Q3 2010 Results

Adecco Group

Zurich, November 9, 2010

Disclaimer

Forward-looking statements

Information in this release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to Adecco S.A. as of the date of this release, and we assume no duty to update any such forward-looking statements. The forward-looking statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the Company's forward-looking statements include, among other things: global GDP trends and the demand for temporary work; changes in regulation of temporary work; intense competition in the markets in which the Company operates; integration of acquired companies; changes in the Company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

Today's agenda

Operational review

Financial review

Strategy & Outlook

Operational review

Patrick De Maeseneire, Group CEO

Highlights
Q3 2010 and Outlook

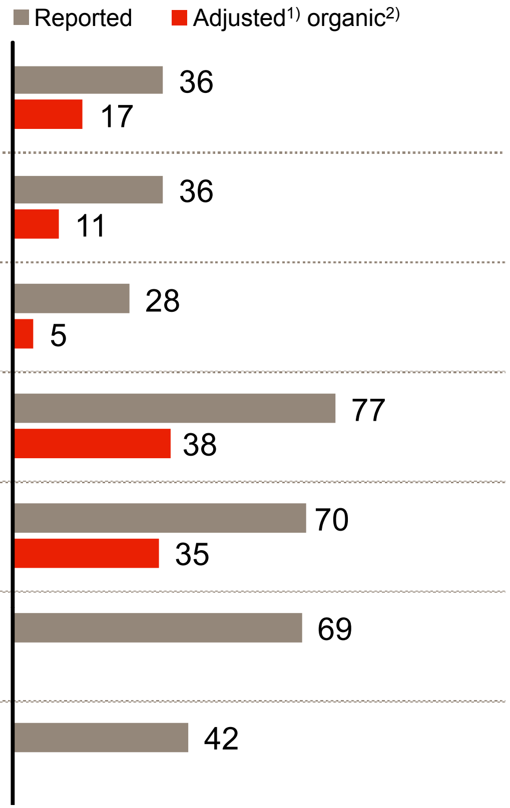
- Revenues up 36% or 17% organically to EUR 5.1 billion
- Gross margin of 17.8% up 10 bps vs. Q3 2009 and -70 bps organically and adjusted
- EBITA before integration costs of EUR 239 million, up 38% organically and adjusted
- EBITA margin at 4.7%, up 90 bps on an adjusted basis and before integration costs
- Revenues in September +17%[1]; October shows similar pattern with no signs of a slowdown

1) Organically and adjusted for trading days.

Q3 2010 results summary

	Reported EUR m	% of rev.
Revenues	**5,055**	
Gross profit	**898**	17.8%
SG&A	**668**	13.2%
EBITA[3] before integration costs	**239**	4.7%
EBITA[3]	**230**	4.5%
Operating income	**216**	4.3%
Net income attributable to Adecco shareholders	**128**	2.5%

Variance (10 vs. 09) in percent



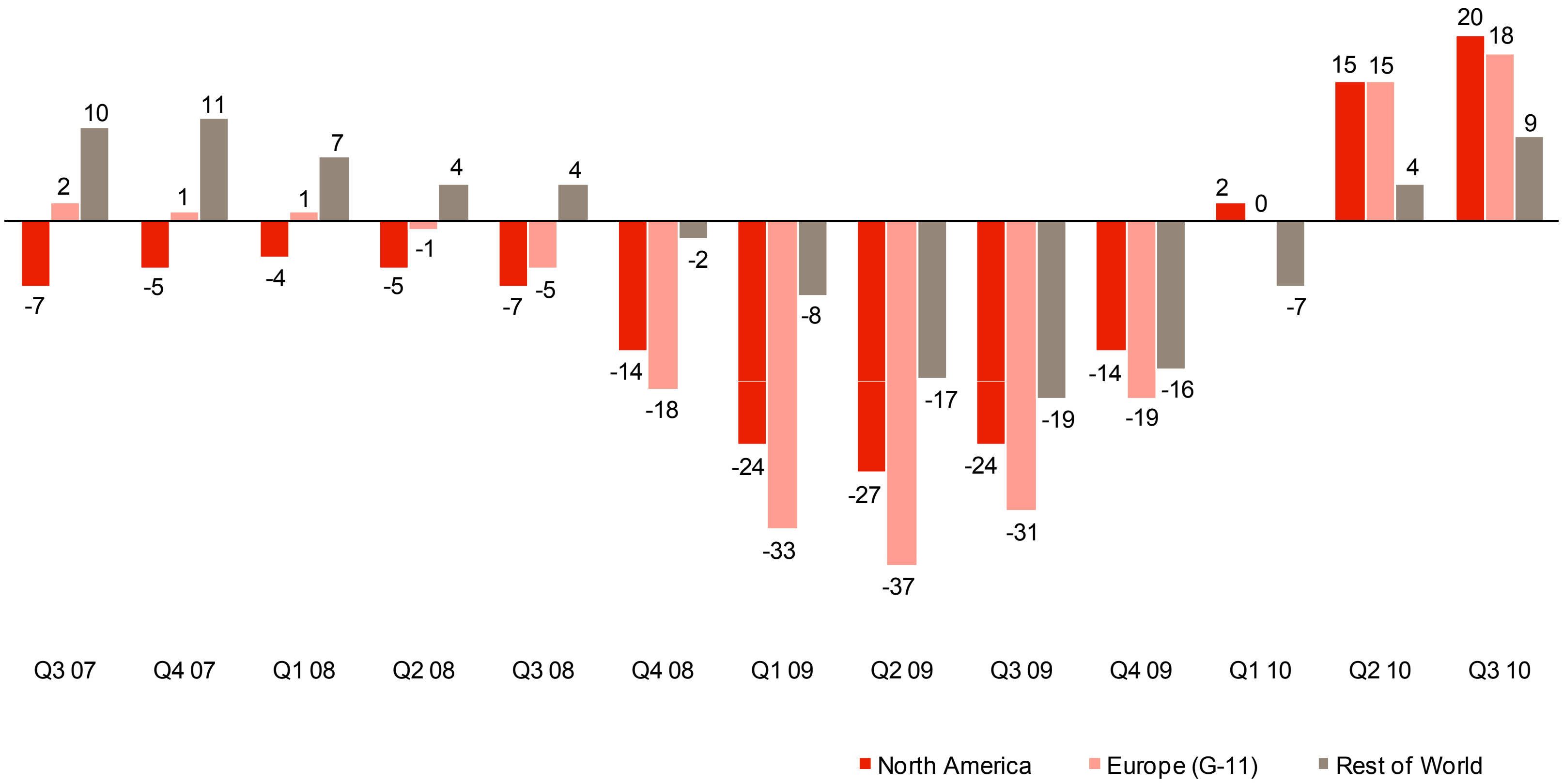
1) Adjusted is a non US GAAP measure excluding in Q3 2009 the positive impact on gross profit of EUR 11 million due to favorable developments which resulted in the reassessment of existing accruals in France, the negative impact on SG&A of EUR 1 million related to restructuring costs, and, for better comparison, excluding in Q3 2009 the French business tax of EUR 16 million in costs of services and EUR 1 million in SG&A as those business tax components are shown as income tax as of 2010. Based on the new French business tax law, which is effective since January 1, 2010, a part of the business tax is computed based on added value and therefore under US GAAP classified as income tax.

2) Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestures.

3) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

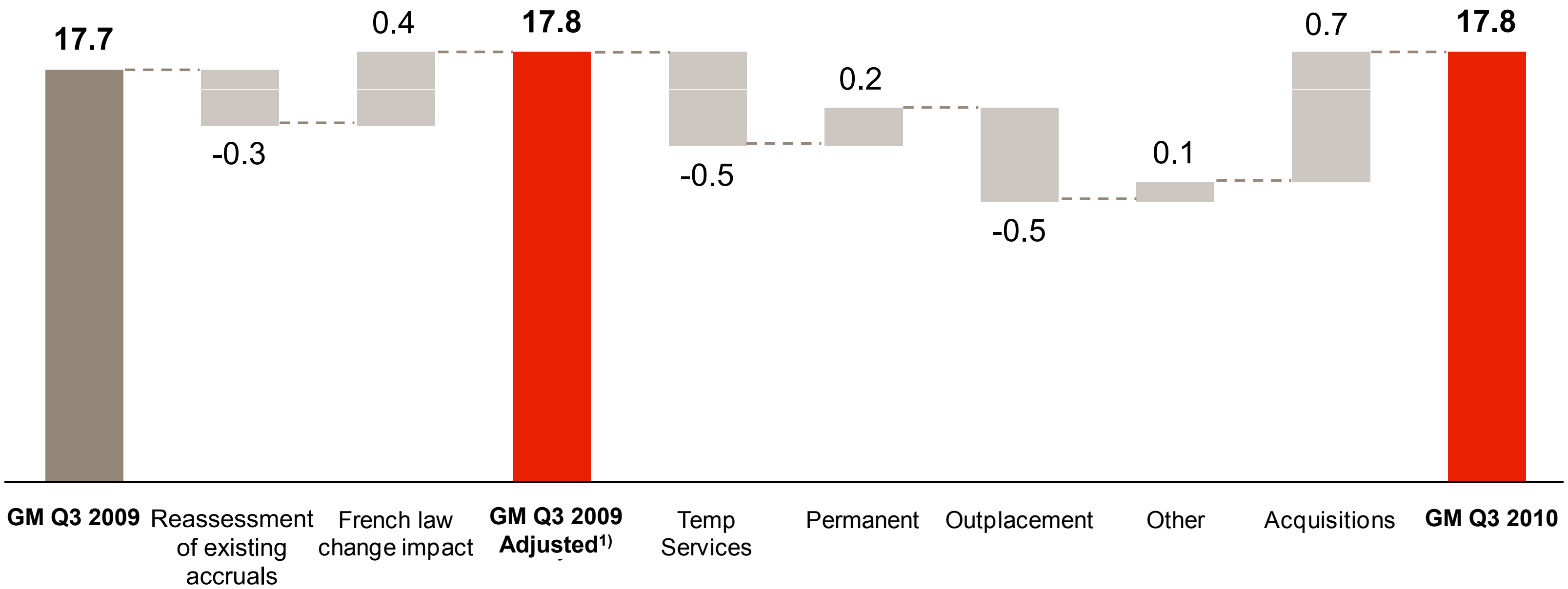
Revenue development by region

Organic year-on-year change in percent



Q3 2010 gross margin drivers

In percent of revenues



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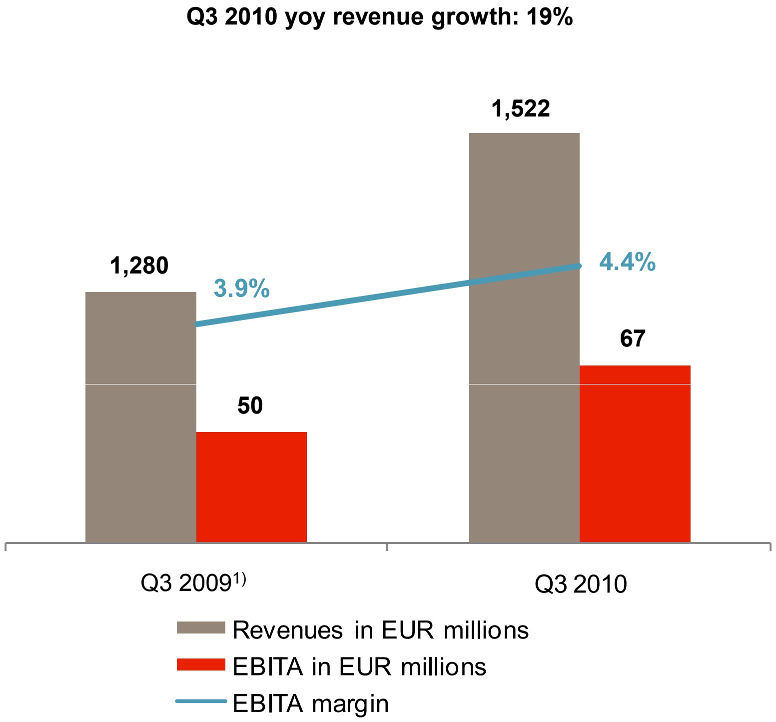
France

30% of group revenues in Q3 2010



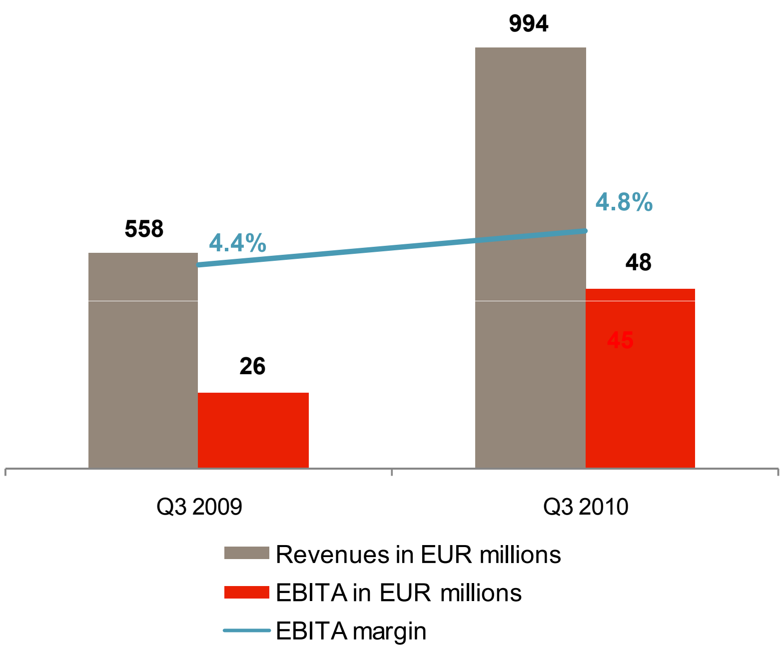
- Revenue growth of 19% (20% in Q2 10), mainly driven by automotive, chemicals and manufacturing
- Pricing has stabilised
- Revenue growth in September +18%, adjusted for business days

1) Q3 2009 excludes the positive impact on gross profit of EUR 11 million due to favorable developments which resulted in the reassessment of existing accruals in France, the positive impact on SG&A of EUR 3 million related to restructuring costs and, for