

Press Release

Adecco's revenue momentum is accelerating in most markets

The Group is back to organic revenue growth in March

Q1 HIGHLIGHTS (Q1 2010 versus Q1 2009)

- Revenues of EUR 4.0 billion, up 7% (-1% organically¹)
- Gross margin of 18.0%, down 50 bps (-130 bps organically and adjusted²)
- SG&A declined by 7% (-11% organically and adjusted)
- EBITA³ of EUR 113 million, up 162% (+13% organically and adjusted)
- EBITA margin at 2.8%, up 30 bps on an adjusted basis
- DSO improved by 1 day to 54 days in Q1 2010

Key figures Q1 2010

in EUR millions	reported	reported growth	organic/adjusted growth
Revenues	3,962	+7%	-1%
Gross profit	712	+4%	-8%
EBITA	113	+162%	+13%
Operating income	100	+234%	
Net income attributable to Adecco shareholders	57	+147%	

Zurich, Switzerland, May 6, 2010: Adecco Group, the worldwide leader in Human Resource services, today announced results for the first quarter of 2010. Revenues were EUR 4.0 billion in Q1 2010, down 1% on an organic basis. The gross margin was 18.0%, a decline of 50 bps and down 130 bps organically and adjusted. Continued strict cost control resulted in an SG&A reduction of 11%, adjusted and organically. The Q1 2010 EBITA margin was 2.8%, up 30 bps compared with the adjusted Q1 2009 EBITA margin of 2.5%. DSO improved by 1 day to 54 days in the first quarter of 2010.

Patrick De Maeseneire, Chief Executive Officer of the Adecco Group, said: *"In the first quarter of 2010, trading conditions improved significantly in most markets and the revenue decline rate for the Group improved to -1% organically from -18% in Q4 2009. We saw very good demand progression primarily in the general staffing segment in our main markets France and North America, where revenues returned to year-on-year growth in Q1 2010. Pricing remained competitive, but we maintained our discipline and were able to achieve a gross margin of 18.0%, also thanks to our increased exposure to professional staffing. Costs were well controlled in Q1 2010, down 11% organically and adjusted. As a result, we achieved an EBITA margin of 2.8%, up 30 bps compared to the adjusted prior year. Looking into the second quarter, we continue to see good revenue developments in the majority of our markets. We will continue our strong cost control, which together with our disciplined pricing, position us very well to take full advantage of the improving economic conditions."*

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

² Adjusted is a non US GAAP measure excluding in Q1 2009 the negative impact on SG&A of EUR 36 million related to restructuring costs and, for better comparison, excluding in Q1 2009 the French business tax of EUR 14 million in cost 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. **For further details please refer to page 13.**

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

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Q1 2010 FINANCIAL PERFORMANCE

Revenues

Group revenues in Q1 2010 were up 7% to EUR 4.0 billion compared to Q1 2009. Organically, revenues declined by 1%. Permanent placement revenues amounted to EUR 61 million in Q1 2010, an increase of 17% in constant currency (-5% organically) and outplacement revenues totalled EUR 63 million, a decline of 26% in constant currency.

Gross Profit

The gross margin in Q1 2010 was 18.0%, a decline of 50 bps compared to the prior year, and down 130 bps when adjusting Q1 2009 for the new French business tax law, effective as of January 2010 and excluding acquisitions, which added 40 bps to the Group's gross margin in Q1 2010. The temporary staffing business had a negative impact of 70 bps on the gross margin in Q1 2010 and the outplacement business negatively impacted the gross margin by 60 bps. The impact on gross margin from the permanent placement business was neutral in Q1 2010.

Selling, General and Administrative Expenses (SG&A)

In Q1 2010, SG&A declined by 7% compared to Q1 2009. On an adjusted basis and organically, SG&A was reduced by 11% compared to the prior year's period. Integration costs amounted to EUR 5 million in Q1 2010. Corporate costs were negatively impacted by EUR 6 million acquisition related expenses. Organically, FTE employees were reduced by 15% (-4,800) compared to the first quarter of 2009, while the branch network was reduced by 13% (-790 branches). At the end of Q1 2010, the Adecco Group operated a network of more than 5,500 offices and had over 31,000 FTE employees (2,700 FTE employees added from MPS Group).

