SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2004

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM ________ to ________.

Commission File Number 1-10427

ROBERT HALF INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Delaware	**94-1648752**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2884 Sand Hill Road **Suite 200** **Menlo Park, California**	**94025**
(Address of principal executive offices)	**(zip-code)**

Registrant's telephone number, including area code: (650) 234-6000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of October 31, 2004:

173,380,339 shares of $.001 par value Common Stock

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands, except share amounts)

	September 30, 2004	December 31, 2003
	(Unaudited)	
ASSETS		
Cash and cash equivalents	$ 412,572	$376,523
Accounts receivable, less allowances of $13,897 and $13,608	369,237	242,348
Deferred income taxes and other current assets	79,800	79,748
Total current assets	861,609	698,619
Goodwill and other intangible assets, net	164,619	162,508
Property and equipment, net	96,980	113,119
Deferred income taxes	18,560	11,401
Total assets	$1,141,768	$985,647
LIABILITIES		
Accounts payable and accrued expenses	$ 68,565	$ 45,094
Accrued payroll costs and retirement obligations	199,277	140,635
Income taxes payable	14,545	—
Current portion of notes payable and other indebtedness	75	71
Total current liabilities	282,462	185,800
Notes payable and other indebtedness, less current portion	2,286	2,343
Other liabilities	3,195	8,843
Total liabilities	287,943	196,986
Commitments and Contingencies (Note F)		
STOCKHOLDERS' EQUITY		
Common stock, $.001 par value authorized 260,000,000 shares; issued and outstanding 171,951,496 and 171,775,743 shares	172	172
Capital surplus	655,687	595,051
Deferred compensation	(45,796)	(47,408)
Accumulated other comprehensive income	21,970	20,018
Retained earnings	221,792	220,828
Total stockholders' equity	853,825	788,661
Total liabilities and stockholders' equity	$1,141,768	$985,647

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net service revenues	$707,987	$501,137	$1,921,499	$1,457,327
Direct costs of services, consisting of payroll, payroll taxes and insurance costs for temporary and risk consulting employees	425,652	314,026	1,168,505	923,189
Gross margin	282,335	187,111	752,994	534,138
Selling, general and administrative expenses	212,155	176,097	602,263	524,007
Amortization of intangible assets	99	2,791	926	8,325
Interest income, net	(1,127)	(590)	(2,505)	(1,961)
Income before income taxes	71,208	8,813	152,310	3,767
Provision for income taxes	28,128	3,966	61,373	2,225
Net income	$ 43,080	$ 4,847	$ 90,937	$ 1,542
Basic net income per share	$ .25	$ .03	$ .54	$ .01
Diluted net income per share	$ .24	$ .03	$ .52	$ .01
Shares:				
Basic	170,041	168,797	169,714	168,584
Diluted	176,636	173,694	176,234	172,140
Dividends declared per share	$ .06	$ .00	$ .12	$ .00

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
	(Unaudited)	
COMMON STOCK—SHARES:		
Balance at beginning of period	171,776	170,909
Issuances of restricted stock	530	225
Repurchases of common stock	(2,889)	(2,054)
Exercises of stock options	2,534	1,245
Balance at end of period	171,951	170,325
COMMON STOCK—PAR VALUE:		
Balance at beginning of period	$ 172	$ 171
Issuances of restricted stock	—	—
Repurchases of common stock	(3)	(2)
Exercises of stock options	3	1
Balance at end of period	$ 172	$ 170
CAPITAL SURPLUS:		
Balance at beginning of period	$595,051	$543,457
Issuances of restricted stock—excess over par value	14,854	6,889
Exercises of stock options—excess over par value	33,781	13,108
Tax impact of equity incentive plans	12,001	(583)
Balance at end of period	$655,687	$562,871
DEFERRED COMPENSATION:		
Balance at beginning of period	$ (47,408)	$ (46,311)
Issuances of restricted stock	(14,854)	(6,889)
Amortization of deferred compensation	16,466	17,717
Balance at end of period	$ (45,796)	$ (35,483)
ACCUMULATED OTHER COMPREHENSIVE INCOME:		
Balance at beginning of period	$ 20,018	$ 846
Translation adjustments	1,952	10,652
Balance at end of period	$ 21,970	$ 11,498
RETAINED EARNINGS:		
Balance at beginning of period	$220,828	$246,803
Repurchases of common stock—excess over par value	(69,263)	(32,365)
Cash dividends ($.12 per share)	(20,710)	—
Net income	90,937	1,542
Balance at end of period	$221,792	$215,980
COMPREHENSIVE INCOME:		
Net income	$ 90,937	$ 1,542
Translation adjustments	1,952	10,652
Total comprehensive income	$ 92,889	$ 12,194