better comparison, excluding in Q3 2009 the French business tax of EUR 16 million in costs of services and EUR 1 million in SG&A as those business tax components are shown as income tax as of 2010. Based on the new French business tax law, which is effective since January 1, 2010, a part of the business tax is computed based on added value and therefore under US GAAP classified as income tax.

North America

20% of group revenues in Q3 2010

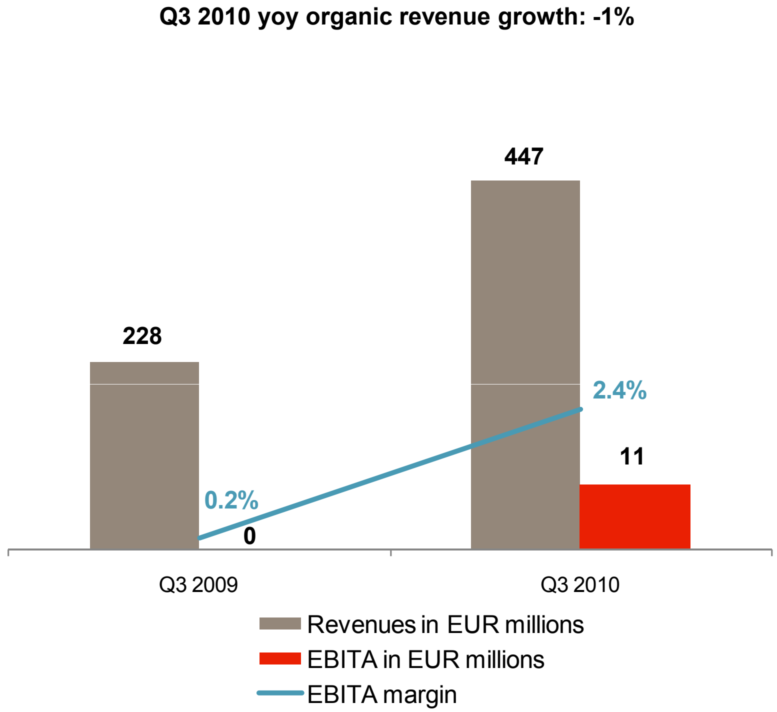
Q3 2010 yoy organic revenue growth: 20%



- Revenues up 58% in constant currency (51% in Q2 10), driven by automotive, consumer goods, industrial and technology sectors and acquisitions
- Excluding the declining outplacement business, revenues were up 25% organically in Q3 (21% in Q2 10) and up 25% organically and adjusted for business days in September
- Integration costs related to MPS amounted to EUR 6 million in Q3 10

