Q4/FY 2011 Results

Adecco Group

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

Appendix

Operational review

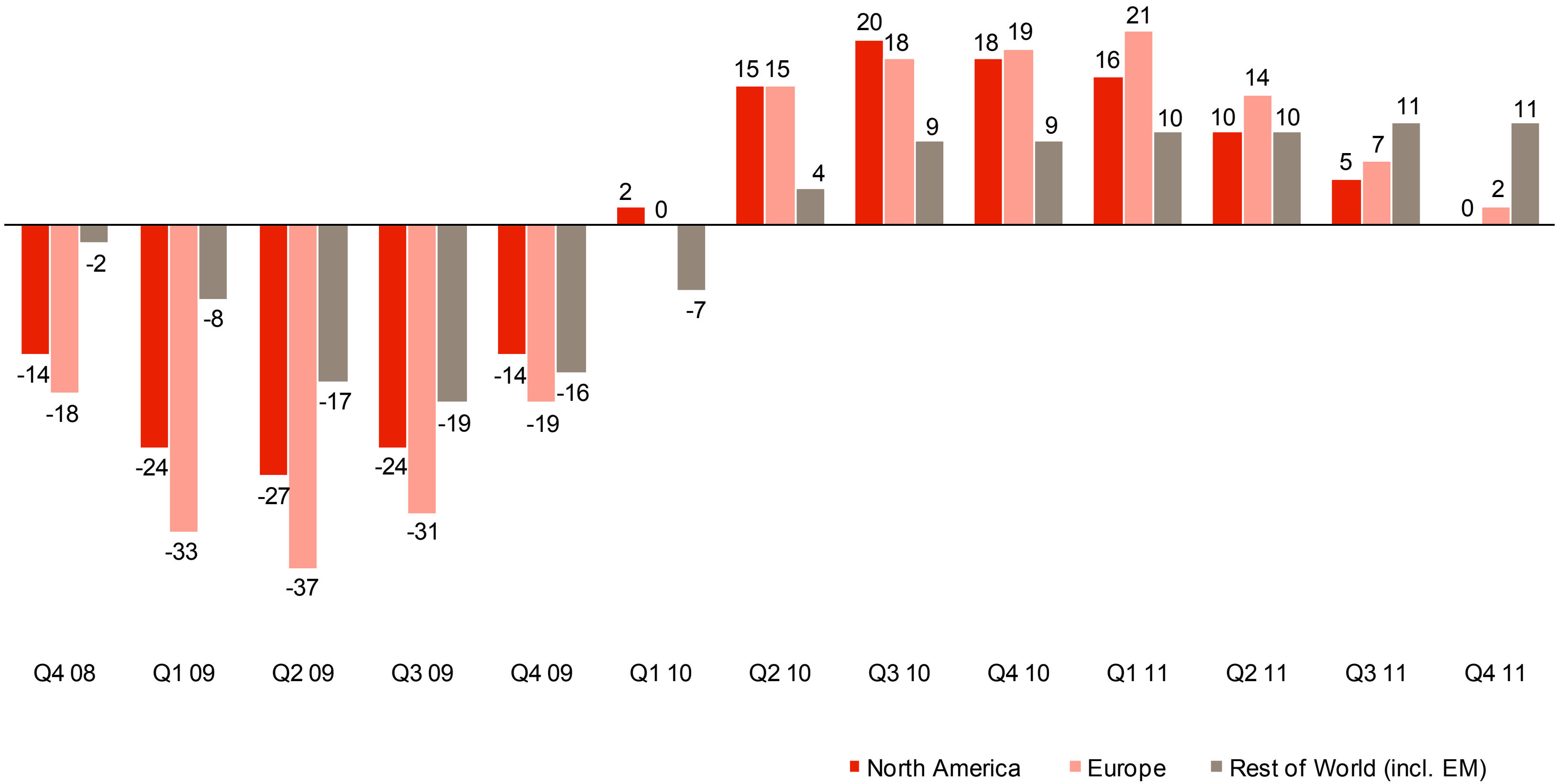
Highlights

Q4 2011 and Outlook

- Organic revenue growth of 3% against a strong comparison base
- Gross margin at 17.9%, up 70 bps sequentially (+50 bps organically) and flat yoy
- SG&A well controlled, flat sequentially on an organic basis and excluding integration costs
- EBITA of EUR 229 million and the EBITA margin at 4.4% when excluding integration costs
- Proposed 2011 dividend of CHF 1.80, up 64% compared to 2010; 45% pay-out ratio
- Revenues in January 2012 down 1% year-on-year, organically and adjusted for trading days

