous equity interests in the acquiree (if the business combination is achieved in stages); less
- The fair value of the identifiable assets acquired and liabilities assumed (including contingent liabilities).

When this difference is negative ('negative goodwill' or badwill) , this amount is recognized directly in total operating expenses.

All considerations transferred to acquire a business are recorded at fair value at the acquisition date; subsequent changes to the fair value of the contingent considerations classified as debt are recognized as expenses or income.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

All acquisition-related costs are expensed and included in other general and administrative expenses.

6.2 Information about disposals

In 2015, the Group disposed of certain activities in Australia. The related carrying amount of goodwill amounting to € 1.5 million has been derecognized.

In 2014, the Group did not dispose of any activities; an amount of € 0.2 million was received from disposals made in previous years.

Reconciliation of cash flow disposals

	2015	2014
Goodwill	1.5	-
Working capital	0.8	-
Other liabilities	-	-
Net assets and liabilities	**2.3**	**-**
Gain on disposal	1.6	-
Total consideration	**3.9**	**-**
Deferred receipts, net	0.2	0.2
Consideration received in respect of the disposal of subsidiaries and activities	**4.1**	**0.2**
Net cash of disposed subsidiaries and activities	-	-
Disposal of subsidiaries and activities, statement of cash flows	**4.1**	**0.2**

Accounting policy
Upon disposal of a subsidiary, the gain or loss upon disposal is included in other general and administrative expenses. If disposal of an operation results in a loss, the goodwill part in the loss is presented in the statement of comprehensive income as an impairment of goodwill, up to a maximum amount of the loss on disposal.

7. Earnings per ordinary share

	2015	2014
Net income	**518.8**	**340.1**
Net income attributable to holders of ordinary shares	506.2	327.5
Amortization and impairment of acquisition-related intangible assets and goodwill (after taxes)	86.0	99.1
Net income attributable to holders of ordinary shares before amortization and impairment of acquisition-related intangible assets and goodwill	**592.2**	**426.6**
Numbers of ordinary shares (in millions)		
Weighted average number of ordinary shares outstanding	181.7	178.9
Dilutive effect of share-based compensation arrangements	1.6	2.3
Weighted average number of diluted ordinary shares outstanding	**183.3**	**181.2**
Earnings per ordinary share (in €)		
Basic earnings per ordinary share	2.79	1.83
Diluted earnings per ordinary share	2.76	1.81
Diluted earnings per ordinary share before amortization and impairment of acquisition-related intangible assets and goodwill	3.23	2.35

Basic earnings per ordinary share are calculated by dividing net income attributable to the holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. The issued number of ordinary shares is adjusted for ordinary shares purchased by Randstad Holding nv, which are held as treasury shares.

Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based compensation arrangements.

notes to the consolidated income statement

8. Cost of services and total operating expenses

8.1 Cost of services

Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to candidates, such as wages, salaries and social charges.

Cost of services

	2015	2014
Wages and salaries	12,603.7	11,313.6
Social security charges	2,315.3	2,121.7
Pension charges - defined contribution plans	107.8	87.8
Pension charges - defined benefit plans	6.2	5.3
Wages, salaries, social security and pension charges	**15,033.0**	**13,528.4**
Depreciation of property, plant and equipment	0.9	0.7
Other cost of services	590.8	543.1
	15,624.7	**14,072.2**

8.2 Operating expenses

Operating expenses are classified based on the functional model and are recognized in the year to which they relate.

8.2.1 Selling expenses

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the outlets, advertising and marketing, and other selling expenses.

Selling expenses include an amount of € 11.1 million (2014: € 12.2 million) related to impairment losses on trade receivables as well as debt collection costs.

8.2.2 General and administrative expenses

General and administrative expenses comprise personnel and accommodation expenses of head offices, IT expenses, other general and administrative expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

Other general and administrative expenses include:

- Foreign exchange gains of € 1.1 million (2014: € 0.7 million);
- A loss on the sale of property, plant and equipment of € 0.3 million (2014: € 0.4 million);

During 2015 the Group acquired and disposed of companies/ activities. The disposals resulted in a gain of € 1.6 million; acquisition related expenses amount to € 2.2 million. In 2014 the Group had no business combinations.

8.2.3 Total operating expenses by nature

Total operating expenses by nature

	2015	2014
Wages and salaries	1,562.6	1,411.5
Social security charges	262.5	244.0
Pension charges - defined contribution plans	33.3	32.0
Pension charges - defined benefit plans	8.5	6.1
Share-based compensations	29.1	27.4
Wages, salaries, social security and pension charges	**1,896.0**	**1,721.0**
Other personnel expenses	204.3	173.6
Personnel expenses	**2,100.3**	**1,894.6**
Depreciation and impairment of property, plant and equipment	44.6	44.9
Amortization of software	19.2	19.6
Advertising and marketing	109.4	103.0
Accommodation	190.0	185.2
Other	299.0	269.6
Operating expenses	**2,762.5**	**2,516.9**
Amortization and impairment of acquisition-related intangible assets and goodwill	127.3	145.4
Total operating expenses	**2,889.8**	**2,662.3**

8.3 Depreciation, amortization and impairment of property, plant, equipment, and software

Depreciation, amortization and impairment of property, plant and equipment, and software

	2015	2014
Depreciation of buildings	1.5	1.1
Depreciation of computer hardware	18.2	17.6
Depreciation of leasehold improvements and furniture and fixtures	25.8	26.9
Impairment of property, plant and equipment	-	-
Depreciation and impairment of property, plant and equipment	**45.5**	**45.6**
Amortization of software	19.2	19.6
	64.7	**65.2**
Included in:		
Cost of services	0.9	0.7
Selling expenses	19.9	21.1
General and administrative expenses	43.9	43.4
	64.7	**65.2**

8.4 Amortization and impairment of acquisition-related intangible assets and goodwill

Amortization and impairment of acquisition-related intangible assets and goodwill

	2015	2014
Amortization of acquisition-related intangible assets	127.3	145.4
Impairment of goodwill	-	-
	127.3	**145.4**

For impairment of goodwill, see note 4.1.2.

8.5 Operating leases

For operating leases, an amount of € 230 million (2014: € 229 million) is included in operating profit.

Lease contracts of which the majority of risks and rewards inherent to ownership do not lie with the Group are classified as operating leases. Expenses related to operating leases are included in operating expenses and/or cost of services on a straight-line basis over the term of the lease.

8.6 Grants

Grants are recognized when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them.

Grants that compensate for expenses incurred are credited to operating expenses and/or cost of services on a systematic basis in the same period in which the expenses are incurred.

Grants included in operating profit amount to € 27.8 million (2014: € 26.2 million), of which € 25.0 million (2014: € 25.2 million) is reported under cost of services. Grants mainly relate to the compensation (in whole or in part) of the costs of education of candidates and of the costs to employ selected categories of employees.

9. Total wages and salaries, social security and pension charges

Wages, salaries, social security charges and pension charges are included in cost of services for candidates and in personnel expenses for corporate employees.

Total amounts of wages and salaries, social security and pension charges

	2015	2014
Wages and salaries	14,166.3	12,725.1
Social security charges	2,577.8	2,365.7
Pension charges - defined contribution plans	141.1	119.8
Pension charges - defined benefit plans	14.7	11.4
Share-based compensations	29.1	27.4
	16,929.0	**15,249.4**

10. Net finance costs

Net finance costs

	2015	2014
Finance income		
Interest and similar income	3.9	1.5
Changes in value of other liabilities	0.4	3.5
Interest due to passage of time	4.2	4.0
Finance income	**8.5**	**9.0**
Finance expenses		
Interest and similar expenses	7.6	8.7
Foreign exchange losses, net	17.5	13.8
Interest and commitment fees on non-current borrowings	5.4	9.2
Dividend on non-controlling interests classified as other liabilities	0.7	0.5
Amortization of transaction cost non-current borrowings	2.2	2.7
Interest due to passage of time	4.2	4.6
Finance expenses	**37.6**	**39.5**
Net finance costs	**29.1**	**30.5**

Net finance costs comprise interest expenses and interest income, as well as items similar to interest and exchange differences on cash, cash equivalents and borrowings. Interest expenses and income are recognized in the income statement on a time-proportion basis, using the effective interest method. Interest due to the passage of time of held-to-maturity investments, loans and receivables, and deferred considerations, as well as in relation to the valuation of certain provisions and employee benefit obligations, are also included in net finance costs. Changes in the value of deferred considerations and differences upon settlement of these deferred considerations (see note 20), as well as dividend paid to non-controlling interests classified as other liabilities, are also reported under net finance costs.

Finance income expenses , statement of cashflows

	2015	2014
Finance income	8.5	9.0
Non-cash items	4.6	7.5
Cash items	3.9	1.5
Change in interest receivable	0.0	(0.1)
Finance income, statement of cashflows	**3.9**	**1.4**
Finance expenses	37.6	39.5
Non-cash items	23.9	7.3
Cash items	13.7	32.2
Change in interest payable	(0.7)	(0.4)
Finance expenses, statement of cashflows	**13.0**	**31.8**

11. Net income

Net income includes foreign exchange losses of € 16.4 million (2014: € 13.1 million). For other items included in net income, see note 8.2.

12. Total other comprehensive income

Items that may subsequently be reclassified to the income statement are translation differences to the amount of € 149.5 million, being € 133.3 million translation differences and € 16.2 million tax effect (2014: € 145.8 million, being € 141.8 million translation differences and € 4.0 million tax effect). Another item that may subsequently be reclassified is the fair value adjustment of equity investments to the amount of € 0.6 million, with no tax effect (2014: zero).

Items that will not be reclassified to the income statement are remeasurements of post-employment benefit obligations of € 0.6 million negative remeasurements and € 0.0 million tax-effect (2014: € 16.1 million, being € 25.9 million remeasurements and € 9.8 million tax effect).

notes to the consolidated balance sheet

13. Property, plant and equipment

	Buildings and land	Computer hardware	Leasehold improvements, furnitures and fixtures	Total
Balance at January 1, 2015	**27.0**	**35.1**	**66.7**	**128.8**
Movements in 2015				
Acquisitions of subsidiaries	-	0.1	0.5	0.6
Additions	-	17.1	24.9	42.0
Disposals	-	(1.6)	(2.9)	(4.5)
Depreciation	(1.5)	(18.2)	(25.8)	(45.5)
Translation differences	1.2	0.9	1.4	3.5
Balance at December 31, 2015	**26.7**	**33.4**	**64.8**	**124.9**
Cost	62.0	179.2	359.8	601.0
Accumulated depreciation and impairment	35.3	145.8	295.0	476.1
Balance at December 31, 2015	**26.7**	**33.4**	**64.8**	**124.9**
Balance at January 1, 2014				
Cost	62.3	183.6	441.4	687.3
Accumulated depreciation and impairment	34.4	148.8	372.7	555.9
	27.9	**34.8**	**68.7**	**131.4**
Movements in 2014				
Additions	-	16.7	25.0	41.7
Disposals	(0.7)	(0.2)	(1.9)	(2.8)
Depreciation	(1.1)	(17.6)	(26.9)	(45.6)
Translation differences	0.9	1.4	1.8	4.1
Balance at December 31, 2014	**27.0**	**35.1**	**66.7**	**128.8**
Cost	59.6	186.4	404.9	650.9
Accumulated depreciation and impairment	32.6	151.3	338.2	522.1
Balance at December 31, 2014	**27.0**	**35.1**	**66.7**	**128.8**

Based on appraisals made by independent and expert appraisers, the estimated fair value of buildings and land is € 10 to € 15 million higher than the carrying amount. The fair value represents the market value, taking into account the rental of the property.

In the consolidated statement of cash flows, proceeds from the sale of property, plant and equipment comprise:

Proceeds from disposals

	2015	2014
Net book value of disposals	4.5	2.8
Loss on disposals	(0.3)	(0.4)
Disposals of property, plant and equipment, statement of cash flows	**4.2**	**2.4**

Accounting policy
Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to operating expenses and/or cost of services on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

Gains and losses arising on disposal are included in the income statement under other general and administrative expenses.

Estimated useful lives of property, plant and equipment

on average

	Term
Buildings	33 years
Computer hardware	4 years
Leasehold improvements	5 years
Furniture and fixtures	4-5 years

Leasehold improvements are depreciated over the term of the initial lease, in the event that this term is shorter than five years.

Impairments -if any- are mainly caused by the discontinuation of outlets. The net book value of leasehold improvements and other furniture and fixtures is impaired to the recoverable amount, based on each individual case. The recoverable amount tends to be zero.

14. Software

	2015	2014
Cost	263.7	244.7
Accumulated amortization and impairment	225.1	211.5
Balance at January 1	**38.6**	**33.2**
Additions	25.2	24.0
Amortization	(19.2)	(19.6)
Translation differences	1.2	1.0
Balance at December 31	**45.8**	**38.6**
Cost	295.3	263.7
Accumulated amortization and impairment	249.5	225.1
Balance at December 31	**45.8**	**38.6**

Accounting policy

Acquired software (licenses) and developed software are stated at cost less accumulated amortization and impairment losses.

Expenditures in relation to the development of identifiable and unique software products used by the Group, and which will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets and amortized over their estimated useful lives. Capitalized costs include employee costs of software development and an appropriate portion of relevant overhead.

Expenditures associated with maintaining computer software programs are recognized as an expense when incurred.

Amortization of software applications is charged to operating expenses and/or cost of services on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful life for software is 3 to 5 years. Acquired computer software licenses are amortized on a straight-line basis over their useful lives of 3 to 5 years or, if the license period is shorter than 3 years, over this shorter period.

Impairments -if any- are mainly caused by the discontinuation of software applications, which in the Group generally relate to front- and/or back-office applications. The net book value of software is impaired to its recoverable amount, which tends to be zero, based on each individual case.

15. Acquisition-related intangible assets

	Customer relationships/ brandnames	Developed technology	Total
Balance at January 1, 2015	**183.8**	**-**	**183.8**
Movements in 2015			
Acquisition of subsidiaries	28.4	15.6	44.0
Amortization	(126.7)	(0.6)	(127.3)
Translation differences	7.7	0.3	8.0
Balance at December 31, 2015	**93.2**	**15.3**	**108.5**
Cost	785.3	15.9	801.2
Accumulated amortization and impairment	692.1	0.6	692.7
Balance at December 31, 2015	**93.2**	**15.3**	**108.5**
Balance at January 1, 2014			
Cost	1,050.7	-	1,050.7
Accumulated amortization and impairment	729.7	-	729.7
	321.0	**-**	**321.0**
Movements in 2014			
Amortization	(145.4)	-	(145.4)
Translation differences	8.2	-	8.2
Balance at December 31, 2014	**183.8**	**-**	**183.8**
Cost	1,083.5	-	1,083.5
Accumulated amortization and impairment	899.7	-	899.7
Balance at December 31, 2014	**183.8**	**-**	**183.8**

Accounting policy
Acquisition-related intangible assets (customer relationships – including franchise agreements –, brand names, candidate databases and developed technology) that are acquired by the Group are stated at cost less accumulated amortization and impairment losses.

When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects an amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognized as a separate intangible asset, but is included in goodwill.

Amortization of acquisition-related intangible assets is charged to total operating expenses on a straight-line basis over their estimated useful lives, from the date they are available for use. If the asset is fully amortized, the at cost value is reversed against accumulated amortization.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful life of customer relationships is 4 - 8 years, of brandnames 1-5 years and of developed technology 6 years.