EBITA

In the period under review, EBITA increased by 162% to EUR 113 million, resulting in an EBITA margin of 2.8%, compared to 1.2% in the prior year. On an adjusted basis and organically, EBITA increased by 13% in the quarter under review. The EBITA margin was up 30 bps in Q1 2010 when compared to the adjusted Q1 2009 EBITA margin of 2.5%.

Amortisation of Intangible Assets

Amortisation of intangible assets amounted to EUR 13 million in the first quarter of 2010, unchanged compared to Q1 2009.

Operating Income

In Q1 2010, the Adecco Group reported operating income of EUR 100 million. Operating income was EUR 30 million in Q1 2009.

Interest Expense and Other Income / (Expenses), net

The interest expense in the period under review amounted to EUR 15 million, EUR 6 million higher than in Q1 2009. Other income / (expenses), net was an expense of EUR 1 million in Q1 2010 compared to income of EUR 3 million in the first quarter of 2009. Interest expense is expected to be around EUR 65 million for the full year 2010.

Provision for Income Taxes

The effective tax rate in Q1 2010 was 32% compared to 3% in Q1 2009. In Q1 2009, the effective tax rate was positively impacted by the successful resolution of prior year audits and the expiration of statutes of limitations. The Q1 2010 effective tax rate includes the negative impact from the change in the business tax law in France. The new French business tax law, effective as of January 2010, is expected to have a 10% negative impact on the effective tax rate in 2010.

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Net Income attributable to Adecco shareholders and EPS

Net income attributable to Adecco shareholders in Q1 2010 was up 147% to EUR 57 million compared to EUR 23 million in Q1 2009. Basic EPS was EUR 0.30 (EUR 0.13 for Q1 2009).

Cash flow, Net Debt⁴ and DSO

The operating cash flow generated in the first quarter of 2010 amounted to EUR 66 million compared to EUR 205 million in the same period last year. The Company invested EUR 18 million in capital expenditure. Net debt at the end of March 2010 was EUR 898 million compared to EUR 110 million at year end 2009. DSO improved by 1 day to 54 days in the first quarter of 2010, mainly driven by France and Italy.

Currency Impact

In Q1 2010, currency fluctuations had only a minor impact on revenues.

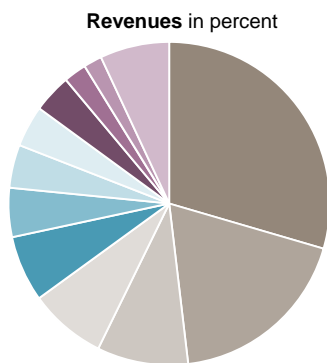
⁴ Net debt is a non US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

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GEOGRAPHICAL PERFORMANCE

Q1 2010

	Revenues		EBITA	
	EUR m	organic yoy growth	EUR m	margin
29% ■ France	1,170	6%	32	2.7%
19% ■ North America	737	2%	32	4.3%
9% ■ UK & Ireland	361	-9%	2	0.5%
8% ■ Japan	307	-24%	18	5.7%
7% ■ Germany & Austria	263	-4%	13	5.1%
5% ■ Benelux	196	-6%	8	4.1%
4% ■ Italy	172	1%	5	2.9%
4% ■ Iberia	164	4%	5	3.0%
4% ■ Nordics	153	-6%	5	3.2%
2% ■ Australia & New Zealand	91	2%	2	2.0%
2% ■ Switzerland	73	-17%	5	7.4%
7% ■ Emerging Markets	275	19%	7	2.7%
Corporate			-21	
Adecco Group	3,962	-1%	113	2.8%



In **France**, revenues increased by 6% to EUR 1.2 billion in Q1 2010. This compares to a revenue decline rate of 13% in Q4 2009. EBITA amounted to EUR 32 million in the quarter under review, an increase of 43% on an adjusted and organic basis. The EBITA margin was 2.7% in Q1 2010, up 70 bps compared to the adjusted prior year's first quarter. The impact on Q1 2010 EBITA due to the new business tax in France, amounted to EUR 15 million in Q1 2010.