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 90,937	$ 1,542
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	926	8,325
Amortization of deferred compensation	16,466	17,717
Depreciation expense	36,525	41,703
Benefit from deferred income taxes	(7,970)	(3,464)
Tax impact of equity incentive plans	12,001	(583)
Provision for doubtful accounts	4,693	8,364
Changes in assets and liabilities, net of effects of acquisitions:		
Increase in accounts receivable	(131,282)	(13,387)
Increase in accounts payable, accrued expenses and accrued payroll costs	79,717	15,401
Increase in income taxes payable	14,235	—
Change in other assets, net of change in other liabilities	(1,896)	5,683
Net cash flows provided by operating activities	114,352	81,301
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of goodwill and other intangible assets and other assets	(1,112)	(18,109)
Capital expenditures	(23,102)	(29,561)
Deposits to trusts for employee benefits and retirement plans	(74)	(541)
Net cash flows used in investing activities	(24,288)	(48,211)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchases of common stock	(69,266)	(25,496)
Cash dividends paid	(20,710)	—
Principal payments on notes payable and other indebtedness	(53)	(49)
Proceeds from exercises of stock options	33,784	13,109
Net cash flows used in financing activities	(56,245)	(12,436)
Effect of exchange rate changes on cash and cash equivalents	2,230	6,609
Net increase in cash and cash equivalents	36,049	27,263
Cash and cash equivalents at beginning of period	376,523	316,927
Cash and cash equivalents at end of period	$ 412,572	$344,190
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest	$ 363	$ 314
Income taxes, net of refunds	$ 39,691	$ (2,939)
Purchase of goodwill and other intangible assets and other assets:		
Assets acquired		
Goodwill and other intangible assets	$ 1,112	$ 17,580
Other	—	539
Liabilities incurred		
Other	—	(10)
Cash paid, net of cash acquired	$ 1,112	$ 18,109
Non-cash items:		
Stock repurchases awaiting settlement	$ —	$ 7,834

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2004

Note A—Summary of Significant Accounting Policies

Nature of Operations. Robert Half International Inc. (the "Company") provides specialized staffing and risk consulting services through such divisions as *Accountemps®*, *Robert Half® Finance & Accounting*, *OfficeTeam®*, *Robert Half® Technology*, *Robert Half® Management Resources*, *Robert Half® Legal*, *The Creative Group®*, and *Protiviti®*. The Company, through its *Accountemps*, *Robert Half Finance & Accounting*, and *Robert Half Management Resources* divisions, is the world's largest specialized provider of temporary, full-time, and project professionals in the fields of accounting and finance. *OfficeTeam* specializes in highly skilled temporary administrative support personnel. *Robert Half Technology* provides information technology professionals. *Robert Half Legal* provides temporary, project, and full-time staffing of attorneys and specialized support personnel within law firms and corporate legal departments. *The Creative Group* provides project staffing in the advertising, marketing, and web design fields. *Protiviti* began operations on May 24, 2002, and provides business and technology risk consulting and internal audit services. *Protiviti*, which primarily employs risk consulting and internal audit professionals formerly associated with major accounting firms, is a wholly-owned subsidiary of the Company. Revenues are predominantly derived from specialized staffing services. The Company operates in the United States, Canada, Europe, Asia, Australia and New Zealand. The Company is a Delaware corporation.

Basis of Presentation. The unaudited Condensed Consolidated Financial Statements ("Financial Statements") of the Company are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission for interim financial information. The comparative year-end condensed consolidated statement of financial position data presented was derived from audited financial statements. In the opinion of management, all normal recurring adjustments necessary for a fair presentation of the financial position and results of operations for the periods presented have been included. These Financial Statements should be read in conjunction with the audited Consolidated Financial Statements of the Company for the year ended December 31, 2003, included in the annual report on Form 10-K. The results of operations for any interim period are not necessarily indicative of, nor comparable to, the results of operations for a full year.

Principles of Consolidation. The Financial Statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All intercompany balances have been eliminated. Certain reclassifications have been made to the 2003 financial statements to conform to the 2004 presentation.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As of September 30, 2004, such estimates included allowances for uncollectible accounts receivable, workers' compensation losses, income and other taxes, and certain employee retirement plans.

Revenue Recognition. The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Net service revenues as presented on the unaudited Condensed Consolidated Statements of Operations represent services rendered to customers less sales adjustments and allowances. The Company records revenue gross as a principal versus net as an agent in the presentation of revenues and expenses. The Company has concluded that gross reporting is appropriate because the Company (i) has the risk of identifying and hiring qualified employees, (ii) has the discretion to select the employees and establish their price and duties and (iii) bears the risk for services that are not fully paid for by customers.

Temporary and consultant staffing revenues—Temporary and consultant staffing revenues are recognized when the services are rendered by the Company's temporary employees. Temporary employees placed by the Company are the Company's legal employees while they are working on assignments. The Company pays all related costs of employment, including workers' compensation insurance, state and federal unemployment taxes, social security and certain fringe benefits. The Company assumes the risk of acceptability of its employees to its customers.