Developed technology relates to the software platform acquired in the acquisition of RiseSmart Inc.; this platform offers automated web-based services to assist in finding a job that is the right fit with the candidate's skills, expertise and preferences, by listing job opportunities according to these criteria.

Impairments, if any, can be a result of either the evidence that the assumptions for determining the estimated useful lives are incorrect or the annual impairment test of the cash-generating unit (or operating segment) to which the acquisition-related intangible assets are related.

16. Financial assets

Investments in financial assets are divided into various categories. Classification of these investments depends on the purposes for which the investments have been acquired. Management determines the classification at the time of the purchase and re-evaluates such designation at each subsequent balance sheet date.

Purchase and sale of financial assets are recognized on the settlement date, which is the date an asset is delivered to or by the Group. The cost of financial assets includes transaction costs.

Financial assets

	2015	2014
Held-to-maturity investments	90.7	88.4
CICE receivables	272.1	170.2
Equity investments	13.3	5.3
	376.1	**263.9**

The held-to-maturity investments and the CICE receivables are neither past due nor impaired. These financial assets have counterparties such as governmental or semi-governmental bodies.

The Group does not hold any collateral as security.

16.1 Held-to-maturity investments

Held-to-maturity investments

	2015	2014
Balance at January 1	**92.1**	**84.2**
Additions at fair value	5.4	5.8
Redemptions	(3.9)	(1.5)
Interest due to passage of time	3.8	3.6
Balance at December 31	**97.4**	**92.1**
Non-current portion	90.7	88.4
Current portion	6.7	3.7
	97.4	**92.1**

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities for which an entity has the positive intent and ability to hold to maturity. Held-to-maturity investments are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

Held-to-maturity investments represent loans that are granted interest-free by the French subsidiaries annually in relation to legal arrangements for payment of certain social security charges. These annual loans have a repayment term of 20 years each. These investments have an average remaining term of 12 years (2014: 12 years) and an effective interest rate of 4.1% (2014: 4.2%). The nominal value of held-to-maturity investments amounts to € 143 million (2014: € 139 million) and best represents the maximum exposure to credit risk. As at December 31, 2015, the fair value was approximately € 26 million higher than the carrying amount (2014: € 31 million).

The difference between additions at nominal value (€ 7.7 million) and at fair value is recognized in cost of services, and amounts to € 2.3 million (2014: € 8.0 million and € 2.2 million respectively).

16.2 CICE receivable

CICE receivable

	2015	2014
Balance at January 1	**170.2**	**72.6**
Additions at fair value	101.5	97.2
Interest due to passage of time	0.4	0.4
Balance at December 31	**272.1**	**170.2**

CICE receivables are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

This financial asset arises from tax credits under the French Competitive Employment Act (CICE). This act is aimed at improving the competitiveness of the French economy and at reducing unemployment. The tax credit is calculated as a percentage of wages and salaries paid to employees having a salary that is less than 2.5 times the French minimum wage. The tax credit can be offset against the income tax liability payable with respect to the calendar year to which the wages relate. Any excess credit can be carried forward and offset against the tax liability during the next three years. Any excess after three years will be refunded as well.

This receivable is presented under non-current assets, since the amount is expected to have a maturity of longer than one year, due to the combined effect of the legal regulations of the CICE arrangements and the income tax situation of our French operations. The total receivable of € 272.1 million as at December 31, 2015, is ultimately due in 2017 (€ 73.4 million), in 2018 (€ 97.2 million) and in 2019 (€ 101.5 million). In the statement of cash flows, this amount is presented in 'other non-cash items' under cash flow from operating activities, since the CICE arrangements are considered to be related to the operating activities. The nominal value of the receivable amounts to € 273 million (2014: € 171.0 million), which best represents the maximum exposure to credit risk. As at December 31, 2015, the carrying amount approximates the fair value.

The effective interest rate is 0.2% (2014: 0.3%).

16.3 Equity investments

Equity investments

	2015	2014
Balance at January 1	**5.3**	**-**
Additions at fair value	8.0	5.3
Balance at December 31	**13.3**	**5.3**

Equity investments are minority participations with venture capital firms or other investors. Investments are made in early-stage to expansion-stage companies that are considered strategically relevant to Randstad. The typical investment amounts range between € 0.5 million and € 5 million. The Group has no significant influence over these investments. These investments are qualified as 'fair-value through other comprehensive income'-investments, and if no reliable fair-value measurements are available, valued at cost. All investments are considered non-current.

The fair value of one of the investments was increased by € 0.6 million. This was based on a share transaction and other market information. The remaining movement in carrying amount from 2014 to 2015 is related to additional investments (€ 7.4 million).

16.4 Impairment of financial assets

The carrying amounts of all financial assets in this note are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is impaired. If objective evidence exists that a financial asset or group of financial assets is impaired, the amount of the impairment loss is calculated as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). The resulting impairment loss is immediately recognized in net finance costs.

An impairment loss on financial assets is reversed if, in a subsequent period, the amount of the impairment loss decreases and this decrease can be related objectively to an event occurring after the impairment loss was recognized. Such reversal is immediately recognized in net finance costs.

17. Associates

	2015	2014
Balance at January 1	**1.6**	**1.3**
Share in profit	0.7	0.3
Disposals	(2.3)	-
Balance at December 31	**-**	**1.6**

At December 31, 2015, the Group has no investments in associates (2014: € 1.6 million). During 2015 the Group disposed of its associates. This resulted in a gain on disposal of € 6.1 million, and a cash in flow of € 8.4 million. The total assets and liabilities of associates amounted to approximately € 18 million and € 9 million respectively at December 31, 2014. Total revenue in 2014 amounted to € 17 million. Our share in net income of all associates was € 0.7 million (2014: € 0.3 million).

The gain on disposal is included in the statement of comprehensive income in 'share in profit and result on disposal of associates', which then totals € 6.8 million.

Accounting policy
Associates are companies over which the Group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill on acquisition, net of any accumulated impairment losses.

The Group's share of the post-acquisition profits and losses of the associates is recognized as share in results of associates, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income, with a corresponding effect to the carrying amount of the associate.

18. Trade and other payables

	2015	2014
Trade payables	306.1	270.3
Other taxes and social security premiums	1,028.4	935.8
Pension contributions	13.0	9.0
Wages, salaries and other personnel costs	1,036.5	953.3
Other accruals	384.6	381.3
Deferred income	43.3	40.2
	2,811.9	**2,589.9**

Trade and other payables are initially stated at fair value. Subsequent measurement is at amortized cost, using the effective interest method.

19. Total equity and dividends per share

19.1 Shareholders' equity

19.1.1 Authorized and issued capital

Authorized capital is € 106 million (2014: € 106 million) and consists of 350,000,000 (2014: 350,000,000) ordinary shares with a nominal value of € 0.10, a further 106,000 (2014: 106,000) type-A preference shares with a nominal value of € 500, 30,000,000 (2014: 30,000,000) type-B preference shares with a nominal value of € 0.10, and 150,000,000 (2014: 150,000,000) type-C preference shares with a nominal value of € 0.10.

At year-end, issued share capital consists of 183,019,235 ordinary shares (2014: 180,109,671), 25,200,000 type-B preference shares (2014: 25,200,000), and 50,130,352 (2014: 50,130,352) type-C preference shares.

For information regarding the rights, preferences and restrictions on each type of share, see 'Voting rights', in the corporate governance section on page 105.

The current conditions of the preference shares are such that the holders of these shares receive a dividend at the company's discretion, that dividend is preferred and cumulative, and that the voting rights are one vote per 7 type-B preference shares, and one vote for each € 25 capital payment for type-C preference shares, resulting in 0.1171 vote per share on average.

The dividend on preference shares is reviewed every seven years. The last review on type-B preference shares took place in November 2012, and the dividend was set at € 0.177 per preference share. The dividend on type-C preference shares was set at 5.8% of the capital contribution. The next review of the dividend will take place in November 2019. Only the Executive Board can propose to the Annual General Meeting of Shareholders to decide that preference shares be repaid.

Number of outstanding ordinary and preference shares

(x 1,000)

	2015		2014	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
January 1	**180,110**	**75,330**	**177,434**	**75,330**
Stock dividend	2,728	-	2,621	-
From share-based compensation arrangements	181	-	55	-
December 31	**183,019**	**75,330**	**180,110**	**75,330**

At December 31, 2015, the company holds 896,335 treasury shares (2014: 277,489).

Accounting policy
Ordinary and preference shares are classified as equity. The distribution of the dividend on ordinary and preference shares is recognized as a liability in the period in which these dividends are adopted by the company's shareholders.

On the issue of new shares or on the extension of the term of preference shares outstanding, the proceeds less directly attributable costs are recognized in shareholders' equity within issued capital and, if applicable, within share premium.

On the purchase of ordinary shares that are included in shareholders' equity, the consideration paid, including directly attributable costs, is recorded as a change in shareholders' equity. Purchased ordinary shares are classified as treasury shares and presented as a deduction from shareholders' equity under reserves.

On the sale (or re-issue) of treasury shares, the proceeds less directly attributable costs are recognized under treasury shares for the original consideration paid; the remainder is recognized as a change in retained earnings.

19.1.2 Share premium

At year-end, share premium consists of € 1,972.2 million share premium on ordinary shares (2014: € 1,962.8 million) and € 298.3 million share premium on preference shares (2014: € 298.3 million).

19.1.3 Translation reserve

The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the euro, as well as translation differences of financial liabilities designated as hedges of such investments, to the extent that the hedge is effective. Such translation differences are recognized initially in other comprehensive income and presented in this separate component of shareholders' equity. If the net investment is disposed, these translation differences are recognized in the statement of comprehensive income. The translation reserve also includes the tax effect on translation differences.

19.1.4 Share-based compensations reserve

The share-based compensations reserve comprises the value of vested rights in respect of share-based compensation arrangements as far as stock options have not been exercised or performance shares have not been allocated.

The company has various share-based compensation arrangements. Additional information about these arrangements is given in note 23. The income statement includes an amount of € 29.1 million (2014: € 27.4 million) for share-based compensations.

At year-end 2015, 2.3 million performance options and performance shares (2014: 3.3 million) are outstanding. Upon exercise of stock options or allocation of performance shares, this will lead to the issuance of the same number of new ordinary shares or re-issue of treasury shares.

19.1.5 Employee benefits reserve

The employee benefits reserve comprises the cumulative remeasurements of post-employment benefit obligations as from January 1, 2013 (implementation of amended IFRS standard IAS 19 'Employee benefits'). The amounts are net of corporate taxes.

19.1.6 Other reserve

The other reserve comprises remeasurements in respect of investments relating to 'fair value through other comprehensive income'.

19.1.7 Other information

See note 6 to the company financial statements for the restrictions on the distribution of dividends and the repayment of capital.

Additional information about shareholders' equity is included in the consolidated statement of changes in equity.

19.2 Dividends on ordinary and preference shares

At the Annual General Meeting of Shareholders, to be held on March 31, 2016, it will be proposed by the Executive Board, with the approval of the Supervisory Board, that a dividend of € 1.68 per ordinary share be paid for the year 2015; for preference shares B and C it will be proposed by the Executive Board, with the approval of the Supervisory Board, that a dividend of € 12.6 million be paid.

The 2014 dividend on ordinary shares, paid in 2015, had been determined at € 1.29 per share.

Shareholders were given a choice between cash and shares. This choice resulted in a cash dividend of € 81.5 million and a stock dividend of € 150.6 million, based on the volume-weighted average share price of approximately € 42.79 .

The amount of dividend proposed for ordinary shares related to 2015 assumes that the dividend will be paid out fully in cash.

Dividends on ordinary and preference shares

	Dividend related to		
	2015	2014	2013
Ordinary shares			
- Dividend paid during 2014			56.0
- Stock dividend during 2014			112.3
- Dividend paid during 2015		81.5	
- Stock dividend during 2015		150.6	
- Dividend 2015 proposed	307.5		
Preference shares			
- Dividend paid during 2014			12.1
- Dividend paid during 2015		12.6	
- Dividend 2015 proposed	12.6		

19.3 Non-controlling interests

In 2015 and 2014, no transactions took place with regard to non-controlling interests, resulting in changes of shareholder percentages.

Accounting policy
Non-controlling interests represent the net assets not held by the Group and are presented within total equity in the consolidated balance sheet as a separate category. Profit or loss and each component of other comprehensive income are attributed to the equity holders and to the non-controlling interests.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquisitions of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity as long as control of the subsidiary is maintained.

20. Other liabilities

	2015	2014
Balance at January 1	**19.5**	**21.4**
Acquisition of non-controlling interests	0.3	(0.6)
Changes in value	(0.4)	(3.5)
Interest due to passage of time	1.0	1.0
Translation differences	1.1	1.2
Balance at December 31	**21.5**	**19.5**
Non-current portion	14.5	12.5
Current portion	7.0	7.0
	21.5	**19.5**

The effective interest rate amounts to 5.0% (2014: 5.0%).

The line acquisition of non-controlling interest amounting to an amount of € 0.3 million positive includes a payment of € 0.3 million relating to the acquisitions in preceding years and relates for an amount of € 0.6 million to deferred compensation on 2015 acquisitions.

Accounting policy
Other liabilities mainly include liabilities arising from arrangements with the previous owners of acquired companies who still hold a non-controlling interest ('deferred considerations') and deferred payments from other business combinations.

With respect to these arrangements, the Group has entered into put and call options with the holders of these non-controlling interests. The put option gives the minority shareholder the right to sell its non-controlling interest to the Group. The call option gives the Group the right to purchase the non-controlling interest. The option exercise price is determined by a contractually agreed formula that is based mainly on the future results of the company involved.

The liability is initially stated at fair value. Subsequent measurement is at amortized cost, using the effective interest method. The value is determined by means of the present value of the expected cash outflows to settle the liability, based on projected results. The discount rate used in discounting the expected cash outflows is based on an interest rate that reflects the current market assessment of the time value of money, taking into account the expected settlement of these liabilities.

In line with the nature of the put option, the liability is classified as short term, except for the part that can only be exercised after one year. Changes in the value of these liabilities (also including interest due to passage of time), as well as differences upon settlement between the actual cash outflow and the expected cash outflow, are accounted for in net finance costs. The companies acquired under these arrangements are fully consolidated, with no recognition of a non-controlling interest.

notes to the consolidated statement of cash flows

21. Statement of cash flows

The statement of cash flows has been prepared applying the indirect method. Cash in the statement of cash flows comprises cash and cash equivalents, as well as current borrowings, because current borrowings form an integral part of the Group's cash management.

Cash flows in foreign currencies have been translated, in principle, at average exchange rates; certain material (mainly financing) transactions are translated at the exchange rate at the day of translation. Exchange differences concerning cash items are shown separately in the statement of cash flows. Income taxes paid/received are included in the cash flow from operating activities. Finance income received, finance expenses paid, and dividends paid are included in the cash flow from financing activities.

The purchase price of acquisitions paid, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. This purchase price paid, as well as the selling price received, is included in the statement of cash flows net of net cash acquired or disposed of respectively. Changes in assets and liabilities resulting from the acquisition and disposal of subsidiaries are taken into account in the calculation of the consolidated cash flows.

The majority of the items in the consolidated statement of cash flows are individually cross-referenced to the relevant notes to the consolidated statement of comprehensive income and balance sheet. For the remainder of the material items, the reconciliation between amounts as included in the consolidated statement of cash flows and related amounts in the statement of comprehensive income and balance sheet is shown in this note.

In 2015 currency differences on cash-items are presented in the line 'translation and currency gains'. In 2014 these are presented under finance expenses paid.