Revenues in **North America** increased by 24% in constant currency to EUR 737 million and were up 2% organically in Q1 2010. Business in general staffing accelerated significantly, while professional staffing, excluding the counter-cyclical Human Capital Solutions business, returned to growth. In Q1 2010, the Human Capital Solutions business (outplacement) weakened considerably compared to the prior year. Excluding the outplacement business, revenues in North America were up 7% organically. EBITA was flat in constant currency and down 23% organically. Integration costs related to MPS amounted to EUR 3 million in Q1 2010. The EBITA margin in Q1 2010 was 4.3%, down 120 bps compared to Q1 2009. Acquisitions added 20 bps to the EBITA margin in Q1 2010.

In the **UK & Ireland**, revenues in Q1 2010 increased by 55% in constant currency compared to Q1 2009, but declined by 9% organically. At the EBITA level, the region posted a profit of EUR 2 million. Integration costs related to MPS and Spring amounted to EUR 2 million in the quarter under review.

In **Japan**, Q1 2010 revenues declined by 24% in constant currency to EUR 307 million, mainly due to the large exposure to the late cyclical office segment. EBITA declined by 38% in constant currency and the EBITA margin was 5.7%, down 130 bps compared to Q1 2009. The revenue decline rate improved slightly throughout the quarter, while management continued to keep costs and pricing under tight control.

In **Germany & Austria**, Q1 2010 revenues decreased by 4% to EUR 263 million. EBITA in Germany & Austria increased by 269% and the Q1 2010 EBITA margin improved significantly to 5.1% compared to 1.3% in Q1 2009. In March, the industrial staffing business grew double-digit.

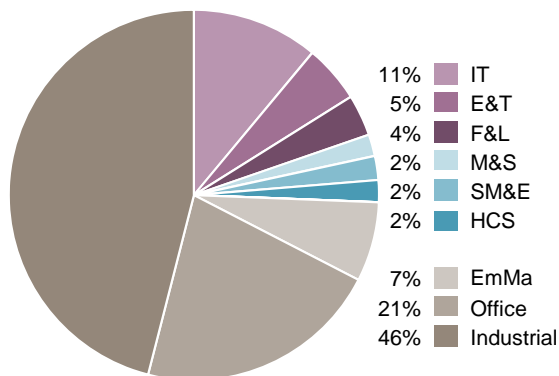
In **Benelux** revenues declined by 2% (-6% organically), while in **Italy** revenues increased by 1% in the first quarter of 2010. In Q1 2010, revenues in the **Nordics** declined by 6% in constant currency, while in **Iberia** revenues returned to year-on-year growth of 4%.

Emerging Markets posted strong growth in Q1 2010 with revenues up 19% in constant currency, driven by Eastern Europe and India. EBITA was up 52% in constant currency, while the EBITA margin increased by 60 bps to 2.7%.

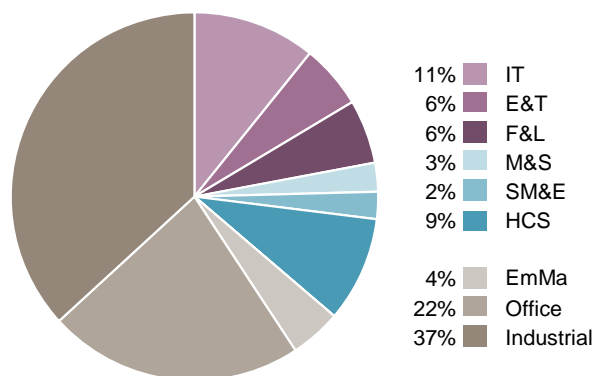
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BUSINESS LINE PERFORMANCE

