PARTICIPANTS

Corporate Participants

Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board
Jacques W. van den Broek – Member-Executive Board
Ben J. Noteboom – Chief Executive Officer & Chairman-Executive Board

Other Participants

Arun Rambocus – Research Analyst, Kempen & Co. NV (Securities)
Marc Zwartsenburg – Research Analyst, ING Bank NV (Broker)
Toby Reeks – Research Analyst, Merrill Lynch International Ltd.
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MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by and welcome to First Quarter Results 2011 Conference Call. At this time, all participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session. [Operator Instructions] I must advise you that this conference is being recorded today, Thursday the 28th of April, 2011.

I would now like to hand the conference over to your speaker today, Robert-Jan van de Kraats. Please go ahead, sir.

Robert-Jan van de Kraats, CFO & Vice Chairman-Executive Board

Welcome this morning to the Randstad conference call. I'm here with some of my colleagues, but especially, Ben Noteboom and also Jan-Pieter van Winsen, who took over as Director of Investor Relations from Bart Gianotten recently. And Bart moved on in the organization.

I'm going to take your through the presentation. And I'm going to move to slide 5 right away, which shows you the market trends which are strong and are persisting. And they kind of continued more or less in line with the typical patterns that one would expect.

The market growth on average is strong, despite the more difficult comparables. Please mind that last year, in March, we did see the first month of growth but it improved from a minus 5 to a plus 4 through the quarter.

We also see continued high growth in the industrial segment, especially the markets that are focused on industry like the U.S., Germany and France have still strong growth. And the public sector is relevant to our business in the Netherlands and in the UK, and that's why we do see impact from the austerity measures that has a relevant impact on the results, which I'll get back to.

The administrative segment we do see gradually strengthening, especially in the U.S. We've seen that now, this is the kind of clerical profiles. And in the Netherlands, important to note, is that Randstad Netherlands is back at market in the first quarter.

Moving to the next slide, 6, some highlights. It was a strong start of the year. Revenue amounted to €3.7 billion, which is a 15% organic growth per working day. And through the quarter, it reached 15% in March. It was more or less flat through the quarter.

Inhouse continues to be very strong at 41% versus 51% in the previous quarter. Please note that comparables are getting much more challenging here. Growth in staffing was up to 16% compared to 15% in Q4. And in professionals, we moved from 4% in the fourth quarter to 6% in the first quarter. And also that is what one would expect to see. Permanent placement fees are up 15% organically, slightly lower than in the previous quarter and also slightly slower development than one might anticipate.

The gross margin moved from 18.9% to 18.1% year-on-year. The impact of the French subsidy system was 0.2% at group level. Please note, because I've seen some of your comments, that the 0.5% that we estimated as full year impact was at the level of the French [ph] OpCo (03:23) at the level of our reporting on the French market.

We do see some mix effect due to strong growth of inhouse and slower growth of professionals, and that is a key driver of the slightly lower gross margin. But we also do see some pricing pressure in some of the regions in the field of some significant deals that have been renegotiated, but also passing on of cost price increases to clients which we expect to come through gradually throughout the year. The growth in permanent placement fees has no impact on the mix at this point.

Productivity, measured by gross profit earned per head, was up by 7% due to the continued use of overcapacity, but please mind also that this is a mix. We do see high productivity levels in certain regions. In Germany, for example, whereas in other parts of our company, for example, the Netherlands, we have overcapacity that remains unused.

The operating expenses are sequentially down by 2% to €562 million, which compares to an outlook that we provided of no more than €575 million and the gap is fully in line with the gross profit development and that is the result of our intensive field steering, so making decisions on the back of detailed signals in our branches. And we also spend less marketing expenses than anticipated, but typically this is a timing element.

The next slide, 7, and it continues here. EBITA reached €109 million compared to €75 million last year, a margin of 2.9%. And the developments with regards to the earthquake and the tsunami in Japan are that, fortunately, all our internal staff are safe. We, however, have one flexworker unaccounted for still. The outlets, that have all been reopened relatively quickly. The impact in the first quarter was immaterial. But in the second quarter, we have a hard time estimating it precisely, but the impact might be up to €5 million in the second quarter. But hopefully, it's going to be less.

We expect recovery to come through in the second half of 2011. And we already see the first signals of demand for people that are needed to help with the cleanup. We also see some temporary capacity reduction at some of our European and U.S. automotive clients in the first quarter. And finally, the first quarter was also the launch of our organic growth accelerator plan in the field of professionals, which I'll get back to.

The next slide, 8, the Netherlands. Randstad, as I said, back at market. Organic revenue growth arrived at 7%, which compares to 4% in the last quarter in Q4. And also Netherlands back Tempo-Team somewhat behind. And the revenue decline at Yacht stable at single-digit rate. And please mind that the industry association, the ABU, does not account for the professional segment in which Yacht operates.

The exposure in the public sector in the Netherlands is significant. That's why we have added a graph at the right lower corner of the slide. As you can see here, in 2011, 18%, and this is Q1 of – sorry, 2010; 18% of our revenues was related to the public sector in 2011 (sic) [2010] (07:03) that has reduced to 13%. A very significant impact and that reflects an overall decline of 19%. And please also note that in the end, the decline going forward will be measured over a share of 13% in total revenues. It has the largest impact at Tempo-Team and at Yacht.

The EBITA margin arrived at 5.6% compared to 6.2%. Again, the change in mix, the growth in inhouse and the fact that professionals has contributed more to profitability last year in the first quarter than this year, is coming through here. And as I mentioned, we have suffered from some pricing and large contracts and we are in a process of passing on price increases to our clients.

Slide 9, France. It continues to show good outperformance, ahead of markets, and it's also broad-based growth, but still manufacturing being the main driver in this market. Permanent placement fees, especially in the permanent placement segment, not so much in the [ph] services sector (08:12) segment is up in total of 25% versus 18% in Q4 last year. And at the same time, growth in our professional segment in France has improved again.