21.1 Cash

Cash

	2015	2014
Cash and cash equivalents	133.5	117.1
Current borrowings	(182.1)	(224.1)
	(48.6)	**(107.0)**

21.2 Trade and other receivables

Trade and other receivables

	2015	2014
Trade and other receivables as at January 1	**3,077.9**	**2,931.9**
Adjusted for:		
Current part of held-to-maturity investments	(3.7)	(1.4)
Deferred receipts disposed Group companies	(0.2)	(0.4)
Interest receivable	(0.1)	0.0
Operating working capital assets as at January 1	**3,073.9**	**2,930.1**
Acquisition of subsidiaries	4.4	(4.7)
Disposal of subsidiaries	(0.2)	-
Transfer to employee benefit obligations	-	(3.4)
Translation gains	80.2	90.6
Statement of cash flows	270.6	61.3
Operating working capital assets as at December 31	**3,428.9**	**3,073.9**
Adjusted for:		
Current part of held-to-maturity investments	6.7	3.7
Deferred receipts disposed Group companies	0.0	0.2
Interest receivable	0.1	0.1
Balance at December 31	**3,435.7**	**3,077.9**

21.3 Trade and other payables

Trade and other payables

	2015	2014
Trade and other payables as at January 1	**2,589.9**	**2,473.9**
Adjusted for:		
Interest payable	(3.7)	(3.3)
Operating working capital liabilities as at January 1	**2,586.2**	**2,470.6**
Acquisition of subsidiaries	7.1	(1.3)
Disposal of subsidiaries	0.6	-
Translation losses	64.9	46.7
Statement of cash flows	148.7	70.2
Operating working capital liabilities as at December 31	**2,807.5**	**2,586.2**
Adjusted for:		
Interest payable	4.4	3.7
Trade and other payables as at December 31	**2,811.9**	**2,589.9**

21.4 Other non-cash items

Other non-cash items

	2015	2014
CICE receivable	(101.5)	(97.2)
Held-to-maturity investments	2.3	2.2
Statement of cash flows	**(99.2)**	**(95.0)**

For the CICE receivable, see note 16.2.

21.5 Income taxes paid

Income taxes paid

	2015	2014
North America	8.4	6.9
Netherlands	25.9	31.5
France	35.1	35.3
Germany	5.2	11.6
Belgium & Luxembourg	15.9	7.1
Iberia	6.6	8.7
United Kingdom	0.9	0.4
Other European countries	9.9	4.7
Rest of the world	19.5	8.3
Corporate	(22.0)	2.2
Total	**105.4**	**116.7**

Income taxes paid in North America are relatively low as a result of accumulated net operating losses that are offset against taxable income.

Randstad Holding nv (included in Corporate) and the Dutch operating companies are part of a fiscal unity for corporate income taxes. The payments included under the Netherlands represent the payments to Randstad Holding nv by the Dutch operating companies, based on the results before taxes of these companies.

21.6 Free cash flow

Free cash flow comprises net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries/activities, of equity investments and of associates:

Free cash flow

	2015	2014
Net cash from operating activities	565.6	557.5
Net cash from investing activities	(150.7)	(75.5)
	414.9	**482.0**
Acquisition of subsidiaries/activities and equity investments	96.4	5.9
Disposal of subsidiaries/activities and associates	(12.5)	(0.2)
Free cash flow	**498.8**	**487.7**

other notes to the consolidated financial statements

22. Subsidiaries

22.1 Overview of major subsidiaries, as per December 31, 2015

North America
- Randstad North America Inc, United States
- Randstad Professionals US LP, United States
- RiseSmart Inc., United States
- Randstad Intérim Inc., Canada

France
- Randstad SAS
- Atoll SAS

The Netherlands
- Randstad Nederland bv
- Tempo-Team Group bv
- Yacht Group Nederland bv
- Randstad Sourceright International bv
- Randstad Sourceright EMEA bv

Germany
- Randstad Deutschland GmbH & Co KG[1]
- Randstad Professionals GmbH & Co KG[1]
- Tempo-Team Personaldienstleistungen GmbH
- GULP Information Services GmbH

Belgium & Luxembourg
- Randstad Belgium nv
- Tempo-Team nv, Belgium
- Randstad Interim sa, Luxembourg

United Kingdom
- Randstad CPE Limited
- Randstad Financial & Professional Limited
- Randstad Technologies Limited
- Randstad Sourceright Limited
- Randstad Employment Bureau Limited

Iberia
- Randstad Empleo, Empresa De Trabajo Temporal S.A. Sociedad Unipersonal, Spain
- Randstad Recursos Humanos, Empresa de Trabalho Temporario S.A., Portugal

Other European countries
- Randstad Austria GmbH
- Randstad sro, Czech Republic
- Randstad A/S, Denmark
- Randstad AE, Greece
- Randstad Hungary Kft, Hungary
- Randstad Italia SPA, Italy
- Randstad Norway AS, Norway
- Randstad Polska Sp. z.o.o., Poland
- Randstad sro, Slovakia
- Randstad AB, Sweden
- Randstad Schweiz AG, Switzerland
- Randstad Work Solutions Istihdam ve İnsan Kaynakları Ltd. Şti., Turkey

Rest of the world
- Sesa Internacional S.A., Argentina
- Randstad Pty Ltd, Australia
- Randstad Brasil Recursos Humanos Ltda, Brazil
- Randstad Chile S.A., Chile
- Talent Shanghai Co. Ltd, China
- Randstad Hong Kong Limited, Hong Kong
- Randstad India Private Ltd, India
- Randstad KK, Japan
- Randstad Sourceright Sdn. Bhd., Malaysia
- Randstad Mexico S. de R.L. de CV, Mexico
- Randstad Limited, New Zealand
- Randstad (PTE) Limited, Singapore
- Randstad Lanka (Private) Limited, Sri Lanka
- Sesa Select Uruguay, Uruguay

Other subsidiaries
- Randstad Holding Nederland bv, the Netherlands
- Randstad Finance GmbH, Switzerland

A list of all subsidiaries has been filed at the Chamber of Commerce in Amsterdam ('Kamer van Koophandel', Amsterdam). Randstad Holding nv has, directly or indirectly, a 100% interest in all subsidiaries (by way of legal ownership of the shares or by way of economic ownership of the shares (put-call option arrangements) for a limited number of companies), unless stated otherwise.

[1] The fully-consolidated German subsidiaries mentioned above exercise simplification options in accordance with Article 264.b of the German Commercial Code ('HGB').

22.2 Subsidiaries

Subsidiaries are companies controlled by Randstad Holding nv. Control exists when Randstad is exposed to or has rights to variable returns from its involvement with subsidiary companies and has the ability to influence those returns through its power over the subsidiary, generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date that such control commences until the date that it ceases.

Intragroup balances and intragroup transactions are eliminated, as well as any unrealized gains from these transactions. Unrealized losses from intragroup transactions are also eliminated, unless there is evidence of impairment of the assets transferred. Intercompany transactions take place on an arm's length basis.

22.3 Financial statements of Group companies

Upon translation of foreign activities, the assets and liabilities of operations in currencies other than the euro, including goodwill and fair-value adjustments arising on consolidation, are translated into euros at the foreign exchange rates at the balance sheet date. The income statements of these operations in currencies other than the euro are translated into euros at average exchange rates.

Upon the acquisition of a subsidiary that has a currency other than the euro, balance sheet items are translated into euros at the foreign exchange rates at the acquisition date.

22.4 Net investment in subsidiaries that have a currency other than the euro

The net investment in subsidiaries that have a currency other than the euro includes the participation in the net assets of these subsidiaries, and, if applicable, loans to these subsidiaries, settlement of which is neither planned nor expected to occur in the foreseeable future.

Translation differences that occur upon consolidation, relating to the translation of the net investment in subsidiaries that have a currency other than the euro, are recognized in other comprehensive income and presented in the (foreign currency) translation reserve, a separate component within equity, as are translation differences of financial liabilities designated as hedges of such investments (net investment hedge), to the extent that the hedge is effective. The gain or loss relating to the ineffective portion is recognized immediately in net finance costs.

If the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation differences is allocated to the non-controlling interests.

Whenever a foreign operation is disposed of, these translation differences are released or charged to the statement of comprehensive income as part of the gain or loss on disposal.

23. Share-based compensations

The company has various share-based compensation arrangements that are settled in ordinary shares. The fair value of these share-based compensations, calculated on grant date, is based on valuation models, taking into account relevant market conditions and non-vesting conditions. The fair value is included in personnel expenses in the vesting period during which the expected employee services are received. The same amount is credited to shareholders' equity.

At each balance sheet date, the company re-assesses its estimates of the non-market vesting conditions under these share-based compensation arrangements. The impact of the revision on original estimates with respect to the past vesting period, if any, is recognized in personnel expenses immediately, with a corresponding adjustment to shareholders' equity.

Within the Group, a number of share-based compensation arrangements are in effect: stock option plans and performance share plans for Executive Board members and senior management, and a share purchase plan for all corporate employees.

The actual annual grant of performance shares and options will, in principle, not exceed 1% of the ordinary issued capital. However, depending on the realization of related performance targets and the company's actual share price, the number of shares to be issued in relation to vesting of the performance shares and options might in a certain year exceed the 1% limit.

23.1 Performance stock option plans

From 2007 to 2012, Executive Board members were granted stock options annually conditional on performance; as from 2008 up to 2012, the options had an exercise price equal to the average trading price of the Randstad shares during three business days before grant date. The options have a term of seven years, and are only exercisable after a period of three years from the date of grant.

All stock option plans are equity-settled. The fair value was determined as at the date of each grant, based on a combination of a Monte Carlo simulation model and a Black & Scholes valuation model.

The fair value is charged to the income statement during the vesting period based on the on-target awards of each plan. At each balance sheet date, the assumed attrition is reassessed; any adjustment is charged to the income statement. On exercise of options, the company issues new shares.

The expenses charged to the income statement 2015 amount to zero (2014: € 0.6 million).

In 2015, the performance stock options 2012 vested, based on relative TSR performance over the period January 1, 2012 - December 31, 2014. The performance resulted in 50% or 89,657 options being vested (share price at allocation date: € 49.99), compared to an on-target award of 179,315.

Details of performance stock option plans

	Number of options (x 1,000)									
Year of grant	January 1, 2015	Granted	expired	Performance adjustment at vesting	Exercised	December 31, 2015	Exercisable	Average share price at exercise (in €)	Average exercise price (in €)	Average fair value at grant date per option (in €)
Performance stock option plans										
2009	73	-	-	-	(73)	0	0	50.96	9.88	9.00
2010	34	-	-	-	(19)	15	15	57.28	31.39	21.04
2011	60	-	-	-	(33)	27	27	57.28	39.16	21.00
2012	179	-	-	(90)	(56)	33	33	55.48	28.11	11.31
Total	**346**	**-**	**-**	**(90)**	**(181)**	**75**	**75**			

23.2 Performance share plans

23.2.1 Executive Board performance share plan

As from 2007, conditional performance shares have been granted annually to the members of the Executive Board. The plan has a term of three years. The number of shares to vest depends on the company's TSR performance compared to a peer group of nine companies measured over a three-year period starting on January 1 of the year of grant. As of 2013, the number of shares to vest also depends on achieving certain sustainability performance targets.

The shares yet to be vested of a Board member who resigns from the Group within the three-year vesting period will, in principle, be forfeited.

23.2.2 Senior management performance share plan

As from 2007, conditional performance shares have also been granted to a limited group of senior management on terms and conditions that are identical to those of the Executive Board, except for the fact that, for the years 2013 and 2014, the number of shares to vest solely depended on the company's TSR performance.

Parameters used for fair-value determination

	2015	2014	2013
Average share price at grant date	€ 52.88	€ 45.05	€ 30.40
Expected volatility, based on historical prices over the three-year period to the valuation date	26%	32%	34%
Expected dividends	2.3%	2.2%	3.8%
Risk-free interest rate (yield on Dutch government bonds)	0.1%	0.6%	0.6%

Volatility of the shares of the peer companies, as well as the pair-wise correlation between all 10 shares, is estimated on the basis of historical daily prices over three years. Estimated dividends of the peer companies are based on historical dividends.

The fair value is charged to the income statement during the vesting period, based on the on-target awards of each plan.

At each balance sheet date, the non-market conditions (attrition and sustainability performance) are reassessed; any adjustment is charged to the income statement. Up to 2013, on final allocation of vested shares, the company used to issue new shares. As of 2013, the company has been using treasury shares for this purpose.

The expenses charged to the 2015 income statement amount to € 24.0 million (2014: € 24.5 million).

The performance shares 2012 vested in early 2015, based on relative TSR performance of the company, resulting in 529,049 shares being vested (share price at allocation date of € 49,99), compared to an on-target award of 1,045,425 shares.

Details of all performance share plans

	Number of shares (x 1,000) on target					
Year of grant	January 1, 2015	Granted	Forfeitures	Vested in 2015	December 31, 2015	Average fair value at grant date per share (in €)
2012	1,049	-	(4)	(1,045)	0	27.00
2013	995	-	(93)	-	902	24.15
2014	883	-	(101)	-	782	29.83
2015	-	514	(11)	-	503	61.07
Total	**2,927**	**514**	**(209)**	**(1,045)**	**2,187**	

23.3 Share purchase plan for corporate employees

Under the share purchase plan, participating corporate employees may purchase shares from a separate foundation, Stichting Randstad Optiefonds, twice a year. The maximum amount to be spent within the plan is set annually at 5% of the participant’s fixed annual salary. Employees receive a number of bonus shares equal to a fixed percentage of the number of shares purchased; these bonus shares vest over a period of six months, only if employees hold on to the purchased shares for the same period of six months (on condition that they are still employed by the Group). The bonus is expensed by the company over the vesting period (2015: € 5.1 million; 2014: € 2.3 million). In 2015, a total of 88,202 (2014: 60,076) bonus shares were allocated to employees.

24. Related-party transactions

24.1 Key management

The members of the Executive Board and Supervisory Board are considered the key management of the Group.

24.2 Remuneration of the members of the Executive Board

The totals of the remuneration of the members of the Executive Board are included in the income statement.

Chris Heutink was appointed on April 3, 2014 for a period of 4 years and received his remuneration as a Board member as from the date of appointment. Ben Noteboom's remuneration has been included up to the end of February 2014.

Leo Lindelauf resigned as a board member on April 2, 2015. His remuneration has been included up to this date. After resigning from the Board, Leo Lindelauf continued performing services to the company. The associated costs amounted to € 448,000.

The expenses for performance shares and stock options refer to the fair value of share-based payments charged to the income statement for the years 2015 and 2014 respectively.

Included in the column 'termination and other benefits/ expenses' for François Béharel are special taxes on salary of € 119,000 (2014: € 237,000).

The company has not issued any loans, commitments to provide loans, or guarantees to Executive Board members. The company incurred additional cost related to former Board member Greg Netland of € 52,000 (2014: € 75,000) and related to former Board member Ben Noteboom of € 14,000 (2014: € 293,000). Pension changes related to Dutch based Board members include compensation for limitation of accrual of pension rights in 2015.