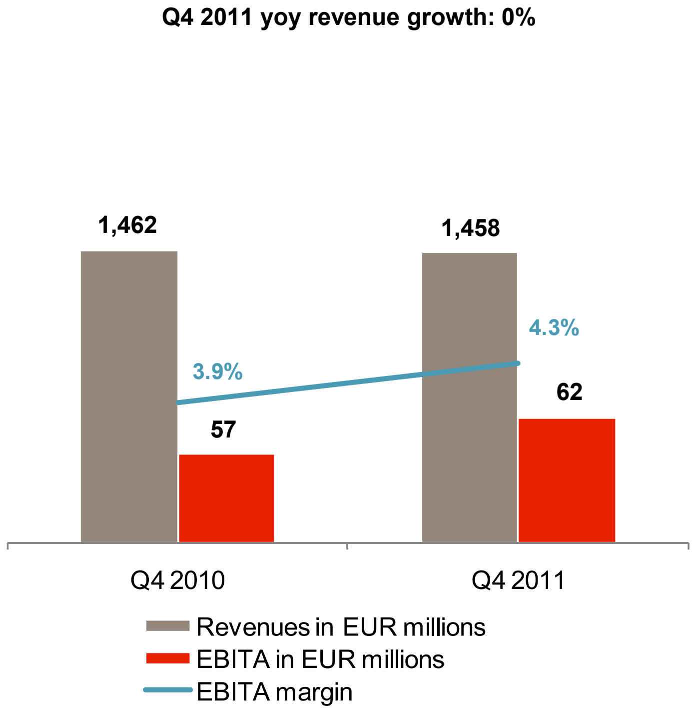
Revenue development by region

Organic year-on-year change in percent



France

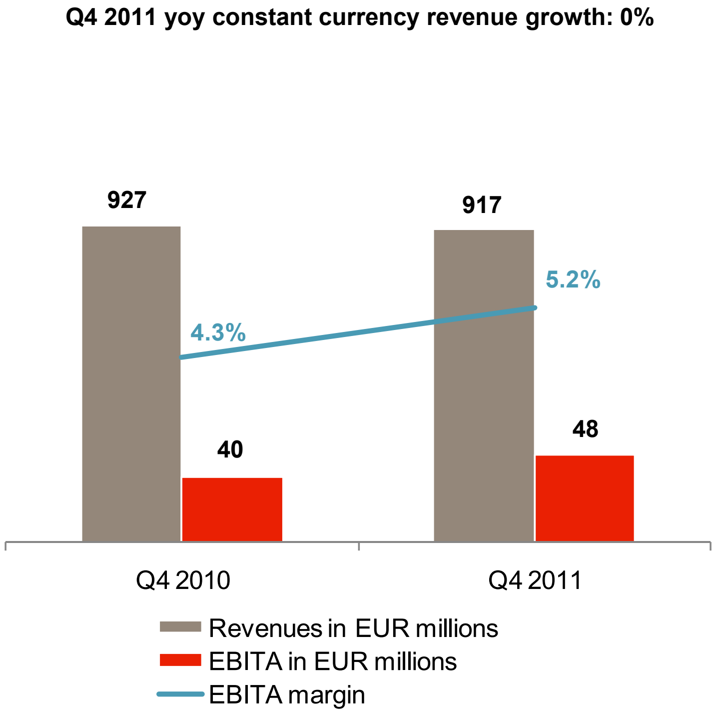
28% of group revenues in Q4 2011



- Revenues flat (7% in Q3 11) with growth in construction, manufacturing and automotives, mainly offset by logistics and retail
- Around 90% of the negative impact from the payroll tax subsidy cut was recovered. 2011 full-year impact on French gross margin less than 10 bps.
- Revenues in January 2012 were down 9%, adjusted for trading days
- Plan to unite the networks of Adecco and Adia under a single brand – Adecco. Planned reduction of over 500 FTEs, branch network consolidation and shared service centre concept.

North America

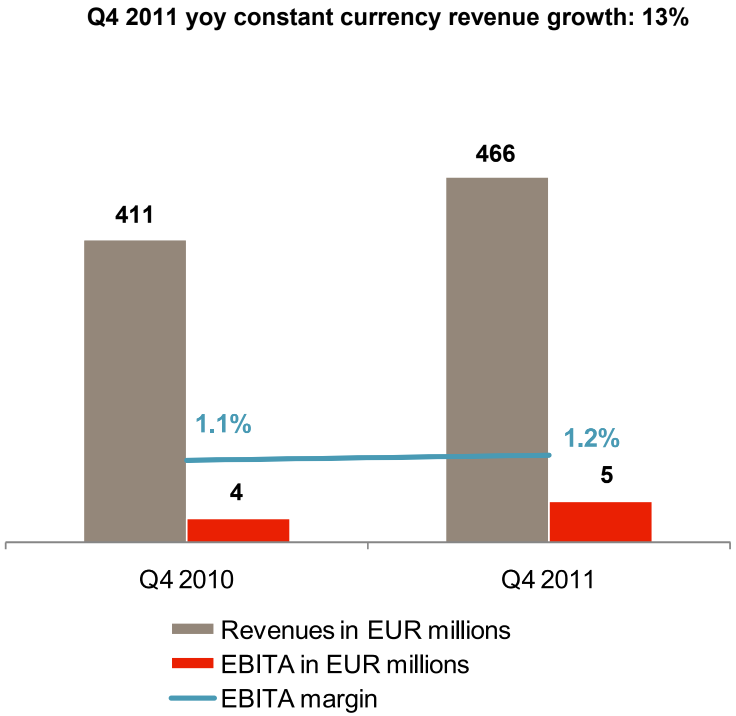
18% of group revenues in Q4 2011



- Revenues flat in constant currency (5% in Q3 11) with good demand in automotives, logistics/transportation and technology; weaker mainly in financial services
- General staffing revenues up 2% in constant currency, while professional staffing revenues declined by 2%, held back by IT, where revenues remain short of expectations.
- Revenues in January 2012 up 2% in constant currency and adjusted for trading days