And we also see substantial success in our inhouse business in France with an increase of new clients but also the transfer of existing clients to inhouse with even higher levels of service and at the same time lower cost as a result of which it's clearly a win-win.

The change in the French low wage subsidy system is coming through in line with our expectations and we are gradually passing this on to our clients and negotiations are ongoing. The EBITA margin arrived at 2.1% as a result of what I've just mentioned, especially the inhouse transfers. And this also allows for the second bullet here; this allows for our branches, our outlets to focus more on the specialty segment but also on the SME, because it takes away the predominant attention to large clients, which is typical. And then we also see stronger performance in the professional segment. So happy to see inhouse here making a very serious impact.

Germany shows strong performance in growth again, slide 10, 29% in the first quarter and it compares to 32% in the fourth quarter. But please mind the comparables because 2010 first quarter, we already saw growth of 10%, which was substantially ahead of our competitors in the German market.

So comparisons are tough and are getting more tough going forward into Q2. We are now at market in the German market and we do see a more favorable mix in both companies, both Randstad and Tempo-Team. And I'd like to note that Tempo-Team is doing very well in the German market, even going through the re-branding. Its growth rates are very substantial.

We also see improved professionals performance, strong growth especially in IT and that also comes through at the profitability line. The EBITA margin has arrived at 5.7% versus 4.3% last year. And we do see that as a result of strong operating leverage, productivity levels having improved substantially but also ongoing marketing campaigns to support further growth.

Important to note is that Randstad and Tempo-Team in Germany do apply the BZA Collective Labor Agreement, which means that the Christian Collective Labor Agreement, which is no longer allowed but also might have retrospective effect, has not been applicable to our business in Germany. And as a result of that, there are no potential liabilities here.

We do see continued focus on the sector image and regulation in our business, which in line with also Randstad using the BZA Collective Labor Agreement should help us to improve the business climate.

Moving to Slide 11, Belgium's solid performance continues again. Organic revenue growth at 20% compared to 17% in the fourth quarter. Outperformance of the staffing markets and it's important to take out the [ph] surface check (11:43) to measuring that market.

The industrial segment in Belgium is clearly the main driver. And the administrative segment, we do see strengthening in Belgium. As a result, the EBITDA margin arrives at a good 4.2% compared to 2.9% last year and that is reflecting strong incremental conversion ratios. But also, we do see pricing of large contracts being sensitive and also cost price increases to be dealt with going forward.

In the UK, it's a mixed picture, on slide 12. And again, I'm going to move to the graph at the right-down corner of the slide. In the first quarter, you can see our private business and public business exposure and it reduced from north of 30% to 25% in the first quarter in 2011. That's also reflected in the first bullet. Organic revenue growth came in at 4%, but the private sector contributed solid 22% whereas the public sector showed a decline of 27%. That has not been very helpful as a result.

Healthcare, education and staffing were affected by the reduction in the public sector spending. Inhouse continued to gain market share. But also here, we do see continued strong growth against tougher comparables. So going forward, that will become more challenging.

We also see strong professionals growth in the private sector and then especially in engineering, finance, ICT, media and human resources. Permanent fees are up 7% versus 5% in the fourth quarter and that is despite the public sector exposure. EBITA margin has now arrived at 1.4% versus 2.2% in the first quarter of last year. And important to note is that the integration of back offices in the UK is progressing well.

Then on the next slide, 13, North America. It's already our fifth consecutive quarter of growth which we celebrate. Organic growth came out at 19% in the first quarter compared to 21% in Q4. But please note that the comparables are challenging here already for a while. The U.S. grew in line with market, but Canada clearly outperformed the markets.

In the U.S., staffing remained very strong at 21% growth and the mix has improved through a larger share of admin business now adding. And also permanent placement in the staffing business is showing healthy growth. In the professional business, we do see growth of 16%, and IT and engineering continued to be the main drivers here. In the U.S., we do see managed services to show continued strong growth, and finance and accounting remains challenging.

We have lost some of our key staff to very competitive recruiters like Google in the markets, which on one hand is a compliment for the quality of our people, but on the other hand, we cannot compete with the conditions being offered. The EBITA margin arrived at 2.2% compared with 1.5% last year, again reflecting productivity improvements and operating leverage.

Then on the next slide, 14, for the first time, our segment performance is announced. We have allocated costs to the various segments. And sometimes this is more art than science and that's why we have tested it last year. We believe this now reflects a fair view. As you can see here, our staffing business across the group has returned an EBITA margin of 3.1%, so improved from 2.5% last year. The growth in this segment is predominantly driven by industrial clients and clearly, these are the early movers. In the meantime, we see the admin segment strengthening and productivity improving.

Inhouse, a solid return of 3.3% higher than the first quarter of last year and also strong growth. This is partly driven by the transfers from the former Vedior network. So this means the Randstand's brand business, for example, which had not been served the large clients of that our business over there had not been served yet by inhouse and we are transferring that. And as I've mentioned before, this is contributing to the bottom line as well. So we do see improved profitability across all countries here, very successful.

Professionals that is the late cyclical segment, it's mainly led by the engineering business and IT business. It's still down in the Netherlands and in the UK due to the government exposure but it's leading in terms of the EBITA margin which it should. And please note that in this overview, we have, as I've said, [ph] tested (16:52) it throughout 2010. And we have also transferred some of the businesses to professionals, for example, part of the Tempo-Team business and we have also therefore, adjusted the 2010 comparables. Corporate costs have not been allocated here.

Slide 15, our statistics, our takeaway what we see in the market. It's indicative only but I think it's an interesting picture. Manufacturing continues to be strong. Automotive in the U.S. flat but in other countries it continues to grow. As you can see in the food business, in Germany and Netherlands, it's flat. But across the board, I think all the other sectors on this page showed what you expect to see, including the public sector being negative here.