Executive Board remuneration

x € 1,000

	Fixed compensation				Variable compensation				Termination and other benefits/ expenses		Total	
	Base salary		Pension charge		Short-term cash bonus		Share-based payments					
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
J.W. van den Broek	900	765	243	207	810	507	1,027	719	57	37	3,037	2,235
R.J. van de Kraats	690	673	186	182	590	463	909	739	29	34	2,404	2,091
F. Béharel	606	591	164	160	542	392	798	581	340	394	2,450	2,118
L. Galipeau	694	566	187	153	611	392	798	649	62	77	2,352	1,837
C. Heutink	606	439	164	118	572	324	598	307	27	21	1,967	1,209
L.J.M.V. Lindelauf	151	591	41	160	136	410	387	649	15	62	730	1,872
Total	**3,647**	**3,625**	**985**	**980**	**3,261**	**2,488**	**4,517**	**3,644**	**530**	**625**	**12,940**	**11,362**

Number of performance stock options outstanding in 2015

	Year of granting	January 1, 2015	Transfer in 2015	Expired in 2015	Performance adjustment at vesting 2015	Exercised in 2015	Share price at exercise	December 31, 2015
J.W. van den Broek	2009	40,552				(40,552)	51.56	-
	2010	7,083						7,083
	2011	12,614						12,614
	2012	30,764			(15,382)			15,382
R.J. van de Kraats	2009	32,252				(32,252)	50.20	-
	2010	8,063						8,063
	2011	14,359						14,359
	2012	35,021			(17,510)			17,511
L. Galipeau	2012	30,764			(15,382)	(15,382)	50.57	-
Total		**211,472**	**-**	**-**	**(48,274)**	**(88,186)**		**75,012**

Number of performance stock options of former Board members outstanding in 2015

	Year of granting	January 1, 2015	Transfer in 2015	Expired in 2015	Performance adjustment at vesting 2015	Exercised in 2015	Share price at exercise	December 31, 2015
B.J. Noteboom	2010	11,356				(11,356)	58.19	-
	2011	20,223				(20,223)	58.19	-
	2012	52,002			(26,001)	(26,001)	58.19	-
L.J.M.V. Lindelauf	2010	7,083				(7,083)	55.83	-
	2011	12,614				(12,614)	55.83	-
	2012	30,764			(15,382)	(15,382)	55.83	-
Total		**134,042**	**-**	**-**	**(41,383)**	**(92,659)**		**-**

Exercise price and expiration date per plan

Year of granting	Exercise price	End of exercise period
2009	€ 9.88	February 2016
2010	€ 31.39	February 2017
2011	€ 39.16	February 2018
2012	€ 28.11	February 2019

The performance stock options 2012 vested in early 2015, based on relative TSR performance of the company over the period January 1, 2012 – December 31, 2014. The performance resulted in 50% of the options being vested (share price at allocation date: € 49,99), compared to an on-target award of 179.315 options.

Number of performance shares outstanding in 2015

	Year of award	January 1, 2015	Number of shares on target 2015	Forfeitures in 2015	Performance adjustment at vesting 2015	Vested in February 2015	December 31, 2015
Performance shares							
J.W. van den Broek	2012	11,885			(5,942)	(5,943)	-
	2013	31,234					31,234
	2014	25,537					25,537
	2015		30,099				30,099
R.J. van de Kraats	2012	13,530			(6,765)	(6,765)	-
	2013	35,555					35,555
	2014	21,475					21,475
	2015		23,060				23,060
F. Béharel	2012	19,553			(8,253)	(11,300)	-
	2013	31,234					31,234
	2014	18,864					18,864
	2015		20,258				20,258
L. Galipeau	2012	11,885			(5,942)	(5,943)	-
	2013	31,234					31,234
	2014	18,864					18,864
	2015		20,258				20,258
C. Heutink	2012	9,700			(3,798)	(5,902)	-
	2013	7,711					7,711
	2014	18,864					18,864
	2015		20,258				20,258
Total		**307,125**	**113,933**	**-**	**(30,700)**	**(35,853)**	**354,505**
Performance shares former Board members							
B.J. Noteboom	2012	20,090			(10,045)	(10,045)	-
	2013	17,598					17,598
L.J.M.V. Lindelauf	2012	11,885			(5,942)	(5,943)	-
	2013	31,234					31,234
	2014	18,864		(9,431)			9,433
Total		**99,671**	**-**	**(9,431)**	**(15,987)**	**(15,988)**	**58,265**

The performance shares 2012 vested in early 2015, based on relative TSR performance of the company over the period January 1, 2012 – December 31, 2014, resulting in vesting of 50 % of the on-target award (share price at allocation date of € 49,99).

Final allocation after vesting of conditional shares awarded in 2013, 2014 and 2015 will take place in February 2016, 2017 and 2018 respectively.

The performance shares 2012 of François Béharel, and the performance shares 2012 and 2013 of Chris Heutink relate to the performance share plan of senior management.

For the conditions and criteria governing the granting and exercise of stock options and performance shares, see note 23.2.

Number of ordinary shares in Randstad Holding nv held by Executive Board members

as at December 31, 2015

	Total	Unrestricted shares	Locked up	
			Number	Until
J.W. van den Broek	68,115	61,924	3,182	February 2016
			3,009	February 2017
R.J. van de Kraats	23,144	16,093	3,626	February 2016
			3,425	February 2017
F. Béharel	30,468	30,468	-	-
L. Galipeau	10,051	7,401	2,650	February 2017
C. Heutink	118	118	-	-

24.3 Remuneration of the members of the Supervisory Board

Remuneration of the members of the Supervisory Board is included in the income statement.

Supervisory Board remuneration

	2015	2014
Current board members		
W.Dekker, Chairman	124,500	100,250
J. Winter, Vice Chairman	101,000	89,750
B. Borra	71,797	-
F. Dorjee	90,000	65,250
H.M.E.V. Giscard d'Estaing	88,500	86,550
G. Kampouri Monnas	92,000	86,500
R. Provoost	62,250	-
	630,047	**428,300**
Former board members		
F.W. Fröhlich	34,750	134,500
B.C. Hodson	20,500	83,800
L.M. van Wijk	-	27,250
Total	**55,250**	**245,550**

Frank Dorjee was appointed as a member of the Supervisory Board as of April 3, 2014.

Rudi Provoost and Barbara Borra were appointed on April 2, 2015. Frits Fröhlich and Beverly Hodson stepped down on April 2, 2015.

Jan Hovers and Willem Vermeend, both former members of the Supervisory Board, received as members of the Supervisory Board of the Dutch sub-holding Randstad Holding Nederland bv an annual allowance of € 12,500 in 2015 and 2014. Henri Giscard d’Estaing holds 450 ordinary shares in Randstad Holding nv as at December 31, 2015 and 2014.

The company has not issued any loans, commitments to provide loans or guarantees to members of the Supervisory Board.

24.4 Other related-party transactions

The founder of the Randstad Group has an interest in a legal entity, which, based on the ‘Wet financieel toezicht’ (Act on Financial Supervision), is registered as a shareholder in Randstad Holding nv in the 30% – 40% category. There were no transactions with this related party, other than the rental of a ship, Clipper Stad Amsterdam, for promotional activities, at an annual rent of approximately € 1.9 million (2014: € 1.9 million).

25. Employee benefit obligations

	Defined benefit pension plans			Other post-employment benefits	Other long-term employee benefits	Total
	Obligation	Plan assets	Net			
Balance at January 1, 2015	**171.1**	**(99.1)**	**72.0**	**4.8**	**32.0**	**108.8**
Current service costs, total	21.8	-	21.8	(0.1)	32.6	54.3
Contributions, employees	-	(7.1)	(7.1)	-	-	(7.1)
Contributions, employers	-	(10.7)	(10.7)	-	-	(10.7)
Withdrawals/benefits paid	(12.8)	11.7	(1.1)	(0.7)	(39.3)	(41.1)
Total amount in statement of cash flows	**9.0**	**(6.1)**	**2.9**	**(0.8)**	**(6.7)**	**(4.6)**
Actuarial results	(5.2)	5.8	0.6	-	-	0.6
Interest due to passage of time	3.0	(1.7)	1.3	0.2	-	1.5
Translation differences	6.7	(5.7)	1.0	-	-	1.0
Balance at December 31, 2015	**184.6**	**(106.8)**	**77.8**	**4.2**	**25.3**	**107.3**
Non-current	184.6	(106.8)	77.8	3.8	13.3	94.9
Current	-	-	-	0.4	12.0	12.4
Balance at December 31, 2015	**184.6**	**(106.8)**	**77.8**	**4.2**	**25.3**	**107.3**
Balance at January 1, 2014						
Non-current	124.0	(78.0)	46.0	3.8	12.8	62.6
Current	-	-	-	0.1	18.4	18.5
	124.0	**(78.0)**	**46.0**	**3.9**	**31.2**	**81.1**
Reclassifications	-	(3.4)	(3.4)	-	-	(3.4)
Movements in 2014						
Current service costs, total	16.5	-	16.5	0.7	44.4	61.6
Contributions, employees	-	(5.1)	(5.1)	-	-	(5.1)
Contributions, employers	-	(7.9)	(7.9)	-	-	(7.9)
Withdrawals/benefits paid	(8.8)	7.6	(1.2)	(0.7)	(43.7)	(45.6)
Total amount in statement of cash flows	**7.7**	**(5.4)**	**2.3**	**-**	**0.7**	**3.0**
Actuarial results	34.3	(9.0)	25.3	0.6	-	25.9
Interest due to passage of time	4.1	(2.4)	1.7	0.2	-	1.9
Translation differences	1.0	(0.9)	0.1	0.1	0.1	0.3
Balance at December 31, 2014	**171.1**	**(99.1)**	**72.0**	**4.8**	**32.0**	**108.8**
Non-current	171.1	(99.1)	72.0	4.4	14.6	91.0
Current	-	-	-	0.4	17.4	17.8
Balance at December 31, 2014	**171.1**	**(99.1)**	**72.0**	**4.8**	**32.0**	**108.8**

25.1 Pensions

Defined benefit pension plan schemes

	2015	2014
Defined benefit plan, corporate employees in France	35.3	36.3
Defined benefit plan, corporate employees in Germany	8.5	9.0
Defined benefit plan, corporate employees in Belgium	22.3	17.2
Defined benefit plan, staffing and corporate employees in Switzerland	6.8	4.6
Defined benefit plan, corporate employees in Japan	4.9	4.9
	77.8	**72.0**

The defined benefit pension plans in France and Belgium are final-salary pension plans, which provide benefits to (prior) employees in the form of a guaranteed level of pension payable for life or lump sums upon retirement.

In France, the plan is in addition to State plans. The company is legally required to pay lump sums to employees upon retirement. The amounts are based on the number of years of service in the company and on the base salary according to the collective bargaining agreement in force. The scheme covers all corporate employees within the company.

In Belgium, the pension entitlement of corporate employees is based on the average pensionable salary in the last three years before retirement and is a pension payable for life upon retirement. The employer's contribution is capped at a maximum of 5% of salaries. The plan is organized through a fund that is legally separated from the company. The board of this pension fund is required to act in the interest of the fund and of all relevant stakeholders in the scheme; the investment policy with regard to the assets of the fund is also the responsibility of the board.

Breakdown of obligations for defined benefit pension plans

	2015	2014
Present value of funded obligations	184.6	171.1
Present value of unfunded obligations	-	-
Total present value of obligations	**184.6**	**171.1**
Fair value of plan assets	(106.8)	(99.1)
Liability in the balance sheet	**77.8**	**72.0**

Major categories of plan assets

as a % of fair value of total plan assets

	2015	2014
Cash	3.0%	5.5%
Bonds	34.4%	38.4%
Equity instruments	48.2%	41.5%
Real estate	10.1%	9.7%
Other	4.3%	4.9%
	100.0%	**100.0%**

The actual return on plan assets was € 4.1 million negative (2014: € 11.4 million).

Principal actuarial assumptions used for defined benefit pension plans

	2015	2014
Discount rate	0,7%-2,5%	0.7%-1.9%
Expected salary increases	0,0%-3,5%	0.0%-3.6%
Expected pension increases	0,0%-1,8%	0.0%-1.8%

Average life expectancy[1]

in years

	2015	2014
Male	18.4 - 22.5	18.1 - 22.5
Female	22.6 - 26.3	22.3 - 26.3

[1] Average life expectancy of an individual retiring at the age of 65 on the balance sheet date.

The assumptions regarding future mortality are based on published statistics and mortality tables in each territory.

The Group expects the 2016 contributions to be paid for defined benefit plans to be approximately € 11.4 million (expectation 2015: € 11.5 million), excluding the impact of acquisitions and disposals.

Risks

The most significant risks related to defined benefit plans are related to:

- Asset volatility: if the plan assets underperform, the yield on (high-quality) corporate bonds, which is the base for setting the discount rate in calculating the plan liabilities, will create a deficit;
- Interest/yield volatility: a decrease will result in an increase in the net plan liabilities;
- Salary volatility: future (expected) salaries are being used in the calculation of the plan liabilities; higher-than-expected salary increases will result in higher liabilities;
- Life expectancy: in the calculation of the plan liabilities, mortality tables are being used, indicating the life

expectancy of the participants. If life expectancy is increased, the plan liabilities will also increase.

Sensitivity
With respect to the provision for pensions, a change in the interest rate of 1 percentage point, with all other variables held constant, would result in a deviation in the range of € 9 to € 11 million (2014: € 10 to € 15 million).

25.2 Employee benefit obligations

For more information on pensions and employee benefit obligations, see note 4.2.2.

26. Number of employees (average)

	2015	2014
Candidates	597,400	580,300
Corporate employees	29,750	28,720
	627,150	**609,020**

Number of employees by segment

	Candidates		Corporate employees	
	2015	2014	2015	2014
North America	108,800	106,400	6,430	6,220
Netherlands	76,600	75,600	4,150	4,350
France	74,600	70,400	3,460	3,390
Germany	45,800	46,600	2,570	2,610
Belgium & Luxembourg	41,400	40,000	1,890	1,750
Iberia	61,000	58,100	1,750	1,560
United Kingdom	16,000	17,200	1,560	1,530
Other European countries	60,100	55,800	2,820	2,450
Rest of the world	113,100	110,200	4,930	4,660
Corporate	-	-	190	200
	597,400	**580,300**	**29,750**	**28,720**

27. Commitments

	2015	2014
Commitments less than 1 year	197.6	219.0
Commitments more than 1 year, less than 5 years	332.7	275.0
Commitments more than 5 years	42.1	38.0
	572.4	**532.0**

Commitments comprise, almost exclusively, lease contracts for branches and lease contracts for IT equipment and automobiles.

No guarantees have been issued other than those relating to commitments regarding rent and leases, and those relating to liabilities that are included in the balance sheet.

28. Auditors' fees

The following auditors' fees were expensed in the income statement in the reporting period:

	2015	2014
Audit of the financial statements [1]	3.0	4.9
Audit of the financial statements of subsidiaries by other audit firms	0.7	0.2
Subtotal for audit of the financial statements [2]	**3.7**	**5.1**
Other audit procedures [3]	0.1	0.2
Tax and other services[3]	0.1	1.1
Total	**3.9**	**6.4**

1 The fees listed above relate to the procedures applied to the company and its consolidated Group entities by Deloitte Accountants B.V. (for 2014: PriceWaterhouseCoopers Accountants N.V.) as the external auditor referred to in Section 1 (1) of the Dutch Accounting Firms Oversight Act (Wta) as well as by the Deloitte network (for 2014: PWC network).

2 Including the audit fees with respect to the local statutory financial statements.

3 The fees listed above relate to the procedures applied to the company and its consolidated Group entities by Deloitte Accountants B.V. (for 2014: PriceWaterhouseCoopers Accountants N.V.) as the external auditor referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Wta) (€ 1.2 million), as well as by the Deloitte network (for 2014: PWC network).