Permanent placement staffing revenues—Permanent placement staffing revenues are recognized when employment candidates accept offers of permanent employment. The Company has a substantial history of estimating the effect of permanent placement candidates who do not remain with its clients through the 90-day guarantee period. Allowances are established to estimate these losses. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Risk consulting and internal audit revenues—Risk consulting and internal audit services are generally provided on a time-and-material basis or fixed-fee basis. Revenues earned under time-and-material arrangements are recognized as services are provided. Revenues on fixed-fee arrangements are recognized using a proportional performance method as hours are incurred relative to total estimated hours for the engagement. The Company periodically evaluates the need to provide for any losses on these projects, and losses are recognized when it is probable that a loss will be incurred. Reimbursements, including those relating to travel and out-of-pocket expenses, are included in risk consulting and internal audit service revenues, and equivalent amounts of reimbursable expenses are included in direct costs of services.

Costs of Services. Direct costs of staffing services consist of payroll, payroll taxes and insurance costs for the Company's temporary employees. There are no direct costs associated with permanent placement staffing services. Risk consulting and internal audit costs of services include professional staff payroll, payroll taxes and insurance costs, as well as reimbursable expenses.

Advertising Costs. The Company expenses all advertising costs as incurred.

Cash and Cash Equivalents. The Company considers all highly liquid investments with a maturity at the date of purchase of three months or less as cash equivalents.

Intangible Assets. Intangible assets primarily consist of the cost of acquired companies in excess of the fair market value of their net tangible assets at the date of acquisition. The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), on January 1, 2002. Under SFAS 142, goodwill is no longer subject to amortization over its estimated useful life. The methods used for evaluating and measuring impairment of certain intangible assets have changed in accordance with the provisions of SFAS 142. The Company completed its annual goodwill impairment analysis during the three months ended June 30, 2004 and determined that no adjustment to the carrying value of goodwill was required. No events have occurred during the three months ended September 30, 2004 that would require interim testing.

Income Tax Assets and Liabilities. In establishing its deferred income tax assets and liabilities, the Company makes judgments and interpretations based on the enacted tax laws and published tax guidance that are applicable to its operations. The Company records deferred tax assets and liabilities and evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. The likelihood of a material change in the Company's expected realization of these assets is dependent on future taxable income, its ability to use foreign tax credit carryforwards and carrybacks, final U.S. and foreign tax settlements, and the effectiveness of its tax planning strategies in the various relevant jurisdictions.

Foreign Currency Translation. The results of operations of the Company's foreign subsidiaries are translated at the monthly average exchange rates prevailing during the period. The financial position of the Company's foreign subsidiaries is translated at the current exchange rates at the end of the period, and the related translation adjustments are recorded as a component of accumulated other comprehensive income within Stockholders' Equity. Gains and losses resulting from foreign currency transactions are included in the unaudited Condensed Consolidated Statements of Operations, and have not been material for all periods presented.

Stock Option Plans. The Company accounts for its stock option plans in accordance with Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ("APB 25"). Under APB 25, the intrinsic value of the options is used to record compensation expense and, as a result, no compensation expense related to stock options is included in determining net income and net income per share in the Financial Statements. Restricted stock grants are accounted for in accordance with APB 25, which mandates that restricted stock grants with performance conditions are calculated using the intrinsic value. Had compensation expense for the stock options and performance-based restricted stock granted been based on the estimated fair value at the award dates, as prescribed by SFAS No. 123, *Accounting for Stock-Based Compensation* ("SFAS 123"), the Company's pro forma net income (loss) and net income (loss) per share would have been as follows (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net Income (Loss)				
As reported	$43,080	$ 4,847	$ 90,937	$ 1,542
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	3,639	3,767	10,044	10,808
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(7,346)	(8,067)	(21,220)	(25,106)
Pro forma	$39,373	$ 547	$ 79,761	$(12,756)
Net Income (Loss) Per Share				
Basic				
As reported	$ .25	$ .03	$ .54	$ .01
Pro forma	$ .23	$ .00	$ .47	$ (.08)
Diluted				
As reported	$ .24	$ .03	$ .52	$ .01
Pro forma	$ .23	$ .00	$ .46	$ (.08)

The fair value of each option is estimated, as of the grant date, using the Black-Scholes option pricing model with the following assumptions used for grants in 2004 and 2003: dividend of $.06 for grants made during both the three months ended June 30, 2004 and September 30, 2004, and no dividend for grants made in prior periods; expected volatility of 51%; risk-free interest rates of 2.1% to 4.0%; and expected lives of 6.0 years.

Property and Equipment. Property and equipment are recorded at cost. Depreciation expense is computed using the straight-line method over the following useful lives:

Computer hardware	2 to 3 years
Computer software	2 to 5 years
Furniture and equipment	5 years
Leasehold improvements	Term of lease, 5 years maximum

Internal-use Software. The Company capitalizes direct costs incurred in the development of internal-use software. Amounts capitalized are reported as a component of computer software within property and equipment. The Company capitalized approximately $4.4 million and $8.6 million of internal-use software development costs for the nine months ended September 30, 2004 and 2003, respectively.