Moving to slide 16, this is an update on the development of our Professionals business and the foundation for our organic growth accelerator. In 2010, we have launched several rebranding campaigns. And as a result, 70% of our Professional business will be under the Randstad brand after the rebranding in the U.S. which will be initiated in June 2011.

And the Randstad look and feel, so the whole colors, the set up of all our material has been aligned also for the remaining brand. So the look and feel across the board will be similar.

Professionals concept has been described for all the business lines. The concept has been tested internally and validated so we have seen the results internally and as an effect of that, we are implementing it in the existing businesses across the group. And building on this, we believe that organic growth can be accelerated by an additional plan. So we are planning to further strengthen our leading position in various countries and in various segments.

We aim to show this acceleration in the next two years and it will develop gradually, adding 10% of our staff according to the field steering model. And as you have seen in the first quarter of 2011, field steering clearly guides us in the right way, managing our productivity.

Then we move into an update on the key financial points, which is slide 18. EBITA arrived at 44%, up €109 million. The effective tax rate amounted to 31% and that is in line with our guidance and please note that there is a substantial impact here of the French business tax that was moved to the corporate tax line. It's 6%, 7% impact out of the 31%. Diluted EPS arrived at €0.38, which is 36% up compared to last year.

Moving average for DSO improved by 2.5 days to 54 now. And that is an improvement also compared to the previous quarter. And I'd like to note that as you must have noted from all the disclosures, it's a competitive field here as well. Some of our clients believe we are a bank, which we are not clearly. And we're trying to manage it in such a way.

Our free cash flow was very successful. It arrived at €130 million compared to €39 million in the first quarter of 2010. The underlying improvement is based on our lower DSO and higher operating result.
Net debt arrived at €747 million, and that's for the [indiscernible] (20:40) an excellent result. And the leverage ratio at the end of the quarter came in at 1.2 times EBITDA.

The income statement on slide 19 summarizes all of this. As you can see, underlying EBITA is equal to reported EBITA, so no one-offs. And here, you can see the net finance costs having increased from €6 million to €11 million. And please note that that is not result of a higher net debt or an increase in interest cost. Our spread is currently at 50 basis points but this is also the result of the fact that we have some currency differences that hit the P&L here. And these are the result of the fact that Randstad has a policy of a natural hedge in its financing. And that means that we do mirror our EBITDA in the composition of our debt.

And the short-term part of that, any currency effects flow through the P&L are now recorded here. If one wants to reconcile this later on with the €9 million mentioned in the cash flow statement, the difference in between the €9 million and €11 million is predominantly related to accrued interest on provisions.

Moving now to slide 20. The gross margin development Q1 2010 showed 18.9%. We now show 18.1%. And the temp margin, as you can see here, is 0.4 lower and that's a result of what we have stated here in the blue box on pricing pressure on temp margins in some regions, but also the mix shift again and the impact of the French subsidy system is 0.2. That's a separate green box here.

No impact of permanent fees, as I mentioned before in HRS and other contributing a negative 0.2. In terms of permanent placement fees, I'd like to add that in the fourth quarter of 2010, this was 7.6% of gross profit, it is now 9.2%. And the high point in the past has been the first quarter of 2008 in the combination and then it amounted to 12.2%, and this would have a significant impact on the group's gross margin.

An update on the drivers of the effective tax rate. You might be familiar with this slide now, but I'd like to point out that the first driver, growth of operating companies and mix effects, is clearly having an impact here. So our tax planning continues to be very successful, but its relative share is decreasing because of growth of profitability in the various countries and especially in countries with somewhat higher tax rate.

As you can see here, also, repayment of the €131 million will have an impact on the cash tax rate, but this is expected to take place in 2012. So the tax cash rate is roughly at or below the effective tax rate going forward with the exception of the repayment of the €131 million in 2012.

Some selected balance sheet items on slide 22, not much to say about it, already mentioned successful working capital management. And we also of course performed an impairment [ph] test (24:14) on the Japanese acquisition as a result of the events in Japan and that indicated to us that we are well-off with our Japanese position in the balance sheet.

The consolidated cash flow statement on slide 23. Cash flow from operations has increased. And as you can see additions of PPE, which is Plant, Property and Equipment; so CapEx effectively is now at €17 million. Last year and this quarter, it was a €12 million. I would say the €17 million is still somewhat at the low end.

And then a little lower, as you can see, you can see how our free cash flow has been allocated predominantly for net debt reduction. But the net finance cost took €9 million out of it and I just explained the difference with the amount in the P&L. We've also issued some ordinary shares that relate to the option exercises for the executive board and the senior management of the company.

The outlook finally on slide 24, organic revenue growth per working day as mentioned was 15% in March. We do see that continuing in April, however; and that's the third point here. We'd like to point out that the comparison base is getting more and more challenging.

From April to June, growth rate improved from 11% to 15%. So substantial improvement in comparables and we expect this to make our life a lot more challenging going forward into May and

June. We'll continue to have a very strong focus on field steering, as usual, but we're very happy to see the results of that again in the first quarter.

And please note that with regards to the net debt development, Q2 is typically a heavy quarter, especially because of the dividend payment that took place in April, €209 million. On top of that, holiday allowances in various countries that are accrued throughout the year are paid in April or May and it also has an impact.

So typically, and it will happen this time as well, our net debt position at the end of Q2 will be substantially higher than the one at the end of Q1. And then, gradually in the second half of the year, this will show further improvement again.

And then finally, I'm going to give you the exit rates for the month of March 2011. In the Netherlands, our growth rate was 5%; in France, 21%; in Germany, 23%; in Belgium, 16%; in the UK flat; Iberia, plus-3; North America, 17% and this total arrives at 15%. So we're now moving to questions and answers, and we'll take your first question now.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from Teun Teeuwisse. Please ask you question.