29. Events after balance sheet date

For information regarding events after balance sheet date, see other information on page 159.

company financial statements

(before profit appropriation for ordinary shares)

Income statement

in millions of €	Note	2015	2014
Income from subsidiaries after taxes	3	600.5	370.8
Other income after taxes		(81.7)	(30.7)
Net income		**518.8**	**340.1**

Balance sheet at December 31

in millions of €	Note	2015	2014
ASSETS			
Software	2	1.1	1.5
Intangible assets		**1.1**	**1.5**
Subsidiaries	3	6,415.9	5,743.9
Long-term loans receivable from subsidiaries	4	600.0	600.0
Financial fixed assets		**7,015.9**	**6,343.9**
Non-current assets		**7,017.0**	**6,345.4**
Receivables	5	51.2	277.1
Income tax receivable		15.8	14.1
Cash and cash equivalents		0.4	-
Current assets		**67.4**	**291.2**
TOTAL ASSETS		**7,084.4**	**6,636.6**
EQUITY AND LIABILITIES			
Issued capital		25.8	25.5
Share premium		2,270.5	2,261.1
Legal reserves		222.7	65.0
Other reserves		823.9	621.4
Net income for the year		518.8	340.1
Shareholders' equity	6	**3,861.7**	**3,313.1**
Non-current liabilities/borrowings	7	**1,405.6**	**915.0**
Borrowings	7	118.9	124.5
Trade and other payables	8	1,698.2	2,284.0
Current liabilities		**1,817.1**	**2,408.5**
TOTAL EQUITY AND LIABILITIES		**7,084.4**	**6,636.6**

notes to the company financial statements

(amounts in millions of €, unless stated otherwise)

1 Accounting policies for the company financial statements

The company financial statements of Randstad Holding nv are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. The company has made use of the possibility based on Article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to prepare company financial statements based on the accounting policies used for the consolidated financial statements.

The subsidiaries are presented in accordance with the equity method.

Receivables are mainly receivables on subsidiaries. The accounting policy on trade and other receivables is included in note 3.2.1 of the notes to the consolidated financial statements.

A summary of the significant accounting policies and a summary of the critical accounting estimates, assumptions and judgments are given in note 2 and note 4 respectively of the notes to the consolidated financial statements.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

2. Software

Software

	2015	2014
Balance at January 1	**1.5**	**-**
Additions	0.1	1.9
Amortization	(0.5)	(0.4)
Balance at December 31	**1.1**	**1.5**
Cost	2.0	1.9
Accumulated amortization and impairment	(0.9)	(0.4)
Balance at December 31	**1.1**	**1.5**

Additional information with respect to software is given in note 14 of the notes to the consolidated balance sheet.

3. Subsidiaries

	2015	2014
Balance at January 1	**5,743.9**	**5,544.6**
Capital (reductions)/contributions	453.7	(316.7)
Transfer subsidiaries	2.4	-
Dividend	(545.0)	-
Net income	600.5	370.8
Share-based compensations, subsidiaries	(3.9)	(1.7)
IAS 19 effects, subsidiaries	(0.6)	(16.1)
Fair value adj. equity investment	0.6	-
Translation differences	164.3	163.0
Balance at December 31	**6,415.9**	**5,743.9**

See note 22.1 of the notes to the consolidated financial statements for an overview of the major subsidiaries.

4. Long-term loans receivable from subsidiaries

A loan to a subsidiary was issued during the year 2014. The maturity date of this loan is July 2018. The interest rate is 6,26% per year.

5. Receivables

	2015	2014
Receivables from subsidiaries	46.2	274.2
Other receivables	5.0	2.9
	51.2	**277.1**

6. Shareholders' equity

Additional information is given in the consolidated statement of changes in equity and in note 19 of the notes to the consolidated financial statements.

6.1 Legal reserves

Based on Dutch law, a legal reserve needs to be established for currency translations, fair value adjustments and capitalized costs of development of software. The legal reserve cannot be used for dividend distribution and is therefore restricted in usage.

Legal reserves

	2015	2014
Translation reserve	204.5	55.0
Developed software	17.6	10.0
Fair value reserve	0.6	-
	222.7	**65.0**

Movements during 2015 relate to translation gains and to the net balance of capitalization and amortization of software developed in-house.

6.2 Other reserves
'Other reserves' includes a reserve with respect to share-based compensations to the amount of € 50.4 million (2014: € 56.9 million).

7. Borrowings

	2015	2014
Non-current borrowings comprising drawings on the multi-currency syndicated revolving credit facility	124.6	315.0
Non-current borrowings to subsidiaries	1,281.0	600.0
Non-current borrowings	**1,405.6**	**915.0**
Current borrowings	**118.9**	**124.5**
	1,524.5	**1,039.5**

The non-current borrowings from subsidiaries consist of various loans amounting to € 1.281 million, maturing from December 31, 2018 to April 29, 2025. The average interest rate on all loans is 5.9% (2014: 6.1%).

Movements in non-current borrowings from third parties

	2015	2014
Balance at January 1	**315.0**	**588.7**
Repayments of syndicated loan	(212.1)	(298.7)
Amortization of transaction costs	2.2	2.0
Translation differences	19.5	23.0
Balance at December 31	**124.6**	**315.0**

Additional information with respect to borrowings is given in note 3.2 of the notes to the consolidated balance sheet.

8. Trade and other payables

	2015	2014
Trade payables	1.2	2.5
Payables to subsidiaries	1,679.4	2,253.8
Other taxes and social security premiums	1.2	1.2
Pension contributions	-	0.0
Wages, salaries and other personnel costs	7.8	7.6
Accruals and deferred income	8.6	18.9
Balance at December 31	**1,698.2**	**2,284.0**

9. Number of employees (average)

In 2015, the company employed an average of 172 employees (2014: 179).

10. Remuneration

See note 24 of the notes to the consolidated financial statements.

11. Related parties

All companies within the Group are considered to be related parties.

See also notes 22, 23 and 24 of the notes to the consolidated financial statements.

12. Guarantees and commitments

The company bears joint and several liability for drawings by subsidiaries under the multi-currency syndicated revolving credit facility and under bank overdraft and guarantee facilities, to the amount of € 484 million (2014: € 463 million).

As at December 31, 2015, guarantees issued by the company on behalf of subsidiaries amounted to € 8.9 million (2014: € 6.5 million).

The company's commitments for the period shorter than one year amount to € 0.9 million (2014: € 0.9 million) and for the period between one and five years to € 1.4 million (2014: € 0.5 million) with respect to lease contracts for automobiles.

The company is part of fiscal unities for corporate income taxes, as well as for value-added taxes. As a consequence, the company bears joint and several liability for the debts with respect to corporate income taxes and value-added taxes of the fiscal unities. The company settles corporate income taxes, in principle, based on the results before taxes of the subsidiaries belonging to the fiscal unity.

The company has issued joint and several liability statements in accordance with Section 403, Part 9, Book 2 of the Dutch Civil Code for a limited number of its Dutch subsidiary companies, mainly serving as sub-holding companies.

13. Auditors' fees

Information with respect to auditors' fees is given in note 28 of the notes to the consolidated financial statements.

Diemen, the Netherlands, February 16, 2016

The Executive Board
Jacques van den Broek (Chairman)
Robert Jan van de Kraats (Vice-Chairman)
François Béharel
Linda Galipeau
Chris Heutink

The Supervisory Board
Wout Dekker (Chairman)
Jaap Winter (Vice-Chairman)
Barbara Borra
Frank Dorjee
Henri Giscard d'Estaing
Giovanna Kampouri Monnas
Rudy Provoost

other information

Events after balance sheet date

Subsequent to the date of the balance sheet, the Group acquired 97.3% of the shares of Proffice AB, Stockholm, Sweden, effectively February 4, 2016. The cash outlay was approximately € 172 million.

Proffice AB has operations in Sweden, Norway, Finland and Denmark and is active in general staffing and professionals. A preliminary purchase price allocation will take place in Q1 2016.

Provisions in the Articles of Association concerning profit appropriation

The following is a summary of the most important stipulations of Article 28 of the Articles of Association concerning profit appropriation.

Subsection 1.
Any such amounts from the profits as will be fixed by the Executive Board with the approval of the Supervisory Board will be allocated to reserves. As far as possible, from the remaining profits (hereinafter also called the total profits):

a. A dividend will first be distributed to the holders of preference A shares on the amount paid on said shares, of which the percentage will be equal to the average of the statutory interest – in the event of a change in the meantime to the respective percentages – during the financial year for which the distribution is made. This percentage will be increased by a surcharge fixed by the Executive Board, subject to the approval of the Supervisory Board, amounting to a maximum of three percent (3%). If, in any year, the profit distribution on preference A shares cannot be made or can only be made partially, the overdue dividend on the shares will be distributed in the subsequent years before any other dividend distribution is made.

b.1 A dividend will subsequently be distributed per series to holders of preference B shares (equal to the basic percentage to be mentioned under b.2) of the sum of the nominal amount and the amount in share premium which was paid upon the first issue of the shares of said series, which percentage will be increased upon said issue by a surcharge, fixed by the Executive Board, subject to approval of the Supervisory Board, of a maximum of one hundred and seventy-five (175) base points. If the share premium reserve has not shown the same balance for the whole financial year, the dividend shall be calculated on the time-weighted average balance for that financial year.

b.2 The basic percentage referred to under b.1 will be the arithmetic average of the effective yield on the government bonds issued by the Kingdom of the Netherlands with a term or remaining term of six to seven years. For the first time on the date that the preference B shares (of a series) have been outstanding for seven years, and subsequently each period of seven years after this, the basic percentage of the preference B shares (of the series concerned) will be adjusted to the yield then effective of the state loans referred to in the above-mentioned provisions.

b.3 A dividend will be distributed per series of preference C shares to holders thereof equal to the basic percentage mentioned under b.4 increased with the increment mentioned under b.4 calculated over the sum of the nominal amount increased by the daily time weighted average over the relevant financial year of the sum of the share premium amount and the preference C shares dividend reserve of said series. Notwithstanding the preceding sentence the dividend on the preference C shares for the period until the eighteenth day of November two thousand and nineteen will be five hundred eighty (580) basis points.

b.4 For the first time on the eighteenth day of November two thousand nineteen and subsequently each period of seven years after this, the basic percentage of the preference C shares (of the series concerned) will be adjusted to the average effective return on Dutch government bonds with a (remaining) life of seven years.

The increment is to be determined by the Executive Board with the approval of the Supervisory Board with a minimum of fifty (50) basis points and a maximum of six hundred and fifty (650) basis points, depending on the market circumstances (as a function of, among other things, illiquidity, perpetuality, creditworthiness, subordination and tax treatment) at that time and is subject to the approval of the meeting of shareholders of the preference C shares or series concerned, which approval requires unanimous votes of the holders of the preference C shares present or represented at such meeting.

b.5 The Executive Board is authorized, subject to the approval of the Supervisory Board, to resolve that dividend on the preference B shares or on the preference C shares of any series shall not be distributed but reserved instead in order to be distributed at a later date following a resolution to this effect by the Executive Board, subject to the approval of the Supervisory Board. When it is resolved that dividend on the preference B shares shall not be distributed but reserved then it shall also be resolved that dividend on the preference C shares shall not be distributed but reserved and vice versa.

b.6 If and insofar as the profit is not sufficient to fully make the distribution referred to hereinbefore on preference B shares and on preference C shares, the Executive Board may resolve, subject to the approval of the Supervisory Board, to make these distributions from the freely distributable reserves, with the exception of the share premium reserves referred to in Article 4, paragraph 4 under b and c, preference A shares dividend reserves, preference B shares dividend reserves and preference C shares dividend reserves.

b.7 If and insofar as in any financial year no distribution can be made, or it is resolved not to make a distribution on preference B shares, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the Executive Board, subject to the approval of the Supervisory Board, such distribution will be made to the holders of said preference shares or reserved that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied.

b.8 If and insofar as in any financial year no distribution can be made, or it is resolved not to make a distribution on preference C shares, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the Executive Board subject to the approval of the Supervisory Board, such distribution will be made to the holders of said preference shares or reserved as such that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied. Such deficit will be increased with the percentage referred to in paragraph 1 under b.3 or under b.4 of this Article 28 calculated over the period the deficit occurred and the moment the deficit has been made good.

b.9 If preference B shares or preference C shares have been issued in the course of any financial year, the dividend on the shares concerned for said financial year will be reduced proportionately until the first day of issue.

Subsection 2.

The balance then remaining will be available to the General Meeting, subject to the proviso that (i) no distribution will be made as long as not all the profit distributions on the preference shares have been made and the reserves are distributed on the preference shares as referred to in this Article 28 and (ii) no further distribution will be made on preference shares, nor will any amounts be reserved for this purpose.

Subsection 3.

The company may only make distributions to shareholders from the profit susceptible to distribution insofar as its common equity exceeds the amount of the paid and claimed part of the capital increased by the reserves to be kept by virtue of the law.

Subsection 4.

Subject to the approval of the Supervisory Board, the Executive Board may pass a resolution for distribution of an interim dividend, to be deducted from the dividend expected for the financial year concerned, if the requirement of the preceding paragraph has been fulfilled, as will be evident from an interim specification of equity and all the distributions on preference B shares and preference C shares have been made. Said specification of equity will relate to the position of the equity at the earliest on the first day of the third month prior to the month in which the resolution for distribution will be announced. It will be drawn up with due observance of the valuation methods deemed acceptable in society. The specification of equity will include the amounts to be allocated to the reserves by virtue of the law. It will be signed by the members of the Executive Board. In the event that the signature(s) of one or more of them should be lacking, the reason thereof will be stated. The company will deposit the specification of equity at the office of the Trade Register within eight days after the date on which the resolution for distribution will be announced. A resolution for distribution of an interim dividend may be limited to a distribution of an interim dividend exclusively to shareholders of a particular class, without prejudice to the rights of shareholders of other classes.

Subsection 5.

Resolutions for the complete or partial cancellation of reserves as stated in paragraph 1 of this Article may only be passed by the General Meeting on a proposal of the Executive Board approved by the Supervisory Board, with the exception of resolutions in respect of: (i) distributions from reserved dividend on preference B shares and on preference C shares, which shall be resolved upon by the Executive Board subject to the approval of the Supervisory Board; and (ii) annual distributions of twenty per cent (20%) of the preference C shares share premium reserve on preference C shares, which may be increased with an additional amount at the expense of the general reserves, such amount as to be determined at the time of issuance, which distributions may be resolved upon by the Executive Board, subject to the approval of the Supervisory Board, once the preference C shares (of a series) have been outstanding for four years. If in any financial year a distribution as referred to under (ii) does not occur or does not wholly occur, such distribution may take place in a subsequent year, provided that in any financial year not more than thirty percent (30%) may be distributed. When it is resolved that distributions shall be made from the preference B shares dividend reserve then it shall also be resolved that distributions shall be made from the preference C shares dividend reserve and vice versa.