UK & Ireland

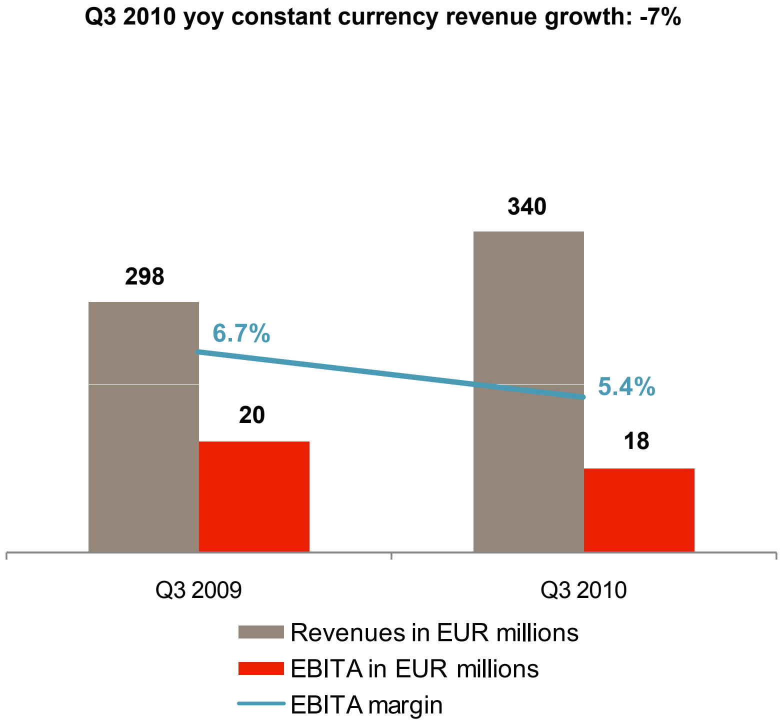
9% of group revenues in Q3 2010



- Revenues up 88% in constant currency and down 1% organically (-3% in Q2 10); improving trends in financials and IT
- Improved profitability of 2.4% (1.3% in Q2 10) despite EUR 3 million integration costs; integration fully on track
- Permanent placement revenues +38% organically

Japan

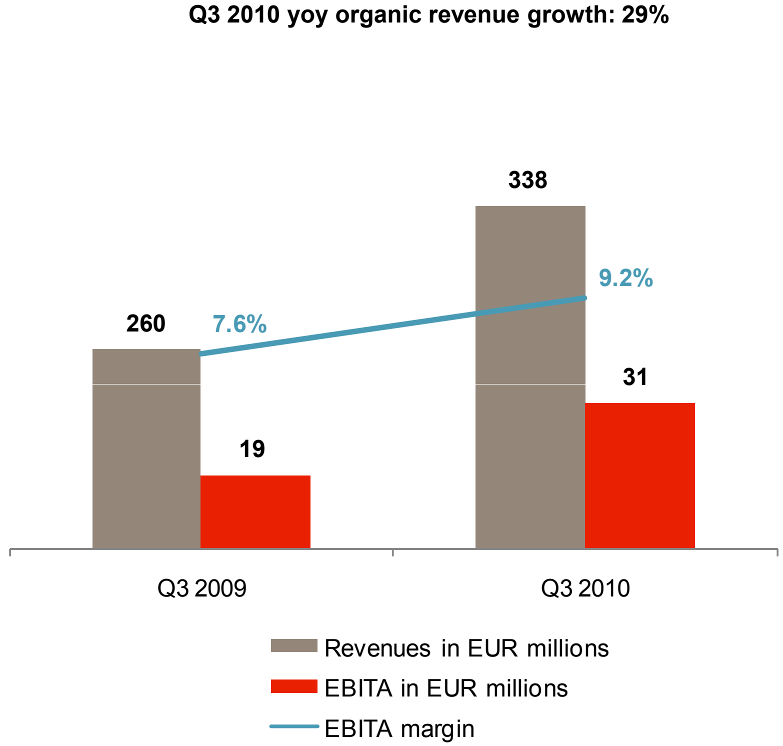
7% of group revenues in Q3 2010



- Revenues down 7% in constant currency (-14% in Q2 10)
- Demand remained stable sequentially; no signs of a material pick-up yet
- New outsourcing contracts won, which support growth early next year

Germany & Austria

7% of group revenues in Q3 2010

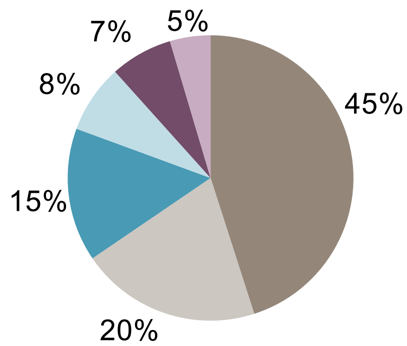


- Revenues organically up 29% (20% in Q2 10), driven by automotive, chemicals and industrials
- General staffing brands in Germany grew 38% and the later-cyclical professional staffing brand DIS grew 18% in Q3 10
- Strong improvement in profitability with a 9.2% EBITA margin for the region in Q3 10

Revenue development by business lines

Q3 2010 vs. Q3 2009

	Revenues[1)] EUR m	Revenue growth in %, organically
Office	**979**	**3**
Industrial	**2,483**	**24**
Information Technology	**569**	**12**
Engineering & Technical	**258**	**27**
Finance & Legal	**191**	**9**
Medical & Science	**98**	**6**
Sales, Marketing & Events	**89**	**7**
Human Capital Solutions	**58**	**-27**
Emerging Markets	**330**	**26**
Adecco Group	**5,055**	**17**



1) Breakdown of revenues is based on dedicated branches. The 2010 information includes certain changes in the allocation of branches to business lines. The 2009 information has been restated to conform to the current year presentation.

