



 **usg people**
2009 annual magazine



IN MOTION

A company that wants to be successful on an ongoing basis is a company that is always in motion. New insights, changing market conditions, innovative ideas and entrepreneurship ensure that our organisation can constantly take advantage of opportunities and respond to changes. This was clearly the case in 2009, a year in which we adapted the organisation to changed market conditions. But also a year in which we laid the foundation for the renewed USG People with a strengthened brand strategy.

USG People is a company in motion. This is a common thread in this annual report – conceptually but also visually, as can be seen in the undulating line that represents motion and in the photos of our employees. Their involvement, professionalism and adaptability show what moves them, both individually and together as USG People: getting the best out of people.

(Cover photo) from left to right:

Freek de Jong Corporate Compensation & Benefits, USG People N.V.

Annelies van der Scheun Works Council services/consultation secretary, USG People The Netherlands

Suzy Niamut Marketingcommunication coordinator, USG Capacity

Henriët Veldkamp Executive Secretary, USG People N.V.

Melton Marengo Manager Finance, Secretary Plus

Contrary to previous years USG People has elected to only publish the full annual report online. A new website has been built for this purpose, making the full annual report readily available for your perusal (go to www.usgpeople.com). This condensed printed version of the report is also available, providing a selection of stories from within the organisation and key financial information. The decision to no longer publish a traditional full-colour bound version was based on two considerations. Firstly, society is becoming increasingly digitalised and the vast majority of our shareholders are fully familiar with the online medium. Secondly, from a corporate social responsibility perspective the decision to publish online means less paper and printing ink and lower transport costs. This way USG People is not contributing to the needless waste of paper, energy and natural resources.

FORWARD-LOOKING STATEMENT

This annual report contains certain forward-looking statements regarding the financial situation and results of USG People N.V., as well as a number of associated plans and objectives. Forward-looking statements by their nature can provide no guarantee for the future. As a result of various factors actual results may differ from current expectations. These factors may include changes in tax rates, mergers and acquisitions, economic developments and changes in labour legislation. The forward-looking statements in this annual report are current at the time the report was adopted and provide no guarantees for the future. The annual report is available in Dutch and English. In the event of ambiguities, the Dutch text shall prevail.

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PREFACE CEO

ceo statement



WE WERE ALSO FORCED TO SAY FAREWELL TO MEMBERS OF STAFF WHO HAD BEEN WITH US FOR QUITE SOME TIME. WE TRIED TO ACT AS CONSIDERATELY AS POSSIBLE BUT ARE WELL AWARE THAT THE PROCESS WAS A PAINFUL ONE FOR ALL CONCERNED.



One of the directors of our operating companies was recently telling me about a new employee who joined her staff at the beginning of March 2009. She was highly qualified, commercially oriented and highly motivated. In other words, she had everything she needed to make a success of her job as an intermediary with one of our companies specialising in the placement of secretaries. Still, this young, enthusiastic employee couldn't manage to place a single secretary, the director told me.

Looking back, we can conclude that this new employee joined USG People in the very depths of the crisis. The weekly figures held up reasonably well during January and February, despite the fact that the economic downturn was already making itself felt, but in March the full force of the crisis hit the staffing sector. In a short space of time our operating companies lost a substantial part of their revenue. >>

This put further pressure on our margins and results, which was exacerbated by uncertainty as to how far demand would slide. Various scenarios – all gloomy – were put forward, both in the press and within the organisation. One thing was clear: 2009 was going to be a troubled year.

As CEO you can of course hope against hope that things will quickly take a turn for the better, but reality tells you that harsh measures are what is needed. In the belief that it's better to be safe than sorry we therefore decided to move quickly to further adjust costs in keeping with our lower revenue levels. In 2009 we closed 229 of our 1,650 branch offices and 1,750 of our 9,000 employees left the company. In addition we voluntarily decided to renegotiate our banking covenants in order to raise the maximum ratio of net debt to EBITDA.

In the second quarter of 2009 the markets started to stabilise somewhat. The results we reported over the third quarter were encouraging, showing cautious recovery in a number of areas, particularly the early-cyclical sectors. This trend continued in the last few months of 2009. At the same time we saw the organisation successfully absorb the cost reductions and maintain its position in both the national and international markets, thus demonstrating the resilience of USG People and its operating companies.

The downside is that we reduced costs by closing branch offices and letting people go. There are not many other options available to us: for a company like USG People around 80 per cent of costs traditionally relate to the office network and to personnel. In some cases we let people go by not extending their fixed-term contracts, but we were also forced to say farewell to members of staff who had been with us for quite some time. We tried to act as considerately as possible but are well aware that the process was a painful one for all concerned. However hard these decisions were, they were necessary to steer the company into calmer waters.

There are other reasons why 2009 could be described as a troubled year. In October Cor Brakel passed away. He was chairman of our Supervisory Board for nearly 12 years. For all those years he supported our company as an experienced and active member of the supervisory board. His input will be greatly missed. 2009 was also the year that the departure of Ron Icke was announced. I would like to take this opportunity to thank him for his efforts on behalf of USG People over the years.

Both resulting vacancies have now been filled. Cor Brakel was succeeded as chairman of the Supervisory Board by Cees Veerman, while Herman van Campenhout succeeded Ron Icke as CEO on 3 March 2010.

Fortunately 2009 was not only characterised by cost reductions, we also took an important step in the process of shaping the new USG People. I am referring to the implementation of our new, more focused brand strategy. Talks about this had been going on for some time and the crisis has not stopped us from pursuing our chosen path. The cornerstone of our brand policy remains our multibrand approach with its characteristic combination of general staffing and specialist companies providing broad coverage of the European markets. Over a two-year period we will reduce our international brand portfolio to an estimated 10 principal brands catering to all important market segments. Some of these – Start People, Unique, Secretary Plus and Technicum to name but a few – also operate internationally, making for stronger and more recognisable brands which are easier for clients and candidates to find, both online and off. This operation will enable us to take maximum advantage of the economic recovery, given that further professionalisation of the organisation will improve effectiveness and efficiency. We expect to be able to start reaping the benefits of our new brand strategy in the course of this year.

So 2009 was a troubled year for USG People. Despite all the uncertainties and changes, we managed to get through it. And that shows the strength of USG People: it's easy enough to be inspired when you're successful, but it calls for real commitment to make the effort – and keep on making the effort – when times are hard. And that is why I would like, on behalf of all the members of the Board of Management, to express my appreciation for the dedication, determination and stamina shown by all our employees. It has paid off. Not only are we lean and mean, I feel no qualms about stating that USG People is now excellently positioned to look to the future with confidence.

And in case you were wondering, the bright new intermediary at our secretarial label had her own just rewards – over the course of 2009 she managed to build a great track record. She's also looking forward to 2010. <<

Rob Zandbergen, CFO and acting CEO
2 March 2010

PROFILE

OUR PROFILE

With annual revenue of € 3 billion, USG People ranks fourth in Europe in HR services with a variety of strong and recognisable brands. Headquartered in the Dutch city of Almere, USG People is active in a large number of European countries including Austria, Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Poland, Spain and Switzerland.

OUR SERVICES

General staffing

Start People.

Staffing, secondment, recruitment and selection, pool management and payrolling services for both large companies and companies in the SME segment. Special units for the mediation of staff for call centres and in the transport, healthcare and technical sectors. Start People also provides successful in-house services to large companies through its operating company Start People Inhouse Services.

Specialist staffing

Ad Rem Young Professionals, ASA Student, Creyf's, Express Medical, Receptel, Secretary Plus, StarJob, Technicum, Content and Unique.

Specialist services in the area of staffing, secondment, payrolling, recruitment and selection, and projects in various market segments including administrative, commercial, financial, medical, secretarial, management support, HR, multilingual and technical.

Professionals

Legal Forces, USG Capacity, USG Energy, USG Financial Forces, USG HR Forces, USG Innovativ, USG Juristen and USG Restart.

Specialist services such as secondment, recruitment and selection, project support and consultancy of and for highly qualified specialists, aimed at the specialist

areas of communication and marketing, legal, financial, HR, IT and technical. Professional self-employed people with no staff are also supported and facilitated by the aforementioned operating companies. USG Restart provides services in the field of mobility, workforce (re)integration, job coaching and social integration.

WE BELIEVE IN

Our people

People are the key to the success of our organisation. This success is largely determined by the dedication, creativity, involvement and entrepreneurial spirit of our employees.

Multibrand approach

Our market approach is based on a clear, effective and recognisable focus on market segments. This enables us to offer specific solutions to meet the various needs of candidates and clients.

Strong candidate and client focus

Our focus on market segments and specialist areas enables us to attract the best candidates and to provide (a) better service to candidates and clients alike. We understand their needs, speak their language and have in-depth knowledge of their specific market segment.

Local-for-local

By being located close to the candidates and clients we are able to quickly respond to the needs of both. By placing responsibility at the lowest possible levels within the organisation, we encourage involvement and create entrepreneurial spirit among our local employees.

Learning organisation

Development is the key to both continuity and sustainable success in an ever more competitive and complex market. We strive to achieve a business culture based on mutual learning, sharing and coaching – a culture of dialogue, experimenting and constant improvement.

TIMELINE OF MAJOR EVENTS IN USG PEOPLE'S HISTORY



Innovation

We are constantly on the lookout for new types of services, better processes, new recruitment channels and innovative sales support activities.

Community involvement

Community involvement is embedded in the core of our services. We believe that there is a right place for everyone. The knowledge and capacity on hand is also used to help people far removed from the labour market, people on the sidelines or in jeopardy of becoming sidelined. Our operating companies support various non-governmental organisations and community projects.

OUR MISSION

“We keep the world working by helping the right people find the right job”

In a nutshell, our objective is to help people find a job and keep it by making the perfect match. Jobs where people feel at home, working for employers who are glad to have been provided with driven, motivated and enthusiastic employees. Having a job gives people a sense of meaning and the chance to be the best that they can be. It helps them feel useful and structures their lives. It gives satisfaction, builds self-esteem and provides the opportunity to grow and develop. Every day it is a challenge to match the right candidate with the right employer. Our employees' years of experience ensure that we do this well. We know our candidates and know our clients. Only then can we make the right match. USG People's product is people. People from a multitude of backgrounds with all sorts of levels of education and training, but always people with ambition. It is our ambition to help as many people as possible find employment, so that our candidates can reach their ambitions – each and every day.

OUR VISION

USG People strives to be an attractive employer for its own employees and candidates: open, involved

and putting people first. We aim to get the most out of each and every one of them, every day throughout their entire career. At the same time, clients trust that we always go the extra mile with our services and that we are constantly involved. The result of our efforts is the best possible balance between the organisational objectives of our clients and the individual ambitions of our employees and candidates. This is how we try to lead by example in business and society. Our core values are respect, development passion, involvement and commitment to results.

OUR STRATEGY

USG People is a provider of all sorts of flexible employment solutions and a wide range of services in the field of human resources and customer care. This wide array of services meets the demand for diversity in the services we provide. We provide many different types of services in a large part of Europe. This enables us to serve our customers widely. From secretaries to financial specialists, call centre staff to engineers on oil platforms – we offer a one-stop-shop strategy.

Multibrand

We stand out because of our multibrand strategy. This way of approaching the market is aimed at enabling brands with their own strong identity and position in specific market segments to flourish side-by-side. USG People's brand portfolio consists of individually positioned brands focused on their own individual market segment. These are recognisable brands for clients and candidates that enable us to meet client demand for the best possible candidate. At the same time, we can offer candidates a suitable job because of our wide range of brands. That makes it a win-win situation for both candidates and clients. Candidates and clients alike feel at home and understood because we have a knack for knowing which candidate would fit well in the employer's organisation. Our multibrand strategy enables us to make a difference. We aim to achieve an effective balance between general and >>

2002 Acquisition of temping organisation Start. At the time of takeover Start provides flexible staffing services in countries including the Netherlands, Spain and Italy.

From 2006 to 2008 Sees a number of - smaller - acquisitions, including Utrechtse Juristen Groep in the Netherlands and Geko and Allgeier in Germany.

2005 Acquisition of Belgian peer Solvus Resource Group, a provider of innovative human resources services and solutions with brands such as Creyf's, Content, USG Innovativ and StarJob. The resulting combination of United Services Group and Solvus Resource Group adopts the name it still bears today: USG People N.V.

From 2 September 2008 to 2 March 2009 The shares of USG People were included in the AEX index - the index of the most actively traded shares on the Amsterdam stock exchange. At present USG People is a component of the AMX index, the Amsterdam index of midcap stocks.

specialist staffing, on the one hand, and large companies and SME customers, on the other. We constantly assess our brand portfolio in terms of effectiveness, added value and ability to stand out.

Europe

Our geographical focus is on Europe and we target a top five position in every country in which we operate. In 2009 we sold our activities in Portugal, the Czech Republic and Slovakia because we want to focus our attention on countries where flexible labour is more accepted and developed.

Brand strategy

In October 2009 we announced a two-year plan to reduce the number of core brands in our international brand portfolio from ten to two while continuing to serve all key market segments. The objective is to create stronger brands that are more recognisable – both online and offline – and easier for employers and candidates to find.

Profitability and professionalisation

We strive to be the most profitable player in the European staffing and secondment market. We develop new technologies aimed improving our services and optimising our processes and distribution channels. After all, further professionalising the organisation improves our effectiveness and efficiency. We achieve growth through the global rollout of successful propositions, along with value-added acquisitions.

Growth in Specialist staffing and Professionals segments

In the coming years we will focus on further expanding the specialist staffing and professionals segments. We achieve growth through the global rollout of successful propositions, along with value-added acquisitions.