UK & Ireland

9% of group revenues in Q4 2011



- Revenues up 13% in constant currency (2% in Q3 11), due to new client wins.
- Permanent placement revenues up 5% in constant currency
- The EBITA margin was 1.2%, up 10 bps compared to Q4 2010

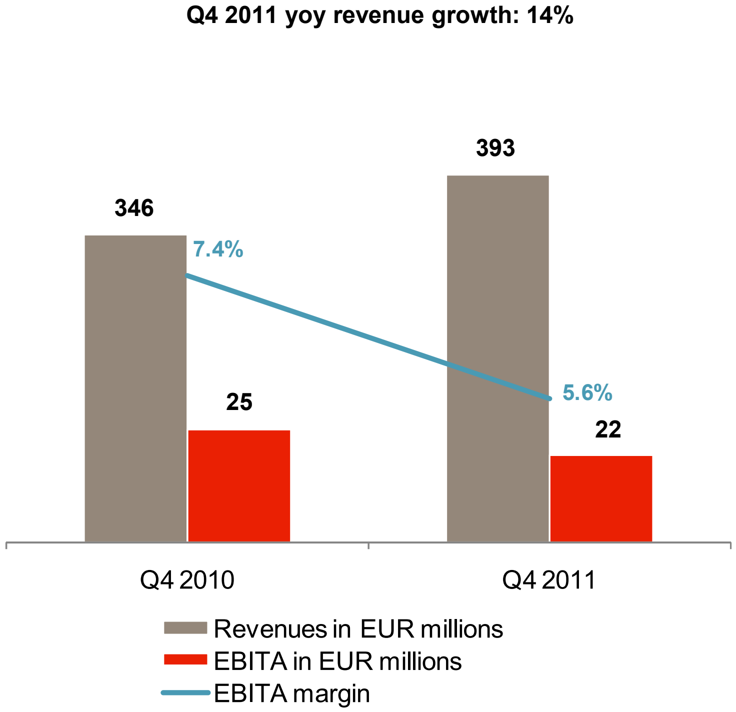
Japan

7% of group revenues in Q4 2011

- Revenues up 5% in constant currency (6% in Q3 11)
- Outsourcing contracts were the main driver of revenue growth
- VSN acquisition completed and results will be included as of January 2012

Germany & Austria

8% of group revenues in Q4 2011

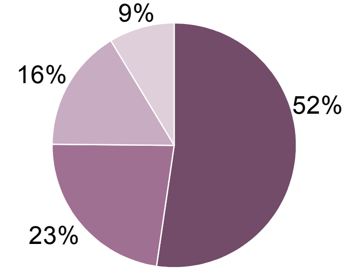


- Revenues up 14%, well ahead of the market (+23% in Q3 11), mainly driven by automotives and manufacturing
- EBITA margin at 5.6%, down 180 bps, due to fewer billable days and salary increases in accordance with the collective wage agreement
- Revenues in January 2012 up 14%, adjusted for trading days

Revenue development by business lines

Q4 2011 vs. Q4 2010

	Revenues[1)] EUR m	Revenue growth in %, constant currency
Office	1,370	5
Industrial	2,613	2
General Staffing	**3,983**	**3**
Information Technology	585	8
Engineering & Technical	255	2
Finance & Legal	181	-1
Medical & Science	97	0
Professional Staffing	**1,118**	**4**
Solutions[2)]	**93**	**25**
Adecco Group[2)]	**5,194**	**4**



1) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal and Medical & Science is based on dedicated branches. Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management System (VMS). The 2010 information has been restated to conform to the current year presentation.

2) Q4 revenues changed organically in Solutions by 1% and in Adecco Group by 3%.