<Q – Teun Teeuwisse>: Good morning, gentlemen. It's Teun Teeuwisse, ABN AMRO. I've got some questions on the gross margin. You indicate that temp margin pressure was 40 basis points, but can you indicate what price pressure was?

And second question to that, is it fair to assume that the remainder of this pressure will then reverse when the mix improves again?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yes. Hello, Teun. Good morning. About 50% of that is price.

<Q – Teun Teeuwisse>: About 50%? Okay. And can you confirm that this price pressure is only to defend your market share and that you're engaging any price fight?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: No. We're sure, we're not engaging in the price fight. Actually, we have contracts that were – will remain [ph] part close (28:09) at the end of last year still. But of course, the impact is only after the contract comes into effect. But we are never looking for a price war.

<Q – Teun Teeuwisse>: Okay. But can you elaborate a bit more on that? What happened to the contracts that you had to renew? Is it that competitors are offering much lower prices and that you just have to join that?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yes, always. We are never a price leader of a negative side.

<Q – Teun Teeuwisse>: Okay. Yes. Sorry?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: I'd like to add that we would prefer to have two questions per person in order to allow everyone to raise questions. So take your final question for this round, Teun.

<Q – Teun Teeuwisse>: Yes. Final question is on the perm fees deceleration in the U.S., can you indicate what is going on there and what the outlook is for the perm [ph] sales (28:59) development in the U.S.?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yes. The main – actually, the only [ph] area (29:03) where we showed a slowdown in perm placement is in Finance and Accounting. So it's an isolated issue, the other segment of the market kept on developing well.

<Q – Teun Teeuwisse>: And will that reverse then again the isolated issue?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: [ph] Yeah, we'll answer that (29:19).

<Q – Teun Teeuwisse>: Okay. Thanks.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Next please.

Operator: Your next question comes from Arun Rambocus. Please ask your question.

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Yes. Good morning gentlemen. Can you hear me?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yes, Arun.

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Okay. First on Europe – in the Netherlands. So if I recall correctly in December, the business was at zero percent growth level? Now we're back at minus single digits so what happened? Which segments really fell back and so can you talk me through that?

And the second question is also on the Netherlands, if I'm correct, last year in Q2 the government was in particularly bad – resulting in a depressing effect of your business over there. So what was the impact last year in Q2? And what do you see in terms of two other quarter in terms of how the government is developing? Do you see any improvements from the minus 19 [ph] your seeing (30:14)? Is the exit rate better or is it still sort of at the similar level? Thanks.

<A – Jacques van den Broek – Member-Executive Board>: Yes, on the [ph] holiday (30:20), first of all, we had a working day more in December than we had compared to last year. And I would not take an exact monthly rate as an indication. But it has improved obviously from double digit to single digit decline. I don't know by heart the decline in government spend in the second quarter of last year, I'm sorry.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: But then it started, yes?

<A – Jacques van den Broek – Member-Executive Board>: Yes. So the comparables got easier. Is that your point, I guess?

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Yes, but is the government improving throughout the quarter? Is that something you already see or is it stable at the minus 19, the number you report?

<A – Jacques van den Broek – Member-Executive Board>: Yes, what we can say is that in the Netherlands, it feels like the decline is stable. In the UK we're still uncertain if we have reached that point.

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Thank you.

Operator: You have 10 questions pending. Your next question comes from Marc Zwartsenburg. Please ask your question.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yes, good morning, gentlemen. Two questions from my side. First of all, you've mentioned the impact from the Japan earthquake €5 million on the quarter, roughly. But you also mentioned that some automotive clients reduced capacity in the U.S. and Europe. Is that included in the €5 million or should we take into account also in your underlying that the comps are getting tougher, et cetera, for the second quarter, that the growth in some areas in Europe and the U.S. will come down. Could you maybe specify that a bit? That's my first question.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yes. As we said that the impact for this quarter will be a max of €5 million, might also be lower but that's our best estimate now. There might be some automotive clients that will slow down production, but on the total it will not be material.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: So we should not take into account in Germany or France or UK that they'll see a strong decline in top line in the second quarter.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: As far as we're going to get to know that will have not a material impact, so not, no.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Sorry. The answer to your question is yes. Sorry.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay. Thanks, Ben. And then on your impact from French subsidies, you say everything is according to your plan, and 50 basis points for the full year. But it seems to me that the impact on the first quarter is rather 100 basis points, the full impact, which basically implies that nothing has been passed on. So, can you maybe update us a bit on what's going on there and what we should expect going forward in Q2, et cetera?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Jacques van den Broek will answer his question, since he is the French expert here.

<A – Jacques van den Broek – Member-Executive Board>: Hi, Marc.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Hi, Jacques.

<A – Jacques van den Broek – Member-Executive Board>: If you got some, no – if you got some two hours, I'll explain to you exactly how it works, because it's quite complicated. Yes, Q1 is, of course, the toughest quarter, because you negotiate throughout the quarter. And then passing on in terms of new prices, higher prices, and then also materializing in the same quarter is, of course, tough and almost impossible. Next to that and that's a very technical element. Q1 is also not a very positive quarter in terms of how you administer these subsidies throughout the quarter, [ph] it has to do on (33:23) contracts and how the quarter situated with holidays and weekends, so very complicated. So, you might say that the total effect, we mentioned of 1% potential negative for year, will also be more negative in Q1. Sorry.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Fiscal Year.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: [indiscernible] (33:44).

<A – Jacques van den Broek – Member-Executive Board>: Yeah. But 1%, if not passed on. Right. So --

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yeah, exactly. So, in the first quarter, we have still the full impact of 1 percentage point?

<A – Jacques van den Broek – Member-Executive Board>: Yeah.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: And then, as of Q2, we should see that slowly being passed on and administered?

<A – Jacques van den Broek – Member-Executive Board>: Yes. And as mentioned in the presentation, we still have quite a few negotiations pending, which is more than 10, at least.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay.