21 APRIL 2010

Publication of first-quarter 2010 results
(before market opens)
Analysts' conference call on first-quarter results
Annual General Meeting of Shareholders

23 JULY 2010

Publication of second-quarter 2010 results
(before market opens)
Analysts' meeting and press conference on
second-quarter results

28 OCTOBER 2010

Publication of third-quarter 2010 results
(before market opens)
Analysts' conference call on third-quarter results

3 MARCH 2011

Publication of fourth-quarter 2010 results
and annual results (before market opens)
Analysts' meeting and press conference on
fourth-quarter and annual results

21 APRIL 2011

Publication of first-quarter 2011 results
(before market opens)
Analysts' conference call on first-quarter results
Annual General Meeting of Shareholders

CONTACT INVESTOR RELATIONS

Rob Zandbergen
Chief Financial Officer
+31 (0)36 529 95 07
rzandbergen@usgpeople.com

Dirk Veerman
Manager Investor Relations
+31 (0)36 529 95 25
dveerman@usgpeople.com

Amounts in million euros

AUSTRIA
Revenue: € 33
Branches: 12

BELGIUM
Revenue: € 644
Branches: 187

FRANCE
Revenue: € 423
Branches: 172

GERMANY
Revenue: € 213
Branches: 151

ITALY
Revenue: € 106
Branches: 77

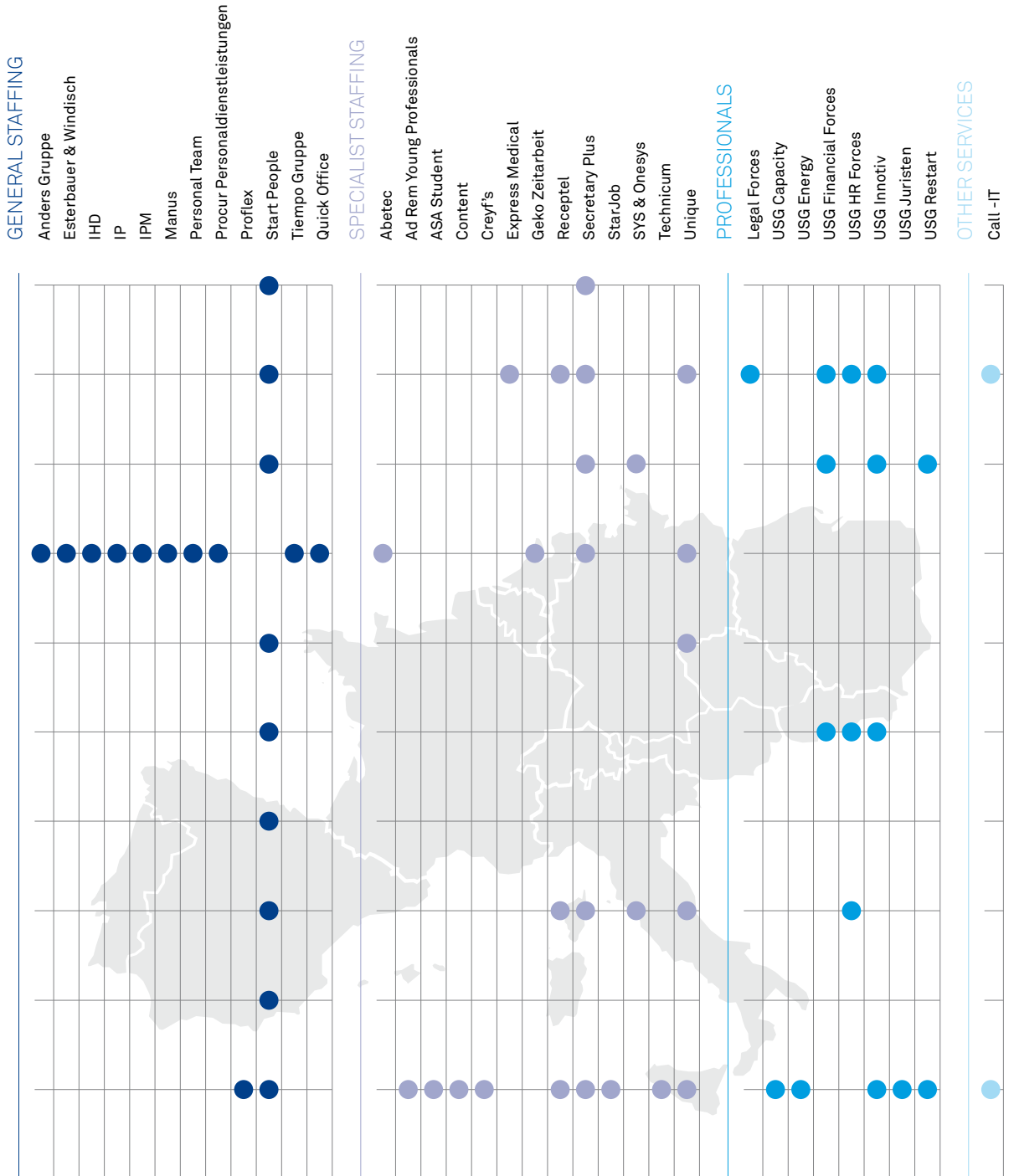
LUXEMBOURG
Revenue: € 11
Branches: 6

POLAND
Revenue: € 22
Branches: 34

SPAIN
Revenue: € 191
Branches: 134

SWITZERLAND
Revenue: € 23
Branches: 11

THE NETHERLANDS
Revenue: € 1.330
Branches: 652



GENERAL STAFFING

- Anders Gruppe
- Esterbauer & Windisch
- IHD
- IP
- IPM
- Manus
- Personal Team
- Procur-Personaldienstleistungen
- Proflex
- Start People
- Tiempo Gruppe
- Quick Office

SPECIALIST STAFFING

- Abetec
- Ad Rem Young Professionals
- ASA Student
- Content
- Creyf's
- Express Medical
- Geko Zeitarbeit
- Receptel
- Secretary Plus
- StarJob
- SYS & Onesys
- Technicum
- Unique

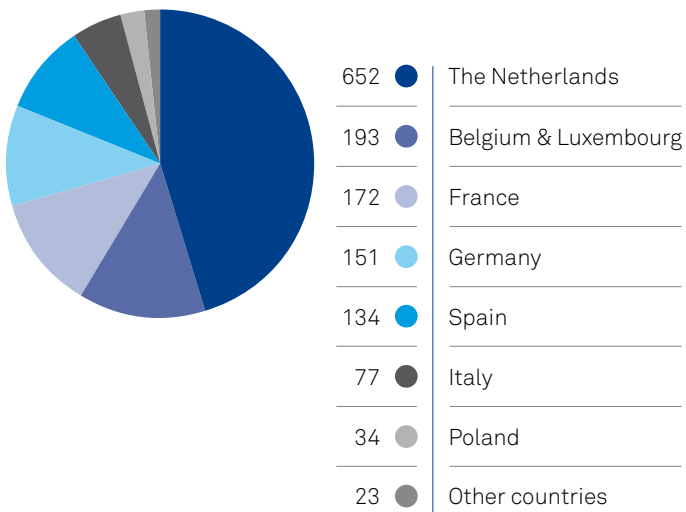
PROFESSIONALS

- Legal Forces
- USG Capacity
- USG Energy
- USG Financial Forces
- USG HR Forces
- USG Innativ
- USG Juristen
- USG Restart

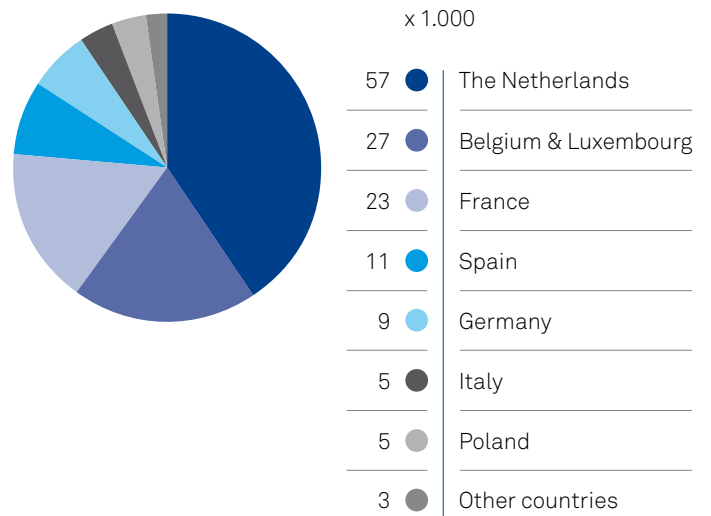
OTHER SERVICES

- Call -IT

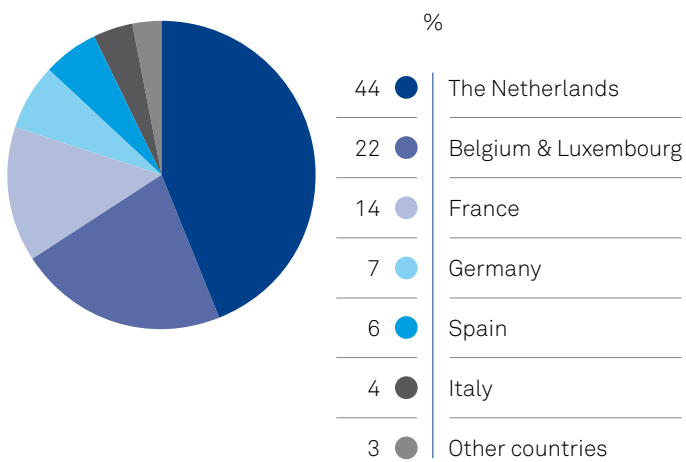
NUMBER OF BRANCHES BY COUNTRY



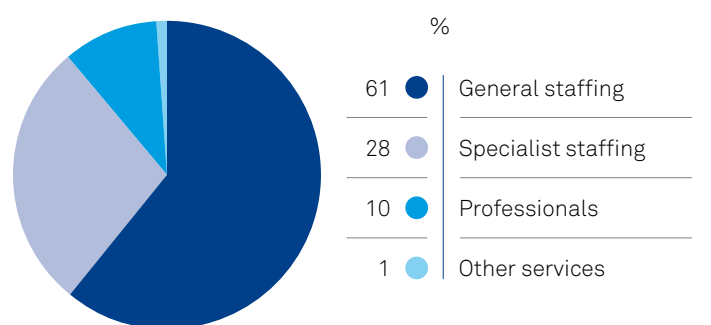
NUMBER OF FLEX WORKERS BY MONTH



REVENUE BY COUNTRY



REVENUE BY SEGMENT



GENERAL INFORMATION ON THE SHARE

STOCK MARKET LISTING

The ordinary shares of USG People are listed on NYSE Euronext Amsterdam, where options on the shares are also traded. USG People is a component of the Amsterdam Midcap Index (AMX).

SHARE CAPITAL

At the end of 2009 the number of USG People ordinary shares outstanding was 70,682,433.

In 2009 the number of shares outstanding rose by 5,702,303 due to the distribution of a stock dividend and the exercise of employee share options. The 2008 stock dividend was € 0.58 and increased the number of shares by 5,654,055. In 2009 no bonds were presented for conversion on the outstanding convertible bond. Conversion rights on the bond increased by 189,992 shares due to adjustment of the conversion price on the loan. In 2009 the conversion price was adjusted from € 17.91 to € 17.40 as a result of the dividend paid over the 2008 financial year. At the end of 2009 no employee stock options remained outstanding.

OUTSTANDING SHARES

NUMBER

31 DECEMBER 2008*

Ordinary shares	64,980,130
Option rights granted to employees	50,848
Conversion rights attached to bond	6,419,146

CHANGES IN 2009

Distributed stock dividend	5,654,055
Issued for employee stock options	48,248
Conversion of convertible bond	

31 DECEMBER 2009

Ordinary shares	70,682,433
Option rights granted to employees	
Conversion rights attached to bond	6,609,138

* In the annual accounts the numbers relating to 2008 have been adjusted in accordance with IFRS requirements for the accounting of stock dividend where the shareholder does not have the choice between stock and cash dividend.

Mr. A.D. Mulder, founder of USG People, expanded his interest in USG People by 1,198,112 shares in 2009.

As a result, Mulder's shareholding rose to 20.0% (14.2 million shares). 100% of the shares are in free float.

ISSUE OF SHARES

Every year the General Meeting of Shareholders is requested to extend the period for which the Executive Board is designated as the body authorised to take decisions – subject to the approval of the Supervisory Board and in accordance with the stipulations of the Articles of Association and legal provisions – regarding the issue of shares and the limitation or exclusion of legal preferential rights for a period of 18 months from the date of the General Meeting of Shareholders. The request for extension of the period for which the Executive Board is designated as the authorised body as stated above is a possibility which is expressly provided by law and is enshrined in the Articles of Association. The Executive Board may only exercise this authority with the approval of the Supervisory Board and shall do so only where this is in the best interests of the company. This authority relates to a maximum of 10% of all shares of the issued capital of the company at the time of issue.

The Extraordinary General Meeting of Shareholders held on 23 December 2008 authorised the Executive Board to decide on the issuance of protective preference shares or to grant the foundation Stichting Preferente Aandelen USG People the right to obtain protective preference shares, up to a maximum equal to 100% of the issued capital, other than preference shares, at the time of issue of the preference shares. As provided for in its Articles of Association, Stichting Preferente Aandelen USG People shall endeavour to serve the best interests of USG People, its associated businesses and all parties connected to it, warding off as much as possible any influences that conflict with these interests and threaten to undermine the continuity, independence or identity of the company. These influences may result from a (substantial) interest in USG People built up by a third party, the announcement of a public offer or other concentration of control or any other form of unreasonable pressure exercised on the company to amend the strategic or other policies of USG People. Stichting Preferente Aandelen USG People shall operate completely independently of USG People.

Stichting Preferente Aandelen USG People has also been granted the authority to file an application for inquiry proceedings with the Enterprise Chamber of the District Court of Amsterdam. The importance of this lies in situations in which the foundation does not use its right to obtain preference shares but which, in the

opinion of the foundation, justify legal intervention in view of the objectives stated in its Articles of Association.

RESULT PER SHARE

The result per share is based on the result before amortisation of intangible assets and before unrealised value adjustments to interest-rate derivatives.

In our opinion this provides an accurate reflection of the operating results and a clear understanding when making comparisons with previous years. In 2009 this result amounted to -€ 7,574.

Reported net result	- € 30,965
Amortisation	€ 26,351
Unrealised value adjustments to interest-rate derivatives	€ 5,046
Corporation tax	- € 8,006
Net result before calculation of result per share	- € 7,574

The result per share is calculated based on the average number of shares. The result per share for 2009 was -€ 0.11.

