
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **October 21, 2004**

Robert Half International Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

01-10427
(Commission File Number)

94-1648752
(IRS Employer
Identification No.)

2884 Sand Hill Road, Menlo Park, CA
(Address of principal executive offices)

94025
(Zip Code)

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

NO CHANGE

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On October 21, 2004, Robert Half International Inc. issued a press release reporting earnings for the third fiscal quarter of 2004. A copy of the press release is attached hereto as Exhibit 99.1.

The foregoing information in this Current Report on Form 8-K, including exhibit 99.1 attached hereto, is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such future filing.

Item 8.01 Other Events.

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 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Robert Half International Inc. October 21, 2004, Press Release.
99.2	Equity Incentive Plan—Form of Restricted Stock Agreement
99.3	Equity Incentive Plan—Form of Stock Option Agreement
99.4	Outside Directors’ Option Plan—Form of Option Agreement

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 hereunto duly authorized.

Robert Half International Inc.

Date: October 21, 2004

By: /s/ M. KEITH WADDELL

Name: M. Keith Waddell

Title: Vice Chairman, President and Chief Financial
Officer

FOR IMMEDIATE RELEASE

Contact: M. Keith Waddell
Vice Chairman, President and
Chief Financial Officer
(650) 234-6000

ROBERT HALF INTERNATIONAL INC. REPORTS REVENUES AND EARNINGS
FOR THE THIRD QUARTER OF 2004

MENLO PARK, California, October 21, 2004—Robert Half International Inc. (NYSE symbol: RHI) today reported revenues and earnings for the third quarter ended September 30, 2004.

For the quarter ended September 30, 2004, net income was \$43.1 million or \$.24 per share, on revenues of \$708.0 million. Net income for the prior year's third quarter was \$4.8 million or \$.03 per share, on revenues of \$501.1 million. The \$.24 income per share reported for the third quarter of 2004 includes \$.06 income per share for the company's Protiviti® subsidiary.

For the nine months ended September 30, 2004, net income was \$90.9 million or \$.52 per share, on revenues of \$1.9 billion. For the nine months ended September 30, 2003, net income was \$1.5 million or \$.01 per share, on revenues of \$1.5 billion.

"We were pleased with the performance of our staffing operations and Protiviti during the quarter," said Harold M. Messmer, Jr., chairman and CEO of Robert Half International Inc. "Overall revenues for the company rose 41 percent year over year and 10 percent sequentially.

"We estimate that 15 to 20 percent of our consolidated revenues related directly to Sarbanes-Oxley Act compliance work, which continued to grow significantly during the quarter," Messmer said. "The remaining 80 to 85 percent of revenues reflected organic gains of more than 20 percent on a year-over-year basis. This broad-based improvement was particularly noteworthy in our Accountemps, OfficeTeam and Robert Half Technology staffing divisions."

Commenting on the company's Protiviti division, Messmer said: "Protiviti built tremendous momentum, surpassing the \$100-million revenue milestone for the quarter. This business has demonstrated its ability to deliver its suite of consulting services in highly sought-after specialty areas such as internal audit co-sourcing and outsourcing, business-process improvement, business continuity, information technology audit security, and many other areas."

Robert Half International management will conduct a conference call today at 5 p.m. EDT to discuss the quarterly financial results. The dial-in number is 800-857-9600 (+1-517-308-9001 outside the United States) and the passcode is "Robert Half International." A taped recording of this call will be available for replay beginning at approximately 8 p.m. EDT today and ending at 8 p.m. EDT on October 27, 2004. The dial-in number for the replay is 866-495-2424 (+1-203-369-1761 outside the United States). The conference call will also be archived in audio format on the company's website at www.rhi.com.

Founded in 1948, Robert Half International Inc. (RHI) is the world's first and largest specialized staffing firm. RHI is a recognized leader in professional staffing and consulting services and is the parent company of Protiviti (www.protiviti.com), a leading independent internal audit and risk consulting firm.