Financial review

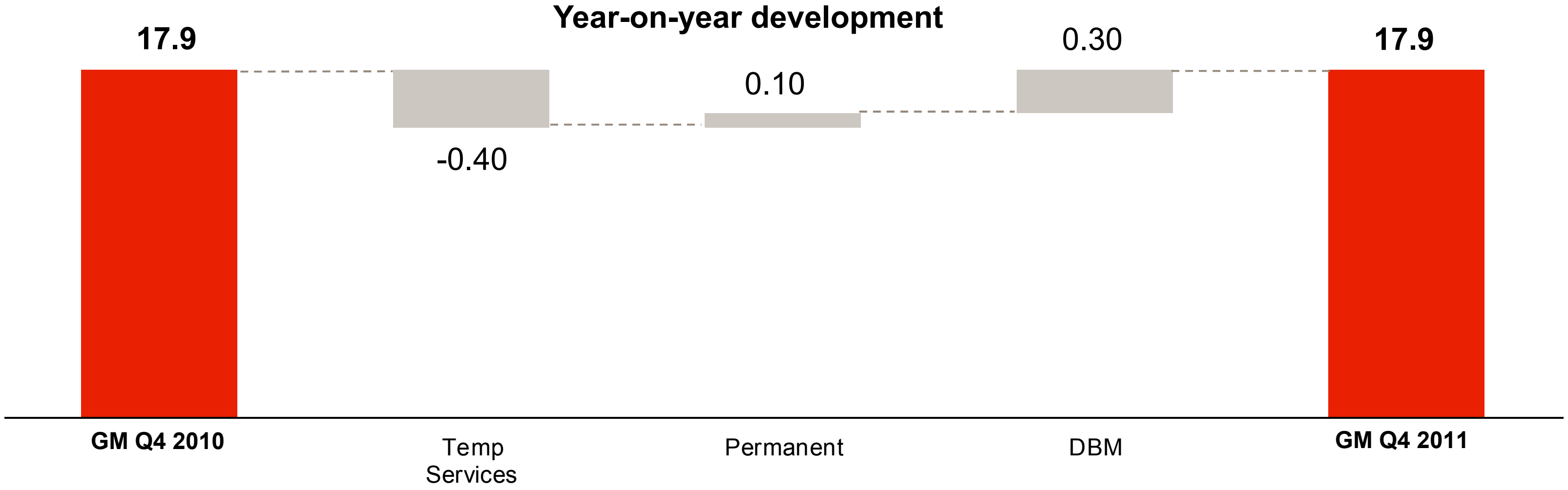
Q4/FY 2011 Results in detail – P&L

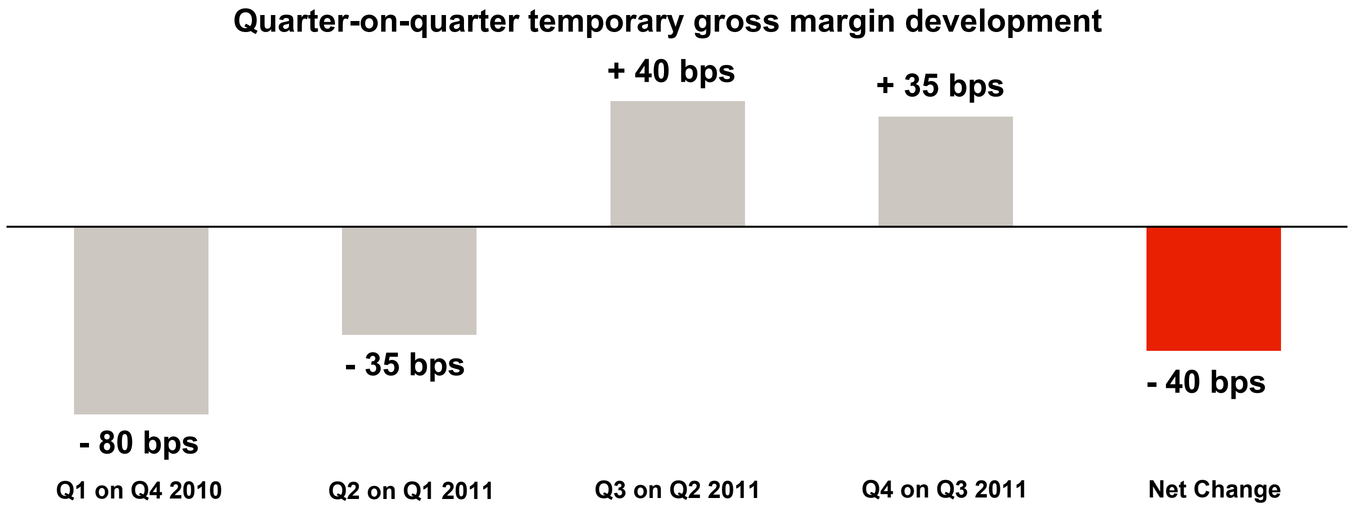
In EUR millions

	Q4 2011	Q4 2010	Variance % EUR	Variance % Constant Currency	FY 2011	FY 2010	Variance % EUR	Variance % Constant Currency
Revenues	5,194	4,993	4%	4%	20,545	18,656	10%	11%
Direct costs of services	(4,264)	(4,099)			(16,979)	(15,327)		
Gross profit	**930**	**894**	4%	3%	**3,566**	**3,329**	7%	8%
Gross margin	*17.9%*	*17.9%*			*17.4%*	*17.8%*		
Selling, general, and administrative expenses	(713)	(683)	4%	4%	(2,752)	(2,607)	6%	6%
As a percentage of revenues	*13.7%*	*13.7%*			*13.4%*	*14.0%*		
EBITA[1)]	**217**	**211**	3%	3%	**814**	**722**	13%	14%
EBITA [1)] margin	*4.2%*	*4.2%*			*4.0%*	*3.9%*		
Amortisation of intangible assets	(11)	(14)			(51)	(55)		
Operating income	**206**	**197**	4%	4%	**763**	**667**	14%	16%
Operating income margin	*4.0%*	*4.0%*			*3.7%*	*3.6%*		
Interest expense	(20)	(15)			(71)	(63)		
Other income / (expenses), net	3	(1)			(6)	(1)		
Income before income taxes	**189**	**181**	4%		**686**	**603**	14%	
Provision for income taxes	(56)	(40)			(166)	(179)		
Net income	**133**	**141**	-5%		**520**	**424**	23%	
Net income attributable to noncontrolling interests					(1)	(1)		
Net income attributable to Adecco shareholders	**133**	**141**	-5%		**519**	**423**	23%	
Net income margin attributable to Adecco shareholders	*2.6%*	*2.8%*			*2.5%*	*2.3%*		