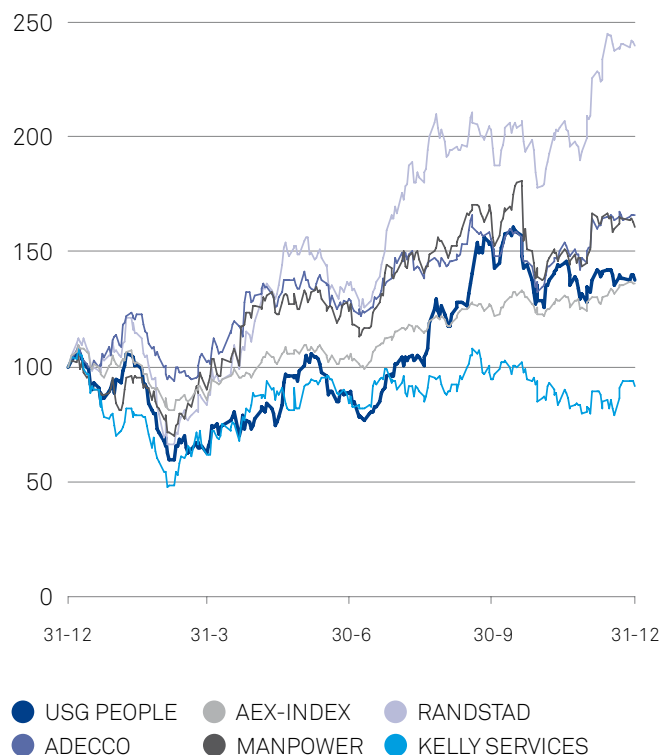
2009	2008	2007	2006	2005
-€ 0.11	€ 1.79	€ 2.38	€ 2.12	€ 0.56

Prior years have not been adjusted for dilution due to the 2009 stock dividend.

SHARE PRICE AND VOLUME DEVELOPMENT

The AEX index rose 36% in 2009 on the back of improving macroeconomic figures and corporate earnings combined with a highly stimulating monetary policy. This increase was mainly driven by the cyclical sectors and most listed companies operating in the cyclical Staffing sector outperformed the index in 2009. The USG People share rose 38% in 2009. After hitting a low of € 5.32 on 9 March the stock staged a strong recovery to reach a high of € 15.06 on 25 September. The share subsequently gave up some of its gains to close the year at € 12.70 (2008 closing price: € 9.22).

Share price development of USG People in 2009 compared to the AEX index and peers.



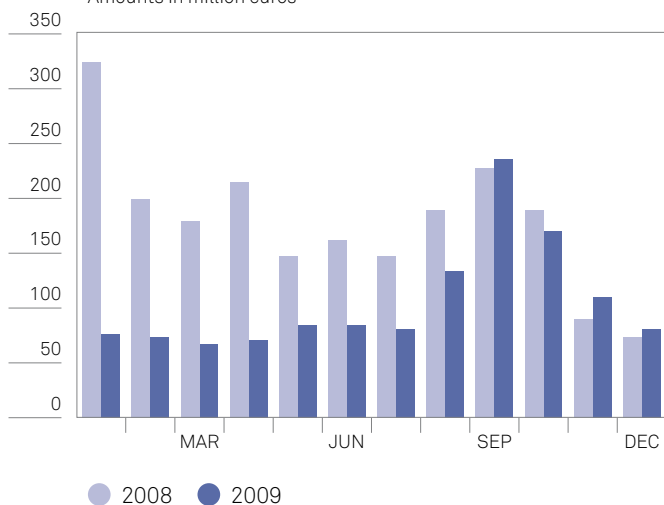
Trading volume fell in 2009 compared to 2008. The number of shares traded fell by 52 million compared to a year earlier, while the value of shares traded dropped to € 1.25 billion.

TRADING VOLUMES	2009	2008	2007	2006	2005
Number of shares in millions	126	178	168	114	54
Trading volume in millions of euros	1,250	2,140	4,410	3,255	695

In the second half of 2009 trading volume recovered to levels of above € 100 million a month. In the first half of the year monthly volumes languished at between € 70 and € 80 million. >>

TRADING VOLUMES BY MONTH

Amounts in million euros



Information per share based on average number of shares.

	2009	2008	2007	2006	2005	2004
Operating cash flow	€ 3.20	€ 4.29	€ 3.18	€ 2.50	€ 2.31	€ 1.04
Net result	-€ 0.44	€ 0.24	€ 2.21	€ 1.76	€ 0.33	€ 0.54
Dividend	-	€ 0.58	€ 0.81	€ 0.72	€ 0.20	€ 0.20
Dividend / net result (%)	-	223%	37%	41%	61%	37%

DISCLOSURE OF MAJOR HOLDINGS

Under the Dutch Act on the Disclosure of Major Holdings in Listed Companies, the following interest was declared:

Amerborgh International NV 20.0%

SHAREHOLDINGS OF EXECUTIVE BOARD MEMBERS

Ron Icke

(Ron Icke left the company on 1 October 2009)

Shares 92,390

Rob Zandbergen

Shares 39,130

SHAREHOLDINGS OF SUPERVISORY BOARD MEMBERS

Alex Mulder

Shares 14,151,419

Christian Dumolin

Shares 136,604

DIVIDEND POLICY

The objective of the dividend policy is a dividend payout of approximately one-third of net profit before amortisation, adjusted for tax. Also, in determining the dividend it has been decided to adjust the net result for unrealised valuation adjustments to interest-rate derivatives. Each year it is established whether the dividend will be offered either in cash or fully in shares chargeable to the share premium reserve or to other reserves.

INVESTOR RELATIONS

USG People is committed to being transparent and accessible for both its shareholders and its institutional and retail investors so as to enable investors to make as fair an assumption as possible of the value of the company and the attractiveness of the share.

These investor relations efforts are aimed at increasing the visibility and active interest in the USG People share for a broad group of investors. This has boosted trading in USG People shares in recent years. USG People aims to achieve an effective spread of its shares, and to be an attractive partner for both institutional and retail investors.

Meetings and roadshows are organised to provide clear communication to investors, analysts and the financial media. Every quarter the publication of earnings is accompanied by an analysts' meeting and a press conference, and the members of the Executive Board take part in conferences and roadshows. These gatherings provide an opportunity to meet investors and are a valuable complement to our communication through the website and other media.

In 2009 four analysts' meetings were held to expand on the 2008 annual results and the results achieved in each of the first three quarters of 2009. These gatherings were also accessible via webcasts on the USG People website. In the interests of direct contact with shareholders and investors, in 2009 roadshows and conferences were organised in the Benelux, the United Kingdom, Ireland, France, Germany, Italy, Switzerland, Austria, Scandinavia, the United States and Canada.

The number of media contacts and analysts covering our company remained about stable in 2009. USG People is currently followed actively by around 15 analysts representing most major brokers and securities houses. <<

In thousands of euros unless otherwise stated

	2009	2008
Net revenue	3,001,134	4,024,965
EBITA	27,111	209,294
Operating income	760	116,665
Depreciation of intangible assets	7,947	7,829
Depreciation of property, plant and equipment	20,781	20,368
Operating cash flow	226,317	280,554
Net income	-30,965	16,885
Dividend	-	37,688
Equity	638,812	669,777
Investment in intangible assets	13,742	13,579
Investment in property, plant and equipment	6,264	23,756
Stock market value at year-end	897,667	599,117
Total number of shares issued	70,682,433	64,980,130
Average number of employees		
- indirect personnel	7,951	9,209
- direct personnel	80,071	111,822
Number of branches	1,436	1,665
RATIOS EXPRESSED AS PERCENTAGES		
EBITA / net revenue	0.9%	5.2%
Operating income / net revenue	0.0%	2.9%
Net income / net revenue	-1.0%	0.4%
Profit distributed / net profit	0.0%	223.2%
Equity / total assets	38.9%	34.0%
PER SHARE IN EUROS		
(based on total number of shares outstanding at year-end)		
Net income	-0.44	0.26
Operating cash flow	3.20	4.32
Dividend	0.00	0.58
Equity	9.04	10.31
Share price at year-end	12.70	9.22
Highest share price	15.06	18.79
Lowest share price	5.32	9.22





BRAND STRATEGY

stronger brands

USG PEOPLE IS TIGHTENING ITS GLOBAL BRAND POLICY. THE PURPOSE IS TO COMMUNICATE TO THE MARKET IN A MORE VISIBLE WAY, TO MAKE IT EASIER FOR CANDIDATES AND CLIENTS TO FIND AND RECOGNISE US, BOTH IN PERSON AND ONLINE, AND TO IMPROVE EFFICIENCY WITHIN THE ORGANISATION. OUR TEN CORE BRANDS ARE AIMED AT PROVIDING THE BEST POSSIBLE SERVICES IN EVERY IMPORTANT MARKET SEGMENT.

From left to right: Hans Coffeng, Eric de Jong, Christian Dumolin, Marike van Lier Lels, Cees Veerman, Alex Mulder, Joost van Heyningen Nanninga and Rob Zandbergen.

Mixed feelings – that is probably the best way to describe how Nicole Bode, responsible for 15 branches in the south of Germany as regional manager for Smart People, looks back at this difficult past year. “That won’t come as a surprise if I tell you that Porsche is one of our bigger clients. The market for luxury cars has dropped sharply and it was not easy to find new clients.” To offset expenses, Bode and her colleagues had to cut costs. Several branches were closed and colleagues had to be let go.

At the same time, however, these mixed feelings were logical given the fact that Bode and her colleagues were on the eve of big changes. In 2010 Smart People will merge with sister company Unique. “It’s a huge step forward,” says Bode. “Unique has a rock solid name and a good position in the SME market. We will certainly benefit from that. We also complement each other well regionally.”

By joining forces, the new Unique will immediately become one of the big players in Germany. And size matters in the German market, according to Cornelia Kämpchen-Willhelm, regional manager in the east for Unique. “It means for example that we can provide services to our large customers in various regions. This gives us an edge over regional players. Both our colleagues at Smart People and we ourselves will benefit from this.”

The merger of the German companies is not a stand-alone move but part of the tightened brand strategy announced by USG People after the summer of 2009. “To maintain our lead as a multibrand player, it is essential to execute a uniform and consistent brand policy in every country where we provide our services,” says Rob Zandbergen, USG People CFO and acting CEO. What is happening in Germany is also happening in other countries.

“A logical step,” is how Zandbergen describes the optimisation of the brand portfolio. “It is our strategy to achieve sufficient returns for us to be a high-quality player in the European staffing and secondment market. This very much continues to be our principle, despite the crisis.”

Zandbergen gives a number of reasons for tightening the brand strategy. “Our policy is firstly based on our multibrand strategy with its characteristic combination of general and specialist staffing companies and broad European coverage. This strategy was put into place after the acquisition of Start Holding in 2002 and Solvus in 2005. We have reduced the number of brands

in the past few years, but other companies have been added through acquisitions. That is why it is a good time to tighten the strategy. It has to be more clear and transparent just what the USG People brands stand for.”

The second reason for tightening the strategy is the economic crisis, which is forcing the company into action. USG People has adjusted its cost levels adequately, but the thought behind this is that the full benefits of economic recovery can only be experienced once the organisation is completely sorted out. After all, further professionalisation improves the organisation’s efficiency and effectiveness. Marketing efforts in particular have a greater impact thanks to scale advantages and an even clearer focus. This applies to the internet in particular, where only strong and smart brands are easily found.

A major final reason for implementing the new brand strategy is the changing Umfeld. The big traditional players are becoming increasingly active in specialist areas. By strengthening the multibrand strategy, USG People will retain its strong position, particularly when it comes to the specialists.

In short, now more than ever is the time to implement a new brand strategy, Zandbergen says. “The new brand strategy will allow us to communicate to the market more visibly, make it easier for candidates and clients to find us – both in person and online – and improve the efficiency of our organisation,” he adds. In the coming two years USG People will reduce its number of global brands to likely 10 core brands that provide services to all major market segments. Some of them – Start People, Unique, Secretary Plus, Technicum and USG Restart – are also operated internationally. The choice for certain brand names has been taken into consideration in this respect.

CLEAR CHOICES IN THE NETHERLANDS

Content is all too aware of the fact that clear choices have been made. The Content name will be visible on the buildings of the Dutch branches until the end of 2010 but will then be replaced by the name Unique. “Of course there have been questions from both employees and clients,” said Jeannine Peek, currently director of both Content and Unique in the Netherlands. “After all, Content is an established name in the staffing world. But when you explain the reasons, everyone understands why Unique and Content are joining forces to become a single strong player in the administrative segment. Candidates and clients alike certainly do not have a problem with it. What they mainly want to know is whether their point of contact is going to change.

This will not be the case and no jobs will be disappearing at locations.”

Content is not the only name disappearing in the Netherlands in 2010. StarJob and Secretary Plus are merging into a single strong secretary brand under the name Secretary Plus, the brand name that is also operated internationally. ASA Student and Ad Rem Young

competencies of the companies, we will be moving forward with strong companies,” explains Rob Zandbergen. “We distinguish clear market segments in our new portfolio, with operating companies focused on general staffing services for both large clients, including the government, and SME clients. We also work with specialist companies that focus on the office segment, secretaries, the technical segment, students and

CLEAR CHOICES

AFTER A DIFFICULT PERIOD USG PEOPLE IS ONCE AGAIN LOOKING TO THE FUTURE IN FRANCE. FROM NOW ON THE COMPANY WILL FOCUS ON REGIONS WHERE SMES GENERATE BUSINESS. “WE ALREADY HAD THE BLUEPRINT FOR THE NEW COMPANY AT OUR DISPOSAL.”

“We are smaller than our big competitors. But that doesn’t matter because it enables us to act quicker and more effectively. At the same time we are bigger and better equipped than the regional players. If we succeed in setting up our organisation well, we will be able to operate more efficiently than our regional competitors. So what does this mean? Our strategic starting points for further growth are solid for when the market in France picks up.” Olivier Guiraud, Vice President of USG People in France, is a manager with a long track record in the services sector, a man with clear objectives. “Compared to our peers, USG People has to be the most profitable player in 2014.”

To help achieve this objective, a lot of hard work went into the new strategy for France this past year. “The French temporary staffing market is very interesting due to its size. You don’t have to have national coverage here to be well-positioned. Indeed, it can even be more interesting to focus your activities on regions with a lot of economic activity,” says Guiraud. In the past year Start People – USG People’s main label in France – closed branches in regions where business activity was mild. Not coincidentally, the other regions are areas where SMEs are traditionally strongly represented.

Start People now concentrates on SMEs and attractive key accounts with its multiregional network, looking at the nature of the activities of potential clients. Start People focuses on the construction, foodstuff, energy, environmental and logistics sectors. “We have built up an excellent track record in these segments in recent years and we want to be at the table for tenders.” But not at any cost, Guiraud stresses. Margins are non-negotiable. The choices made were not at all random, but based on the results of Start People’s branches.