Resolutions of the General Meeting for the complete or partial cancellation of a share premium reserve will require the prior approval of the meeting of holders of shares of the class and series concerned, without prejudice to the provisions in Article 4, paragraph 5, under b.1. Only holders of ordinary shares will be entitled to distributions deducted from allocations to reserves other than those mentioned in the preceding sentence. However, without prejudice to the amounts that would accrue to holders of preference B shares or holders of preference C shares, in accordance with the provisions in Article 28, paragraph 1b.4. and Article 34, paragraph 4.6., resolutions for the complete or partial cancellation of reserves as stated in paragraph 1 of this Article may only be passed by the General Meeting on a proposal of the Executive Board approved by the Supervisory Board, with the exception of distributions from reserved dividend on preference B shares, which shall be resolved upon by the Executive Board subject to the approval of the Supervisory Board. Resolutions of the General Meeting for the complete or partial cancellation of a share premium reserve as stated in Article 4, paragraph 4.b. will require the prior approval of the meeting of holders of shares of the class and series concerned, without prejudice to the provisions in Article 4, paragraph 5, under b.1. Only holders of ordinary shares will be entitled to distributions deducted from allocations to reserves other than those mentioned in the preceding sentence. However, without prejudice to the amounts that would accrue to holders of preference B shares in accordance with the provisions in Article 28, paragraph 1b.4. and Article 34, paragraph 4.

Article 29 of the Articles of Association concerning payment in shares or from the reserves states:

1. The General Meeting may, at the proposal of the Executive Board and with the approval of the Supervisory Board, decide to distribute a dividend on ordinary shares in whole or in part in shares of the company and not in cash.
2. The General Meeting may decide to make a distribution on ordinary shares, in whole or in part, in shares of the company and not in cash.
3. The General Meeting may, at the proposal of the Executive Board and with the approval of the Supervisory Board, decide to make a distribution to holders of ordinary shares from the distributable part of the shareholders' equity. The provisions in paragraph 1 of this article will apply mutatis mutandis. Distribution as meant in the present paragraph 3 will only apply if all the amounts owed by virtue of Article 28, paragraph 1 have been paid.
4. In the event of a merger of a Subsidiary of the company, the General Meeting will have the authority to issue shares from one or more of the company's reserves, which do not need to be retained pursuant to the law or these Articles of Association.

Proposed profit appropriation

It is proposed that a dividend of € 4.5 million and of € 8.1 million be paid on the type-B and type-C preference shares, respectively, and that a dividend of € 307.5 million be paid on the ordinary shares. It is proposed that € 198.7 million be added to retained earnings.

Independent auditor's report

To the shareholders and Supervisory Board of Randstad Holding nv

Report on the audit of the financial statements 2015

Our opinion

We have audited the financial statements 2015 of Randstad Holding nv ("Company"), based in Diemen. The financial statements include the consolidated financial statements and the Company financial statements.

In our opinion:

- the consolidated financial statements give a true and fair view of the financial position of Randstad Holding nv as at December 31, 2015, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the company financial statements give a true and fair view of the financial position of Randstad Holding nv as at December 31, 2015, and of its result for 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

The consolidated financial statements comprise:

- the consolidated balance sheet at December 31, 2015;
- the following statements for 2015: the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet at December 31, 2015;
- the company income statement for 2015; and
- the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

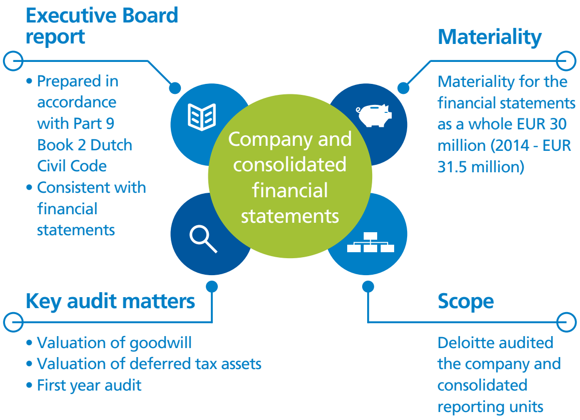
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section "Our responsibilities for the audit of the financial statements" of our report.

We are independent of Randstad Holding nv in accordance with the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

As part of our audit we have determined materiality and used it to assess the risks of material misstatement. We have specifically assessed accounts where subjectivity is high because of estimates regarding uncertain future developments. We have likewise specifically focused on the risk related to management override of controls and the risk of material misstatement due to fraud. In addition, our audit expressly included the continuity and reliability of the automated information systems.



Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 30 million. The materiality is based on 5% of profit before income tax. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of EUR 1.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Materiality overview	
Group materiality level	EUR 30 million
Basis for Group materiality level	5% of profit before tax
Threshold for reporting misstatements	EUR 1.5 million

Scope of the Group audit

Randstad Holding nv is at the head of a group of entities. The financial information of this Group is included in the financial statements of Randstad Holding nv

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the Group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for Group entities. Decisive were the size and/or the risk profile of the Group entities or operations. On this basis, we selected Group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

In establishing the overall Group audit strategy and plan, we determined the type of work that needed to be performed at the Group entities by the Group engagement team and by component auditors from other Deloitte network firms.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those Group entities so as to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. For each Group entity we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient. Those where a complete audit was required included the following Group entities: North America, Netherlands, France, Germany, Belgium, United Kingdom, Spain, Italy, Australia, Japan and India. These were selected because of their financial significance to the Group's revenue or underlying profits.

Audit coverage	
Audit coverage of consolidated revenues	89%
Audit coverage of total assets	87%

In addition, we performed other procedures with respect to the remaining Group entities.

The Group consolidation, financial statement disclosures and a number of complex items were audited by the Group engagement team at the head office. These include the annual goodwill impairment test, valuation of deferred tax assets and share-based payments.

By performing the procedures mentioned above at Group entities, together with additional procedures at Group level, we have been able to obtain sufficient and appropriate audit evidence about the Group's financial information to provide an opinion about the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
First year audit Initial audit engagements involve a number of considerations not associated with recurring audits. Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include: - Gaining an initial understanding of the Group and its business including its control environment and information systems sufficient to make audit risk assessments and develop the audit strategy and plan; - Obtaining sufficient appropriate audit evidence regarding the opening balances including the selection and application of accounting principles; and - Communicating with the previous auditors.	Prior to becoming the Company's auditors in 2015, we developed a comprehensive transition plan starting in January 2014 to understand the connection between the Company's strategy, the related business risks and the way this impacts the Company's financial reporting and internal controls framework. Our transition plan included amongst others: - Close interaction with the previous auditor, including a process of file reviews and formal hand over procedures as prescribed by our professional standards; - Active knowledge sharing with the members of the Executive Board, Group Accounting, Group Control, Group Business Risk & Audit and legal departments to understand their perspectives on the business, identified risks and key observations from their work; - Attendance of clearance meetings with senior management and the Audit Committee during the Q3 2014 and Q4 2014 quarterly and year-end financial closing and reporting process; - Evaluation of key accounting positions and audit matters from prior years; - Assessment of the overall control environment of the Group including meetings with members of the Executive Board, the legal department and the Group Business Risk & Audit department as well as through meetings with management of Group entities around the world, to obtain their feedback on the tone at the top set by management of the Group; - We evaluated Randstad's key control framework which is implemented across all Group entities. We performed internal controls testing including testing of IT general controls, automated controls and the effectiveness of the 'hours paid versus hours billed' control, which given the industry in which the Company operates, are important controls we rely upon in our audit; and - We discussed and agreed our audit plan with the Company's Audit Committee in April 2015 and we reported status, progress and key findings from our audit process on a quarterly basis.
Valuation of goodwill At December 31, 2015 the Group's goodwill balance is valued at EUR 2,494.8 million. Under EU-IFRS, the company is required to annually test for impairment of goodwill. This annual impairment test was significant to our audit because the assessment process is complex and involves significant management judgment and is based on assumptions that are affected by expected future market and economic conditions. Based on the annual goodwill impairment test the Executive Board concluded that no goodwill impairment was needed. The key assumptions and sensitivities are disclosed in note 4.1 to the financial statements.	Our audit procedures included, amongst others an assessment of the mathematical accuracy of the calculations and a reconciliation to the long term forecast as approved by the Executive Board. We used our valuation experts to assist us in evaluating the assumptions and methodologies used in the annual impairment test prepared by the company. We have challenged management, primarily on their assumptions applied where upon which the outcome of the impairment test is most sensitive, including, for example, projected revenue growth, EBITA margin, discount rate and terminal growth. Further, we challenged management by comparing the assumptions to historic performance of the company, local economic development and industry outlook, taking into account the sensitivity of the goodwill balances to changes in the respective assumptions. We also focused on the adequacy of the company's disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The company's disclosures concerning impairment and goodwill are included in note 4.1 to the consolidated financial statements.
Valuation of deferred tax assets The Group's deferred income tax assets and deferred income tax liabilities as at December 31, 2015 are valued at EUR 531.5 million and EUR 35.9 million respectively. Under EU-IFRS, the company is required to periodically determine the valuation of deferred tax positions. This area was significant to our audit because of the related complexity of the valuation process which involves significant management judgment given it is based on assumptions that are affected by expected future market, economic conditions and tax laws and regulations.	Our audit procedures included, amongst others an assessment of the recoverability of deferred tax assets in the USA and Luxembourg because of the respective value of these deferred tax assets and for France due to the level of management judgment involved. We compared the consistency of management's profitability forecasts with those included in the annual goodwill impairment test. We also assessed local fiscal developments, in particular those related to changes in the statutory income tax rate and statutes of limitation since these are key assumptions underlying the valuation of the deferred tax assets. Further, we used our tax specialists to assist us in evaluating the assumptions and methodologies used by the company. In addition we also focused on the adequacy of the company's disclosures on deferred income tax positions and assumptions used. The company's disclosures concerning income taxes are included in note 4.3 to the consolidated financial statements.

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

For an overview of our responsibilities we refer to the appendix of this audit report.

Report on other legal and regulatory requirements

Report on the Executive Board report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Executive Board report and other information):

- We have no deficiencies to report as a result of our examination whether the Executive Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed; and
- We report that the Executive Board report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged as of the audit for year 2015 and have operated as statutory auditor ever since that date.

Diemen, 16 February 2016

Deloitte Accountants B.V.

Originally signed by P.J.M.A. van de Goor

Appendix to our auditor's report on the financial statements 2015 of Randstad Holding nv

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements
We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

supplementary information

summary quarterly income statement 2015

unaudited

amounts in millions of €, unless stated otherwise	First quarter	Second quarter	Third quarter	Fourth quarter	Year 2015
Revenue	**4,431.4**	**4,815.8**	**4,976.9**	**4,995.1**	**19,219.2**
Cost of services	3,616.6	3,912.9	4,043.4	4,051.8	15,624.7
Gross profit	**814.8**	**902.9**	**933.5**	**943.3**	**3,594.5**
Selling expenses	468.5	483.1	486.3	484.5	1,922.4
Other general and administrative expenses	202.4	206.8	206.0	224.9	840.1
Amortization and impairment of acquisition-related intangible assets and goodwil	40.2	34.3	25.5	27.3	127.3
Total operating expenses	**711.1**	**724.2**	**717.8**	**736.7**	**2,889.8**
Operating profit	**103.7**	**178.7**	**215.7**	**206.6**	**704.7**
Net finance (costs) / income	(22.3)	(4.0)	(5.8)	3.0	(29.1)
Share in profit and result of disposal of associates	0.1	0.1	0.1	6.5	6.8
Income before taxes	**81.5**	**174.8**	**210.0**	**216.1**	**682.4**
Taxes on income	(22.0)	(44.6)	(57.0)	(40.0)	(163.6)
Net income	**59.5**	**130.2**	**153.0**	**176.1**	**518.8**
Calculation of earnings per ordinary share					
Net income for holders of ordinary shares	56.4	127.0	149.9	172.9	506.2
Amortization and impairment of acquisition-related intangible assets and goodwill	40.2	34.3	25.5	27.3	127.3
One-offs	9.2	2.2	7.7	4.7	23.8
Tax effect on amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	(15.0)	(11.2)	(11.0)	(11.8)	(49.0)
Net income for holders of ordinary shares before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	90.8	152.3	172.1	193.1	608.3
Basic earnings per share (€)	0.31	0.70	0.82	0.95	2.79
Diluted earnings per share (€)	0.31	0.69	0.81	0.94	2.76
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs (€)	0.50	0.83	0.93	1.05	3.32
Average number of ordinary shares outstanding (in millions)	179.8	181.8	182.7	182.4	181.7
Average number of diluted ordinary shares outstanding (in millions)	181.2	183.4	184.3	184.0	183.3

summary quarterly statement of cash flows 2015

unaudited

amounts in millions of €	First quarter	Second quarter	Third quarter	Fourth quarter	Year 2015
Operating profit	**103.7**	**178.7**	**215.7**	**206.6**	**704.7**
Amortization and impairment of acquisition-related intangible assets and goodwill	40.2	34.3	25.5	27.3	127.3
EBITA	**143.9**	**213.0**	**241.2**	**233.9**	**832.0**
Depreciation and amortization software	16.3	16.3	16.2	15.9	64.7
EBITDA	**160.2**	**229.3**	**257.4**	**249.8**	**896.7**
Provisions and employee benefit obligations	0.0	(9.4)	(11.6)	(11.4)	(32.4)
Share-based payments	7.8	7.7	6.8	6.8	29.1
Other	(23.3)	(28.7)	(27.3)	(21.2)	(100.5)
Cash flow from operations before operating working capital and income taxes	**144.7**	**198.9**	**225.3**	**224.0**	**792.9**
Operating working capital	(58.9)	(191.9)	30.2	98.7	(121.9)
Income taxes paid (paid) / received	(36.4)	(52.9)	(31.7)	15.6	(105.4)
Net cash flow from operating activities	**49.4**	**(45.9)**	**223.8**	**338.3**	**565.6**
Net additions to property, plant, equipment and software	(13.2)	(13.5)	(15.6)	(20.7)	(63.0)
Acquisition and disposal of subsidiaries/activities/ equity investments	0.1	0.4	(89.7)	5.3	(83.9)
Financial assets	-	-	-	(3.8)	(3.8)
Net cash flow from investing activities	**(13.1)**	**(13.1)**	**(105.3)**	**(19.2)**	**(150.7)**
Net cash flow from financing activities	**19.8**	**80.6**	**(192.1)**	**(277.7)**	**(369.4)**
Net (decrease)/increase in cash, cash equivalents and current borrowings	**56.1**	**21.6**	**(73.6)**	**41.4**	**45.5**
Cash, cash equivalents and current borrowings at beginning of period	**(107.0)**	**(49.0)**	**(27.6)**	**(98.9)**	**(107.0)**
Net movement	56.1	21.6	(73.6)	41.4	45.5
Translation and currency gains / (losses)	1.9	(0.2)	2.3	8.9	12.9
Cash, cash equivalents and current borrowings at end of period	**(49.0)**	**(27.6)**	**(98.9)**	**(48.6)**	**(48.6)**
Free cash flow	**36.2**	**(59.4)**	**208.2**	**313.8**	**498.8**

ten years of Randstad

amounts in millions of €, unless stated otherwise	2015	2014	2013
Revenue	19,219.2	17,249.8	16,568.3
Growth %	11.4%	4.1%	(3.0)%
Gross profit[1]	3,594.5	3,177.6	3,010.0
EBITDA[1]	896.7	725.9	597.9
EBITA[1]	832.0	660.7	529.7
Operating profit/(loss)[1]	704.7	515.3	366.3
Net income[2]	518.8	340.1	230.7
Growth %	52.5%	47.4%	528.6%
Net cash flow from operations	565.6	557.5	340.7
Free cash flow	498.8	487.7	292.9
Depreciation, amortization and impairment of property, plant, equipment, and software	64.7	65.2	68.2
Additions to property, plant, equipment, and software	67.2	65.7	61.5
Amortization and impairment of acquisition-related intangible assets and goodwill, and badwill	127.3	145.4	163.4
Shareholders' equity	3,861.7	3,313.1	2,907.8
(Net debt) / net cash	(173.2)	(422.0)	(761.0)
Operating working capital[3]	621.4	487.7	459.5
Average number of candidates	597,400	580,300	567,700
Average number of corporate employees	29,750	28,720	28,030
Number of branches, year-end	2,750	2,816	3,161
Number of inhouse locations, year-end	1,723	1,595	1,426
Market capitalization, year-end	10,529.1	7,215.2	8,366.0
Number of ordinary shares outstanding (average in millions)	181.7	178.9	175.5
Closing price (in €)	57.53	40.06	47.15
Ratios in % of revenue			
Gross profit[1]	18.7%	18.4%	18.2%
EBITDA[1]	4.7%	4.2%	3.6%
EBITA[1]	4.3%	3.8%	3.2%
Operating profit[1]	3.7%	3.0%	2.2%
Net income	2.7%	2.0%	1.4%
Basic earnings per ordinary share (€)	2.79	1.83	1.25
Diluted earnings per ordinary share (€)	2.76	1.81	1.23
Diluted earnings per ordinary share before amortization and impairment of acquisition-related intangible assets and goodwill (€)	3.23	2.35	1.87
Dividend per ordinary share (€)	1.68	1.29	0.95
Payout per ordinary share in %[4]	50%	50%	45%

1 The results as presented in this overview are actual results. As such, they have not been adjusted for one-offs, integration costs or acquisition-related costs.