Note B—Deferred Income Taxes and Other Current Assets

Deferred income taxes and other current assets consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
	(Unaudited)	
Deferred income taxes	$27,912	$27,102
Deposits in trusts for employee benefits and retirement plans	31,312	31,238
Income taxes receivable	—	4,048
Other	20,576	17,360
	$79,800	$79,748

Note C—Goodwill and Other Intangible Assets, Net

The following table sets forth the activity in goodwill and other intangible assets from December 31, 2003 through September 30, 2004 (in thousands):

	Goodwill	Other Intangible Assets	Total
Balance as of December 31, 2003	$161,963	$ 545	$162,508
Purchase of intangible assets	412	700	1,112
Translation adjustments	100	—	100
Increase in unamortized retirement costs	—	1,825	1,825
	162,475	3,070	165,545
Amortization of intangible assets	—	(926)	(926)
Balance as of September 30, 2004 (unaudited)	$162,475	$2,144	$164,619

The estimated remaining amortization expense is $0.1 million for 2004, and $0.4 million thereafter.

Note D—Property and Equipment, Net

Property and equipment consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
	(Unaudited)	
Computer hardware	$ 100,841	$ 96,425
Computer software	164,096	155,523
Furniture and equipment	96,888	96,754
Leasehold improvements	64,004	61,294
Other	10,792	10,648
Property and equipment, cost	436,621	420,644
Accumulated depreciation	(339,641)	(307,525)
Property and equipment, net	$ 96,980	$ 113,119

Note E—Accrued Payroll Costs and Retirement Obligations

Accrued payroll costs and retirement obligations consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
	(Unaudited)	
Payroll and benefits	$108,190	$ 61,121
Employee retirement obligations	44,496	41,006
Workers' compensation	18,662	15,090
Payroll taxes	27,929	23,418
	$199,277	$140,635

Included in employee benefits and retirement obligations is $40 million at September 30, 2004 and $36 million at December 31, 2003 related to a defined benefit retirement agreement for the Company's key executive. The amount of this obligation has been calculated in accordance with the current provisions of the employee's retirement agreement, which was initially entered into in 1985. The key assumptions used in this calculation include: expected retirement age, mortality, expected post retirement Consumer Price Index increases of 2.9% and 3.1%, and discount rates of 4.2% and 4.7% at September 30, 2004 and December 31, 2003, respectively.

Note F—Commitments and Contingencies

The Company is involved in a number of lawsuits arising in the ordinary course of business. While management does not expect any of these matters to have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is subject to certain inherent uncertainties.

In addition, on September 10, 2004, Plaintiff Mark Lafitte ("Plaintiff"), on behalf of a putative class of salaried Account Executives and Staffing Managers, filed a complaint in California Superior Court naming the Company and three of its wholly owned subsidiaries (collective, "RHI") as Defendants. The complaint alleges that RHI's salaried Account Executives and Staffing Managers based in California have been misclassified under California law as exempt employees and seeks an unspecified amount for unpaid overtime pay alleged to be due to them had they been paid as non-exempt, hourly employees. In addition, the plaintiff seeks an unspecified amount for statutory penalties for alleged violations of the California Labor Code arising from the alleged misclassification of these employees as exempt employees. This litigation is at a very early stage and discovery has not commenced. At this early phase of the litigation, it is not feasible to predict the outcome of this proceeding. Based on a preliminary review, the Company believes it has meritorious defenses to the allegations, and the Company intends to vigorously defend against the litigation.

In connection with the formation of Protiviti, the Company became the guarantor of certain employee notes totaling $2.2 million at September 30, 2004. The Company has not incurred material costs as a result of such obligations and has not accrued any liabilities related to such guarantees in its Financial Statements.

Note G—Stock Plans

Under various stock plans, officers, employees and outside directors may receive grants of restricted stock or options to purchase common stock. Grants are made at the discretion of a Committee of the Board of Directors. Grants generally vest in four years.

Options currently outstanding under the plans have an exercise price equal to the fair market value of the Company's common stock at the date of grant, may consist of both incentive stock options and nonstatutory stock options under the Internal Revenue Code, and generally have a term of 10 years.

Recipients of restricted stock do not pay any cash consideration to the Company for the shares, have the right to vote all shares subject to such grant, and receive all dividends with respect to such shares, whether or not the shares have vested. Compensation expense is recognized on a straight-line basis over the vesting period. Vesting is accelerated upon the death or disability of the recipients.

The Company accounts for these plans under APB 25. Therefore, the intrinsic value of the options is used to record compensation expense and, as a result, no compensation expense has been recognized for its stock option plans. As required by SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure* ("SFAS 148"), calculations of pro forma net income (loss) and net income (loss) per share, computed in accordance with the method prescribed by SFAS 123, are set forth in Note A to the Financial Statements.

Note H—Net Income Per Share

The calculation of net income per share for the three and nine months ended September 30, 2004 and 2003 is reflected in the following table (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine months Ended September 30,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net Income	$ 43,080	$ 4,847	$ 90,937	$ 1,542
Basic:				
Weighted average shares	170,041	168,797	169,714	168,584
Diluted:				
Weighted average shares	170,041	168,797	169,714	168,584
Potentially dilutive shares—stock options	6,595	4,897	6,520	3,556
Diluted shares	176,636	173,694	176,234	172,140
Net Income Per Share:				
Basic	$ .25	$ .03	$ .54	$ .01
Diluted	$ .24	$ .03	$ .52	$ .01

The weighted average diluted common shares outstanding for the three and nine months ended September 30, 2004 excludes the dilutive effect of approximately 0.9 million and 1.7 million options, respectively, since such options have an exercise price in excess of the 2004 average market value of the Company's common stock. Had such options been included, the dilutive effect would have been calculated using the treasury method.