Financial review

Dominik de Daniel, Group CFO

Q3 2010 Results in detail – P&L

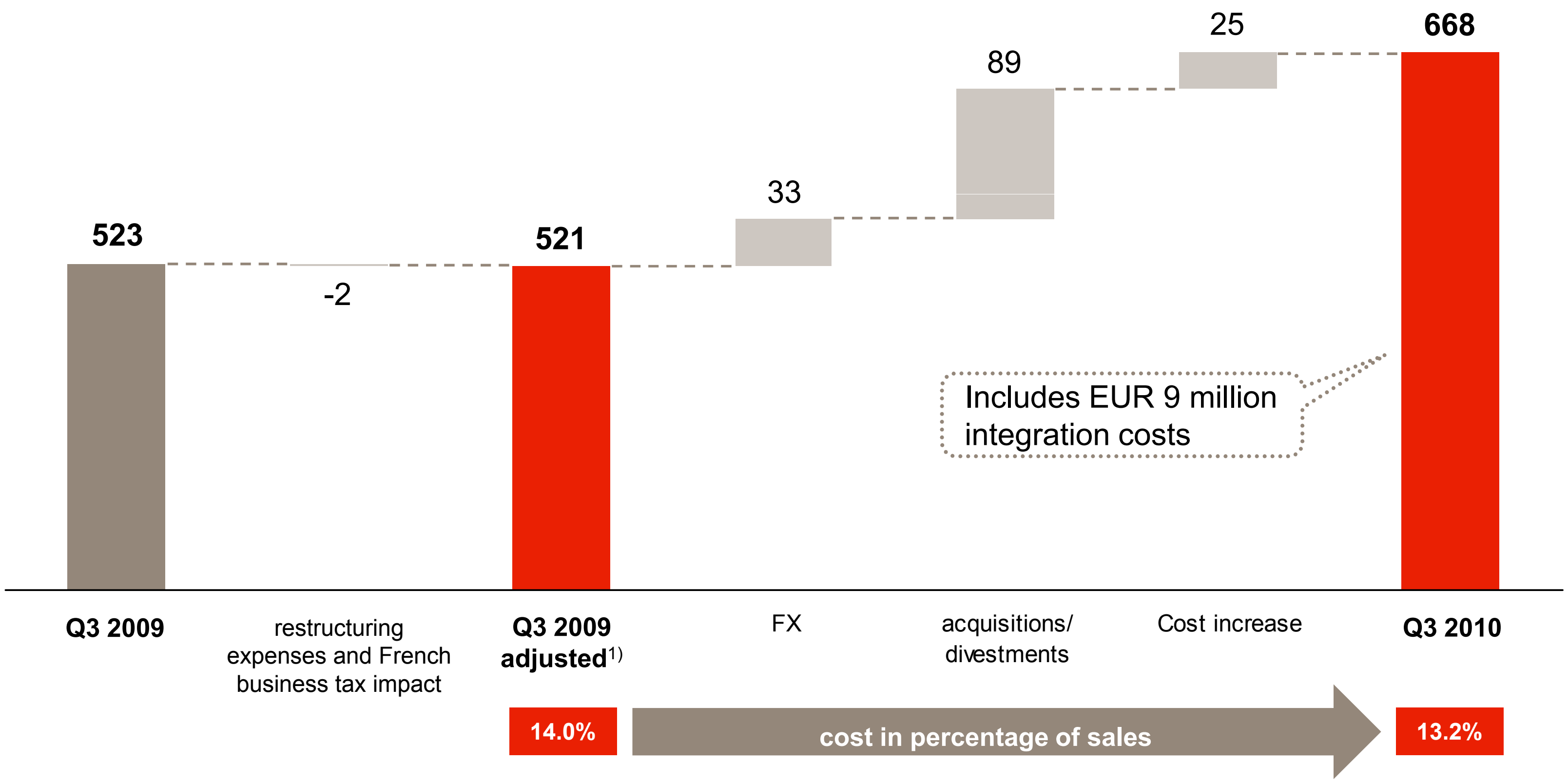
In EUR millions

	Q3 2010	Q3 2009	Variance % EUR	Variance % Constant Currency	9M 2010	9M 2009	Variance % EUR	Variance % Constant Currency
Revenues	5,055	3,718	36%	29%	13,663	11,012	24%	20%
Direct costs of services	(4,157)	(3,060)			(11,228)	(9,028)		
Gross profit	**898**	**658**	36%	29%	**2,435**	**1,984**	23%	19%
Gross margin	*17.8%*	*17.7%*			*17.8%*	*18.0%*		
Selling, general and administrative expenses	(668)	(523)	28%	20%	(1,924)	(1,774)	8%	5%
As a percentage of revenues	*13.2%*	*14.1%*			*14.1%*	*16.1%*		
EBITA [1]	**230**	**135**	70%	61%	**511**	**210**	143%	133%
EBITA [1] margin	*4.5%*	*3.6%*			*3.7%*	*1.9%*		
Amortisation of intangible assets	(14)	(8)			(41)	(34)		
Impairment of goodwill and intangible assets						(192)		
Operating income/(loss)	**216**	**127**	69%	60%	**470**	**(16)**	n.m	n.m.
Operating income/(loss) margin	*4.3%*	*3.4%*			*3.4%*	*-0.1%*		
Interest expense	(17)	(17)			(48)	(41)		
Other income / (expenses), net	(1)	(1)				3		
Income/(loss) before income taxes	**198**	**109**	80%		**422**	**(54)**	n.m.	
Provision for income taxes	(69)	(19)			(139)	20		
Net income/(loss)	**129**	**90**	42%		**283**	**(34)**	n.m.	
Net income attributable to noncontrolling interests	(1)				(1)			
Net income/(loss) attributable to Adecco shareholders	**128**	**90**	42%		**282**	**(34)**	n.m.	
Net income/(loss) margin attributable to Adecco shareholders	*2.5%*	*2.4%*			*2.1%*	*-0.3%*		