“We clearly mapped out which branches also do well in times of crisis. It turned out to be the branches in regions with a lot of SME activity, with their own network, with a mix of clients and managers who know what entrepreneurial spirit is. These branches had taken cost-saving measures long before we took them elsewhere. These were also the branches that made sure they were not dependent on one or two large clients. With teams that are dedicated to their customers and with a strong foothold in the region. So we already had the blueprint for Start People at hand.” Start People is going to focus on recruitment and selection in addition to traditional staffing services. Employees will receive thorough training in these areas. The idea is for these activities to become a new type of service and an extra source of income for Start People. Guiraud has reserved several years to implement the new strategy. After that Start People will be as strong as a house. The first encouraging signs have already been seen. “In the course of the second half of 2009 we outperformed the market. That is an enormous achievement for our employees. They are extremely motivated to make the new strategy a success.”

Professionals are continuing together as ASA Student. In-house services specialist Proflex has already been rebranded as Start People Inhouse Services. Receptel is managed by Unique but will continue to provide reception services as an independent brand. Ikki and Studenten.net will continue as one in 2010 as the company that helps further shape USG People’s future internet strategy.

“By removing the overlap and maintaining the good

professionals. This makes it a lot clearer for candidates and clients. Think about it: from now on a secretary who wants to take her career to the next level only needs to sign up with Secretary Plus. And a client looking for office staff will go to Unique. All it takes is one phone call.”

The responsible management does not expect the integration to cause any problems. “In principle employees are not different,” says director Dorothé Schiks. “There are naturally some cultural differences between >>

StarJob and Secretary Plus. And of course employees have to get used to each other if they work together from the same building. But in the end our intermediaries all have the same goal: to ensure that the placement is right. And this will be the case more often once both companies have merged.”

IMPLICATIONS FOR SOUTHWEST EUROPE

In the Southwest Europe region, which includes Belgium, France and Spain, the implications of the new brand strategy are less far-reaching than in the Netherlands. “In Belgium we already have a well-balanced portfolio of companies with an excellent mix of general and specialist staffing companies,” says Eric de Jong, Executive Vice President responsible for Southwest Europe. The fact that this combination of different companies delivers continuity in poor economic times – because the nature of their business means that they operate in different phases of the economic cycle – has been proven the results achieved in Belgium. “The companies in Belgium are best-in-class,” according to De Jong.

The situation is different in Spain. The first repositioning steps were taken here back in 2008, before the crisis really set in. In fact the crisis accelerated the pace of this operation. “All of Spain has suffered as a result of the economic crisis,” says De Jong. “Our activities were also affected. We used this period to alter our strategy. In Spain we were a volume player with a small market share who wanted to be in many places with both Start People and Unique. So we were unable to make any kind of real impression. Margins were also relatively low in good times. That is why we decided to focus on the SME segment, next to the attractive key accounts, and change our profile from a general staffing player into an SME specialist. That means that you have to concentrate on the regions where there is a lot of SME activity, and that means the Madrid and Catalonia regions.”

Unique and Start People will be integrated in the course of this year and the combination will continue under the Unique flag. Depending on the pace of economic recovery and market developments, other professional brands will be introduced in the coming years alongside Secretary Plus.

The Start People branches in France have now also been grouped into economic regions. Profit potential has improved by opting to focus on specific strong regions. And as in Spain, new clients are mainly targeted in the SME segment and investments will be made in Professionals and reintegration company USG Restart

in the future. All this is aimed at making USG People in France less sensitive to economic fluctuations.

THREE STRONG BRANDS IN GERMANY

For USG People in Germany, 2009 was mainly a year of transition that involved making preparations for a restructuring that will become visible in 2010. “The acquisitions of Geko Zeitarbeit in 2007 and Allgeier DL a year later meant we inherited a lot of brands. Allgeier DL in particular was operating with many labels,” says Hans Coffeng, Executive Vice President for Central Europe. “We have now bought out the minority shareholders and drafted plans to achieve a more effective organisation in Germany, which is poised to be one of the most important staffing markets in Europe.”

In practice it means that USG People is planning to tidy up its range of brands in Germany, reducing the number to three from 14 now. Smart People, which currently consists of 11 former Allgeier DL brands, is merging with Unique. This will create one large SME player with more than 140 branches spread out across Germany. This will strongly improve visibility to both clients and candidates.

Technicum – a brand which will incorporate both Geko and the Allgeier technical companies – will be introduced at the same time. Coffeng: “By combining these companies we will be getting the size and basis needed to achieve further growth once the market picks up. The potential for a good technical label in Germany is huge.” At the same time USG People is swiftly continuing to build Secretary Plus in Germany. The rebranding in Germany will be completed in 2010. By then the shared service centre in Munich should be set up to operate as a back office for Unique, Technicum and Secretary Plus.

In 2010 the Accea brand in Poland will continue as a sub-brand of Start People Poland under the name Start People Professionals. This will be a visual link to the much larger Start People, which will make it more recognisable in the market. Coffeng is looking forward to this: “Once this branding operation is behind us, we will be ready for a new period of profitable growth in this region.” <<

JEANNINE PEEK
managing director Unique,
The Netherlands



From left to right:
Jeannine Peek (managing director Unique), Claudette Bottema (senior consultant Content) and Ellen ten Brink (branche manager Unique).



From left to right:
Hans Coffeng, Rob Zandbergen, Albert Klene and Eric de Jong.

BOARD OF MANAGEMENT

The Executive Board (CEO and CFO) together with the EVPs constitute the Board of Management of USG People N.V.

ROB ZANDBERGEN - CFO AND ACTING CEO

(1958) has been Chief Financial Officer of USG People N.V. since 2005. Since the departure of former CEO Ron Icke on 10 July 2009 Rob has fulfilled the role of acting CEO.

ALBERT KLENE - EVP FOR THE NETHERLANDS

(1961) has been Executive Vice President with responsibility for all activities in the Netherlands since 2003. Albert has been a member of the Board of Management of USG People N.V. since 2006.

HANS COFFENG - EVP FOR CENTRAL EUROPE

(1967) has been Executive Vice President for the Central Europe region since October 2006, in which capacity he is responsible for all activities in Germany, Austria, Switzerland, Poland and Italy. Hans has been a member of the Board of Management of USG People N.V. since 2003.

ERIC DE JONG - EVP FOR SOUTHWEST EUROPE

(1963) has been a member of the Board of Management of USG People N.V. since 1 October 2007. As Executive Vice President for Southwest Europe he is responsible for all activities in Belgium, Spain, France and Luxembourg.



From left to right:
Evamaria de Boer, Leo Houwen and Albert Jan Jongsmā.

EXECUTIVE COMMITTEE

The Board of Management together with the CVPs constitute the Executive Committee.

EVAMARIA DE BOER - CVP HUMAN RESOURCES

(1957) was appointed Corporate Vice President for Human Resources in 2005, since when she has also been a member of the Executive Committee.

LEO HOUWEN - CVP CORPORATE AFFAIRS

(1949) is Corporate Vice President with responsibility for corporate affairs and has been a member of the Executive Committee since 1992.

ALBERT JAN JONGSMA - CVP LEGAL AND MERGERS & ACQUISITIONS

(1968) has been Corporate Vice President for Legal & M&A and a member of the Executive Committee since 2006. He also holds the position of secretary of the Supervisory Board and of Stichting Preferente Aandelen USG People N.V., as well as being the company's Compliance Officer.



From left to right:
Christian Dumolin, Joost van Heyningen Nanninga, Cees Veerman, Marike van Lier Lels and Alex Mulder.

CHRISTIAN DUMOLIN - SUPERVISORY BOARD

(1945) was an independent member of the Supervisory Board of Solvus N.V. from 1998 up until the acquisition of Solvus by USG People N.V. in 2005, when he became a member of the USG People Supervisory Board. His term of office was extended on 29 April 2008 and will now end in 2012. Christian Dumolin holds Belgian nationality.

JOOST VAN HEYNINGEN NANNINGA - SUPERVISORY BOARD

(1946) joined the USG People N.V. Supervisory Board in April 2001. His term of office ends in 2013. Joost van Heyningen Nanninga holds Dutch nationality.

CEES VEERMAN - SUPERVISORY BOARD

(1949) joined the Supervisory Board as its new chairman on 1 December 2009 ahead of his official appointment by the Extraordinary General Meeting of Shareholders on 2 March 2010. Cees Veerman holds Dutch nationality.

MARIKE VAN LIER LELS - SUPERVISORY BOARD

(1959) has been a member of the USG People N.V. Supervisory Board since December 2002. She fulfilled the role of acting chairman of the board from 27 October 2009 to 2 March 2010. Her term of office ends in 2012. Marike van Lier Lels holds Dutch nationality.

ALEX MULDER - SUPERVISORY BOARD

(1946) founded Unique Uitzendbureau in 1972, which by consequence makes him a founder of USG People N.V. He was appointed to the USG People Supervisory Board in 2006. His term of office on the supervisory board of USG People ends in 2010. Alex Mulder holds Dutch nationality.

COR BRAKEL †

Cor Brakel (1937) was chairman of the Supervisory Board of USG People N.V. from 1998 until his death on 19 October 2009. We owe him a huge debt of gratitude for the 12 years during which he assisted the USG People board with great drive and enthusiasm. His term of office was due to expire in 2010 and the proposal to extend this was already on the table. Sadly, it was not to be.



CORPORATE RESPONSIBILITY

making a difference

THE RIGHT PLACE CAN BE FOUND FOR EVERYONE – WHETHER IT BE A COURSE, INTERNSHIP, VOLUNTEER WORK OR A PAID JOB. IT MAY JUST TAKE MORE EFFORT TO HELP SOME PEOPLE, OR INVOLVE COMING UP WITH TAILOR-MADE SOLUTIONS. THIS IS WHAT USG PEOPLE AND ITS EMPLOYEES EXCEL AT.





SANDRINE PAL
managing director
USG Restart, France



“You occasionally get people who you can’t place straight away – for example when there is a gap between two jobs,” says Frederique van Belkum, senior intermediary at StarJob’s branch in Delft. “You can let someone like that stay home, but that would be a total waste if you see what kind of skills the person possesses. I wouldn’t want that to happen to me either. And there are so many organisations that would really benefit from professional support. Our secretaries are used to getting accustomed to a new organisation quickly, simply because they roll up their sleeves and get stuck in.”

That is why Van Belkum got in touch with Bedrijf en Samenleving Delft, a body that helps social organisations in the city of Delft connect with people who have something to offer. Agreements were quickly made. When a local social organisation needs a secretary, Bedrijf en Samenleving contacts Van Belkum. She then checks to see if anyone is available and, if so, sends the candidates over. StarJob secretaries have helped out at various organisations when they find themselves in a scrape. Such as Stichting Delft Mama, a foundation that provides information to pregnant women of foreign descent, and the Dutch diabetes association.

“Our secretaries love doing it,” says Van Belkum. “They really feel like their contribution to society is appreciated. And they often get involved outside of work too.” StarJob does not invoice the social organisations, so just what’s in it for the company? “This initiative emerged from the notion of wanting to contribute to society. We are good at providing secretarial support, so logically that is what you offer. In this case it works both ways. Our network of corporate customers in Delft has grown immensely. That network has already provided us with three requests for secretaries. And we were able to fill all three vacancies.”

Van Belkum had the honour of being named Intermediary of the Year in 2009. The young intermediary says matter-of-factly that she assumes that her initiative to work with social agencies in Delft played a role in this.

USG People believes it has a responsibility to not only put in the effort for candidates who are ‘easy’ to place and are therefore interesting from a commercial point of view. The knowledge and capacity available to us at both head office and the operating companies should also be used to help people further removed from the job market, employees who are sidelined or who are at risk of ending up there, and social organisations in need of staffing support. “We know a lot about employment mediation,” says Rob Zandbergen, USG People

CFO as well as acting CEO. “It is only logical that you utilise this core competence in social areas too. This is where we can make a difference, so we just have to do it.”

USG People’s corporate social policy is based on the company’s main asset – the people that work for it. This policy is closely linked to USG People’s vision: with people at the heart of our organisation, USG People aims to get the right talent in the right place. The right place can be found for everyone – whether it be a course, internship, volunteer work or a paid job. It may just take more effort to help some people, or involve coming up with tailor-made solutions. This is what USG People and its staff excel at. “As a professional, it is of course an enormous rush if you are able to place a candidate who was hard to find,” says Zandbergen. “But it is perhaps even more satisfying when you’re able to help someone who dropped out of school find a job-learning position or someone with a disability find a suitable job.”

Zandbergen firmly believes that the organisation will benefit from this too. People who contribute to society or know that their employer does are more motivated, he knows from experience. The support has been broad-based. Many employees reacted positively to the news that the company would not be handing out end-of-year gifts but would instead donate money to UNICEF. What’s more, many clients make a point of asking about our policy on corporate social responsibility (CSR). So it is also wise from a commercial point of view to make CSR a structural part of our operations.

USG People’s operating companies are at liberty to determine their own corporate social policy. For example, StarJob – which is merging with Secretary Plus in the summer of 2010 – placed secretaries who were between jobs free of charge at AMREF Flying Doctors, the organisation aimed at improving healthcare in Africa. This came to around 850 hours. Locally there is more room for operating companies to take their own initiative, like Van Belkum did in Delft. “The main strength of the operating companies is the entrepreneurial spirit of our people,” says Zandbergen. “And we also encourage people to take social initiative. That’s when the impact is the greatest.”

If you visit the USG Restart branch in Sarcelles, a gloomy suburb in the north of Paris, on a Monday or Tuesday you might well think you had come to a secondary school. That is because one of the office areas has been set up like a classroom. The only

KEEPING PEOPLE IN WORK

USG PEOPLE WAS THE FIRST COMPANY TO INTRODUCE CO-SOURCING IN BELGIUM, BOTH AS A CREATIVE SOLUTION TO AN ACUTE PROBLEM AND AS A FLEXIBLE SOLUTION UNDER ANY MARKET CONDITIONS. IT INVOLVES COMPANY A LENDING OUT ONE OR MORE EMPLOYEES TO COMPANY B THAT NEEDS FLEX WORKERS. THIS WAY, EMPLOYEES KEEP ON WORKING AND COMPANIES SHARE EXPERTISE.

Last year several customers of Start People, Unique, Secretary Plus and other USG People operating companies in Belgium suddenly found themselves faced with both a short-term and a long-term challenge. Order books were dwindling rapidly as a result of the economic downturn, putting companies under pressure to reduce their headcount. At the same time, they had invested a lot of time and effort over the past few years in finding and training suitable staff. Sending employees home would be shooting themselves in the foot given demographic developments in Belgium: within a few years they will be faced with an ageing workforce, which in turn will mean a tighter labour market. "Early last year we realised that various customers found themselves facing this challenge," says Christophe Petit, general manager of Start People Belgium. "So we set up a cross-company working group to find a creative solution inspired on the existing Dutch formula of cooperative insourcing and outsourcing of staff. This is in the best interests of the companies and our clients, but certainly also of the people who would otherwise face redundancy."