Note I—Business Segments

The Company, which defines its segments based on the nature of services, has three reportable segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. The temporary and consultant segment provides specialized staffing in the accounting and finance, administrative and office, information technology, legal, advertising, marketing and web design fields. The permanent placement segment provides full-time personnel in the accounting, finance, administrative and office, and information technology fields. The risk consulting segment provides business and technology risk consulting and internal audit services.

The accounting policies of the segments are set forth in Note A—Summary of Significant Accounting Policies. The Company evaluates performance based on income or loss from operations before interest income, intangible amortization expense, and income taxes.

The following table provides a reconciliation of revenue and operating income (loss) by reportable segment to consolidated results (in thousands):

	Three Months Ended September 30,		Nine months Ended September 30,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net service revenues				
Temporary and consultant staffing	$571,961	$439,468	$1,595,147	$1,294,555
Permanent placement staffing	35,768	23,599	98,935	69,930
Risk consulting and internal audit services	100,258	38,070	227,417	92,842
	$707,987	$501,137	$1,921,499	$1,457,327
Operating income (loss)				
Temporary and consultant staffing	$ 46,369	$ 11,428	$ 102,598	$ 29,843
Permanent placement staffing	4,353	505	12,609	1,233
Risk consulting and internal audit services	19,458	(919)	35,524	(20,945)
	70,180	11,014	150,731	10,131
Amortization of intangible assets	99	2,791	926	8,325
Interest income, net	(1,127)	(590)	(2,505)	(1,961)
Income before income taxes	$ 71,208	$ 8,813	$ 152,310	$ 3,767

Note J—Subsequent Event

On October 28, 2004, the Company announced a quarterly dividend of $.06 per share to be paid to all shareholders of record on November 24, 2004. The dividend will be paid on December 15, 2004.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain information contained in Management's Discussion and Analysis and in other parts of this report may be deemed forward-looking statements regarding events and financial trends that may affect the Company's future operating results or financial positions. These statements may be identified by words such as "estimate", "forecast", "project", "plan", "intend", "believe", "expect", "anticipate", or variations or negatives thereof or by similar or comparable words or phrases. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the statements. These risks and uncertainties include, but are not limited to, the following: changes in levels of unemployment and other economic conditions in the United States or foreign countries where the Company does business, or in particular regions or industries; reduction in the supply of candidates for temporary employment or the Company's ability to attract candidates; the entry of new competitors into the marketplace or expansion by existing competitors; the ability of the Company to maintain existing client relationships and attract new clients in the context of changing economic or competitive conditions; the impact of competitive pressures, including any change in the demand for the Company's services, on the Company's ability to maintain its margins; the possibility of the Company incurring liability for its activities, including the activities of its temporary employees, or for events impacting its temporary employees on clients' premises; the success of the Company in attracting, training, and retaining qualified management personnel and other staff employees; whether governments will impose additional regulations or licensing requirements on personnel services businesses in particular or on employer/employee relationships in general; whether there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services; and litigation relating to prior or current transactions or activities, including litigation that may be disclosed from time to time in the Company's SEC filings. Additionally, with respect to Protiviti, other risks and uncertainties include the fact that future success will depend on its ability to retain employees and attract clients; significant costs and diversion of management time could be incurred in integrating key personnel into Protiviti; there can be no assurance that there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services; failure to produce projected revenues could adversely affect financial results; and possible involvement in litigation relating to prior or current transactions or activities. Because long-term contracts are not a significant part of the Company's business, future results cannot be reliably predicted by considering past trends or extrapolating past results.

Critical Accounting Policies

As described below, the Company's most critical accounting policies are those that involve subjective decisions, assessments or estimates.

Accounts Receivable Allowances. The Company maintains accounts receivable allowances for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Estimates used in determining the accounts receivable allowances were based on current trends and historical loss statistics. Actual results may differ from these estimates, which may materially affect the Company's future financial results.

Income Tax Assets and Liabilities. In establishing its deferred income tax assets and liabilities, the Company makes judgments and interpretations based on the enacted tax laws and published tax guidance that are applicable to its operations. The Company records deferred tax assets and liabilities and evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. The likelihood of a material change in the Company's expected realization of these assets is dependent on future taxable income, its ability to use foreign tax credit carryforwards and carrybacks, final U.S. and foreign tax settlements, and the effectiveness of its tax planning strategies in the various relevant jurisdictions. While management believes that its judgments and interpretations regarding deferred income tax assets and liabilities are appropriate, significant differences in actual experience may materially affect the future financial results of the Company.

Employee Retirement Plans. The determination of the Company's obligations for certain employee retirement plans is dependent upon various assumptions, including, among others, discount rates and service periods. Management believes its assumptions are appropriate; however, significant differences in actual experience or significant changes in assumptions may materially affect the Company's future financial results.