The company's specialized staffing divisions include Accountemps®, Robert Half® Finance & Accounting and Robert Half® Management Resources, for temporary, full-time and project professionals, respectively, in the fields of accounting and finance; OfficeTeam®, for highly skilled temporary administrative support personnel;

Robert Half® Technology, for information technology professionals; Robert Half® Legal, for legal personnel; and The Creative Group®, for advertising, marketing and web design professionals. RHI serves its clients and candidates through more than 330 offices worldwide and through online job search services at its divisional websites, all of which can be accessed at www.rhi.com.

Certain information contained in this press release 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. The company undertakes no obligation to update information contained in this release.

A copy of this press release is available at www.rhi.com.

ATTACHED: Summary of Operations

Supplemental Financial Information

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES
SUMMARY OF OPERATIONS
(in thousands, except per share amounts)

	Quarter 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	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	(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
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

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
(in thousands)

	<u>Quarter</u> <u>Ended September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	(Unaudited)		(Unaudited)	
REVENUES:				
Accountemps	\$257,090	\$206,068	\$ 728,266	\$ 612,692
OfficeTeam	149,024	127,814	426,153	373,002
Robert Half Technology	70,570	54,598	195,331	156,294
Robert Half Management Resources	95,277	50,988	245,397	152,567
Robert Half Finance & Accounting	35,768	23,599	98,935	69,930
Protiviti	100,258	38,070	227,417	92,842
Total	<u>\$707,987</u>	<u>\$501,137</u>	<u>\$1,921,499</u>	<u>\$1,457,327</u>
GROSS MARGIN:				
Temporary and consultant staffing	\$207,058	\$154,107	\$ 570,376	\$ 453,594
Permanent placement staffing	35,768	23,599	98,935	69,930
Risk consulting and internal audit services	39,509	9,405	83,683	10,614
Total	<u>\$282,335</u>	<u>\$187,111</u>	<u>\$ 752,994</u>	<u>\$ 534,138</u>
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)
Total	<u>\$ 70,180</u>	<u>\$ 11,014</u>	<u>\$ 150,731</u>	<u>\$ 10,131</u>
SELECTED CASH FLOW INFORMATION:				
Amortization of intangible assets	\$ 99	\$ 2,791	\$ 926	\$ 8,325
Depreciation expense	\$ 11,883	\$ 14,200	\$ 36,525	\$ 41,703
Capital expenditures	\$ 9,902	\$ 9,950	\$ 23,102	\$ 29,561
Open market repurchases of common stock (shares)	1,254	400	2,173	1,559

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
(in thousands)

	September 30,	
	2004	2003
	(Unaudited)	
SELECTED BALANCE SHEET INFORMATION:		
Cash and cash equivalents	\$ 412,572	\$344,190
Accounts receivable, less allowances	\$ 369,237	\$236,078
Total assets	\$1,141,768	\$977,107
Current liabilities	\$ 282,462	\$209,126
Notes payable and other indebtedness, less current portion	\$ 2,286	\$ 2,361
Total stockholders' equity	\$ 853,825	\$755,036

ROBERT HALF INTERNATIONAL INC.
EQUITY INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (“Agreement”) is made and entered into as of _____, between ROBERT HALF INTERNATIONAL INC., a Delaware corporation (the “Company”), and (“Holder”). Capitalized terms not defined herein shall have the meanings assigned to them in the Company’s Equity Incentive Plan (the “Plan”), a copy of which Holder acknowledges having received and reviewed. The Plan is incorporated by reference into this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. *Shares.* Pursuant to the Plan, the Company hereby transfers to Holder, and Holder hereby accepts from the Company, a Restricted Stock Award consisting of _____ shares (the “Plan Shares”) of the Stock on the terms and conditions set forth herein and in the Plan.

2. *Vesting.* The Restricted Stock Award shall vest as to 25% of the amount thereof on each of _____ and _____, unless otherwise provided by the Plan or Section 3 hereof.

3. *Accelerated Vesting.* Notwithstanding Section 2 hereof, the Restricted Stock Award shall Vest and/or remain outstanding as provided from time to time by any other agreement between Holder and the Company or as provided by Section 6(c) or Section 6(d) of the Plan, and in such case, the Vesting Date for any portion of the Restricted Stock Award that Vests under such circumstances shall be the date such portion of the award Vests.