Two basic preconditions were established: firstly, that companies must be prepared to work together to find creative solutions to avoid staff being laid off, and secondly that there must be high levels of solidarity amongst colleagues. Half of employees are willing to cut their hours if that would prevent a colleague from being made redundant. This applied to our own organisation too: all staff at Start People Belgium cut their hours to 90% for a while last year in order to preserve as many jobs as possible. A creative solution based on the co-sourcing formula was devised and launched. Staff members at company A who are temporarily surplus to requirements are sourced out to company B where the flex workers are needed. The USG People companies match supply and demand, support the employees and take care of the administrative side of things. "Employees are given a temporary contract, but retain the right to go back to their old jobs and associated terms of employment. It's a win-win situation: employees get to keep their jobs, employers are given a solution to their staffing problems and society avoids the cost of benefit payments." So what's in it for USG People? It's an innovative and socially responsible approach that pleases both staff and customers.

The great interest shown by companies, the trade press, employers' organisations and the political world are testimony to the importance of this flexibility solution. Co-sourcing has now been put into practice, with several staff from customers of companies including Start People and Unique having been 'shared'. The companies work closely with organisations including the VOKA business network and sector organisation AGORIA to make sure that interested parties get the information they need. Start People got such a positive response to co-sourcing that the concept has been developed further. Petit: "A lot of our customers only need people in peak seasons. We bring these companies together, meaning that staff are guaranteed work throughout the year." For example Daikin, active in heating and cooling technologies, and chocolate maker Natrajacali both use the same staff pool. Another pilot is running at Nike and Toyota, which have large plants not far from each other.

difference with a real classroom is that the students – 12 in total – are listening carefully to a USG Restart employee. The boys have taken off their caps and put them on the table. "Here we work on building self-esteem," says Arnaud Lévêque, one of the responsible managers at USG Restart Sarcelles. "This is something that the young people here completely lack. A workshop like this is aimed at boosting their confidence."

The young people that Lévêque and his staff work with are all dropouts. "These are boys and girls for whom a normal school is no longer an option. Some speak little to no French. Others have had problems at home and have lost their way a little. These people have no chance of getting a job the traditional way. For them, USG Restart's support programme is their final chance," says Lévêque. "That's how they see it too.

That's why they are extremely motivated to make it work."

USG Restart is able to do what French government institutions have not been able to do for years. On average, 35 per cent of the young people are helped to find a job. And when it comes to the long-term unemployed – another one of USG Restart Sarcelles' target groups – the success rate is even 45 per cent. Placements are only viewed as a success if the person has been able to hold down the job for six months. And only then does the government pay USG Restart a mediation fee.

"These are high scores in our industry. And certainly in these economic times," Lévêque explains. "This high score is really not that strange. Assisting these young people intensively and helping them find a job is a >>

ARNAUD LÉVÊQUE
manager Restart Sarcelles





real trade. It's something that the benefits payments administrator can't just do on the side. We use our network to find jobs. Stade de France often places candidates. And if Carrefour has any vacancies they knock on our door first. It saves them time and we know how to prepare our young candidates for the job interview so they do in fact get hired. You can count on it."

USG Restart does not only help disadvantaged young people find a job from its branch in the north of Paris. In 2006 the company – then operating under the name Start People – was getting assignments to help the long-term unemployed and school-leavers find a job, course or internship. It really took off in 2008.

"Two years ago we made the decision to continue as USG Restart. We got more assignments that have to do with reintegration, even more so when President Sarkozy announced his plan to rejuvenate France's troubled suburbs," says Sandrine Pal, director of USG Restart. "This is really different work – specialist work."

This is without doubt the big edge that USG Restart has over its competitors. "To do this well you have to be at it every single day, and really do your best," says Pal. USG Restart now has twelve branches, six of which are located in Paris and the surrounding areas, as well as in Marseille and Rennes. She believes the company has not grown too fast. "The government often issues large tenders. It is tempting to want to be at every table, but this would be unmanageable. Don't forget that we often don't get paid until candidates prove they can keep their job. You can only achieve results if you help these people intensively."

Up to now in France, USG Restart has mainly been commissioned by government organisations. In 2010 the company will also focus on the private sector with outplacement services. The company is already a success. "In the past two years we have built a healthy and professional company," says Pal. "What's more, we have helped many people build a new future, and that what makes our employees tick. <<

DEVELOPMENTS BY COUNTRY

THE NETHERLANDS

USG People holds the number two position in the Netherlands with a market share of around 20%. Our group boasts a strong position in the Human Resources market with a wide variety of activities. In 2009 the Netherlands accounted for 44% of total group revenue, with around 60% of revenue being generated by specialist activities. USG People operates a number of distinctive brands, including Start People, Content, Creyf's and Unique. These companies offer a wide array of services in both the industrial and services segments. The activities in the Netherlands are broadly spread, both in geographical terms and across the various market segments. USG People also provides flexible solutions for higher-educated and specialised staff. Specialist brands are used to serve specific markets, such as engineering, IT, secretarial and students. These trademark specialist services are divided into three segments: Specialist Staffing, Professionals and Other services. Thanks to its multibrand approach USG People enjoys a high degree of brand recognition and its services are attractive to both candidates and customers. Furthermore, this approach ensures a wide spread and high degree of specialisation in the highly developed Dutch market.

In the early part of 2009 there was a sharp decline in demand for seconded staff in the Netherlands. In the first quarter demand dropped off rapidly, after which a period of stabilisation followed. The second half of the year marked a turning point and slowly but surely a cautious recovery set in, mainly as a result of an initial

improvement in the early-cyclical industries. In the employment market as a whole the number of hours sold during the year was down 22% on 2008.

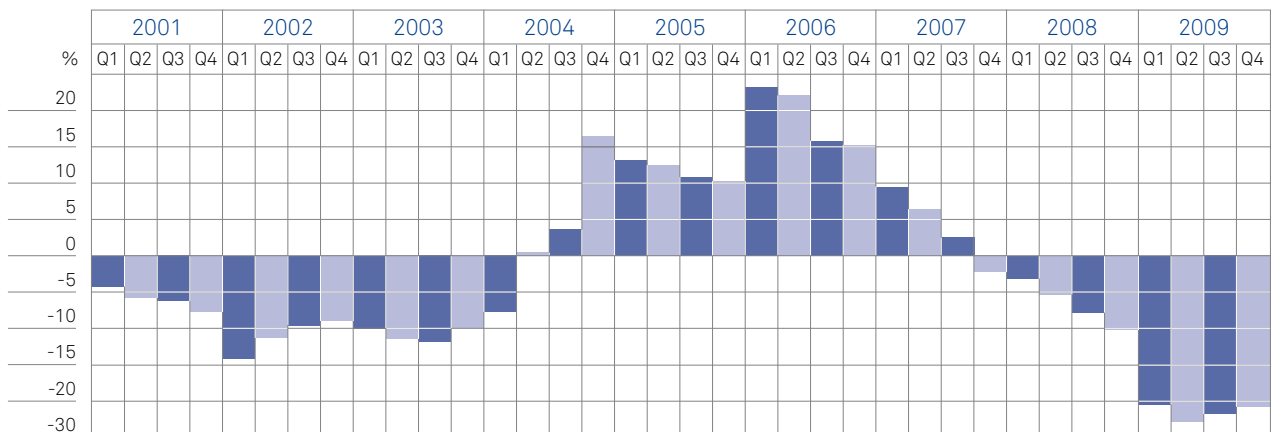
USG People holds a strong position in the services sector and performs a fair proportion of its activities in the small and medium-sized business segment. These market segments tend to recover slightly later in the economic cycle than large industrial companies and as a consequence USG People slightly underperformed the market. Furthermore, revenue from recruitment and selection was 55% lower in 2009 than the previous year as a result of the limited number of vacancies in the Dutch labour market.

Within the activities in the Professionals segment USG Energy and USG Restart managed to achieve slight growth in 2009, while call centre services also posted growth.

BELGIUM AND LUXEMBOURG

As in the Netherlands, USG People holds the number two position in Belgium with a market share of roughly 20%. Belgium is USG People's second market, in terms of both revenue and degree of specialisation. In 2009 Belgium and Luxembourg accounted for 22% of total USG People group revenue. Some 40% of revenue in Belgium and Luxembourg was generated by specialist activities. Looking at the larger companies, Start People operates in the general segment and Unique in Specialist Staffing. Both companies provide services in the flexible labour market, with Start People traditionally more focused on the industrial segment and Unique carving a niche for itself in the services sector. The activities of both companies are widely spread across the various branches of industry.

GROWTH IN NUMBER OF HOURS SOLD IN THE DUTCH MARKET (ABU)



Structural growth in the services sector has had a positive impact on the spread of activities. USG People has some very successful specialist brands in its portfolio in Belgium and Luxembourg. Part of the Specialist Staffing and Professionals segments, these brands focus on specific market segments and are active in the secretarial, reception, legal, medical, IT, engineering, financial and Human Resources services sectors. The mix of volume and specialisation ensures high profitability in the mature Belgian and Luxembourg markets.

Market volumes declined rapidly in Belgium in the first quarter of 2009. Compared to 2008 the number of hours sold fell by a quarter in the first three months of the year. However, in the latter half of the year the decline clearly slowed. For the full year market volume expressed in terms of hours was down by 23% compared to 2008.

With a 21% drop in sales USG People slightly outperformed the market. Revenue at Start People and Unique fell by 22% and the combined specialist activities posted a 16% decline. As in the Netherlands, the first signs of improvement in Belgium appeared at industrial customers and manufacturers of semi-finished goods. These early-cyclical activities are traditionally the first to show improvement as the economy starts to recover, generally followed somewhat later by the activities in the services sector.

Within the specialist activities USG HR Forces (including recruitment and selection) and USG Financial Forces were hit hardest by the economic recession. There was very little demand for financial profiles and recruitment and selection during 2009. By contrast,

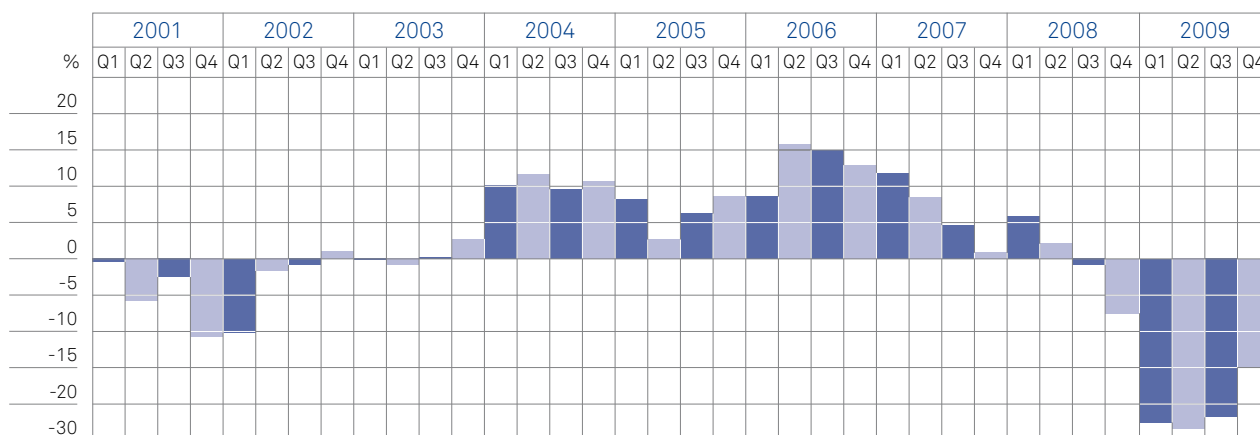
Legal Forces, Express Medical (healthcare) and Receptel performed better than average, with Legal Forces actually posting growth. At Receptel (reception services) revenue remained stable compared to the previous year and the drop in revenue at Express Medical was only small.

FRANCE

After years of expansion and organic growth USG People has refocused its policy in France. The objective of achieving nationwide coverage and density of the branch office network has been shifted towards focusing on effective positioning in economically strong regions. In addition USG People will increase its focus on specialist services and specific market segments. Now the market is showing signs of recovery again, expansion of the specialist services which were introduced in France in 2007 can be continued. At the end of 2009 the secretarial brand Secretary Plus had five branch offices in major cities such as Paris and Lyon, while USG Financial Forces currently has 10 branch offices. USG Restart launched its activities in France in 2008 and expanded its network to 12 offices in 2009. USG Restart focuses mainly on reintegration activities and providing HR services to the public sector (French government). Following the European directive on agency work services to the public sector were gradually opened up in 2009.

Restructuring took place during 2008 and 2009 in response to the economic downturn and the strategic refocus. There were cutbacks in staffing levels and 48 of the 220 branch offices were shut or merged with other offices. The branch offices which were closed down were mainly located in regions with limited economic activity. >>

GROWTH IN NUMBER OF HOURS SOLD IN THE BELGIAN MARKET (FEDERGON DATA)



The temporary staffing market, which suffered a serious decline in late 2008 and early 2009, staged a surprisingly swift recovery as the year progressed. The early-cyclical industries in France, including the auto industry, were amongst the first in Europe to recover, which soon slowed the decline in revenue. In the final quarter USG People's revenue was 7% lower than in the previous year, compared to a decline of 32% in the first quarter of the year. In December revenue was virtually unchanged from the same month in 2008. The decline in full-year revenue was 22%. Considering the difficult market conditions Secretary Plus performed well, generating revenue flat compared to 2008 levels. However, Financial Forces posted a substantial decline in revenue as a result of the credit crisis. USG People's French operations posted a negative result for 2009, partly due to the extra restructuring costs.

SPAIN AND PORTUGAL

In Spain USG People is active in both the general and specialist staffing segments. Start People and Unique cater to the entire Spanish market and are active in the services, industrial, transport and logistics, agricultural and hospitality segments. In Spain USG People also focuses on specific markets including HR services, secretarial services and outsourcing. The Spanish construction industry and public sector have not yet been opened up to temporary staffing, but these restrictions will have to be lifted over the next two years after the European directive on agency work came into force in 2009. This will provide scope for structural growth on the Spanish market in the longer term. USG People has also further sharpened the strategic focus of its Spanish operations, which as in France will concentrate more on economically strong regions and specialist services. This was the reason behind the decision to discontinue the operations in Portugal. The Portuguese operations, which contributed less than 2% to total revenue for the Iberian region, were divested at the beginning of 2009.