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

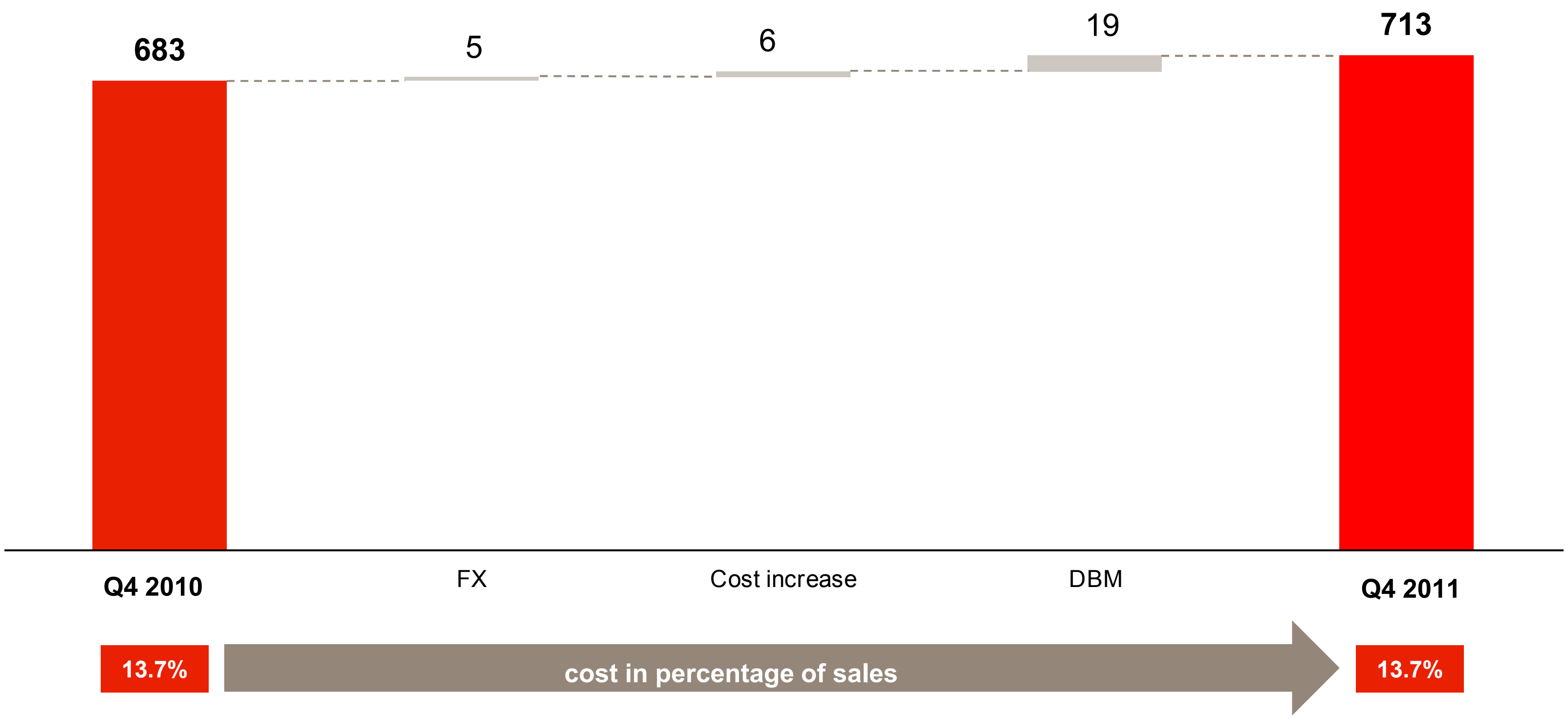
Q4 2011 gross margin drivers
In percent of revenues





Q4 2011 SG&A movements

In EUR millions



Balance sheet
In EUR millions

Assets	Dec 31 2011	Dec 31 2010
Cash and cash equivalents	532	549
Short-term Investments	2	5
Trade accounts receivable, net	3,725	3,541
Other current assets	424	351
Property, equipment, and leasehold improvements, net	313	291
Other assets	310	291
Goodwill and intangible assets, net	4,048	3,851
Total assets	**9,354**	**8,879**
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,545	3,472
Short- and long-term debt	1,426	1,305
Other liabilities	572	535
Total Adecco shareholders' equity	3,808	3,565
Noncontrolling interests	3	2
Total liabilities and shareholders' equity	**9,354**	**8,879**
Net Debt*	892	751

* 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.