<A – Jacques van den Broek – Member-Executive Board>: With sizeable clients. So, the weighted average effect is still out there. But we're positive on the developments.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: And Marc, if you look at the gross margin, please note that the mix effect also has an impact here, strong growth of in-house.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yeah, of course, of course. All right. Thank you.

Operator: Your next question comes from Toby Reeks [Merrill Lynch International Ltd.]. Please ask your question.

<Q – Toby Reeks – Merrill Lynch International Ltd.>: Hi, guys. I'll ask two, if I can. And the first is on the SG&A guidance. Was there any seasonality coming from Q4 into Q1, and I'm assuming that the professionals accelerator expense is included in your guidance. And I think you also mentioned something about marketing expenses. Should we expect those to increase going forward?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yeah, we believe that, again, cost development going forward will be led by field steering and we are adding resources in countries, where we have reached – or in locations where we have reached solid productivity levels now. Marketing expenses, I mentioned that it's a timing issue very often. So, that will come back slightly in Q2. So as a result, we do anticipate a limited increase.

<Q – Toby Reeks – Merrill Lynch International Ltd.>: And so, your marketing expense will be a couple – few million euros?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: That's correct. And the same applies to the growth accelerator. This is the very early stages of this, so we're talking small number, still, at this point in time. So, it will be a couple of million.

<Q – Toby Reeks – Merrill Lynch International Ltd.>: Okay. [indiscernible] (35:35). Okay. And then the final question is, just referring to a report I saw from the German body that collects temp data, which was indicating that the growth in Germany, I mean despite the [ph] counting (35:47) effect, which is obviously becoming far more difficult, the growth in German temps is likely to be held back, because there are just not enough temp candidates, who are applying for jobs. And could you give us an indication of whether you think that is the case?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: There's big differences per region. In the area of Munich, the unemployment is down to 3%. That means they need to find people a little bit further away. And obviously, a big effect or an effect might be expected from the fact that on May 1, the borders of Germany opened with 10 Eastern European countries that will also have an effect. But, again, there's a big – there are big regional differences in scarcity or not.

<Q – Toby Reeks – Merrill Lynch International Ltd.>: But as a general comment, you would say that that's not something that's going to hold back, right?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: No, I don't think so.

<Q – Toby Reeks – Merrill Lynch International Ltd.>: Okay, thanks. Thanks, guys.

Operator: Your next question comes from Wim Gille [Royal Bank of Scotland NV (Broker)]. Please ask your question.

<Q – Wim Gille – Royal Bank of Scotland NV (Broker)>: Yeah. Good morning. Wim Gille of Royal Bank of Scotland. In the exit rates, you mentioned that the Dutch market was growing about 5% or your Dutch operation was growing about 5% in March, which appears to be a bit of a slowdown. Is that driven by more industry or is that more or less driven by administrative? And is that indeed the case that also in April you see a flattish, if not, slowing down market in the Netherlands? And then a second question with respect to Yacht, assuming that the administrative order, the Professional segment is not going to lift off in the Netherlands, what needs to be done with respect to Yacht in order to get the momentum going there again?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Okay, Wim. Your first point is please note that the number I gave you is per working day, so it has been adjusted per working day. That explains the gap you're looking at. The second point is it will take off. I mean, it's unavoidable that given the trends we see globally that we also will see a growth in Yacht Netherlands. And by the way, the price in business of Yacht today is growing, so it has already started and it will strengthen. And the share of the public sector in the portfolio Yacht is automatically decreasing as a result of the developments. So, the relevance of the private sector in the portfolio will increase and that's where we already see growth.

<Q – Wim Gille – Royal Bank of Scotland NV (Broker)>: Okay. So, the 5% growth is not a reflection of slowing market, but is more a reflection of working days?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Correct.

<Q – Wim Gille – Royal Bank of Scotland NV (Broker)>: Thank you very much.

Operator: Your next question comes from David Tailleur [Rabo Securities NV]. Please ask your question.

<Q – David Tailleur – Rabo Securities NV>: Yeah. Good morning, gentlemen. Coming back on the gross margin, could you confirm that the gross margin pressure in the Netherlands and Belgium, at least the temp margin pressure, I had to say, is more than the overall 40 basis points?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yes. We answered this question a little bit earlier, that there's about 50% is [ph] pricing (38:57). So, the [ph] 0.2% about is pricing (39:01) effect.

<Q – David Tailleur – Rabo Securities NV>: Yeah. Okay, thanks. But what I mean is I mean as you – the pressure of 40 bps on the temp margin, is it more than the average for the Benelux area.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yes. It's more than average for it. Yeah, that's correct. Yes.

<Q – David Tailleur – Rabo Securities NV>: Okay, thanks. And could we – that's a second point then. Assuming that we have just – you just started to negotiate that contract or couple of contracts that we are going to see the lagging impact also the coming quarters?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yes. Again, a big part is depending on mix.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yeah. Going forward, we'll see a couple of elements. We'll see some impacts of these renegotiated contracts. At the same, in the Netherlands, we also have to deal with cost price increases that are being transferred to clients gradually going forward. And that will come through in the next couple of quarters.

<Q – David Tailleur – Rabo Securities NV>: And you are quite, let's say, optimistic on that or [ph] assuming opposite (39:54)?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: We're quite disciplined on that.

<Q – David Tailleur – Rabo Securities NV>: Quite disciplined. Okay. Well, let's wait and see in Q2. Thanks really, guys.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yeah.

Operator: We have seven questions pending. Your next question comes from Jaime Brandwood [Jaime Brandwood]. Please ask your question.