Goodwill Impairment. The Company assesses the impairment of goodwill and identifiable intangible assets annually, or more often if events or changes in circumstances indicate that the carrying value may not be recoverable. This assessment is based upon a discounted cash flow analysis. The estimate of cash flow is based upon, among other things, certain assumptions about expected future operating performance and an appropriate discount rate determined by management. The Company's estimates of discounted cash flow may differ from actual cash flow due to, among other things, economic conditions, changes to its business model or changes in its operating performance. Significant differences between these estimates and actual cash flow could materially affect the future financial results of the Company. The Company completed its annual goodwill impairment analysis during the three months ended June 30, 2004 and determined that no adjustment to the carrying value of goodwill was required. No events have occurred during the three months ended September 30, 2004 that would require interim testing.

Workers' Compensation. The Company self-insures or retains a portion of the exposure for losses related to workers' compensation. The Company has established reserves for workers' compensation claims based on historical loss statistics and periodic third party actuarial valuations. While management believes that its assumptions and estimates are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's future financial results.

Stock Option Plans. The Company has a long history of issuing stock options to employees and directors as an integral part of its compensation programs. Accounting principles generally accepted in the United States of America allow alternative methods of accounting for these plans. The Company has chosen to account for its stock option plans under APB 25. Under APB 25, the intrinsic value of the options is used to record compensation expense and, as a result, no compensation expense related to stock options is included in determining net income and net income per share in the Financial Statements. Restricted stock grants are accounted for in accordance with APB 25, which mandates that restricted stock grants with performance conditions are calculated using the intrinsic value. As required by SFAS 148, calculations of pro forma net income (loss) and net income (loss) per share, computed in accordance with the method prescribed by SFAS 123, are set forth in Note A to the Financial Statements.

Results of Operations for Each of the Three Months and Nine Months Ended September 30, 2004 and 2003

Temporary and consultant staffing services revenues were $572 million and $439 million for the three months ended September 30, 2004 and 2003, respectively, increasing by 30% during the three months ended September 30, 2004 compared to the same period in 2003. Temporary and consultant staffing services revenues were $1.6 billion and $1.3 billion for the nine months ended September 30, 2004 and 2003, respectively, increasing by 23% during the nine months ended September 30, 2004 compared to the same period in 2003. Permanent placement revenues were $36 million and $24 million for the three months ended September 30, 2004 and 2003, respectively, increasing by 52% during the three months ended September 30, 2004 compared to the same period in 2003. Permanent placement revenues were $99 million and $70 million for the nine months ended September 30, 2004 and 2003, respectively, increasing by 41% during the nine months ended September 30, 2004 compared to the same period in 2003. Improvement in the U.S. labor markets contributed to the increase in temporary and permanent staffing services revenues for the three and nine months ended September 30, 2004. Risk consulting and internal audit services revenues were $100 million and $38 million for the three months ended September 30, 2004 and 2003, respectively, increasing by 163% during the three months ended September 30, 2004 compared to the same period in 2003. Risk consulting and internal audit services revenues were $227 million and $93 million for the nine months ended September 30, 2004 and 2003, respectively, increasing by 145% during the nine months ended September 30, 2004 compared to the same period in 2003. The 2004 increase in risk consulting and internal audit services revenues is primarily due to increased brand acceptance in the marketplace and expanding demand related to increased focus on internal accounting controls and other corporate governance requirements, including the Sarbanes-Oxley Act of 2002. There can be no assurances that there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services, or that future results can be reliably predicted by considering past trends or extrapolating past results. We expect total Company revenues to continue to be impacted by general macroeconomic conditions in 2004.

The Company's temporary and permanent staffing services business has more than 330 offices in 42 states, the District of Columbia and ten foreign countries, while Protiviti has more than 30 offices in 20 states and seven foreign countries. Revenues from domestic operations represented 82% and 83% of revenues for the three months ended September 30, 2004 and 2003, respectively, and 82% of revenues for both the nine months ended September 30, 2004 and 2003. Revenues from foreign operations represented 18% and 17% of revenues for the three months ended September 30, 2004 and 2003, respectively, and 18% of revenues for both the nine months ended September 30, 2004 and 2003.

Gross margin dollars from the Company's temporary and consultant staffing services represent revenues less direct costs of services, which consist of payroll, payroll taxes and insurance costs for temporary employees. Gross margin dollars from permanent placement staffing services are equal to revenues, as there are no direct costs associated with such revenues. Gross margin dollars for risk consulting and internal audit services represent revenues less direct costs of services, which consist primarily of professional staff payroll, payroll taxes, insurance costs and reimbursable expenses. Gross margin dollars for the Company's temporary and consultant staffing services were $207 million and $154 million for the three months ended September 30, 2004 and 2003, respectively, increasing by 34% during the three months ended September 30, 2004 compared to the same period in 2003. Gross margin dollars for the Company's temporary and consultant staffing services were $570 million and $454 million for the nine months ended September 30, 2004 and 2003, respectively, increasing by 26% during the nine months ended September 30, 2004 compared to the same period in 2003. Gross margin amounts equaled 36% of revenues for temporary and consultant staffing services for both the three and nine months ended September 30, 2004, compared to 35% for both the three and nine months ended September 30, 2003. Gross margin dollars for the Company's permanent placement staffing division were $36 million and $24 million for the three months ended September 30, 2004 and 2003, respectively, increasing by 52% in 2004. Gross margin dollars for the Company's permanent placement staffing division were $99 million and $70 million for the nine months ended September 30, 2004 and 2003, respectively, increasing by 41% in 2004. Gross margin dollars for the Company's risk consulting and internal audit division were $40 million and $9 million for the three months ended September 30, 2004 and 2003, respectively. Gross margin dollars for the Company's risk consulting and internal audit division were $84 million and $11 million for the nine months ended September 30, 2004 and 2003, respectively. The 2004 improvement in risk consulting and internal audit services gross margin dollars is primarily the result of higher revenues and improved staff utilization.