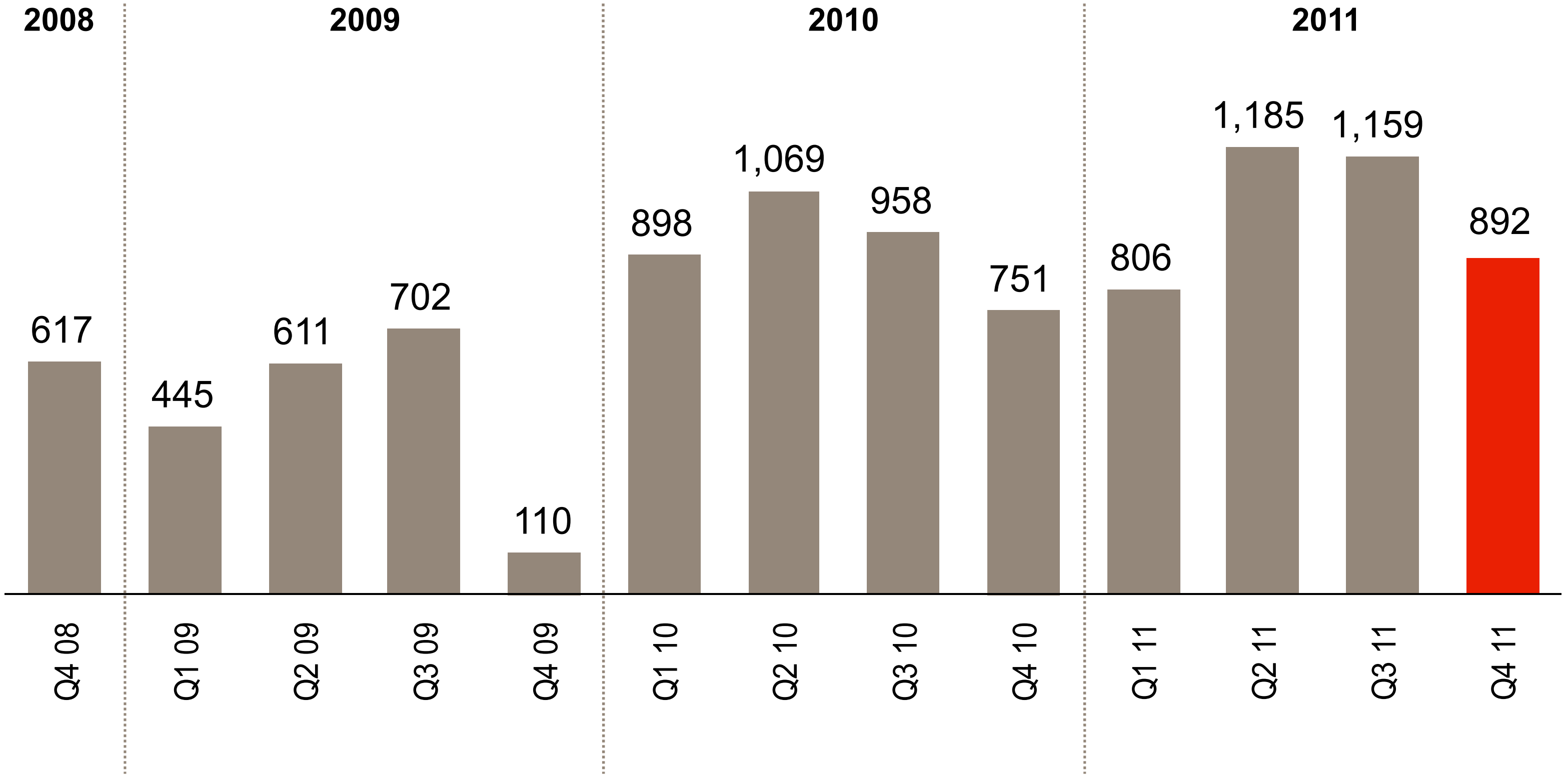
Cash-flow statement

In EUR millions

	Q4		FY	
	2011	**2010**	**2011**	**2010**
Net income	133	141	520	424
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	34	37	144	142
– Other charges	(27)	(6)	(5)	47
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	203	(22)	(151)	(667)
– Accounts payable and accrued expenses	(82)	85	17	460
– Other assets and liabilities	46	16	(1)	49
Cash flows from operating activities	**307**	**251**	**524**	**455**
Cash used in investing activities	**(36)**	**(76)**	**(317)**	**(1,020)**
Cash used in financing activities	**(114)**	**(75)**	**(224)**	**(385)**
Effect of exchange rate changes on cash	10	8	-	41
Net increase/(decrease) in cash and cash equivalents	**167**	**108**	**(17)**	**(909)**

Net debt* development since Q4 2008

In EUR millions



* 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.