2 For the years 2006 and 2007, net income includes dividend on preferred shares as financial expenses under net finance costs.

3 Operating working capital (as from 2014): trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed Group companies, and interest receivable minus trade a

4 Starting 2008: on basic earnings per ordinary share, adjusted for the net effect of amortization and impairment of acquisition-related intangible assets and goodwill, badwill (2013 only), integration costs an

2012	2011	2010	2009	2008	2007	2006
17,086.8	16,224.9	14,179.3	12,399.9	14,038.4	9,197.0	8,186.1
5.3%	14.4%	14.4%	(11.7)%	52.6%	12.3%	23.3%
3,107.3	2,953.9	2,669.3	2,421.3	2,972.3	2,029.7	1,730.6
547.7	633.6	598.9	346.0	744.0	605.6	484.2
463.6	553.1	513.6	252.4	644.0	554.4	436.1
127.6	249.7	341.2	93.8	(34.7)	539.6	423.6
36.7	179.0	288.5	67.6	18.4	384.9	360.3
(79.5)%	(38.0)%	326.8%	267.4%	(95.2)%	6.8%	48.9%
528.6	519.5	369.2	742.7	760.1	401.4	409.6
466.5	435.2	309.3	698.1	672.7	328.4	350.0
84.1	80.5	85.3	93.6	100.0	51.2	48.1
63.5	85.5	60.7	48.5	92.0	74.4	61.8
336.0	303.4	172.4	158.6	678.7	14.8	12.5
2,724.9	2,898.4	2,850.8	2,491.0	2,416.9	1,021.6	790.3
(1,095.7)	(1,302.6)	(899.3)	(1,014.7)	(1,641.0)	(144.2)	250.3
527.6	631.6	525.5	395.2	711.5	409.5	354.5
581,700	576,800	521,300	465,600	555,600	369,200	312,300
29,320	28,700	25,680	27,640	28,230	17,570	15,380
3,191	3,566	3,085	3,182	4,146	1,889	1,827
1,305	1,145	1,110	947	1,087	997	843
4,785.3	3,907.9	6,716.9	5,917.6	2,466.9	3,150.7	6,083.4
171.9	170.8	169.9	169.6	148.6	116.4	115.8
27.81	22.86	39.50	34.90	14.55	27.02	52.40
18.2%	18.2%	18.8%	19.5%	21.2%	22.1%	21.1%
3.2%	3.9%	4.2%	2.8%	5.3%	6.6%	5.9%
2.7%	3.4%	3.6%	2.0%	4.6%	6.0%	5.3%
0.7%	1.5%	2.4%	0.8%	(0.2)%	5.9%	5.2%
0.2%	1.1%	2.0%	0.5%	0.1%	4.2%	4.4%
0.17	1.00	1.65	0.36	0.07	3.31	3.11
0.17	1.00	1.63	0.36	0.07	3.30	3.10
1.73	2.42	2.32	0.99	4.38	3.38	3.17
1.25	1.25	1.18	-	-	1.25	1.25
59%	53%	60%	-	-	38%	40%

and other payables, excluding interest payable. Comparative figure for 2013 is adjusted; all other years are not adjusted.
d one-offs.

glossary

Operational glossary

Activity-based field steering

Our activity-based field steering (ABFS) model is used to manage and direct performance across our businesses. By embedding operational performance tools at every level of our organization, the input-based ABFS model helps operational managers to take the right decisions, at the right time, and translate them into action. Managers receive up-to-date, accurate reports on a weekly basis, covering a range of key performance indicators. These data enable us to manage our units and teams in the field by adapting to changing client and market demands as they occur.

Agency work

Agency work is a special form of temporary work, where generally the employer does not hire the employee directly on a contract with a limited duration, but through a private employment agency. The employee is mostly hired directly by the employment agency, mostly on a temporary basis, but sometimes on a permanent contract. During the contract period, the employee can be assigned to different user companies.

Aging population

The process in which the working population is shrinking due to an increasing number of people leaving the labor market because of their age.

Blue-collar worker

Within Staffing, we typically divide the market into blue-collar and white-collar work. The distinguishing factor is difference in skill sets. Blue collar is predominantly geared towards industrial and technical job profiles.

Branches

Branches are physical office locations from which our consultants operate.

Candidate

Another term for the people we help to find work at our clients (temporary and permanent employees).

Ciett

Our worldwide industry federation, officially known as International Confederation of Private Employment Agencies.

Concepts

Our concepts represent the services we offer to our clients. We standardize the working processes per concept in order to easily 'copy and paste' them across our operations around the world.

Consultant

A consultant is a front-office employee who is located at one of our outlets, directly meeting the demands of clients and candidates.

Dividend policy

Our dividend policy aims at a payout ratio of 40%–50% of adjusted earnings per share.

Employees/candidates/Staffing employees working

The number of temporary employees currently working for our clients.

Eurociett

Our European industry federation, officially known as the European Confederation of Private Employment Agencies.

FTE

Full-time equivalent.

Inhouse location

An Inhouse location is a branch that is located at a client's premises, where our consultants work on-site dedicated to that specific client.

Managed Services Provider (MSP)

An MSP is a company that takes on primary responsibility for managing an organization's contingent workforce program. An MSP may or may not be independent of a staffing supplier.

Outlets

Outlets are branches and Inhouse locations combined.

Outplacement

Within outplacement, we advise and support organizations in situations in which employment contracts need to be terminated because of a strategic decision or for other reasons. We assist employees in their search for a suitable new job to make the transition as smooth as possible.

Outsourcing

Outsourcing is the sustainable transfer of several client activities with output responsibility both in the production/logistics and in the administrative environment.

Penetration rate

The penetration rate is the percentage of temporary workers in the total working population.

Permanent placement

Apart from attracting candidates for temporary jobs, we also service clients by recruiting candidates for permanent positions. The process involved is referred to as permanent placement.

Professionals

Professionals is the service we offer to our clients where we offer a broad and deep range of candidates with an academic or equivalent degree on a temporary or interim basis, as well as on a permanent placement basis through Search & Selection.

Recruitment
The process of hiring candidates for permanent positions.

Recruitment Process Outsourcing (RPO)
RPO is the transfer of operational responsibility for one or more recruiting functions or tasks, including recruitment administration, from the client to a service provider.

Specialties
Specialties are the specific market segments that dedicated units in our Staffing business focus on, such as healthcare, transport, airports, and call centers. The knowledge, experience, and expertise we gain by focusing on these specialties translate into added value for clients and candidates.

Staff turnover
The percentage of employees leaving our company.

Staffing
A service we offer to our clients that involves matching candidates with temporary positions at our clients.

Temporary work
Compared to part-time work, temporary work is an even more flexible form of labor. This includes both agency workers and limited-duration contract workers.

Two-tier board structure
A governance structure in which the board is split between an Executive Board and a Supervisory Board. The Executive Board is responsible for developing, driving, executing, and achieving the approved strategy and strategic targets, while the Supervisory Board acts in the interest of the company by supervising and advising the Executive Board.

Vendor Management System
A VMS is an internet-enabled contingent worker sourcing and billing application that enables a company to procure and manage a wide range of contingent workers and services in accordance with client business rules.

White-collar worker
Within Staffing, we typically divide the market into blue-collar and white-collar work. The distinguishing factor is difference in skill sets. White collar is predominantly geared towards administrative job profiles.

Sustainability glossary

Fatality
An incident causing the death of a corporate staff member or candidate at work, in traffic, while working, or while commuting.

Fixed-term contract
An employment contract with a particular end date, meaning that the contract ends after a certain event or on the completion of a task.

Local sickness rate
Number of working days lost due to sickness within Randstad, based on actual working days. Sickness rate calculation: number of workings days lost / (average FTE x available days).

Lost Time Injury (LTI)
Days off work due to work-related injury, based on actual working days. Injury rate calculation: number of workings days lost / (average FTE x available days).

Misconduct Reporting Procedure (MRP)
Grievance mechanism; a facility operated by an independent external provider, where serious breaches of the Randstad business principles can be reported if the regular avenues are inappropriate.

National sickness rate
Sickness rate in a country as most recently quoted by local public administration or authorities.

Permanent or open-term contract
An employment contract for an indefinite period of time; this metric includes employees with a permanent or open-term job but without an official contract, which is often the case in the US, for example.

Senior leadership
Refers to all levels equal to or above district/regional management, including account management or commercial management reporting to a regional director or higher.

Sickness absence
Includes both short-term and long-term sickness. Generally excludes absence due to work-related accidents and pregnancy leave, unless local authorities use a different definition.

Training costs
Total expenditure on training of candidates or employees. In addition to external costs of training, an estimate is made of the salary costs of internal trainers.

Training hours
Number of hours spent on training of candidates or employees. Training of employees excludes attendance at the Frits Goldschmeding Academy, which is reported separately.

VSO volunteers
Number of employees (headcount) working on an indefinite contract with an operating entity, who have provided support to VSO (e.g., HR/finance/marketing/legal or strategic advice, fundraisers) either in their home country or at a VSO office

(e.g., in the UK or the Netherlands), or on an assignment in Africa or Asia.

Volunteer hours
The number of hours actually worked by the volunteer(s) or: number of months of placement x 4 weeks x 36 hours; for short-term volunteers: number of weeks x 36 hours.

Work-related injuries
Accidents during working hours, whether on work premises or while traveling as part of work duties, causing candidates or employees to be injured on a scheduled workday or normal work shift, resulting in days off work.

Financial glossary

Amortization (and impairment) of acquisition-related intangible assets
Upon acquisitions, Randstad identifies intangible assets, such as customer relationships, brand names, and candidate databases. On average, these acquisition-related intangible assets are amortized over 1 to 8 years, leading to an annual non-cash amortization charge, which is included in operating profit.

Capital expenditures
Part of cash flow from investing activities. Amounts incurred for investments in property, plant and equipment (e.g., furniture, computer hardware) and software.

Cash flow from operating activities
EBITDA adjusted for changes in working capital, taxes on income, movements in other balance sheet positions, such as provisions, and certain other non-cash items.

Closing price
Share price of Randstad at the end of a given trading day on Euronext, where an ordinary share of Randstad is listed.

Cost of services
Expenses which are directly attributable to revenue. These costs mainly include expenses related to staffing employees, such as wages, social security charges, and taxes.

DSO (Days Sales Outstanding, moving average)
This DSO KPI represents the number of days before we are able to convert sales into cash (received from our client). In the annual report, we use the moving average of the monthly DSO.

Diluted earnings per ordinary share
Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based payment arrangements.

Dividend on ordinary shares
Part of net income attributable to holders of ordinary shares that will be distributed to holders of ordinary shares.

EBITA
Earnings Before Interest, Taxes and Amortization (and impairment of acquisition-related intangible assets and goodwill). It is basically the same as operating profit adjusted for amortization charges on acquisition-related intangible assets. This is the key performance indicator when looking at the profitability of our business.

EBITA margin
EBITA as percentage of revenue.

EBITDA
See EBITA description; additionally, before depreciation.

EPS (basic Earnings Per Share)
Net income attributable to holders of ordinary shares divided by the weighted average number of ordinary shares outstanding.

Economic value added (EVA)
A financial performance method to calculate the true economic profit of a corporation. EVA can be calculated as net operating profit after taxes minus a charge for the opportunity cost of the capital invested.

Enterprise value
Market capitalization plus net debt.

Free cash flow
Free cash flow is the sum of net cash flow from operating activities and investing activities adjusted for cash flows for acquisitions and disposals of subsidiaries and associates.

Gross margin
Gross profit as percentage of revenue.

Gross profit
Revenue minus cost of services.

IFRS
International Financial Reporting Standards.

Incremental conversion ratio
Additional EBITA in a year, when compared with the previous year, as a percentage of additional gross profit in a year, when compared with the previous year, based on organic growth. We aim for an incremental conversion ratio of 50%, if gross profit growth has been achieved.

Leverage ratio
Net debt divided by 12-month EBITDA. We aim at a leverage ratio of between 0 and 2x EBITDA, which is important for continuity. The syndicated loan documentation allows us a leverage ratio of 3.5x EBITDA.

Liquidity of shares
Total number of shares traded on the stock echanges.

Market capitalization
Total shares outstanding multiplied by the share price of Randstad.

Net debt
Cash and cash equivalents minus current borrowings and non-current borrowings.

Net finance costs
Net finance costs include net interest expenses in relation to our net debt position, foreign currency exchange results, net interest expenses due to passage of time, and other items.

Net income
Operating profit minus net finance costs, share of profit (or loss) of associates, and taxes on income.

Net income attributable to holders of ordinary shares
Net income adjusted for the dividend on preferred shares, as well as for results of non-controlling interests.

Operating expenses
Operating expenses comprise personnel and accommodation expenses in relation to the activities at the outlets and the various head offices, IT expenses, other general and administrative expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

Operating expenses margin
Operating expenses as a percentage of revenue.

Operating profit
Gross profit minus operating expenses.

Operating working capital
Trade and other receivables (excluding current part of held-to-maturity investments) minus trade and other payables. The level of working capital is related to the timing of the invoicing and payrolling processes (weekly or monthly). While the payment terms negotiated with clients and the effectiveness of our collection processes are equally important. Liabilities, such as social security charges, wage tax, and value added tax are settled every month and in some countries on a quarterly basis. Payment terms are often determined by law and therefore difficult to influence.

Payout per ordinary share
Dividend on ordinary shares divided by net income per share attributable to holders of ordinary shares before amortization and impairment of acquisition-related intangible assets and goodwill, and one-offs after taxes.

Productivity
We measure productivity in three ways: (1) number of temporary workers per staff member (EW/FTE), (2) gross profit per staff member (GP/FTE), and (3) gross profit in relation to personnel expenses (GP/PE).

Recovery ratio
The total year-on-year change in operating expenses as a percentage of the decline in gross profit. We aim for a recovery ratio of 50% in case gross profit declines.