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Morning. So, two questions, if I may. Firstly, just in terms of Germany, can you tell us how the gross margin was developing in Germany and any expectations for the remainder of the year as to whether you think the German gross margin can increase or not this year? And then, secondly, on the professional growth accelerator plans, so the €2 million of spend in Q2, what total spend are you planning for the remainder of 2011 on the professional growth accelerator plan?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yes. Let's start with the second question. This extra accelerator will be managed also through field steering. That means we have allowed the initial investment. We'll only allow additional investments at the moment that the people who have been hired now are actually returning a specific amount of gross margin per head. So, that means the marginal increase in investment is not going to be that high. So, we don't have a given amount. It depends on the productivity they reach. We do have a plan to get to about 500 consultants, if we can, over the period of two years.

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Okay.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: It's the same initiative as we had a couple of years ago with specialty units, where we [ph] set to have about (41:21) 300 specialty units to boost that part of our business and gives you also a way to track what we're doing there.

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Okay.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: And with regards to the German gross margin, this one has been flat more or less over the last couple of quarters. And going forward, we expect to see a larger contributions from the non-blue collar segment. And as a result of that, we should see some support for the gross margin there. But please note that we are very happy with the blue-collar business, because our – a lot of the German business is served through in-house, with a very low cost level, as a result of which the EBITA margin already gets the support of that. So, I think it would be wrong to look at gross margin as an indicator for profitability.

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Okay. And, Robert-Jan, sorry, to just sneak one more in, interest charge for the full year versus that minus €11 million in Q1.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yeah, I cannot predict the currency effects going forward. So, if you just look at the components, the net debt will be a little higher at the end of Q1 there. The spreads will remain as what – at the end of Q2, sorry, the spreads will be what I mentioned 50 over Euribor. And then it will go down again, net debt. So, I'm very optimistic about that part of it, but I have no clue what will happen to currency. And by the way, in 2010, this has had either a limited or positive effect. And now, in the first quarter, given the depreciation of the euro against especially the dollar, that has had a negative impact. So, it's very much dependent on the global currency markets.

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Thank you.

Operator: Your next question comes from Konrad Zomer. Please ask your question.

<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (UK Branch)>: Hi. Good morning. It's Konrad Zomer, Berenberg Bank. Just one question on the launch of the professionals organic growth accelerator plan. You talked about the 500 consultants, you talked about a couple of million of initial investment. But can you maybe tell us a bit more about what it actually entails, because I think that is still rather vague in the presentation and the press release. What countries are involved? What is more to it and just the re-branding of the professionals business? Just a little bit more content, please.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yeah, sure. It has nothing to do with the re-branding. It is an extra initiative to boost our position in professional market. All OpCos have been invited to come up with plans. So, we have looked at those plans and the ones with the proper plans, actually, will be approved. That's how we got to the numbers. But again, it has nothing to do with re-branding.

Does that answer your question, Konrad, I mean --?

<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (UK Branch)>: No. I mean, that's good to know. But what does [ph] that unfold (44:08)? I mean, I can't really understand what it is that you're going to do in this plan.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Okay. So, we have chosen markets, associate countries and segments. And so they've been chosen by the OpCos themselves. They put forward investment plans and investment plans means an X amount of – an X number of extra consultants, which we're going to monitor separately. And then with the plan for the next two years and the total plan adds up to a bit over 500 consultants in all the respective markets. But they will only be added – allowed the second investment if the first [ph] wave (44:48) has the right returns. So, it's field steering again. And so, we look at the gross profit [ph] roughly (44:53). If the new hires are at the required levels, then the OpCos are allowed to add an extra consultants again. So, next to our normal growth and our normal operations, on top of that, we have this plan to accelerate the investments there.

<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (UK Branch)>: Okay. And can you give us the countries, which are involved, please?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: It's – a lot of countries, Australia [ph] is big as (45:19) an example, France has been investing, quite a few markets – actually a lot of markets has been invested.

<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (UK Branch)>: Right. More than 10?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Yeah.

<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (UK Branch)>: Okay. Thank you.

Operator: Your next question comes from Margo Joris [KBC Securities NV]. Please ask your question.

<Q – Margo Joris – KBC Securities NV>: Hi. Two questions, if I may. The first one is could you give us an update on the overcapacity then mainly in the Benelux? And then the second one is on the gap of Tempo-Team with the Dutch market, did the gap improve throughout the quarter? And are you still convinced that you can close the gap by or in the second quarter?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: The gap for the market and Tempo-Team is more or less flat for the quarter.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: And our the capacity in the group, when we started to see the improvements coming through, we estimated it to be at around 30%. We've now eaten into that, so for sure it's going to be lower. And the best estimate at this point in time would be that it's around 15% or so.

<Q – Margo Joris – KBC Securities NV>: Okay.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: But it's always an [ph] art (46:29), if we have overcapacity in the north of the Netherlands and we are full in the Eindhoven region in the south of the Netherlands, then it's very hard to [ph] shift (46:36) that, that is our dilemma.

<Q – Margo Joris – KBC Securities NV>: Okay.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: And a nice [indiscernible] seasonal battle (46:39) of course. Q1 being the slowest quarter, so that will automatically help.

<Q – Margo Joris – KBC Securities NV>: And then my second part of the question. Do you believe you will be at the market in the second quarter?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Sorry, do we --?

<Q – Margo Joris – KBC Securities NV>: Do you believe that you will be in line with the market with your Tempo-Team brand in the second quarter?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: No, take a – it'll take a bit longer than that.

<Q – Margo Joris – KBC Securities NV>: Okay. Thank you.

Operator: You have six questions pending. Your next question comes from [ph] Charles Wilson (47:15). Please ask your question.

<Q>: Good morning. With your helpful guidance for Japan of €5 million of EBITA in Q2, do you think it's just a Q2 event or will it stretch into Q3 and Q4?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yeah, that's highly uncertain. And again, we said up to €5 million and we also see some signals coming through that there's demand for workers to help cleaning up. So, we hope it's going to be limited. But I think it cannot be excluded that they will see impact in Q3 as well.