4. *Performance Condition.* The Restricted Stock Award shall be subject to the Performance Condition specified in Section 6(h) of the Plan or the Alternative Performance Condition specified in Section 6(i) of the Plan. The Target EPS and, if applicable, the Performance Period shall be determined by the Compensation Committee of the Company as provided in the Plan.

5. *Understanding of Holder Regarding Withholding Taxes.* Holder hereby represents and acknowledges that (i) on each Vesting Date, Minimum Withholding Taxes become due, (ii) payment of such Minimum Withholding Taxes to the Company is the responsibility of Holder and (iii) payment of such Withholding Taxes may require a significant cash outlay by Holder.

6. *Payment of Taxes.* The Company shall notify the Holder or, if applicable, Holder’s estate, as to the amount of Minimum Withholding Taxes required to be withheld by the Company as a result of Vesting. Within five (5) business days of receipt of such notice, Holder shall make full payment of Minimum Withholding Taxes to the Company by check, Share Reduction or Share Delivery. In the event that such payment is not made within the specified time period, the Company shall have the right to cause such Holder’s Minimum Withholding Taxes obligation to be satisfied as specified in Section 7 of the Plan.

7. *Access to Information.* Holder represents, warrants and acknowledges that he has received and read the Prospectus for the Plan and the documents incorporated therein by reference.

8. *Tax Advice.* Holder represents, warrants and acknowledges that the Company has made no warranties or representations to Holder with respect to the income tax consequences of the transactions contemplated by this Agreement, and Holder is in no manner relying on the Company or the Company’s representatives for an assessment of such tax consequences.

9. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of California

by California residents. The parties agree that the exclusive jurisdiction and venue of any action with respect to this Agreement shall be in the Superior Court for the county in which the principal executive offices of the Company are located, or the United States District Court for the district in which the principal executive offices of the Company are located, and each of the parties hereby submits itself to the exclusive jurisdiction and venue of such courts for the purpose of such action. The parties agree that service of process in any such action may be effected by delivery of the summons and complaint in a manner provided for delivery of notices set forth in Section 10.

10. *Notices.* All notices, communications and documents under this Agreement shall be in writing. All notices, communications, and documents directed to the Company and related to the Agreement, if not delivered by hand, shall be mailed to the Company's principal executive office, Attention: Secretary. The current address of the Company's principal executive office is:

Robert Half International Inc.
2884 Sand Hill Road
Menlo Park, CA 94025

Unless and until the Company is notified in writing to the contrary, all notices, communications, and documents intended for Holder and related to this Agreement, if not delivered by hand, shall be mailed to Holder's last known address as shown on the Company's books or such other address as Holder may specify by notice complying with this section. Notices, communications, and documents not delivered by hand shall be mailed by registered or certified mail, return receipt requested, postage prepaid. All mailings and deliveries related to this Agreement shall be deemed received only when actually received.

11. *Binding Effect.* Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors, and assigns of the parties hereto.

12. *Damages.* Holder shall be liable to the Company for all costs and damages, including incidental and consequential damages and attorneys' fees, resulting from Holder's breach of this Agreement. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings, each party shall pay its own costs and expenses including, without limitation, all attorneys' fees.

13. *Counterparts.* This Agreement may be signed in any number of counterparts with the same effect as if the signature to each such counterpart were upon a single instrument, and all counterparts shall be deemed an original of this Agreement.

14. *Severability.* If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ROBERT HALF INTERNATIONAL INC.

By _____

Holder hereby accepts and agrees to be bound by all of the terms and conditions of this Agreement and the Plan.

Holder

ROBERT HALF INTERNATIONAL INC.
EQUITY INCENTIVE PLAN
STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into as of _____ (the "Grant Date"), between ROBERT HALF INTERNATIONAL INC., a Delaware corporation (the "Company") and _____ ("Optionee").