Q1 2010 Revenues



Q1 2010 Gross profit



In Q1 2010, Adecco's revenues in the **Office & Industrial** businesses were EUR 2.7 billion, flat in constant currency and down 1% on an organic basis. In the **Industrial** business, revenues were up 5% in constant currency, following a 19% decline in constant currency in Q4 2009. The improvements of the growth rates were most pronounced in North America, where the year-on-year revenue trend improved from -14% in Q4 2009 to +13% in Q1 2010 in constant currency, in France from -14% to +9%, in Germany & Austria from -34% to -1% and in Italy from -31% to +1%. In the **Office** business, revenues declined by 11% in constant currency (-12% organically), a further improvement compared to the fourth quarter of 2009, where revenues declined by 22% in constant currency. Revenues in Japan decreased by 24% in constant currency in Q1 2010, following a decline of 28% in Q4 2009. North America returned back to growth of 10% (+7% organically) in Q1 2010 compared to -11% in Q4 2009 and in the UK & Ireland the revenue decline rate improved from -16% (-18% organically) in Q4 2009 to -9% (-14% organically) in Q1 2010, all in constant currency.

The **Professional Business**⁵ revenues in Q1 2010 increased by 29% in constant currency (-7% organically). The gross margin declined by 480 bps to 25.3%, mainly driven by the slowing outplacement business.

In **Information Technology (IT)**, Adecco's revenues increased 51% in constant currency (-7% organically). In North America, revenues in Q1 2010 were up 55% (-7% organically) and in the UK & Ireland revenues were up 160% (+1% organically), all in constant currency.

Adecco's **Engineering & Technical (E&T)** business was up 20% in constant currency (-1% organically). Revenues in North America increased by 54% in constant currency (+19% organically), while revenues in Germany declined by 8% in the first quarter of 2010.

In **Finance & Legal (F&L)**, revenues increased by 58% in constant currency (-10% organically). Revenues in North America increased by 52% in constant currency but declined by 9% organically.

In Q1 2010, revenues in **Medical & Science (M&S)** increased by 27% (-4% organically), whereas in **Sales, Marketing & Events (SM&E)** revenues declined by 5% (-8% organically), both in constant currency. In the quarter under review, revenues in **Human Capital Solutions (HCS)** declined by 19%, in constant currency.

⁵ Professional Business refers to Adecco's Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, Sales, Marketing & Events and Human Capital Solutions business.

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MANAGEMENT OUTLOOK

The revenue momentum steadily improved throughout the first quarter of 2010 and this positive trend continued into April. Revenues in March for the Group increased approximately 3%, organically and adjusted for business days.

Current developments in the industry clearly point to further revenue acceleration and management is confident of continued improvements in demand near term. At the same time, strict pricing and cost control remains at the forefront of management's priorities, while selective investments in high-growth segments or markets are carefully evaluated. The integration of Spring and MPS is well on track and management is confident to achieve the targeted synergies.

The structural cost reductions in the recent downturn, resulted in a leaner branch network and optimized delivery channels. With the recent acquisitions, the higher margin professional staffing exposure increased from 21% to 26% of revenues compared to the prior year, whereas MPS was only consolidated for two months in Q1 2010. Consequently, Adecco is very well positioned for attractive operating leverage in the quarters to come, and management is fully committed to its mid-term EBITA margin target of over 5.5%.

Financial Agenda 2010

- | | |
|-----------------------------|-----------------------|
| • Annual General Meeting | May 11, 2010 |
| • Q2 2010 results | August 11, 2010 |
| • Adecco Investor Days 2010 | September 23-24, 2010 |
| • Q3 2010 results | November 9, 2010 |

Q1 2010 Results Conference Calls

There will be a media conference call at 9 am CET as well as an analyst conference call at 11 am CET, details of which can be found on our website in the Investor Relations section at <http://webcast.adecco.com>

UK / Global	+ 44 (0)207 107 06 11
United States	+ 1 866 291 41 66
Cont. Europe	+ 41 (0)91 610 56 00

Adecco Corporate Investor Relations

Investor.relations@adecco.com or +41 (0) 44 878 89 89

Adecco Corporate Press Office

Press.office@adecco.com or +41 (0) 44 878 87 87

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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.

About the Adecco Group

The Adecco Group, based in Zurich, Switzerland, is the world's leading provider of HR solutions. With over 31,000 FTE employees and more than 5,500 offices, in over 60 countries and territories around the world, Adecco Group offers a wide variety of services, connecting more than 600,000 colleagues with over 100,000 clients every day. The services offered fall into the broad categories of temporary staffing, permanent placement, outsourcing, consulting and outplacement. The Adecco Group is a Fortune Global 500 company.