<Q>: Okay. And secondly, do you have a view when you think you'll see stabilization in the UK public sector part of your business?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: I think that's the point I've made there. I think that's just a little too early.

<Q>: Okay.

Operator: Your next question comes from Laurent Brunelle. Please ask your question.

<Q – Laurent Brunelle – Exane BNP Paribas SA>: Yes, good morning. Laurent Brunelle, Exane BNP. Two question if I may. First, on the French markets. So, the momentum has been quite strong despite tougher comps in manufacturing, especially. Do you believe that the pickup in construction should offset the fact that industrial are starting to flatten out? And what is your exposure to construction? Is it in line with the market?

And secondly, can you assume that you will deliver a structurally lower gross margin, given the increased contribution from in-house services and the fact that the demand is clearly coming from large clients asking for more flexibility? Thanks.

<A – Jacques van den Broek – Member-Executive Board>: This is Jacques van den Broek answering your questions. We don't think that the uplift in construction will offset the tougher comparisons in industrial because it's also a larger part of the business. Nevertheless, we're happy with the fact that construction is improving. And we have a strong position in construction, not better than market or our overall position, but also not worse. So, we'll benefit from that market. And your second question was on...

<Q – Laurent Brunelle – Exane BNP Paribas SA>: Gross margin.

<A – Jacques van den Broek – Member-Executive Board>: On gross margin. Yes, well, the fact that we grow in in-house is not so much the fact that our margin is lower. It's not higher either. It's mostly, as we mentioned, transfers. The good news is not that the gross margin therefore increases, but also not decreases.

The good news is that market share increases have declined. We've seen sizable market increases or declines which we transferred because, of course, the concept is geared towards that. The flexibility at most of these clients, by the way, is already rather high. So our market share increases, the overall flexibility of clients within that segment doesn't increase.

Lastly, better returns in France need to come from the effect of the fact that we sort of liberate the branches to sell more into specialty business in the French market. As you've probably heard, in last year, we've created more than 250 specialty units. And, therefore, we hope to change the business mix of it towards higher margin segments in the French market.

<Q – Laurent Brunelle – Exane BNP Paribas SA>: Okay, thank you very much.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: And again, please don't confuse the average gross margin with profitability because the underlying delivery systems, of course, determine what the cost levels are, so what the profitability is.

<Q – Laurent Brunelle – Exane BNP Paribas SA>: [indiscernible] (50:34).

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Everybody knows, but I can't help from repeating myself all the time. Just to be sure.

Operator: Your next question comes from Tom Sykes [Deutsche Bank AG (Prime Brokerage)]. Please ask your question.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Yes, morning, everybody. First question was just, excuse me, bit of a cold. But first question was just on your slide of revenue development per industry segment. I mean I appreciate that a lot of this is subjective, but there seems to be a lot more zeros, minuses and single pluses than double pluses as there were last time.

Is this sort of looking back at what happened in Q1 or is this a bit more what you think is the outlook looking forward into Q2 as well? And maybe if you could pick out sort of a couple of the larger businesses within that where there's been a change in outlook, please?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Well, Tom, I think it's a fair point to raise and the fact that you see more zeroes is the result of more tough comparables. That's also the statement I made at the very end when looking at the outlook; life is getting more challenging, and that's exactly what you see here.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Sorry, just as an adjunct to that. Would you still expect...

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Is that Q1 number, yeah – it is the Q1 numbers, right.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Yes. Okay. But just as – would you still expect to be in double-digit growth by the end of Q2?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Well, if you just follow the typical patterns, that is what's happening. We gave you an indication on the month of April already because we do see trends continuing. So it will be very hard to be non double-digits.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Okay.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: But again, May and June will be more challenging for sure.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Fair enough. And if I could, just a quick one. The incremental margin I believe was 30% – or incremental conversion was 35%, as we go to targeted 50%. And I appreciate the gross margins were weak and you've gone through that. But is there any change in outlook for incremental conversion for the remaining three quarters of this year, please?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Looking at Q1, as we always make the point, it's very, very difficult this quarter of the year. And then on top of that, if we get to 50% across the Group, we would be very happy. What we are sharing with you is our – sort of our management practice. This is what we're aiming for. At the same time, we frequently allow our OpCos to make additional investments like the ones we have just mentioned to accelerate growth going forward again. So it is a tool rather than a precise target or an external target.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Okay. All right, thank you very much.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Quite a few units have had high growth for a long period of time, and so, they have filled up their capacity. So there the 50% conversion is not applicable anymore...

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: If we would continue the 50%, in the end – I mean, our [ph] EBIT (53:29) margins would reach 50%. So I would say, typically, it's the first sort of one to two years that you can follow this 50% conversion. And at the beginning, it's higher, at the end, it's slightly lower, as an ambition, not as an external target and then it gradually gets lower, of course. So we now have more than one year of growth behind us, and in some of our OpCos, we already have 1.5 years of growth behind us.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Okay. All right. Thank you very much.

Operator: You now have three questions remaining. Your next question comes from [ph] Rajesh Kumar (54:03). Please ask your question.

<Q>: Good morning. If I may, first on trade receivables. If I look at trade receivables as a proportion of sales, Q1 2009 to 2010 to '11 have come down from 78% to 76% to 73%. Can you give us a sense on the impact of bad debt provisions as a result of – in Q1 compared with basically last year? And does that have something to do with the public sector exposure? And the second one is, could you give us a sense on the V-shape trends in Netherlands' professional business?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Could you please repeat your second question?

<Q>: The salary trends in professional business in Netherlands.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: The trend that you see in the trade receivables is reflecting the decrease, the reduction in DSO first of all. And secondly, bad debts do not show any material change. And actually throughout the downturn, it has remained well under control. You could sort of take as a reference point that we are typically losing between 10 and 20 basis points of revenues on bad debts.