THE PARTIES AGREE AS FOLLOWS:

1. *Grant of Option and Effective Date.* Effective as of the date hereof, the Company granted to Optionee, pursuant to the Company's Equity Incentive Plan (the "Plan"), a copy of which Optionee acknowledges having received and reviewed, an option (the "Option") to purchase all or any part of an aggregate of _____ shares (the "Option Shares") of the Company's Common Stock, \$.001 par value ("Common Stock"), on the terms and conditions set forth herein and in the Plan, the terms and conditions of the Plan being hereby incorporated into this Agreement by reference.

2. *Exercise Price.* The exercise price for purchase of the Option shares shall be \$ _____ per share (the "Exercise Price"), which is 100% of the Fair Market Value of a share on the Grant Date.

3. *Term.* The Option shall terminate ten years from the Effective Date, unless terminated earlier pursuant to Section 9 of the Plan.

4. *Vesting.* The Option shall Vest as to 25% of the shares covered thereby on each of _____ and _____.

In addition, the Option shall automatically Vest upon the Death or Disability of the Holder or upon the occurrence of a Change in Control. In the event of Death, Disability or Change of Control, then, notwithstanding Section 9 of the Plan, the Option shall remain exercisable until the termination date specified in Section 3 hereof.

Notwithstanding the foregoing, the Option shall Vest, become exercisable and/or remain outstanding as may be provided from time to time by any other agreement between Holder and the Company or as provided by Section 5(d) of the Plan, and in such case, the Vesting Date for any portion of the Option that Vests under such circumstances shall be the date such portion of the award Vests.

5. *Exercise of Options.*

5.1 *Manner of Exercise.* Optionee may exercise all or any portion of the Option which is Vested, by delivering to the Company at its principal executive office, to the attention of the Secretary of the Company, (a) an executed stock purchase agreement in the form attached hereto as Exhibit A or in such other form as shall be acceptable to the Company and (b) the Exercise Price. The date the Company receives both of the foregoing items will be considered as the date the Option was exercised.

5.2 *Payment.* The Exercise Price may be paid by any method authorized by Section 5(f) of the Plan other than delivery of a promissory note, which is no longer permitted.

6. *Restriction on Issuance of Shares.*

6.1 *Legality of Issuance.* The Company shall not be obligated to sell or issue any Option Shares pursuant to this Agreement if such sale or issuance, in the opinion of the Company and the Company's counsel, would constitute a violation by the Company of any provision of law, including without limitation the provisions of the Securities Act of 1933, as amended (the "Act").

6.2 *Registration or Qualification of Securities.* The Company may, but shall not be required to, register or qualify the issuance of the Option or any Option Shares under the Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the grant or exercise of the Option or the issuance or sale of any Option Shares pursuant hereto to comply with any law.

7. *Restriction on Transfer.* Regardless of whether the sale of the Option Shares has been registered under the Act or has been registered or qualified under the securities laws of any state, the Company may impose restrictions upon the sale, pledge, or other transfer of Option Shares (including the placement of appropriate legends on stock certificates) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Act, the securities laws of any state, or any other law.

8. *Stock Certificate Restrictive Legends.* Stock certificates evidencing Option Shares may bear such restrictive legends as the Company and the Company's counsel deem necessary under applicable law or pursuant to this Agreement.

9. *Representations, Warranties, Covenants, and Acknowledgments of Optionee Upon Exercise of Option.* Optionee hereby agrees that in the event the Company and the Company's counsel deem it necessary or advisable in the exercise of their discretion, the issuance of Option Shares may be conditioned upon the person purchasing Option Shares making certain representations, warranties, and acknowledgments relating to compliance with applicable securities laws.

10. *Assignment; Binding Effect.* Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon and inure to the benefit of the executors, administrators, heirs, legal representatives, and successors of the parties hereto; provided, however, that Optionee may not assign any of Optionee's rights under this Agreement except as provided in the Plan.

11. *Damages.* Optionee shall be liable to the Company for all costs and damages, including incidental and consequential damages and attorneys' fees, resulting from a disposition of Option Shares that is not in conformity with the provisions of this Agreement.

12. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of California by California residents. The parties agree that the exclusive jurisdiction and venue of any action with respect to this Agreement shall be in the Superior Court for the county in which the principal executive offices of the Company are located or the United States District Court for the district in which the principal executive offices of the Company are located, and each of the parties hereby submits itself to the exclusive jurisdiction and venue of such courts for the purpose of such action. The parties agree that service of process in any such action may be effected by delivery of the summons and complaint in a manner provided for delivery of notices set forth herein.

13. *Notices.* All notices and other communications under this Agreement shall be in writing. Unless and until Optionee is notified in writing to the contrary, all notices, communications, and documents directed to the Company and related to this Agreement, if not delivered by hand, shall be mailed, addressed as follows:

Robert Half International Inc.
2884 Sand Hill Road
Menlo Park, California 94025
Attention: Secretary

Unless and until the Company is notified in writing to the contrary, all notices, communications, and documents intended for Optionee and related to this Agreement, if not delivered by hand, shall be mailed to Optionee's last known address as shown on the Company's books. Notices, communications, and documents shall be mailed by

registered or certified mail, return receipt requested, postage prepaid. All mailings and deliveries related to this Agreement shall be deemed received only when actually received.

14. *Tax Advice.* The Company has made no warranties or representations to Optionee with respect to the income tax consequences of the transactions contemplated by this Agreement, and Optionee is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences.

15. *Counterparts.* This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon a single instrument, and all counterparts shall be deemed an original of this Agreement.

16. *Severability.* If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ROBERT HALF INTERNATIONAL INC.

By _____

Optionee

ROBERT HALF INTERNATIONAL INC.
OUTSIDE DIRECTORS' OPTION PLAN

OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement"), is made and entered into as of _____ (the "Grant Date"), between Robert Half International Inc., a Delaware corporation (the "Company") and ("Optionee"). Capitalized terms not defined herein shall have the meanings assigned to them in the Company's Outside Directors' Option Plan (the "Plan"), a copy of which Optionee acknowledges having received and reviewed. The Plan is incorporated by reference into this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. *Grant of Option.* Pursuant to the Plan, the Company grants to Optionee, effective as of the Grant Date set forth above, an Option to purchase _____ shares of Stock. Such Option shall be on the terms and conditions set forth herein and in the Plan.

2. *Exercise Price.* The exercise price for the Stock subject to the Option is \$ _____ per share (the "Exercise Price"), which is 100% of the value of a share on the Grant Date.

3. *Exercise of Options.*

3.1. *Time of Exercise.* The Option shall be exercisable, in whole or in part, as to that portion of the Option which is then vested, until the Option terminates in accordance with the Plan.

3.2. *Manner of Exercise.* Optionee may exercise all or any portion of the Option which is then vested, by giving written notice as specified herein, accompanied by a copy of a Stock Purchase Agreement in substantially the form attached hereto as *Exhibit A* (or, at the option of the Company, such other form of stock purchase agreement as shall then be acceptable to the Company) executed by Optionee.

3.3. *Payment.* Payment of the exercise price shall be made in full at the time written notice of exercise of the Option is given to the Company in such manner permitted by the Plan as Optionee shall determine; provided, however, that payment as provided by Section 5.7.1 of the Plan is no longer permitted. Promptly thereafter, the Company shall deliver to Optionee (or other person entitled to exercise the Option) a certificate or certificates for the requisite number of shares of Stock.

4. *Issuance of Shares.*

4.1. *Legality of Issuance.* The Company shall not be obligated to sell or issue any Stock pursuant to this Agreement if such sale or issuance, in the opinion of the Company and the Company's counsel, would constitute a violation by the Company of any provision of law, including without limitation the provisions of the Securities Act.

4.2. *Registration or Qualification of Securities.* The Company may, but shall not be required to, register or qualify the issuance of the Option or any Stock under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the grant or exercise of the Option or the issuance or sale of Stock pursuant hereto to comply with any law.