1) EBITA is a non US GAAP measure and refers to operating income/(loss) before amortisation and impairment of goodwill and intangible assets

Q3 2010 SG&A movements

In EUR millions



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Balance sheet
In EUR millions

Assets	Sept 30 2010	Dec 31 2009
Cash and cash equivalents	441	1,458
Short-term Investments	2	2
Trade accounts receivable, net	3,476	2,560
Other current assets	389	331
Property, equipment, and leasehold improvements, net	274	245
Other assets	288	276
Goodwill and intangible assets, net	3,821	2,959
Total assets	**8,691**	**7,831**
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,345	2,716
Short- and long-term debt	1,401	1,570
Other liabilities	569	431
Total Adecco shareholders' equity	3,374	3,112
Noncontrolling interests	2	2
Total liabilities and shareholders' equity	**8,691**	**7,831**
Net Debt*	958	110

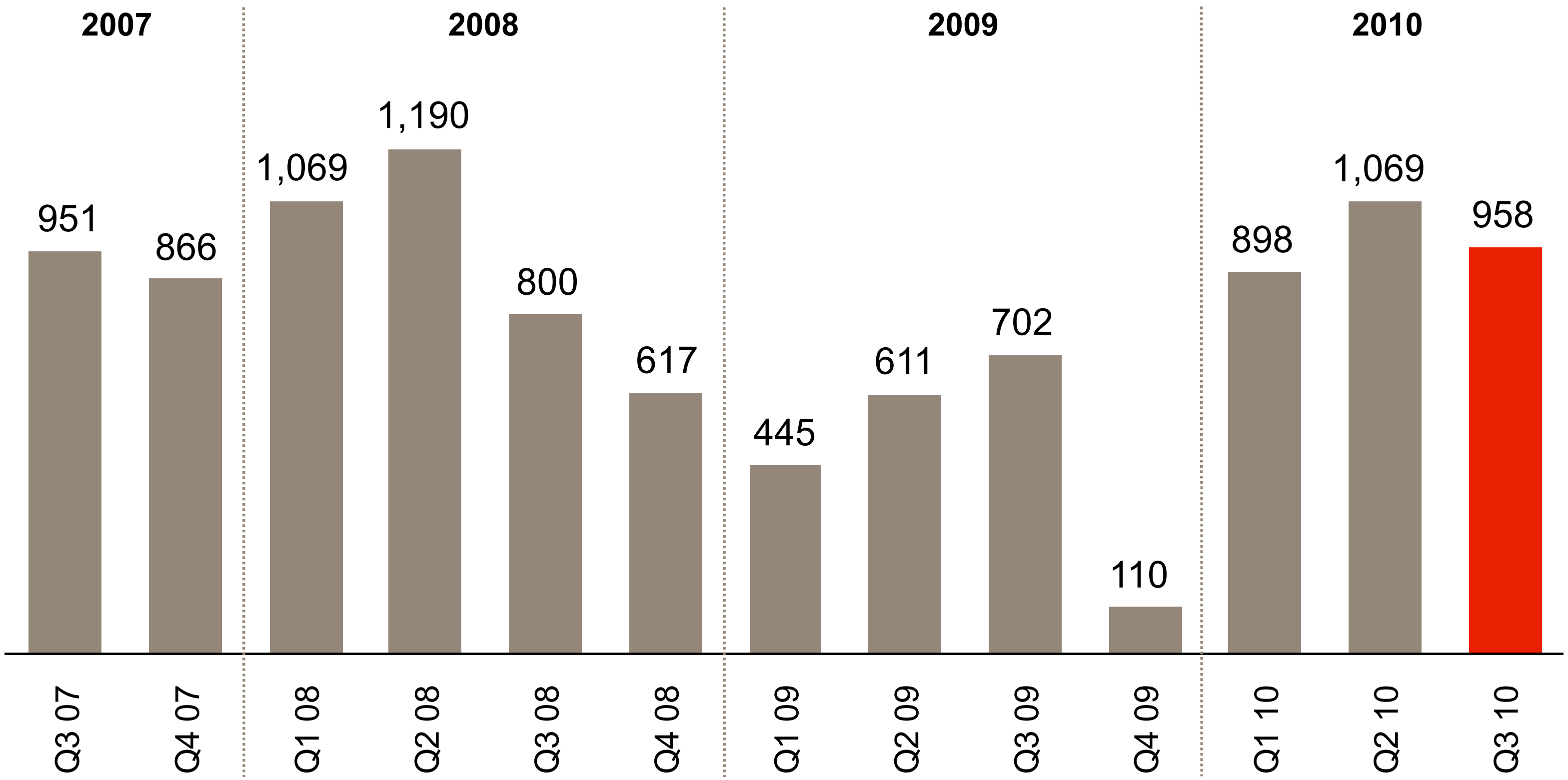
* Net debt is a non US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