Adecco S.A. is registered in Switzerland (ISIN: CH0012138605) with listings on the SIX Swiss Exchange (ADEN) and on Euronext in France (ADE).

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Consolidated statements of operations (unaudited)

EUR millions, except share and per share amounts	Q1 2010	Q1 2009	Variance %	
			EUR	Constant Currency
Revenues	3,962	3,703	7%	7%
Direct costs of services	(3,250)	(3,017)		
Gross profit	712	686	4%	4%
<i>Gross margin</i>	<i>18.0%</i>	<i>18.5%</i>		
Selling, general and administrative expenses	(599)	(643)	-7%	-7%
<i>As a percentage of revenues</i>	<i>15.1%</i>	<i>17.4%</i>		
Amortisation of intangible assets	(13)	(13)		
Operating income	100	30	234%	271%
<i>Operating income margin</i>	<i>2.5%</i>	<i>0.8%</i>		
Interest expense	(15)	(9)		
Other income / (expenses), net	(1)	3		
Income before income taxes	84	24	255%	
Provision for income taxes	(27)	(1)		
Net income	57	23	148%	
Net income attributable to noncontrolling interests				
Net income attributable to Adecco shareholders	57	23	147%	
<i>Net income margin attributable to Adecco shareholders</i>	<i>1.4%</i>	<i>0.6%</i>		
Basic earnings per share	0.30	0.13		
Basic weighted-average shares	191,902,135	174,131,310		
Diluted earnings per share	0.29	0.13		
Diluted weighted-average shares	197,717,585	174,131,310		

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Revenues and operating income by geographies (unaudited)

EUR millions	Q1 2010	Q1 2009	Variance %	
			EUR	Constant Currency
Revenues				
France	1,170	1,104	6%	6%
North America ^{1,2}	737	618	19%	24%
UK & Ireland ¹	361	227	59%	55%
Japan	307	418	-26%	-24%
Germany & Austria ²	263	273	-4%	-4%
Benelux ¹	196	200	-2%	-2%
Italy	172	171	1%	1%
Iberia	164	157	4%	4%
Nordics	153	149	3%	-6%
Australia & New Zealand ¹	91	66	38%	8%
Switzerland ²	73	87	-16%	-17%
Emerging Markets ²	275	233	18%	19%
Adecco Group¹	3,962	3,703	7%	7%
Operating income³				
France	32	(5)	n.m.	n.m.
North America ²	32	33	-6%	0%
UK & Ireland	2	(1)	n.m.	n.m.
Japan	18	29	-40%	-38%
Germany & Austria ²	13	4	269%	269%
Benelux	8	3	218%	218%
Italy	5	(13)	n.m.	n.m.
Iberia	5	3	74%	74%
Nordics	5	(4)	n.m.	n.m.
Australia & New Zealand	2	1	88%	47%
Switzerland ²	5	4	35%	34%
Emerging Markets ²	7	5	49%	52%
Total Operating Units	134	59	125%	136%
Corporate Expenses	(21)	(16)		
Operating income before amortisation of intangible assets	113	43	162%	181%
Amortisation of intangible assets	(13)	(13)		
Adecco Group	100	30	234%	271%

1) In Q1 2010 revenues changed organically in North America by 2%; UK & Ireland by -9%; Benelux by -6%; Australia & New Zealand by 2%; and Adecco Group by -1%.

2) Mexico previously reported under Emerging Markets is since Q4 2009 reported together with North America. Austria previously reported together with Switzerland is since Q4 2009 reported together with Germany. The 2009 information has been restated to conform to the current year presentation.

3) Operating income before amortisation of intangible assets on the operating unit level.