Debt and cash & short term investments

As of December 31, 2011

	Principal at maturity	Maturity	Fixed interest rate	Total in EUR million	
7-year guaranteed Euro medium term notes	EUR 500	2018	4.75%	**489**	
5-year guaranteed Euro medium term notes	EUR 356	2014	7.625%	**358**	
Fixed rate guaranteed notes	EUR 333	2013	4.5%	**341**	
Committed multicurrency revolving credit facility	EUR 600	2016	Variable rate	**0**	1)
Medium term loan				**76**	
French Commercial Paper program				**145**	
Uncommitted lines & others				**17**	
Short & long term debt				**1,426**	
Cash & short term investments				**534**	
Net Debt				**892**	

1) EUR 71 million used for letters of credit.

Financial Guidance

Full year 2012

Capex	Approximately EUR 110 million
Interest expense	Approximately EUR 80 million
Corporate costs	Approximately EUR 90 million
Amortisation	Approximately EUR 50 million

Strategy & Outlook

Our strategic priorities

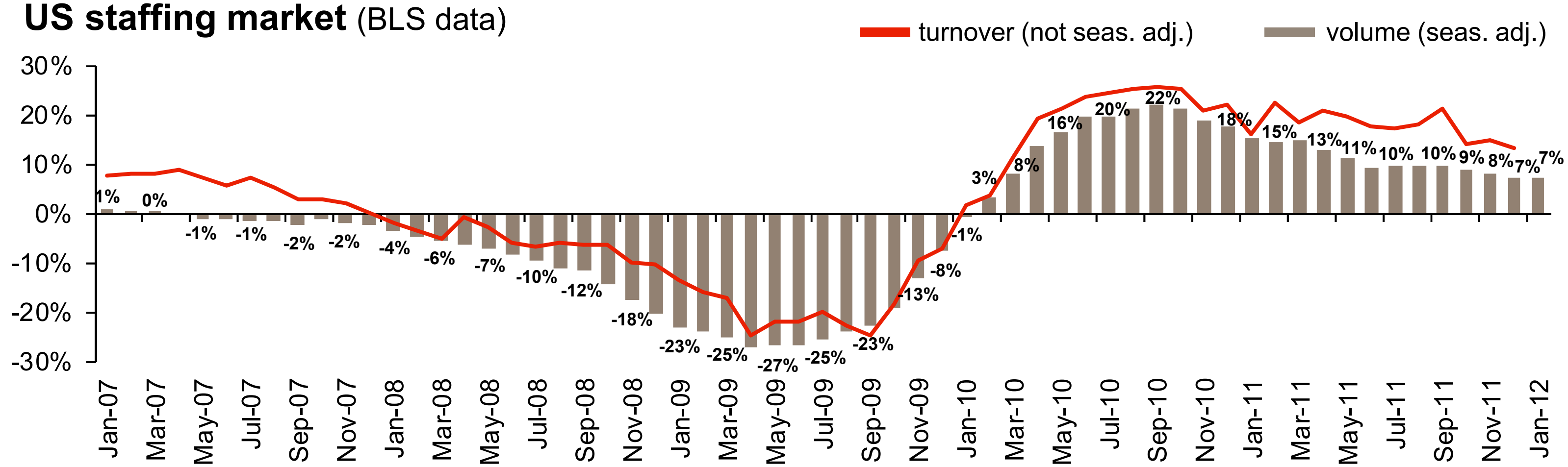
Mid-term

1. Retention	Retaining our own people better
2. IT	Continued strategic IT investments
3. Professional Staffing	Strong platform for organic growth in Professional Staffing
4. Segmentation	Specialised delivery models in General Staffing
5. MSP/RPO	Strengthen our lead in MSP and invest in RPO
6. Emerging Markets	Untapped growth potential

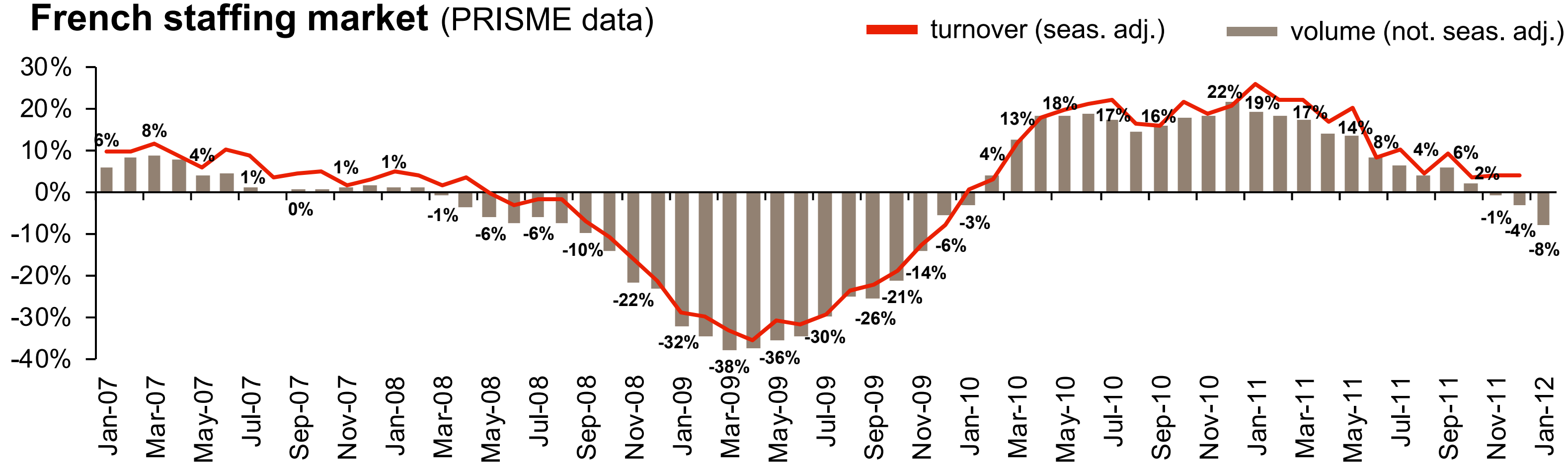
Development of US and French staffing market