Selling, general and administrative expenses were $212 million and $602 million for the three and nine months ended September 30, 2004, respectively, compared to $176 million and $524 million during the three and nine months ended September 30, 2003, respectively. Selling, general and administrative expenses as a percentage of revenues were 30% and 31% for the three and nine months ended September 30, 2004, respectively, compared to 35% and 36% for the three and nine months ended September 30, 2003, respectively. Selling, general and administrative expenses consist primarily of staff compensation, advertising, depreciation and occupancy costs. The lower 2004 selling, general and administrative expense percentage resulted primarily from leveraging fixed operating costs.

For acquisitions, the Company allocates the excess of cost over the fair market value of the net tangible assets first to identifiable intangible assets, if any, and then to goodwill. The Company adopted SFAS 142 on January 1, 2002, resulting in the discontinuance of the amortization of goodwill that was being amortized over 40 years. The methods used for evaluating and measuring impairment of certain intangible assets have changed in accordance with the provisions of SFAS 142. The Company completed its annual goodwill impairment analysis during the three months ended June 30, 2004 and determined that no adjustment to the carrying value of goodwill was required. No events have occurred during the three months ended September 30, 2004 that would require interim testing. Net intangible assets, consisting primarily of goodwill, represented 14% of total assets and 19% of total stockholders' equity at September 30, 2004.

Interest income for the three months ended September 30, 2004 and 2003 was $1.3 million and $0.8 million, respectively, while interest expense for both the three months ended September 30, 2004 and 2003 was $0.2 million. Interest income for the nine months ended September 30, 2004 and 2003 was $3.2 million and $2.5 million, respectively, while interest expense for the nine months ended September 30, 2004 and 2003 was $0.7 million and $0.5 million, respectively.

The provision for income taxes was 40% and 45% of income before taxes for the three months ended September 30, 2004 and 2003, respectively, and 40% and 59% for the nine months ended September 30, 2004 and 2003, respectively. The decrease in 2004 is due primarily to the utilization of net operating loss carryforwards in certain states and international locations.

Liquidity and Capital Resources

The change in the Company's liquidity during the nine months ended September 30, 2004 and 2003 is primarily the net effect of funds generated by operations and the funds used for capital expenditures, repurchases of common stock, payment of dividends and principal payments on outstanding notes payable.

Cash and cash equivalents were $413 million and $344 million at September 30, 2004 and 2003, respectively. Operating activities provided $114 million during the nine months ended September 30, 2004, partially offset by $24 million and $56 million of net cash used in investing activities and financing activities, respectively. Operating activities provided $81 million during the nine months ended September 30, 2003, partially offset by $48 million and $12 million of net cash used in investing activities and financing activities, respectively.

Operating activities—Net cash provided by operating activities for the nine months ended September 30, 2004 was composed of net income of $91 million adjusted for non-cash items of $62 million, and net cash used for changes in working capital of $39 million. Net cash provided by operating activities for the nine months ended September 30, 2003 was composed of a net income of $2 million adjusted for non-cash items of $72 million, and net cash provided by changes in working capital of $7 million.

Investing activities—Cash used in investing activities for the nine months ended September 30, 2004 was $24 million. This was primarily capital expenditures of $23 million. Cash used in investing activities during the nine months ended September 30, 2003 was $48 million. This was primarily capital expenditures of $30 million and the purchase of intangible assets and other assets of $18 million in conjunction with the acquisitions of the Company's last independent Robert Half franchises.

Financing activities—Cash used in financing activities for the nine months ended September 30, 2004 was $56 million. This included $21 million in cash dividends to stockholders, repurchases of $69 million in common stock, partially offset by proceeds of $34 million from exercises of stock options. Financing activities for the nine months ended September 30, 2003 was $12 million. This included common stock repurchases of $25 million, partially offset by proceeds of $13 million from exercises of stock options.

As of September 30, 2004, the Company is authorized to repurchase, from time to time, up to 7.4 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. During the nine months ended September 30, 2004, the Company repurchased approximately 2.2 million shares of common stock on the open market for a total cost of $52 million. Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes. During the nine months ended September 30, 2004, such repurchases totaled approximately 0.7 million shares at a cost of $17 million. Repurchases of securities have been funded with cash generated from operations.