And it hasn't reached the 20 basis points in the bad years of the downturn and that is a result of good credit management. But I would say 10, 15 basis points, that should be it.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Salary levels in the Netherlands are about flat. If you look at our bill rate, it's about flat.

<Q>: Okay. Thanks.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Thank you.

Operator: Your next question comes from Marc Zwartsenburg [ING Bank NV (Broker)]. Please ask your question.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yes, a couple of follow-ups from my side. First of all, on the difficulty in pricing on the CLA wage inflation in the Netherlands, Belgium, also – is it also the case in Germany? And why is it this time, why is it so difficult, because I haven't seen these statements over the last couple of quarters or last year? Is that because the market is getting tougher on the pricing side? Could you share a bit, what's going on there?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: No, it's not wage inflation markets, the change in social security charges.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay. But can you give a bit more color on that, how that works?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: If we manage them efficiently, then it's profitable. It can be slightly profitable for us. If then something changes in its legislation, it's difficult to maintain that profitability. So it's not directly in the margin to decline. It's in the gross salary.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: And that is for whole of Belgium and also for other regions?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: No, no, no, that's mainly for Holland.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Just for Holland. But in Belgium, what is it then in Belgium?

<A – Jacques van den Broek – Member-Executive Board>: Yes. Marc, in Belgium, it's pretty straightforward. There are a few clients, and they go to tender. And you might still see this as – we see this as sort of the end of where we are now in a certain point in the cycle. They still try to renegotiate and we see some heavy pricing, and we always need to see – if we want to continue at this price or not. And sometimes, we do, and sometimes we don't.

And as mentioned, it's good news, but partly bad news, still a large part of the growth comes from the blue collar; so it's also a mix effect of these, also, renegotiated contracts, early to tell, which still show a double-digit growth. So that has a good effect.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay. And then my second question on your SG&A guidance, you say a small increase versus Q1, but we should add already €2 million of course for the professional accelerator. Should we take it from there that we should see a small increase, is that how the guidance is, both the guidance on Q1 and the reported one, there's quite a gap, so how should we read this?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Marc, we are incapable of managing the group of – I think you estimated to be €16 billion revenues on the level of €1 million or €2 million or €3 million of cost levels. So I made the point that we expect a limited increase in the second quarter on top of the €562 million, and I think we should stick to that.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay. So not the €2 million extra on top of that, okay.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: [indiscernible] (58:38).

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: All right, yes. Okay, thank you.

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: And I can add that we – hopefully, it's going to be a lot more, but then growth should accelerate.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yes. Let's hope for that.

Operator: You have two further questions in the queue. Your next question comes from Matthew Lloyd [HSBC Bank Plc (Broker)]. Please ask your...

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Good morning, gentlemen. The obligatory two. One – the first one, what's your vacancy sort of intake? What's the order intake flow during relative to your exit rates? Is it sort of slower or faster or about the same?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: I don't know. We don't [ph] ever recollect (59:15) our numbers here. My guess is, it's about the same.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Okay. Thank you for that. And then secondly...

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: ...but the same, yes, you also have to put it into the seasonal patterns.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Yes.

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: But I don't have the number here. It's a guess.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Okay. I appreciate that. Your IR Department can put up with me handing them for follow-up. The second question. Just – and you won't have a hard number for this either, but just your sense really. Of that part of the gross margin decline which you think is price, not mix, how much of that is to do with managed service provider and RPO kind of contracts and deals?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: Not a lot because it's not in the U.S. where we've seen this and Canada where that's the biggest part of the business – a bigger part of the business relatively.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Okay. And then one adjunct because I'm an analyst and I can't [indiscernible] (60:13). Do you ever agree when you do a temp MSPD or to guarantee the gross margin or – and then find that you have to pay a higher gross margin to another agent to supply? Or do your contracts automatically pass through the gross margin when you can't self-fill?

<A – Ben Noteboom – Chief Executive Officer & Chairman-Executive Board>: We never guarantee.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Thank you.

Operator: [Operator Instructions]

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: I think we should take the last question now.

Operator: Your final question comes from David Hancock [Morgan Stanley & Co. International Plc]. Please ask your question.

<Q – David Hancock – Morgan Stanley & Co. International Plc>: Thanks, yes. My two questions are both around profitability. One is on the segment profit numbers that you gave us. You said you wanted to go through a year to fine-tune your allocations. Having gone through that process, are you still comfortable with your medium-terms targets per segment; so 4.5% – 4% to 5% for in-house, 5% to 7% for staffing and above 10% for professionals?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yes. These numbers have been tested through 2010, and indeed it has not resulted in any adjustments. And please note that these are peak margins, these are not the through-the-cycle ambition. This is the peak margin that one should arrive at having had a good ride, so, in terms of revenue growth. And I think I should note that you're explicitly emphasizing 10 plus percent, I mean, 10% in the professional segment is already a very, very good performance.

<Q – David Hancock – Morgan Stanley & Co. International Plc>: Okay, great. Thank you. And the second question is around the decline in public sector business in the UK and the Netherlands. Is the public sector business pre these declines? Has that been a higher margin, higher EBIT margin business? And maybe put another way, could you split rather than by revenue, public sector in the UK and the Netherlands, could you split it by profit for us, please?

<A – Robert-Jan van de Kraats – CFO & Vice Chairman-Executive Board>: Yes. In the UK, it was a relatively healthy contributor to EBITDA and in the Netherlands, it was at or – I think it's a best guess, at market roughly. But in the UK, it was very relevant for our return.

<Q – David Hancock – Morgan Stanley & Co. International Plc>: Okay. Thank you.

Robert-Jan van de Kraats, CFO & Vice Chairman-Executive Board

Thank you very much. And this concludes the session. Hope to see you back again at the end of July in the summer to discuss the Q2 results. Thank you very much. Bye, bye.

Operator: That does conclude the conference for today. Thank you for participating. You may all disconnect.