Spain also undertook restructuring in order to streamline the organisation. In 2009 45 branch offices were closed which, on top of the 42 closures in 2008, shrank the network from 221 to 134 offices. Many offices merged with other existing ones and the offices that were closed tended to be in remote areas. The headcount in Spain was reduced by 295 FTEs to 425 FTEs in 2009, meaning staffing levels have more than halved over two years.

In 2008 and 2009 the Spanish economy was hit hard by the recession. The number of jobs shrank rapidly and the unemployment rate rose to one of the highest

levels in Europe. Some areas in Spain suffered jobless rates of around 25% in 2009. In the temporary employment market the very weak demand which started in 2008 continued. As a result of the poor market conditions and the closure of offices in remote areas USG People saw revenue drop 44% in 2009 compared to 2008. Restructuring pushed up cost levels in 2009. The fall in revenue and the extra costs in connection with restructuring led to a negative result for 2009.

GERMANY

After a period of organic growth and strategic expansion through acquisitions, 2009 in Germany was mainly characterised by a cyclical decline in the market. For the first time in six years the German economy contracted as a result of sharp declines in exports and investment. Gross national product slumped 5% in 2009, the biggest fall in 60 years. As the global economy weakened, production in Germany fell, forcing companies to reduce their headcount. From the second quarter the economy started to show slight growth again and signals pointing towards a recovery became increasingly positive. The German government's stimulus programmes also proved successful. In the longer term Germany remains an attractive growth market for USG People. The low level of penetration of flexible labour, which fell even further in 2009 due to the economic downturn, offers great potential for structural growth of our services. In 2010 the operations of Smart People will be merged with Unique which will strengthen our market position and enhance international recognition. The portfolio will then consist of the international brands Unique, Technicum and Secretary Plus.

In 2009 the German network was rationalised. The number of branch offices was reduced from 177 to 151 and the headcount fell by 26% in the course of the year. These adjustments have created a more efficient organisation and will enhance earnings potential once the market picks up again. In 2009 USG People's German revenue fell by 32% compared to 2008. Improvement started to appear from the second quarter, meaning the decline gradually slowed during the latter half of the year. With a revenue drop of 12% Secretary Plus turned in a relatively good performance.

ITALY

Italy is one of USG People's growth markets in terms of both volume and the further introduction and expansion of specialist services. In 2008 Start People was joined by Unique, whose launch marked an initial step in the introduction of specialist services. Unique has been operating four branches in Italy since 2008

and in 2009 revenue continued to grow. No further expansions were initiated during the year as investment was temporarily put on hold due to the poor economic climate. The portfolio in Italy consists of the international brands Start People and Unique, which form the basis for the further growth and optimisation of services.

The Start People network was downsized in 2009, mainly by merging branches. The number of branches was reduced from 87 to 73 and the headcount fell by 31 FTEs. USG People's revenue declined by 31% though the final quarter started to show a clear recovery. Unique achieved growth of 70% in 2009 compared to its launch year 2008. As is the case with the other European countries, Italy offers excellent future perspective for USG People's growth strategy.

AUSTRIA, SWITZERLAND, POLAND, CZECH REPUBLIC AND SLOVAKIA

In 2009 the operations in the Czech Republic and Slovakia were discontinued as part of the strategic refocus. The operations in both countries were divested in the fourth quarter through management buy-outs.

In Austria, Switzerland and Poland USG People provides general staffing services, spread over a wide range of sectors. Together the countries contributed 2.5% to group revenue in 2009. In Austria and Switzerland revenue declined by just over 20%, while the drop in Poland was 40%. The activities in Poland are more closely linked to large industrial customers where there was a decline of over 50% in the early part of the year. In the second half of the year the situation improved considerably. All the countries saw the revenue trend improve in the latter half of the year as the industrial sector started to recover. <<

BARBARA STADSBADER
managing director Secretary Plus, Belgium





INNOVATION

thinking ahead

HELPING THE CUSTOMER COME UP WITH SOLUTIONS, ADDING ELEMENTS YOU FIND USEFUL YOURSELF AND KEEPING UP-TO-DATE WITH DEVELOPMENTS IN YOUR AREA OF EXPERTISE. THESE ARE THE INGREDIENTS THAT KEEP YOU INNOVATIVE. FOR CANDIDATES AND CLIENTS AS WELL AS WITHIN YOUR OWN ORGANISATION. “THAT’S WHAT GIVES US THE EDGE.”

Meet Harold. Harold? Harold, or rather H.A.R.O.L.D., stands for Hours and Request on line desk – an online tool developed by Start People Switzerland to make life easier for clients. When you log on, you get a friendly welcome message in your choice of German, Italian, French or English. Harold’s greatest ambassador is Richard Noller, sales and marketing manager at Start People Switzerland, and the inventor and developer of Harold. “Harold was created to meet a need. About 18 months ago I was asked by a customer whether it wasn’t possible to automate all the red tape involved in this line of work. Things such as filling in paper timesheets are very time-consuming and customers want to be freed of them.” >>

At the time Noller was unable to fulfil the customer's wish, but the request did set this keen manager thinking. "Surely it couldn't be that difficult, a portal where customers can find an up-to-date record of the number of hours worked by temporary staff? We started building the site in January last year and by June it was ready for testing."

Harold already has five users. They are players of considerable standing, such as the CERN laboratory in Geneva, home to the world's largest particle accelerator. Noller: "They think it's a handy tool. Obviously it saves them a lot of work and they can check the size of the bill in a single keystroke. It also supplies the customer with useful statistics. If in a certain year you needed five temporary employees in a particular week, there is a good chance you will need the same support again in the same period of this year. Harold provides you with a clear overview of this."

The portal also includes a forum where users can engage in discussions with their sector peers or watch HR-related videos if they so wish. Noller laughs: "Yes, it includes a few items that I find useful myself. Usually this kind of portal is designed by IT people, while Harold has really been designed with the aim of making life easier for the customer. And our feedback consistently shows that customers find it really user-friendly."

Noller also showed the portal to the person who gave him the idea in the first place. "He was pleasantly surprised. He'd never come across this kind of tool before. His contract with another temporary employment agency ends this year. After that, I'm sure we'll talk again."

Harold is just one of the many innovations within USG People and its operating companies. These come in many shapes and forms. "What is innovation?" says Anne-Lies Dubel, responsible for strategy & organisational development at USG People. "My definition is that it has to involve coming up with creative solutions that will make the company more successful. These can be big ideas for rolling out across the organisation, but also small, smart solutions that make a big difference to an operating company or a department. If you look at innovative companies, innovation does not usually come from the top down, but it's the employees that come up with smart solutions."

It's no different at USG People. "This company has great entrepreneurial spirit. It is the job of the head office to stimulate entrepreneurship. Staff and operating companies are given the freedom to develop their own initiatives. We ensure that good ideas are picked up on elsewhere in the group," says Dubel.

For example, in the Netherlands knowledge is shared

via the project group 'Power of Open' (POO), which pools concepts, ideas, and experiences related to internet, marketing and job mediation. This knowledge is then shared with the operating companies. "We want to avoid the need to reinvent the wheel over and over again," says project leader Marco van Hurne. He sees various good initiatives at operating company level that deserve to be adopted elsewhere. For example, Content successfully uses HRContent.nl to target HR managers, offers temping staff their own high-quality online platform in the shape of mijncontent.nl, Unique recruits staff on Twitter via UniqueAmsterdam and ikki uses a so-called social career navigator to predict the next career move. Van Hurne: "We use POO to share innovative initiatives and knowledge. Each subsequent implementation has to be better than the original." Start People in the Netherlands now has its own 'Harold', called DIGI-WUB. This portal takes things a step further than its Swiss parent. Temporary staff are given a digital card that registers clocking-in and clocking-out times. Customers are supplied with readers which read the card on entering and leaving the building. The information from the card and the reader is then combined on a portal customised for the client. The client can use the portal to check, correct and sign off the hours. "You could call it a kind of self-billing," says Bram van der Wal, managing director of Start People Nederland. "It enables clients to calculate how much seconded flex workers are costing them. Ideal, because the margin for error is minimal. It also makes working with temporary staff easier for customers to manage."

Over 20% of Start People customers in the Netherlands already use DIGI-WUB, including ABN AMRO, Nuon and the Ministry of Agriculture, Nature Management and Fisheries. Van der Wal expects this to double within a year. "Many tenders already request digital alternatives to the traditional timesheet. This applies to multinationals, but increasingly also to companies in the SME segment. Most of our competitors now offer a digital platform, but I've yet to see any as efficient and comprehensive as DIGI-WUB. That certainly gives us an edge."

And what about Start People in Italy? Number 10 in the Italian market in terms of revenue, but in terms of the number of vacancies advertised online Start People takes second place. A matter of investing in and making clever use of internet. For example, Start People launched a powerful online campaign for an Italian film sponsored by the company, it cooperates with two big career sites and makes targeted use of Google Adwords. This strong online position is paying dividends for the company.

Sometimes innovation is a question of making clever use of the resources already available to you. Why compile and maintain a huge database of candidates when you can find up-to-date profiles of suitable candidates on internet? “We are a small organisation, which means you have to make creative use of your resources,” says Anna Relle, commercial manager at Secretary Plus in Austria. “These days, an upgraded account and the right search terms will get you a long way on networking sites such as LinkedIn and Xing. Key in the words ‘new challenge’ and it brings up everyone who is looking for a new job. They always include candidates who are of interest to us.”

Relle maintains it’s mainly a matter of being pro-active. “That’s what you do at the office so why not do the same online?” Recently she saw that the HR manager of a large Austrian company had been looking at her profile on LinkedIn. “And then of course I contacted that person to ask whether he’s interested in the services of Secretary Plus.”

At Relle’s – much bigger – Belgian sister company they take things a step further. At the end of November Barbara Stadsbader, managing director of market leader Secretary Plus, was presented with the Best Innovator Award Belgium 2009 at a ceremony in Brussels. Secretary Plus won the prize in the small and medium-sized enterprise category. Each year a jury led by management consultants A.T. Kearney conducts an extensive survey of innovative companies. “It’s a great honour to be chosen from all those companies,” says Stadsbader, who views the prize primarily as an encouragement to further roll out the award-winning concept: Virtual outsourcing. “To outsiders the world of assistants might not seem a very dynamic one, but the reality is very different.” Stadsbader, who was responsible for business development before becoming managing director at Secretary Plus, outlines two developments.

Firstly, “the job of management assistant is a bottleneck job, even when economic times are hard. In Belgium high demands are made of assistants: not only do they have to be fluent in three languages – Dutch, French and English – but in addition to ‘normal’ skills they also have to have high stress-tolerance. Working part-time is not the norm here, which means it is a challenge to find the right work-life balance. Mobility is another problem which causes a lot of suitable candidates to pull out. That’s a shame, because companies are missing out on experienced staff while professionals with plenty of experience are letting great career opportunities pass them by.”

Secondly, clients are increasingly looking to outsource services on a flexible basis, a trend accelerated by the economic crisis. “We are seeing great demand for

project-based support, ranging from support on minor projects to the outsourcing of major events. A number of companies were forced to let assistants go over the past few months. This has left them short-staffed and looking for flexible solutions. And that’s when they come to us.”

The need of employees for flexible work on the one hand and the wish of clients to outsource activities on the other is what gave Stadsbader the idea for virtual outsourcing. This enables Secretary Plus to offer employees great flexibility. “It used to be important for an assistant to always be on standby at the office, at the manager’s beck and call. Now this is no longer necessary. As long as you have a laptop, an internet connection and a telephone you can perform almost any duty,” says Stadsbader. Secretary Plus has assistants who are able to work for several different clients in this way, while others serve the same customer. This is an ideal model for many people.”

Customers are also happy with the new model.

Secretary Plus provides them with a virtual modular platform offering the same services as a ‘traditional’ office. The company offers a full range of support services. An added advantage is that the customer can use the platform to access the services of a virtual assistant with a unique specialisation, given that the pool brings together various areas of expertise.

“We have calculated that a workstation costs an average of € 11,000 a year. Unless that workstation is occupied all the time, it’s money wasted.”

To avoid virtual assistants becoming isolated, Secretary Plus is setting up offices where they can log in using their laptops to work, share knowledge and hold meetings. At present there is already an office in Vilvoorde, near Brussels, and there are plans to open similar ones in Louvain and Kortrijk. Stadsbader: “Look at it as a new way of working. In a few years’ time this will be commonplace, I’m sure of it.” <<

FINANCIAL DEVELOPMENTS

The global economic downturn in 2009 led to a cyclical drop in revenue. The early part of the year in particular saw an exceptional collapse in market demand. As the problems in the financial sector caused by the credit crisis spread to the real economy the whole of Europe experienced an exceptionally rapid contraction in production. While the speed of the market decline was unprecedented, so was the fact that markets stabilised after just a few months and then started to show signs of recovery. Recovery came first to countries with early-cyclical industries, particularly large production industries, eventually followed by the service sector and small and medium-sized enterprises. By the end of the year all trends were generally cautiously positive again.

In 2009 USG People streamlined both its organisation and its strategy. During the year 229 branch offices were closed (14% of the network) and the headcount was cut by a total of 1,750 FTEs (19%). At the active operating companies the number of staff was reduced by 2,111 FTEs (25%) during 2008 and 2009, and 267 branch offices were closed (16% of the network). In 2009 USG People divested its operations in Portugal, the Czech Republic and Slovakia. In France and Spain strategy was adjusted to shift the focus to economically strong regions and specialist activities. As a result of the restructuring this involved, a large number of branch offices in these two countries were closed, mainly in remote areas. The group's operating costs fell sharply in 2009 as a result of cost savings, reorganisations and restructuring. In the final quarter underlying operating costs were down 26% on 2008. The aforementioned measures have led to a structural improvement in the organisation's cost structure, which has in turn strengthened earnings potential. Once the markets start picking up again this will provide greater leverage to further boost the profit margin.

In 2009 USG People generated revenue of € 3 billion, down 25% compared to 2008. The decline in revenue was largely caused by a reduction in market demand across the board and the fact that no acquisitions to speak of were made in 2009. An added factor was the discontinuation of the activities in Portugal, the Czech Republic and Slovakia, though this only had a minor impact, accounting for around 1% of the fall in revenue. Recruitment and selection, which contributes only a very small proportion of total group revenue, saw a relatively exceptional revenue drop of 54% year-on-year. In 2009 recruitment and selection accounted for 1.0% of group revenue and in 2008 1.6%.