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Revenues by business line (unaudited)

EUR millions	Q1 2010	Q1 2009	Variance %	
			EUR	Constant Currency
Revenues^{1,2}				
Office	849	954	-11%	-11%
Industrial	1,823	1,728	5%	5%
Total Office and Industrial	2,672	2,682	0%	0%
Information Technology	438	284	54%	51%
Engineering & Technical	200	167	20%	20%
Finance & Legal	143	92	55%	58%
Medical & Science	75	58	29%	27%
Sales, Marketing & Events	83	89	-6%	-5%
Human Capital Solutions	76	98	-22%	-19%
Total Professional Business Lines	1,015	788	29%	29%
Emerging Markets	275	233	18%	19%
Adecco Group	3,962	3,703	7%	7%

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.

2) Revenues changed organically in Office by -12%; Office and Industrial -1%; Information Technology by -7%; Engineering & Technical by -1%; Finance & Legal by -10%; Medical & Science by -4%; Sales, Marketing & Events by -8%, Total Professional Business Lines by -7% and Adecco Group by -1%.

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Consolidated balance sheets (unaudited)

EUR millions	Mar 31 2010	Dec 31 2009
Assets		
Current assets:		
– Cash and cash equivalents	642	1,458
– Short-term investments	2	2
– Trade accounts receivable, net	2,874	2,560
– Other current assets	385	331
Total current assets	3,903	4,351
Property, equipment, and leasehold improvements, net	266	245
Other assets	311	276
Intangible assets, net	614	302
Goodwill	3,236	2,657
Total assets	8,330	7,831
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
– Accounts payable and accrued expenses	2,975	2,716
– Short-term debt and current maturities of long-term debt	418	456
Total current liabilities	3,393	3,172
Long-term debt, less current maturities	1,124	1,114
Other liabilities	566	431
Total liabilities	5,083	4,717
Shareholders' equity		
Adecco shareholders' equity:		
– Common shares	118	118
– Additional paid-in capital	2,598	2,597
– Treasury shares, at cost	(560)	(561)
– Retained earnings	1,286	1,229
– Accumulated other comprehensive income/(loss), net	(196)	(271)
Total Adecco shareholders' equity	3,246	3,112
Noncontrolling interests	1	2
Total shareholders' equity	3,247	3,114
Total liabilities and shareholders' equity	8,330	7,831

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Consolidated statements of cash flows (unaudited)

EUR millions	Q1 2010	Q1 2009
Cash flows from operating activities		
Net income	57	23
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	33	33
– Other charges	3	(12)
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(102)	531
– Accounts payable and accrued expenses	78	(409)
– Other assets and liabilities	(3)	39
Cash flows from operating activities	66	205
Cash flows from/(used in) investing activities		
Capital expenditures	(18)	(26)
Acquisition of MPS, net of cash acquired	(831)	
Net proceeds from short-term investments		1
Cash settlements on derivative instruments	6	4
Other acquisition and investing activities	(2)	(14)
Cash flows from/(used in) investing activities	(845)	(35)
Cash flows from/(used in) financing activities		
Net increase/(decrease) in short-term debt	(3)	11
Repayment of long term debt	(56)	(34)
Purchase of treasury shares		(3)
Other financing activities		1
Cash flows from/(used in) financing activities	(59)	(25)
Effect of exchange rate changes on cash	22	13
Net increase/(decrease) in cash and cash equivalents	(816)	158
Cash and cash equivalents:		
– Beginning of year	1,458	574
– End of period	642	732

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Reconciliation of reported to adjusted results

EUR millions

Q1 2009	reported	impact of French business tax	including impact of French business tax	restructuring expenses	adjusted ¹⁾
Revenues	3,703		3,703		3,703
Direct cost of services	(3,017)	14	(3,003)		(3,003)
Gross profit	686	14	700		700
<i>Gross margin</i>	<i>18.5%</i>		<i>18.9%</i>		<i>18.9%</i>
SG&A	(643)	1	(642)	36	(606)
<i>% of revenues</i>	<i>17.4%</i>		<i>17.3%</i>		<i>16.4%</i>
EBITA	43	15	58	36	94
<i>% margin</i>	<i>1.2%</i>		<i>1.6%</i>		<i>2.5%</i>

¹⁾ Adjusted is a non US GAAP measure excluding in Q1 2009 the negative impact on SG&A of EUR 36 million related to restructuring costs and, for better comparison, excluding in Q1 2009 the French business tax of EUR 14 million in cost 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.