Cash-flow statement
In EUR millions

	Q3		9M	
	2010	**2009**	**2010**	**2009**
Net income/(loss)	129	90	283	(34)
Adjustments to reconcile net income/(loss) to cash flows from operating activities:				
– Depreciation and amortisation	37	26	105	93
– Impairment of goodwill and intangible assets				192
– Other charges	30	(4)	53	(31)
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	(179)	(76)	(645)	508
– Accounts payable and accrued expenses	165	39	375	(383)
– Other assets and liabilities	(8)	(8)	33	4
Cash flows from operating activities	**174**	**67**	**204**	**349**
Cash flows from/(used in) investing activities	**(70)**	**(152)**	**(944)**	**(251)**
Cash flows from/(used in) financing activities	**(88)**	**(72)**	**(310)**	**86**
Effect of exchange rate changes on cash	(8)	2	33	9
Net increase/(decrease) in cash and cash equivalents	**8**	**(155)**	**(1,017)**	**193**

Net debt* development since Q3 2007

In EUR millions



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Financial Guidance

Full year 2010

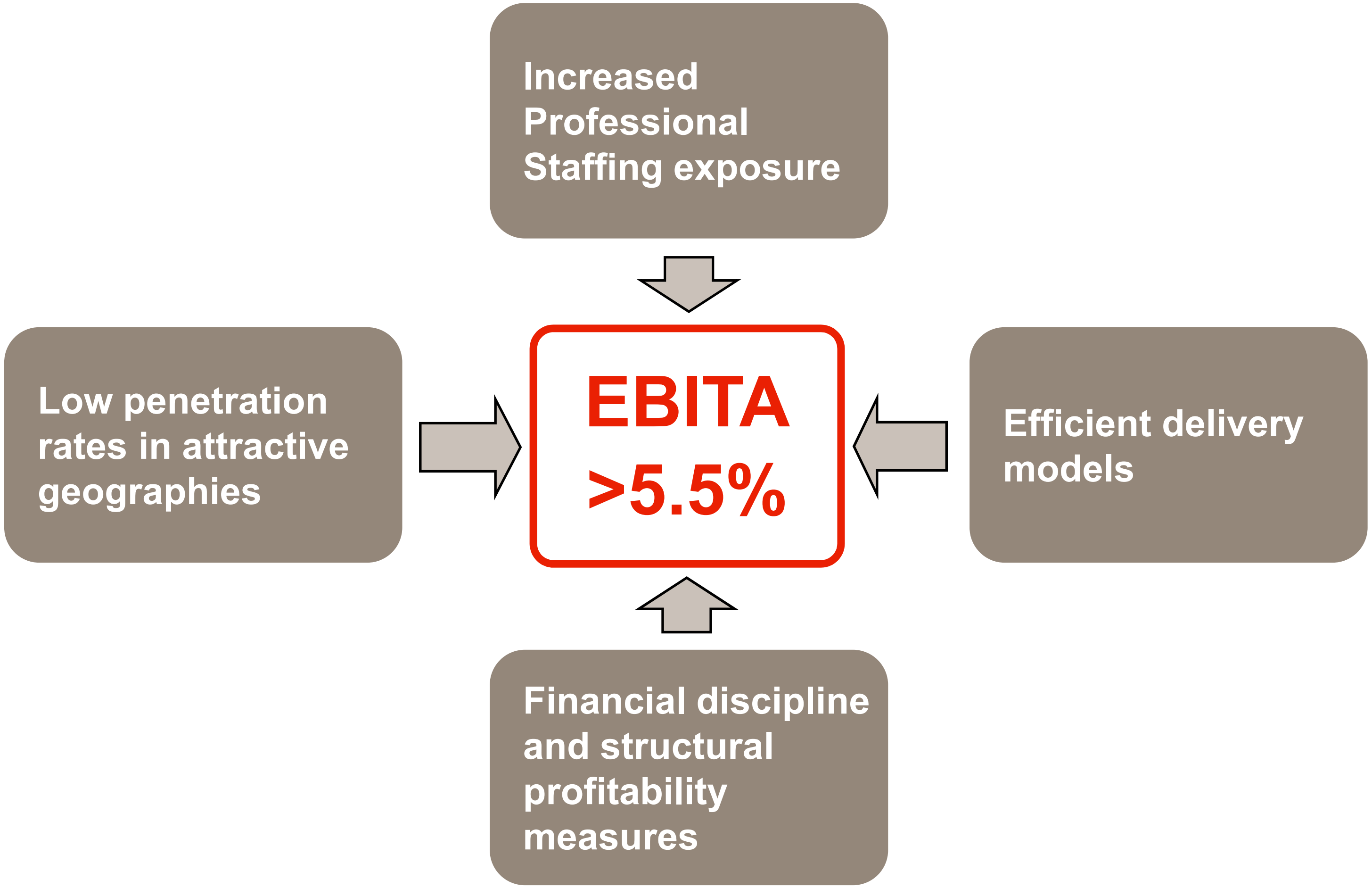
Capex	Approximately EUR 100 million
Interest expense	Approximately EUR 65 million
Corporate costs	Approximately EUR 70 million
Amortisation	Approximately EUR 55 million