CONSOLIDATED RESULTS

Amounts in million euros

	2009	2008	△
Revenue	3,001	4,025	-25%
Gross profit	674	993	-32%
Operating costs	618	756	-18%
Depreciation	29	28	2%
EBITA	27	209	-87%
Amortisation	26	92	-72%
EBIT (operating result)	1	117	-99%
Financial results	-37	-53	27%
Corporation tax	5	-46	113%
Minority interests	0	-1	100%
Net income	-31	17	-282%
Gross margin	22.5%	24.7%	
EBITA margin	0.9%	5.2%	

REVENUE TRENDS

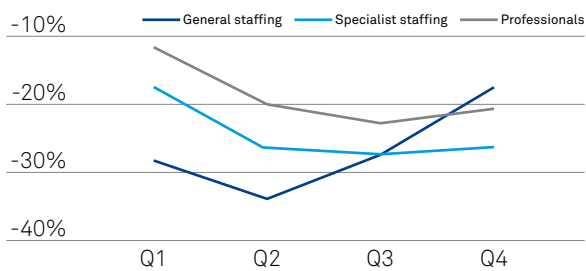
In the early months of the year revenue fell very rapidly in all countries. The Netherlands and Belgium performed relatively well during the first quarter thanks to the strong positions USG People holds in the service sector and small and medium-sized enterprises. Because of this USG People's operations respond somewhat more slowly to cyclical developments. Naturally, this applies to a recovery as well, meaning that revenue in the Netherlands did not stabilise until the final quarter – later than elsewhere. Signs of stabilisation and recovery were visible earlier in the year in early-cyclical market segments, while some specialisations and the SME segment bottomed out later. In the Netherlands revenue for 2009 was 23% lower than in 2008. In Belgium the market bottomed out sooner, in the second quarter. Revenue for the year in Belgium was down 21% on 2008.

Revenue in the countries outside the Benelux dropped off rapidly at the beginning of the year. France reached the bottom first, with a decline of 32% in the first quarter, after which a positive trend soon developed. In the course of the year the markets stabilised surprisingly well and in the latter half of the year the negative trend was turned round into an increasingly positive one. Spain is the only exception to these positive developments, with revenue here having been in decline since the first quarter of 2008. In the first half of 2009 revenue in Spain was down by over 50% compared to the same period in 2008.

A breakdown by activity shows General staffing posting the sharpest revenue fall, with a decline of 28%

compared to 2008. Relatively large falls in Spain and Germany depressed total revenue generated by these activities. On the other hand, recovery was also most apparent in General staffing: revenue decline at these early-cyclical operations clearly reversed from the second quarter, while Specialist staffing and Professionals did not stabilise until the second half. Specialist staffing posted a revenue fall of 25% while Professionals saw a drop of 19%. Two-thirds of total revenue in Specialist staffing and Professionals was generated in the Netherlands, where the recovery was relatively late to emerge. In Belgium, where Specialist staffing and Professionals account for a quarter of total revenue, Specialist staffing showed an improvement.

QUARTERLY REVENUE DEVELOPMENT YEAR-ON-YEAR (YOY)



GROSS PROFIT

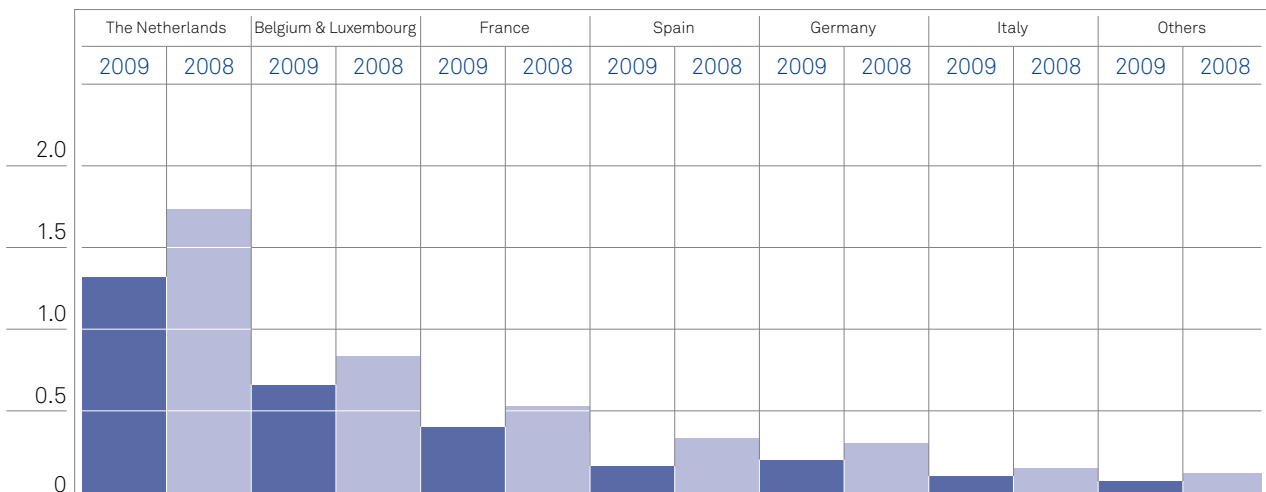
Gross profit for 2009 came in at € 674 million compared to € 993 million in 2008. The 2008 figure was boosted by a one-off subsidy provision of € 8 million in France relating to previous years. Net of this effect, gross profit in 2009 was 32% lower than in 2008. The gross

margin as a percentage of revenue amounted to 22.5% compared to 24.5% (excluding the one-time subsidy) in 2008.

The decline in gross margin was caused by various factors. For example, the first half of the year saw a sharp fall in revenue from recruitment and selection. This had a relatively large impact on the gross margin because there are no costs associated with this revenue. In addition, the rapid deterioration in the market led to so-called idle time on secondment contracts; flex workers on secondment contracts had to be paid under contractual agreements, while their hours were no longer fully billable to the companies hiring them. Furthermore, fees in general were under pressure in the first few months of the year. Customers were implementing cost savings across the board and this depressed prices. Fees stabilised from the third quarter as the recruitment and selection revenue ceased to decline and an increasing number of secondment contracts expired, ending the associated payment obligations. These developments are all typical of the classic cyclical pattern, with the pace of the changes having been the only exception. At the end of the year the market became more competitive as demand picked up. In this phase of the cycle, where demand for seconded staff picks up mainly in the large production industries, there is an abundance of candidates. There is no shortage in the labour market. This makes for stiffer competition as all suppliers have plenty of candidates and everyone is keen to supply following the crisis situation earlier in the year. This weighs somewhat on prices which, combined with the lack of a simultaneous recovery in this phase of the cycle, >>

REVENUE BY REGION

Amounts in billion euros

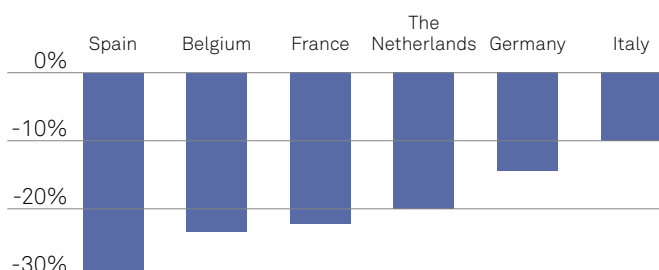


produces a slightly negative effect. Revenue in the industrial segment picks up more rapidly in this phase, first from large customers and subsequently from the specialist operations where gross margins are generally higher.

OPERATING COSTS

Operating costs amounted to € 618 million in 2009 compared to € 756 million in 2008. The figures for both years include one-off costs related to restructuring and reorganisations: a sum of € 25 million for 2008 and € 37 million for 2009. Excluding these one-off amounts underlying costs totalled € 581 million in 2009 against € 731 million in 2008, a decline of € 150 million or 21% year-on-year. The biggest drop was seen in Spain, where operating costs fell by 28% compared to 2008. In Belgium, France and the Netherlands operating costs fell by about 20%. In Germany and Italy costs fell by less; because relatively strong and profitable structural growth is expected in these countries the organisations were not restructured in order to retain growth potential.

REDUCTION IN OPERATING COSTS IN PERCENTAGES



AMORTISATION

Amortisation relates to regular depreciation of intangible assets. Regular depreciation applies to brand rights, client portfolios and candidate databases. These intangible assets are recognised in the balance sheet after acquisitions and amortised over a fixed period of time. Total amortisation amounted to € 26 million in 2009 against € 92 million in 2008 (including € 68 million in extraordinary downward value adjustments).

FINANCIAL EXPENSES

Underlying financial expenses fell from € 38 million in 2008 to € 32 million in 2009. The debt position declined over the course of 2008 and 2009, which in turn reduced interest expenses. Financial expenses also include non-cash valuation adjustments on derivatives, which had a negative effect of € 5 million in 2009 and a negative effect of € 15 million in 2008. Financial expenses including derivative valuation

adjustments amounted to the reported € 37 million in 2009 compared with € 53 million in 2008.

TAX BURDEN

In 2009 the effective tax rate on the income statement equalled 13.8%, which was lower than the average nominal rate of 18.3%. The difference was due on the one hand to the tax-free revenues from the treasury centre in Belgium and on the other to deductible expenses and adjustments from prior years. Because the tax burden is composed of positive and negative results this, combined with the low level of the result, leads to a big difference compared to the average standard tax rate. Based on absolute amounts the average standard rate equalled 31.4% in 2009 and 30.4% in 2008.

NET RESULT

Reported income was depressed in both 2009 and 2008 by one-off costs relating mainly to restructuring and reorganisations. Valuations on interest-rate derivatives and tax adjustments relating to previous years also had a negative effect. Adjusted for these one-time items, underlying net income equalled € 8 million in 2009. The reported net result for 2009 was a negative € 31 million, compared with a positive reported net result of € 17 million in 2008.

SUMMARY OF NET RESULT

Amounts in million euros

	2009	2008
Underlying net result	8	118
One-off results	-41	-17
Goodwill impairment	-	-68
Unrealised value adjustments on derivatives	-5	-15
One-time tax effects	7	-1
Reported net result	-31	17

CASH FLOW

Cash flow in 2009 amounted to € 180 million. Disregarding payments for acquisitions in 2008, cash flow in 2009 was virtually unchanged compared to 2008. Operating cash flow was strong, mainly due to a decline in working capital, which fell by € 190 million in 2009, partly as a result of the sale of trade receivables. In addition to a lower debtor position as a result of lower revenue levels and strict management of trade receivables, € 110 million-worth of receivables had been sold by the end of 2009. In 2009 USG People took out facilities up to a maximum amount of € 125 million to cover the sale of trade receivables

in Belgium and France. Investments in 2009 were low as a result of a cautious investment policy in light of the uncertain market conditions. Given the uncertainties in the market shareholders did not receive a cash dividend in 2009 for the 2008 financial year, with the company preferring instead to reduce its debt position. Primarily as a result of the lower debt position interest-rate payments fell by € 11 million compared to 2008.

CASH FLOW

Amounts in million euros

	2009	2008
Operating cash flow	226	281
Acquisitions	-	-151
Investments	-20	-37
Dividends paid	-	-33
Interest expenses paid	-26	-37
Reduction in net debt (nominal)	180	23

BALANCE SHEET

In 2009 the balance sheet total fell by € 323 million, mainly as a result of a reduction in working capital and a lower investment level offset by higher write-offs. This led to an improvement of the capital structure compared to 2008. The net balance sheet value of the debt amounted to € 376 million at the end of 2009 compared to € 551 million at the end of 2008. Shareholders' equity declined in 2009 due to the negative net result for the financial year. The reduction in the balance sheet total led to an improvement in the solvency ratio to 39% against 34% in 2008.

SUMMARISED BALANCE SHEET

Amounts in million euros

	31-12-2009	31-12-2008
Goodwill	920	923
Other non-current assets	190	227
Deferred tax assets and liabilities	18	0
Working capital	-102	91
Balance sheet total	1.644	1.967
Shareholders' equity	639	671
Subordinated borrowings	153	163
Net borrowings from financial institutions	223	388
Long-term provisions	11	19

CAPITAL STRUCTURE

Amounts in million euros

	Nominal value		Book value	
	2009	2008	2009	2008
Shareholders' equity	639	671	639	671
Subordinated convertible bond	115	115	103	100
Subordinated private loan	50	63	50	63
Net debt to financial institutions	224	391	223	388
Total net debt	389	569	376	551
Total capital employed	1.028	1.240	1.015	1.222
Net debt as percentage of total capital	38%	46%	37%	45%

GOODWILL

Goodwill on the balance sheet fell by € 3 million in 2009 to € 920 million. The decline was mainly due to the discontinuation of the activities in the Czech Republic and Slovakia.

INVESTMENTS

Investments in 2009 totalled € 20 million compared to € 37 million in 2008. The investment level was low in 2009 as a result of a cautious investment policy in light of the uncertain market conditions. Investment in expansion was lower, while structural investment aimed at continuity and efficiency improvements, for example in the organisation's IT landscape, continued. The number of branch offices declined further in 2009, which also lowered investment levels. Investments equalled 0.7% of revenue, down from 0.9% in 2008.

SHAREHOLDERS' EQUITY

Shareholders' equity decreased by € 32 million to € 639 million in 2009. The main change was the inclusion of the negative net result of € 31 million for the financial year. In addition there were some smaller adjustments related to employee share options and an employee share bonus plan. No new issues took place in 2009 and no cash dividend was distributed.

FINANCING

No bonds were offered for conversion out of the subordinated convertible bond in 2009, meaning that the nominal value of the loan remained unchanged at € 115 million. A fourth annual repayment of € 13 million was made on the subordinated private loan in line with the repayment schedule, leaving a balance of € 50 million. The net debt to financial institutions declined from € 388 million to € 223 million at the end of 2009. The sharp decline in the debt position was partly due to the sale of trade receivables, for which facilities up >>

to a maximum amount of € 125 million were taken out in 2009. At end-2009 € 110 million-worth of receivables had been sold.

Net debt was within the permissible limits set by the banking covenants. In the credit agreement with the banks new arrangements were made in 2009 with regard to maximum permitted debt levels as well as interest expenses in relation to results achieved. The senior leverage ratio (net bank debt / underlying EBITDA) was increased from ≤ 2.5 to ≤ 3.0 and the interest coverage ratio (underlying EBITDA / interest expenses) was lowered from ≥ 4.0 to ≥ 3.0 . At end-2009 the senior leverage ratio equalled 2.4 and the interest coverage ratio was 3.6.