The Company's working capital at September 30, 2004 included $413 million in cash and cash equivalents. The Company's working capital requirements consist primarily of the financing of accounts receivable. While there can be no assurances in this regard, the Company expects that internally generated cash will be sufficient to support the working capital needs of the Company, the Company's fixed payments, dividends, and other obligations on both a short- and long-term basis.

In connection with the formation of Protiviti, the Company became the guarantor of certain former Andersen partners' capital notes, which totaled approximately $2.2 million at September 30, 2004. The Company has not incurred material costs as a result of such obligations and has not accrued any liabilities related to such guarantees in its financial statements.

On October 28, 2004, the Company announced a quarterly dividend of $.06 per share to be paid to all shareholders of record on November 24, 2004. The dividend will be paid on December 15, 2004.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to the impact of foreign currency fluctuations. The Company's exposure to foreign currency exchange rates relates primarily to the Company's foreign subsidiaries. Exchange rates impact the U.S. dollar value of the Company's reported earnings, investments in its foreign subsidiaries, and the intercompany transactions with its foreign subsidiaries.

For the nine months ended September 30, 2004, approximately 18% of the Company's revenues were generated outside of the United States. These operations transact business in their functional currency. As a result, fluctuations in the value of foreign currencies against the U.S. dollar have an impact on the Company's reported results. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the monthly average exchange rates prevailing during the period. Consequently, as the value of the U.S. dollar changes relative to the currencies of the Company's non-U.S. markets, the Company's reported results vary.

Fluctuations in currency exchange rates impact the U.S. dollar amount of the Company's stockholders' equity. The assets and liabilities of the Company's non-U.S. subsidiaries are translated into U.S. dollars at the exchange rates in effect at period end. The resulting translation adjustments are recorded in stockholders' equity as a component of accumulated other comprehensive income.

ITEM 4. Controls and Procedures

Management, including the Company's Chairman and Chief Executive Officer and Vice Chairman and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Chairman and Chief Executive Officer and Vice Chairman and Chief Financial Officer concluded that the disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There have been no changes in the Company's internal controls over financial reporting identified in connection with the evaluation required by Rule 13a-15 of the Securities Exchange Act of 1934 that occurred during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

On September 10, 2004, Plaintiff Mark Lafitte ("Plaintiff"), on behalf of a putative class of salaried Account Executives and Staffing Managers, filed a complaint in California Superior Court naming the Company and three of its wholly owned subsidiaries (collectively, "RHI") as Defendants. The complaint alleges that RHI's salaried Account Executives and Staffing Managers based in California have been misclassified under California law as exempt employees and seeks an unspecified amount for unpaid overtime pay alleged to be due to them had they been paid as non-exempt, hourly employees. In addition, the plaintiff seeks an unspecified amount for statutory penalties for alleged violations of the California Labor Code arising from the alleged misclassification of these employees as exempt employees.

This litigation is at a very early stage and discovery has not commenced. At this early phase of the litigation, it is not feasible to predict the outcome of this proceeding. Based on a preliminary review, the Company believes it has meritorious defenses to the allegations, and the Company intends to vigorously defend against the litigation.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans(c)
July 1, 2004 to July 31, 2004	7,875(a)	$29.00	—	8,660,982
August 1, 2004 to August 31, 2004	1,247,361(b)	$25.65	1,107,300	7,553,682
September 1, 2004 to September 30, 2004	147,000	$24.58	147,000	7,406,682

(a) Represents shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes and/or exercise price.

(b) Includes 140,061 shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes and/or exercise price.

(c) In October 1997, the Company's Board of Directors authorized the repurchase, from time to time, of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. Since plan inception a total of 38,000,000 shares have been authorized for repurchase, of which 30,593,318 shares have been repurchased as of September 30, 2004.

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits

31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROBERT HALF INTERNATIONAL INC.
(Registrant)

/S/ M. KEITH WADDELL

M. Keith Waddell
Vice Chairman, President and Chief Financial Officer
(Principal Financial Officer and
duly authorized signatory)

Date: November 8, 2004

EXHIBIT 31.1

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, Harold M. Messmer, Jr., certify that:

1. I have reviewed this report on Form 10-Q of Robert Half International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [intentionally omitted]

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2004

/S/ Harold M. Messmer, Jr.

Harold M. Messmer, Jr.
Chairman & CEO

EXHIBIT 31.2

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, M. Keith Waddell, certify that:

1. I have reviewed this report on Form 10-Q of Robert Half International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [intentionally omitted]

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2004

/S/ M. Keith Waddell

M. Keith Waddell
Vice Chairman, President & CFO

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004 of Robert Half International Inc. (the "Form 10-Q"), I, Harold M. Messmer, Jr., Chief Executive Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Robert Half International Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/S/ Harold M. Messmer, Jr.

Harold M. Messmer, Jr.
Chief Executive Officer
Robert Half International Inc.

November 8, 2004

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004 of Robert Half International Inc. (the "Form 10-Q"), I, M. Keith Waddell, Chief Financial Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Robert Half International Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/S/ M. Keith Waddell

M. Keith Waddell
Chief Financial Officer
Robert Half International Inc.

November 8, 2004