Strategy & Outlook

Patrick De Maeseneire, Group CEO

We strive to reach an EBITA margin above 5.5%

In the mid-term



Thank you

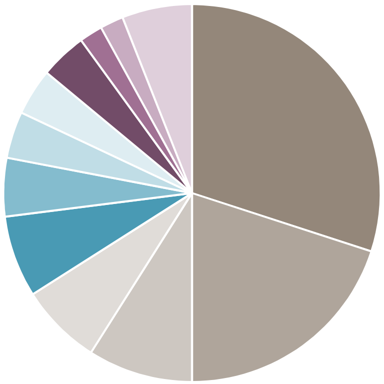
Adecco Group

Appendix

Revenues and EBITA by geography

Q3 2010 vs. Q3 2009

Revenues in percent



		Revenues EUR m	Revenues organic[1] yoy growth	EBITA[2] EUR m	EBITA[2] margin
30%	France	**1,522**	19%	**67**	4.4%
20%	North America	**994**	20%	**48**	4.8%
9%	UK & Ireland	**447**	-1%	**11**	2.4%
7%	Japan	**340**	-7%	**18**	5.4%
7%	Germany & Austria	**338**	29%	**31**	9.2%
5%	Benelux	**240**	13%	**15**	6.2%
4%	Italy	**219**	34%	**10**	4.2%
4%	Iberia	**197**	7%	**8**	3.9%
4%	Nordics	**192**	22%	**12**	6.2%
2%	Australia & New Zealand	**117**	25%	**5**	4.0%
2%	Switzerland	**119**	17%	**12**	10.2%
6%	Emerging Markets	**330**	26%	**9**	2.8%
	Corporate			**-16**	
	Adecco Group	**5,055**	17%	**230**	4.5%

1) Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestures.

2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

Developments in the Emerging Markets

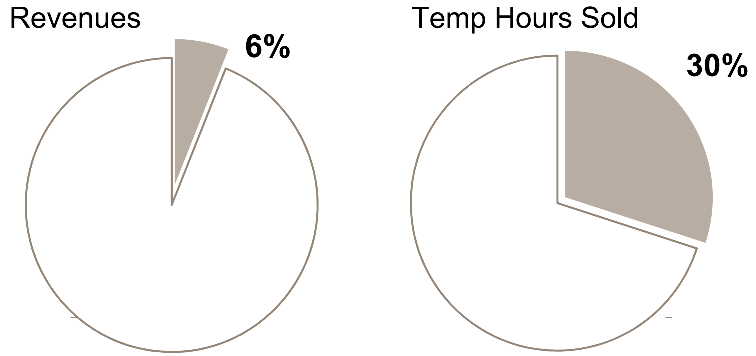
Q3 2010 revenues by geography

Revenue split / growth

yoy growth, in constant currency

34%		South America	*21%*
30%		Eastern Europe	*30%*
23%		Asia	*14%*
13%		India	*67%*

Emerging Markets compared to Adecco Group



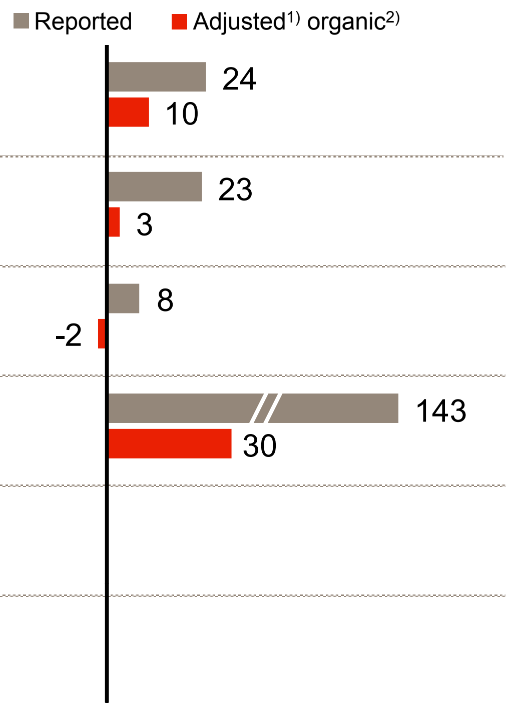
Q3 2010 vs. Q3 2009	**Emerging Markets**	**Adecco Group[1)]**
Organic growth		
Revenues	**26%**	**17%**
Margin development		
EBITA margin	**2.8%**	**4.5%**
	-60 bps	+70 bps

[1)] Adjusted (please refer to definition in footnote 1 on slide 6)

9M 2010 results summary

	Reported EUR m	% of rev.
Revenues	**13,663**	
Gross profit	**2,435**	17.8%
SG&A	**1,924**	14.1%
EBITA[3)]	**511**	3.7%
Operating income	**470**	3.4%
Net income attributable to Adecco shareholders	**282**	2.1%

Variance (10 vs. 09) in percent



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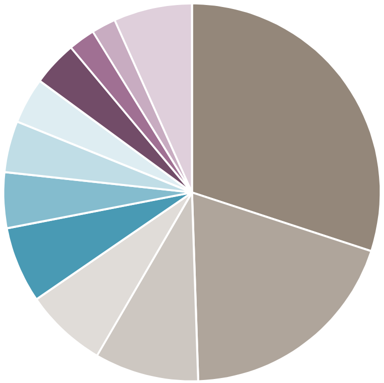
Revenues and EBITA by geography

9M 2010 vs. 9M 2009

Revenues in percent



		Revenues		EBITA[1]	
		EUR m	organic[1] yoy growth	EUR m	margin
30%	France	**4,104**	15%	**152**	3.7%
19%	North America	**2,656**	12%	**125**	4.7%
9%	UK & Ireland	**1,219**	-5%	**18**	1.5%
7%	Japan	**961**	-15%	**52**	5.5%
7%	Germany & Austria	**891**	14%	**58**	6.5%
5%	Benelux	**651**	5%	**27**	4.2%
4%	Italy	**601**	19%	**26**	4.3%
4%	Iberia	**538**	8%	**19**	3.5%
4%	Nordics	**526**	10%	**27**	5.1%
2%	Australia & New Zealand	**313**	13%	**9**	2.8%
2%	Switzerland	**285**	2%	**26**	9.1%
7%	Emerging Markets	**918**	24%	**25**	2.7%
	Corporate			**-53**	
	Adecco Group	**13,663**	10%	**511**	3.7%

1) Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestures.

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Revenues – Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in Q3 2010