PROVISIONS

Long-term provisions fell by € 8 million in 2009, from € 19 million to € 11 million. In addition to the long-term provisions there was € 22 million (2008: € 23 million) in short-term provisions which are recognised under working capital. Overall, provisions declined by € 9 million. The greatest changes were in reorganisation provisions as a result of the rationalisations and restructuring of the network carried out in 2009. On balance the reorganisation provision fell by € 6 million, while € 13 million was added during the year. The other provisions were reduced by € 3 million. These mainly concern a pension provision and a provision to cover legal claims.

DIVIDEND

The multi-year dividend policy is based on a dividend payout equalling one-third of the net result before amortisation and adjusted for the effects of unrealised value adjustments on interest-rate derivatives. As the result was negative in 2009 it is proposed that no dividend be paid over the 2009 financial year, in accordance with the multi-year policy. <<

CONSOLIDATED PROFIT AND LOSS STATEMENT

Note*:	Amounts in thousands of euros	2009	2008
5	Revenue	3,001,134	4,024,965
7	Cost of sales	2,326,898	3,031,787
	GROSS PROFIT	674,236	993,178
8	Selling expenses	-565,510	-754,567
8	General and administrative expenses	-104,699	-122,171
9	Other income and expenses	-3,267	225
	OPERATING INCOME	760	116,665
10	Financial costs	-38,560	-54,136
11	Financial income	2,047	1,301
	INCOME BEFORE TAXES	-35,753	63,830
12	Income tax expenses	4,927	-45,735
	NET INCOME	-30,826	18,095
	Attributable to:		
	Equity holders of the company	-30,965	16,885
	Minority interests	139	1,210
		-30,826	18,095
	Earnings per share attributable to the equity holders of the company (in euros, per share of € 0.50 nominal)		
22	Basic	-€ 0.44	€ 0.24
22	Diluted	-€ 0.44	€ 0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of euros	2009	2008
Net income	-30,826	18,095
Other comprehensive income after taxes:		
Currency translation differences	-88	-619
OTHER TOTAL INCOME AFTER TAXES	-88	-619
TOTAL COMPREHENSIVE INCOME	-30,914	17,476
Attributable to:		
Equity holders of the company	-31,053	16,266
Minority interests	139	1,210
	-30,914	17,476

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

Note*:	Amounts in thousands of euros	2009	2008
	NON-CURRENT ASSETS		
13	Property, plant and equipment	56,675	72,782
14	Goodwill	919,570	922,813
15	Other intangible assets	119,546	140,319
17	Financial assets	7,911	7,946
18	Deferred income tax assets	61,650	50,721
24	Other non-current assets	7,082	5,534
		1,172,434	1,200,115
	CURRENT ASSETS		
19	Trade and other receivables	424,037	680,820
	Current income tax receivables	5,640	3,579
20	Cash and cash equivalents	41,519	82,713
		471,196	767,112
	TOTAL ASSETS	1,643,630	1,967,227
21	Capital and reserves attributable to owners of the parent		
	Share capital	321,515	321,244
	Other reserves	14,978	16,071
	Retained earnings	302,319	332,462
		638,812	669,777
	Minority interests	529	1,402
	TOTAL EQUITY	639,341	671,179
	NON-CURRENT LIABILITIES		
23	Borrowings	339,038	486,534
24	Retirement benefit obligations	1,376	1,733
25	Other provisions	10,055	16,899
18	Deferred income tax liabilities	43,704	50,491
		394,173	555,657
	CURRENT LIABILITIES		
26	Bank overdrafts and borrowings	78,334	147,061
27	Trade and other payables	444,078	511,419
	Current income tax liabilities	45,392	43,353
28	Derivative financial instruments	20,431	15,385
25	Other provisions	21,881	23,173
		610,116	740,391
	TOTAL LIABILITIES	1,004,289	1,296,048
	TOTAL EQUITY AND LIABILITIES	1,643,630	1,967,227

*Explanatory notes can be found in the online version of the 2009 Annual Report, <http://annualreport.usgpeople.com>

CONSOLIDATED STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

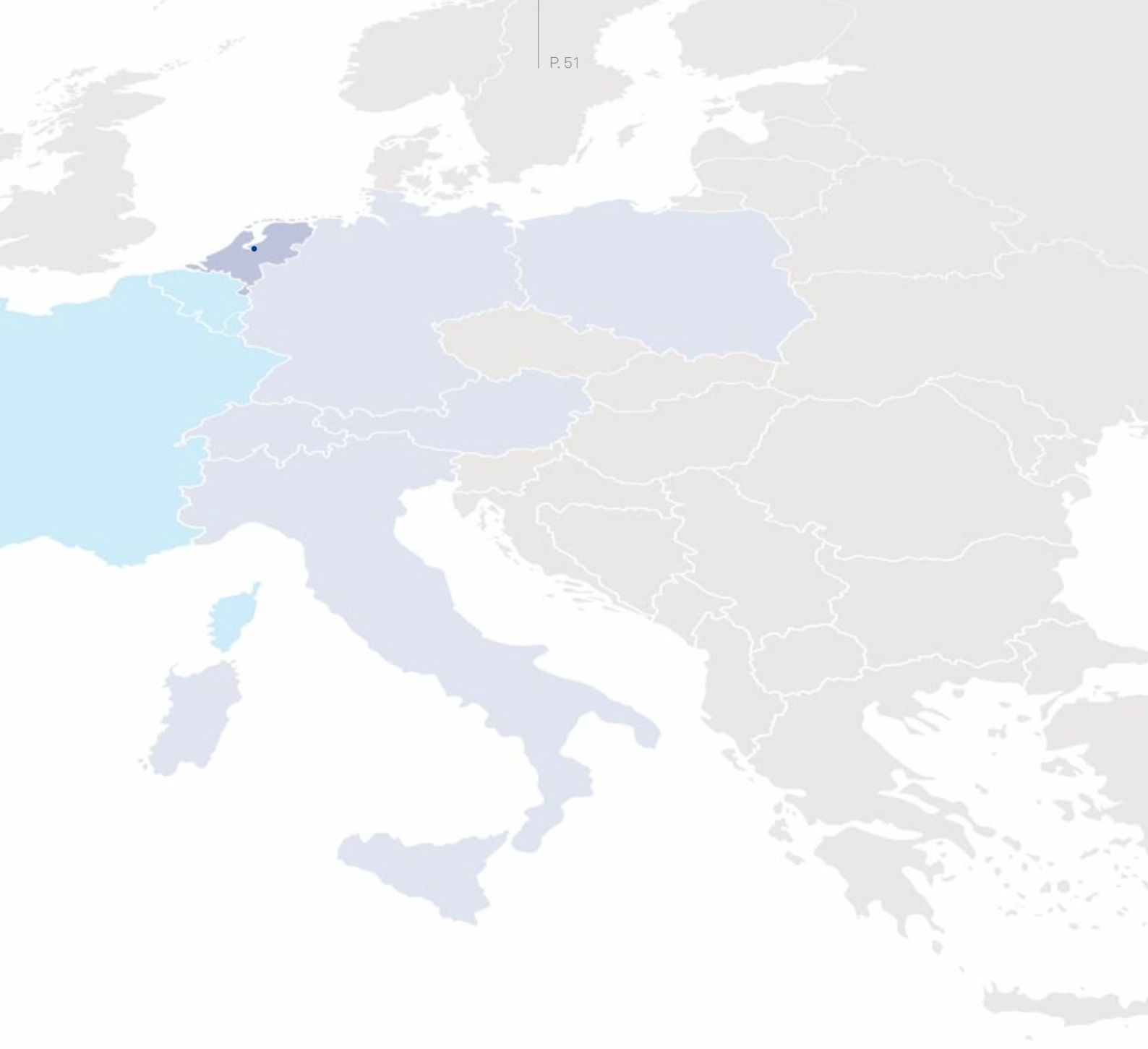
Note*		Attributable to equity holders of the company				MINORITY INTERESTS	TOTAL EQUITY
		SHARE CAPITAL	OTHER RESERVES	RETAINED EARNINGS	SUB-TOTAL		
	BALANCE AS AT 1 JANUARY 2008	321,095	15,881	347,708	684,684	1,028	685,712
	Net income for 2008	-	-	16,885	16,885	1,210	18,095
	Currency translation differences	-	-619	-	-619	-	-619
	TOTAL COMPREHENSIVE INCOME	-	-619	16,885	16,266	1,210	17,476
8.2	Share plan	-	1,532	-	1,532	-	1,532
8.2	Exercised option rights	149	-	-	149	-	149
21	Repurchase of shares	-	-496	-	-496	-	-496
21.2	Change resulting from settlement from share plan	-	-227	227	-	-	-
6.1	Change resulting from acquisition of subsidiaries	-	-	-	-	3,192	3,192
	Acquisition of minority interests	-	-	-	-	-3,090	-3,090
22.3	Dividends relating to 2007	-	-	-32,358	-32,358	-	-32,358
	Dividends paid to minority interest holders	-	-	-	-	-938	-938
		149	809	-32,131	-31,173	-836	-32,009
	BALANCE AS AT 31 DECEMBER 2008	321,244	16,071	332,462	669,777	1,402	671,179
	BALANCE AS AT 1 JANUARY 2009	321,244	16,071	332,462	669,777	1,402	671,179
	Net income for 2009	-	-	-30,965	-30,965	139	-30,826
	Currency translation differences	-	-88	-	-88	-	-88
	TOTAL COMPREHENSIVE INCOME	-	-88	-30,965	-31,053	139	-30,914
8.2	Share plan	-	-183	-	-183	-	-183
8.2	Exercised option rights	271	-	-	271	-	271
	Change resulting from settlement from share plan	-	-822	822	-	-	-
6.1	Aquisition of minority interests	-	-	-	-	-865	-865
	Dividends paid to minority interest holders	-	-	-	-	-147	-147
		271	-1,005	822	88	-1,012	-924
	BALANCE AS AT 31 DECEMBER 2009	321,515	14,978	302,319	638,812	529	639,341

*Explanatory notes can be found in the online version of the 2009 Annual Report, <http://annualreport.usgpeople.com>

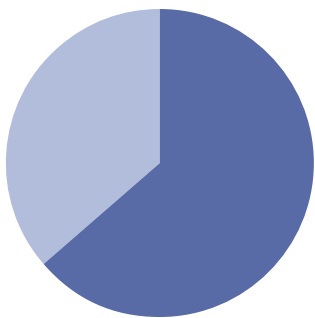
CONSOLIDATED CASH FLOW STATEMENT

Note*	Amounts in thousands of euros	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES			
	Income before taxes	-35,753	63,830
	Adjusted for:		
8	Depreciation and impairment of tangible and intangible assets	55,079	120,826
13, 15	Result on disposal of tangible and intangible assets	141	479
6	Result on disposal of subsidiaries	4,339	-
10	Financial costs	38,560	54,136
11	Financial income	-2,047	-1,301
8.2	Share plan expenses processed via capital and reserves attributable to equity holders	-183	1,532
	Currency translation differences	-91	-572
24, 25	Change in pension-related liabilities and other provisions	-8,492	22,731
24	Change in non-current assets	-1,548	-542
	Changes in working capital:		
	- trade and other receivables	253,061	146,237
	- trade and other payables	-63,104	-89,353
	Cash flow from operating activities	239,962	318,003
	Income tax paid	-13,645	-37,449
	Net cash flow from operating activities	226,317	280,554
CASH FLOW FROM INVESTMENT ACTIVITIES			
6	Acquisition of subsidiaries and minority interests	-9	-94,669
13	Investment in property, plant and equipment	-5,249	-23,263
15	Investment in intangible assets	-13,553	-13,432
6	From disposal of subsidiary	-1,309	-
17	Proceeds from / payments on borrowings and guarantee deposits	116	-147
	Net cash flow from investment activities	-20,004	-131,511
CASH FLOW FROM FINANCING ACTIVITIES			
21	Proceeds from issuance of shares	271	149
21	Buyback of shares	-	-496
28	Payments on derivatives	-9,008	-3,144
28	Proceeds from derivatives	-	492
23	Proceeds from borrowings	169	39,801
23	Repayments of borrowings	-237,940	-80,147
	Interest paid	-19,108	-35,544
	Interest received	2,135	1,329
22	Dividends paid	-	-32,358
	Dividends paid to minority interest holders	-147	-938
	Net cash flow from financing activities	-263,628	-110,856
	DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS	-57,315	38,187
CHANGE IN CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents as at 1 January	81,719	43,532
	Decrease / increase in cash and cash equivalents	-57,315	38,187
20	Cash and cash equivalents as at 31 December	24,404	81,719

*Explanatory notes can be found in the online version of the 2009 Annual Report, <http://annualreport.usgpeople.com>

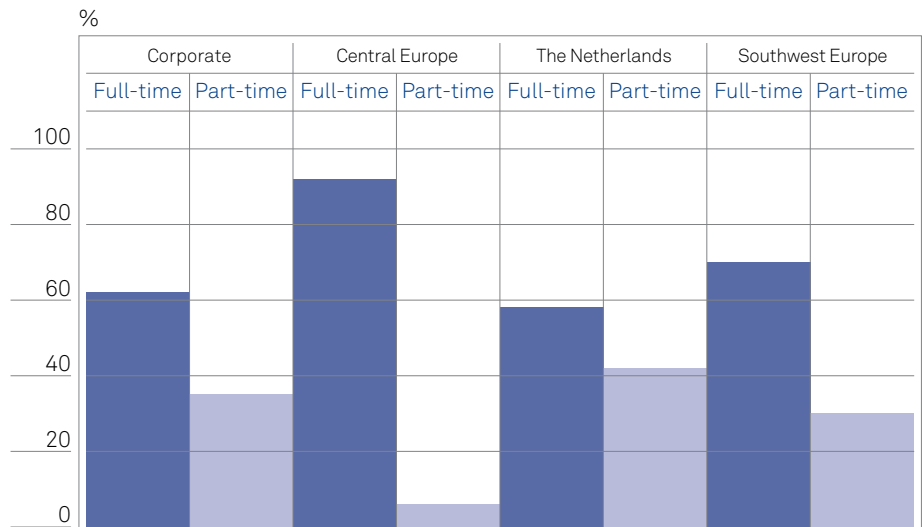


USG PEOPLE RATIO OF FULL-TIME TO PART-TIME STAFF



64 ● Full-time
36 ● Part-time

RATIO OF FULL-TIME TO PART-TIME STAFF BY REGION



USG PEOPLE N.V.

P.O. Box 1
1300 AA Almere
Landdrostdreef 124
1314 SK Almere
The Netherlands
+31 (0)36 529 95 00
info@usgpeople.com
www.usgpeople.com

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