Revenue
We distinguish three types of revenue: (1) revenue from temporary billings, (2) permanent placement fees, and (3) other revenue. 'Revenue from temporary billings' includes the amounts received or receivable for the services of temporary staff, including the salary and salary-related employment costs of those staff. These revenues are generally based on the number of hours worked by the temporary staff. 'Revenue from permanent placements' includes the fee received or receivable for the services provided. The fee is generally calculated as a percentage of the candidate's remuneration package. The category 'other revenue' includes revenue for services such as payrolling, outplacement, outsourcing, MSP services, consultancy, and related HR offerings.

Share in profit/loss of associates
Associates are companies in which Randstad Holding nv has significant influence, but no control, over the financial and operational policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. The share of profit or loss of the associate is presented in this line of the income statement.

Syndicated credit facility
Randstad has a € 1,800 million multi-currency syndicated revolving credit facility at its disposal, which will mature mid-2020. The loan documentation of all credit facilities allows a leverage ratio of 3.5 times EBITDA, although we aim for a leverage ratio of between 0 and 2, which is important for continuity. In certain cases, we are allowed to report a maximum leverage ratio of 4.25x EBITDA for a limited amount of time.

Taxes on income
Taxes on income comprise current taxes and the realization of deferred taxes. Current taxes on income are the sum of taxes levied on the results before taxes in the countries in which those results were generated, based on local tax regulations and against tax rates of the applicable year. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating taxes on income.

Velocity of shares
Velocity represents the average holding period of a share in Randstad. It is measured as the total number of shares traded divided by the average number of shares outstanding.

sustainability and industry memberships and partnerships

Ciett

Through our membership in Ciett, the International Confederation of Private Employment Agencies, we strive for well-regulated working conditions for our corporate employees and candidates.

Eurociett

Through our membership in Eurociett, European Confederation of Private Employment Agencies, we strive for well-regulated working conditions for our corporate employees and candidates.

CSR Europe

CSR Europe is a leading European business network for corporate social responsibility, with more than 60 leading multinational corporations as members. Randstad is involved in CSR Europe projects in the areas of skills for employability, mainstreaming diversity and well-being in the workplace.

Global Reporting Initiative

Randstad is a registered organizational stakeholder of the Global Reporting Initiative (GRI) and supports its mission to make sustainability reporting standard practice; one which helps to promote and manage change towards a sustainable global economy.

VSO

Our partnership with Voluntary Service Overseas combines the strength of two organizations driven by a common aim: to help alleviate poverty across the globe by sharing skills and expertise with local communities.

VSO focuses on sustainable development and places volunteers through partners in developing countries. Randstad supports VSO by providing strategic support, expertise, funding, and most of all, through our employees who can volunteer themselves.

FTSE4Good Index

Randstad Holding is a constituent company in the FTSE4Good Index Series. FTSE4Good identifies companies that meet globally recognized standards of responsible business practice.

UN Global Compact

The United Nations Global Compact is a voluntary business initiative for companies committed to aligning their activities with ten universally accepted principles in the areas of human rights, labor, environment, and anticorruption. As signatories of the Compact since 2004, it is Randstad's firm belief that responsible business promotes the development of markets, commerce, technology, and finance for the benefit of economies and societies everywhere.

INSEAD

Randstad chairs and co-funds the alumni sustainability executive roundtables of the INSEAD Social Innovation Centre, where business leaders share experiences on advancing the sustainability agenda.

Global Apprenticeships Network

The GAN - established in 2013 - aims to address the urgent issue of youth unemployment and the need for businesses to ensure skills for the future.

The Network has been developed jointly by the International Organisation of Employers (IOE) and the Business and Industry Advisory Committee to the OECD (BIAC), with the support of the International Labour Organization (ILO).

International Organisation of Employers

The IOE is a private sector network of 150 business and employer federations in 143 countries. The IOE guides its members in matters of international labor standards, business and human rights, CSR, occupational health and safety, and international industrial relations.

Brussels European Employee Relations Group

BEERG is an information-sharing and networking group of companies headquartered in the EU, the US, India, and Japan, where labor and employment relations professionals discuss topics of mutual concern.

Businesseurope AS Group

On behalf of its member federations, BUSINESSEUROPE works to ensure that the voice of business is heard in European policy-making, and also represents its members in the international political arena.

VNO-NCW

VNO-NCW, the Confederation of Netherlands Industry and Employers, represents the common interests of Dutch business, both at home and abroad. They cover almost all sectors of the economy, including more than 80% of all medium-sized companies in the Netherlands and nearly all of the larger, corporate institutions.

OECD Forum 2015

Randstad sponsored the OECD Forum 2015. It's central theme was "Investing in the future: People, Planet, Prosperity" discussing how to promote access to more and better quality jobs, but also how governments, universities, business and civil society can address growing inequality by expanding access to education.

certifications, rankings, and awards

Certifications

- Randstad Group Belgium and Randstad Italy hold the Social Accountability SA 8000 accreditation.
- Tempo-Team, Randstad Netherlands, Diemermere Beheer BV , Randstad Sweden, Randstad Brazil, Randstad Professionals Germany and Yacht hold the ISO 14001 environmental management certification.
- Randstad Argentina holds a Sustainable Commitment Certificate.
- Randstad Belgium is certified VCU and Randstad Professionals Belgium is certified Qfor, where VCU stands for 'Health and Safety' and Qfor for 'Quality training and consulting organizations'.
- Randstad France, Germany including Professionals and Tempo-Team, Randstad Belgium (inhouse) and Tempo-Team Belgium (Staffing and inhouse), Spain, Portugal, Italy, Hungary, India, Japan, Brazil, Australia, Argentina, Poland, UK Care, UK Student and Worker Support, Chile and the companies in the Netherlands are certified under the ISO 9001 label for quality management.
- Randstad Belgium, Randstad France, Randstad Italy and Randstad Holding continue to be certified with the Gender Equality European & International Standard (GEEIS) for their professional gender diversity practices.
- Randstad, Tempo-Team and Yacht in the Netherlands have been certified by FIRA Rating System for sustainability assurance based on ISO 26000, consulted by purchasing organizations.
- Randstad Professionals Germany holds the Bildungsträger AZAV certificate.
- Randstad Australia has the AS/NZS 4801 accreditation
- The labor management system 'AMS' of Randstad Germany was certified for systematic and effective industrial protection of the employer's liability. This certification includes the standards NFL/ILO-OSH 2001 and OHSAS 1800:2007.
- Randstad Brazil holds the OHSAS 18001 certificate (Occupation Health and Safety Assessment Series for health and safety management system).
- Randstad Spain holds the Youth Employment Certificate.
- Diemermere Beheer BV, our facilities company in the Netherlands, holds ISO 14001 environmental management and ISO 50001 energy management.
- Randstad Argentina holds the CMMI certificate.
- Randstad France holds the Label Diversité.
- In the field of data protection Randstad Germany was certified by the TÜV Rheinland Industrie Service GmbH.
- Randstad France and Group Randstad France hold the Label égalité professionnelle femmes/hommes.
- Randstad Japan is certified as " Excellent Staffing Agency" by the Japan Association of Human Resource Services Industry, entrusted by the Ministry of Health, Labor and Welfare.

Rankings and awards

- Randstad Holding is the only HR services provider included as a member in the Professional Services industry of the DJSI world and DJSI Europe indices 2015.
- Randstad Holding received confirmation of its continued membership of the FTSE4Good Index.
- According to the Euronext Vigeo index Randstad Holding is one of the 20 most advanced companies in the Benelux region rated on environmental, social and governance performances.
- Randstad Holding is included in the Dutch Transparency Benchmark, an annual research on the content and quality of CSR or integrated reports of Dutch companies.
- Extel, a research vehicle from Thomson Reuters, has recognized Randstad Holding in its annual Investor Relations benchmark. Randstad was granted 3 awards in the category business services:#1 Firm in Business Services, #1 CFO in Business Services, #1 IR Professional in Business Services.
- 11 executives were included in the Global Power 100 – Women in Staffing List 2015. The list is compiled by Staffing Industry Analysts, highlighting women's contributions to the staffing industry.
- Randstad has earned the 12th position on LinkedIn's global list of the 25 Most Socially Engaged Companies in the Recruitment Industry for 2015. This means we have built one of the strongest social engagement strategies in the world based on interactions with LinkedIn's 380 million members.
- For the 4th year in a row, Randstad Portugal won the best HR supplier recognition in the "staffing and outsourcing" category, and the company was also recognized in the global ranking.
- Randstad Canada was named one of the Best Workplaces in Canada by the Great Place to Work® Institute for a ninth consecutive year.
- Randstad Spain holds the "Telefónica Ability Award" seal, which is a recognition for businesses that contribute to the integration of disabled employees in the workforce.
- GULP Information Services GmbH holds the seal of approval "Arbeits- und Gesundheitsschütz nach LS-Standard" from TÜV SÜD Life Service GmbH as one of only four enterprises in Bavaria.
- Randstad Hungary is the No. 1 recruitment company according to 'Business Journal Book of Lists 2015', the most prestigious English periodical publication in Budapest.
- Randstad France is among the 2% best staffing companies in labor practices out of more than 150 staffing companies assessed by Ecovadis, a platform to monitor sustainability performance in the supply chain.
- Several Randstad US companies are ranked in the Largest Firms by Staffing Industry Analysts. Staffing and Professionals are at the third place, Technologies at the fourth and Pharma at the sixth.

Rankings and awards

- Randstad Italy received the "Company to watch 2015" award, appointed by Cerved Group S.p.A., the largest Information Provider in Italy and one of the main rating agencies in Europe. Randstad Italy was granted the award for its economic results and balance sheet and for its competitive positioning and strategic moves.
- In November 2015 Randstad Italy received the award "Eccellenza Lido Vanni" for its excellence in realize the perfect match by finding employees the work they are best suited for and employers those candidates who best fit within their organization.
- Based on customer satisfaction surveys, Randstad Sourceright was ranked number one on the top overall Enterprise RPO Providers list in HRO Today's 2015 RPO Baker's Dozen, out of more than 300 providers tracked by HRO Today globally.
- Randstad Sourceright was recognized as a Leader and Star Performer in Everest Group's "Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2015".
- Randstad Sourceright was awarded Singapore's Best Recruitment Process Outsourcing (RPO) Partner at the 2015 HR Vendors of the Year Awards organized by Human Resources Magazine.
- Randstad Germany was honored with the "Bosch Global Supplier Award 2015" from Robert Bosch GmbH in the purchasing of indirect materials category.
- Randstad Netherlands won the 'Incompany 500 award' for the most attractive service provider.
- Randstad France received the "Diversity and Integration Prize of People Experiencing Disability" granted by customer Credit Agricole.
- Randstad Japan received the award for 'The Growth Company of the Year' by the Recruitment International ASIA Awards.
- Randstad US Sourceright and Randstad US General Staffing were awarded the Top 10 supplier supporting Coca-Cola's Bottler Community by Coca-Cola.
- Randstad North America was awarded the ASA Staffing VOICE Award - Media Relations by the American Staffing Association. Randstad has been selected as the winner of a 2015 ASA Staffing VOICE Award in the "Media Relations" category for our Managing Gen Y and Z in the Workplace campaign.
- Several US companies (Professionals, Technologies, Healthcare) were awarded the 2015 Best of Staffing: Client and Talents Lists by Invero. Best of Staffing Award has been recognizing the best staffing agencies that provide an exceptional experience to their clients and job candidates.
- Randstad North America was awarded the Atlanta Journal Constitution Top Places to Work #8 by the Atlanta Journal Constitution. Top places to work nationally in the large company category.
- Randstad US Technologies and Engineering were awarded the TechServe Alliance Excellence Award by TechServe. This award recognizes IT and engineering staffing and solutions firms that have demonstrated outstanding performance, team productivity and dedication to continuous improvement.
- Randstad UK's CPE business was listed in Recruiter.co.uk Hot100 at position #8
- Randstad UK's CPE business was included in the Sunday Times 100 Best Companies to Work (position 26)

highest Randstad positions in industry associations

		position			
country	federation name	president	vice-president	board member	member
Argentina	FAETT		x		x
	CASEEC[1]			x	
Austria	ÖPD				x
Australia	RCSA				x
Belgium	Federgon			x	
Brazil	Sindeprestem (Sao Paolo)				x
Canada	ACSESS			x	
	NACCB[1]			x	
Chile	AGEST				x
China	Shanghai HR Consulting Association[1]			x	
	CAFTS (Bejing)				x
Czech Republic	APPS		x		
Denmark	Vikarbureaernes Brancheforening			x	
France	PRISME			x	
Germany	BAP		x		
Greece	ENIDEA			x	
Hungary	SZTMSZ			x	
India	ISF			x	
Italy	Assolavoro			x	
Japan	JASSA				x
	JSLA[1]		x		
	JHR (umbrella organization)[1]			x	
Luxembourg	Fedil/F.E.S. (Fedil Employment Services)		x		
Mexico	AMECH			x	
Netherlands	ABU		x		
New Zealand	RCSA				x
Poland	Polski HR Forum		x		
Singapore	Singapore Professional Staffing Organisation			x	
Portugal	APESPE			x	
Slovakia	APAS				x
Spain	Asempleo			x	
Sweden	Bemanningsforetagen				x
Switzerland	Swiss Staffing			x	
Turkey	OIBD				x
UK	REC				x
Uruguay	CUDESP				x
US	ASA			x	
Europe	Eurociett	x			
International	Ciett	x			

[1] Non-Ciett member.

financial calendar

March 31, 2016
Annual General Meeting of Shareholders

April 4, 2016
Ex-dividend

April 5, 2016
Record date

April 7, 2016
Dividend available for payment

April 26, 2015
Publication of Q1 2015 results (pre-market)
Analyst conference call Q1 2015 results

July 26, 2016
Publication of Q2 2016 results (pre-market)
Press conference and analyst presentation Q2 2016 results

October 25, 2016
Publication of Q3 2016 results (pre-market)
Analyst conference call Q3 2016 results

February 14, 2017
Publication of Q4 2016 and annual results 2016 (pre-market)
Press conference and analyst presentation annual results 2016

March 30, 2017
Annual General Meeting of Shareholders

1960	Uitzendbureau Amstelveen founded in the Netherlands
1964	The company takes a new name: Randstad Uitzendbureau
1967	Creation of the Randstad logo and visual identity
1970	Randstad now has 32 branches in four countries
1977	Introduction of the core values
1978	Company name changes to: Randstad Holding nv
1983	Staffing agency Tempo-Team acquired
1985	Randstad celebrates its silver jubilee; 257 branches in four countries
1988	Establishment of Randstad Option Fund for corporate employees
1990	Randstad shares are listed on the Amsterdam Stock Exchange
1993	Randstad starts activities in the US
1996	Randstad deploys 16,000 staffing employees at the Olympic Games in Atlanta
1998	Randstad founder and president and CEO Frits Goldschmeding retires
1998/1999	International network doubled through acquisitions in the US, Germany and Spain
2007	Randstad, now present in 20 countries, is promoted to the AEX index
2008	Randstad and Vedior become one. Randstad becomes the second-largest HR services provider in the world
2010	Acquisition of FujiStaff Japan
2011	Acquisition of SFN Group
2013	Acquisition of part of the European Staffing activities of USG People
2014	Jacques van den Broek appointed CEO
2015	Acquisition of RiseSmart

design concept
Dr. Kominski

graphs
BAS! Reclame & Vormgeving

photography of boards and CEO
Sander Stoepker

other photography
Gerrit Schreurs
Publicis
Randstad Group photo database

text and editing
Randstad Holding nv
Baxter Communications BV

project management
Report Company

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If you have any comments on or questions about this annual review or about the full annual report, please do not hesitate to contact us by email.

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