5. *Restriction on Transfer.* Regardless of whether the sale of the Stock has been registered under the Securities Act or has been registered or qualified under the securities laws of any state, the Company may impose restrictions upon the sale, pledge, or other transfer of Stock (including the placement of appropriate legends on

stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any state, or any other law.

6. *Restrictive Legends.* Certificates evidencing Stock may bear such restrictive legends as the Company and the Company's counsel deem necessary under applicable law or pursuant to this Agreement.

7. *Assignment; Binding Effect.* The Option is not assignable or transferable by Optionee except as permitted by the Plan. During the life of Optionee, the Option is exercisable only by Optionee or, in the event of disability of the Optionee, by Optionee's guardian or legal representative. Any attempt by Optionee to assign, pledge, transfer, hypothecate, or otherwise dispose of the Option in a manner not herein permitted, and any levy of execution, attachment, or similar process on the Option, shall be null and void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the executors, administrators, heirs, legal representatives, and successors of the parties hereto.

8. *Damages.* Optionee shall be liable to the Company for all costs and damages, including incidental and consequential damages and attorneys' fees, resulting from a disposition of Stock that is not in conformity with the provisions of this Agreement.

9. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of California by California residents. The parties agree that the exclusive jurisdiction and venue of any action with respect to this Agreement shall be in the Superior Court for the state and county in which the Company's principal executive office is located or the United States District Court for the district in which such office is located, and each of the parties hereby submits itself to the exclusive jurisdiction and venue of such courts for the purpose of such action. The parties agree that service of process in any such action may be effected by delivery of the summons and complaint in a manner provided for delivery of notices set forth herein.

10. *Notices.*

10.1 *Notice of Exercise.* A notice of exercise of the Option shall be in writing, and shall be delivered to the Company, Attention: Secretary, at the address specified below, by hand, by courier or by facsimile transmission. Notice complying with this subsection shall be deemed received on the date received by the Secretary of the Company.

10.2. *Other Notices.* All other notices, communications and documents under this Agreement shall be in writing. Notices, communications, and documents that are not delivered by hand shall be mailed by registered or certified mail, return receipt requested, postage prepaid. All mailings and deliveries under this subsection shall be deemed received only when actually received by the Secretary of the Company.

10.3. *Addresses.* All notices, communications, and documents directed to the Company and related to this Agreement, if not delivered by hand, shall be mailed to the Company's principal executive office, Attention: Secretary. The current address of the Company's principal executive office is:

Robert Half International Inc.
2884 Sand Hill Road
Menlo Park, CA 94025

All notices, communications, and documents intended for Optionee and related to this Agreement, if not delivered by hand, shall be mailed to Optionee's address as shown in the Company's records, or such other address as Optionee may specify by notice.

11. *Tax Advice.* Optionee represents and acknowledges that the Company has made no warranties or representations to Optionee with respect to the income tax consequences of the transactions contemplated by this Agreement, and Optionee is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences.

12. *Counterparts.* This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon a single instrument, and all counterparts shall be deemed an original of this Agreement.

13. *Severability.* If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ROBERT HALF INTERNATIONAL INC.

By _____

Harold M. Messmer, Jr.
Chairman and Chief
Executive Officer

Optionee hereby accepts and agrees to be bound by all of the terms and conditions of this Agreement and the Plan.

Optionee

Robert Half International Inc.
Outside Directors' Option Plan
Exercise

The undersigned acknowledges the exercise of the following option previously granted under the Robert Half International Inc. Outside Directors' Option Plan:

<u>Grant Date</u>	<u>Number of Shares</u>	<u>Per Share Exercise Price</u>
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The aggregate exercise price is \$.

This exercise is governed by the terms and conditions of the Outside Directors' Option Plan, the terms and conditions of the Stock Option Agreement pursuant to which the foregoing option was granted and such other policies and procedures that have been adopted from time to time by the Administrator of the Outside Directors' Option Plan. I have sought and received such tax and legal advice as I have deemed necessary in deciding to exercise this Option. My decision concerning this exercise is based solely upon my own evaluation and not upon any advice, counsel or inducement from Robert Half International Inc. or any of its officers, employees or agents.