Year-on-year growth

US staffing market (BLS data)

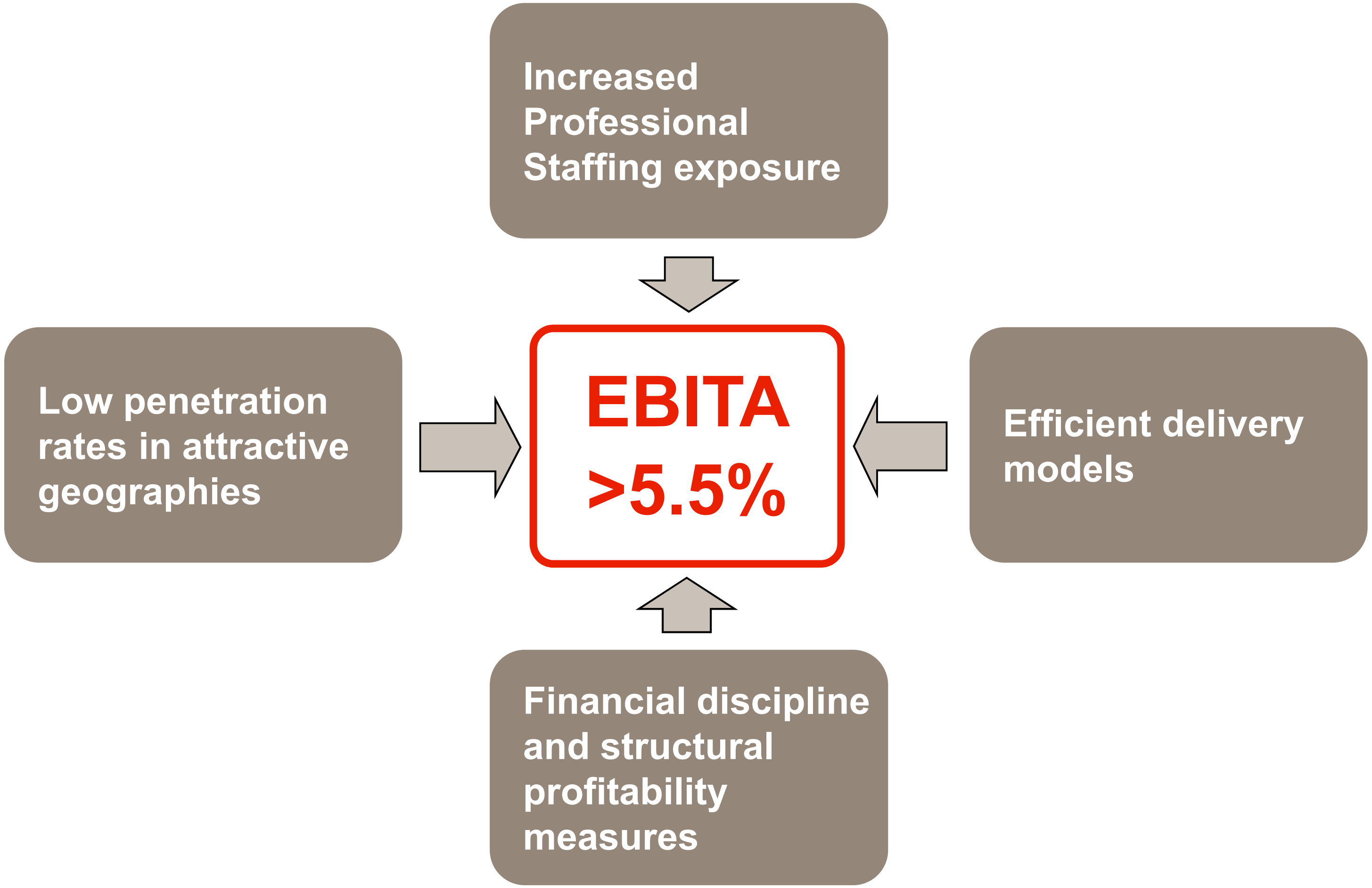


French staffing market (PRISME data)



We strive to reach an EBITA margin above 5.5%

In the mid-term



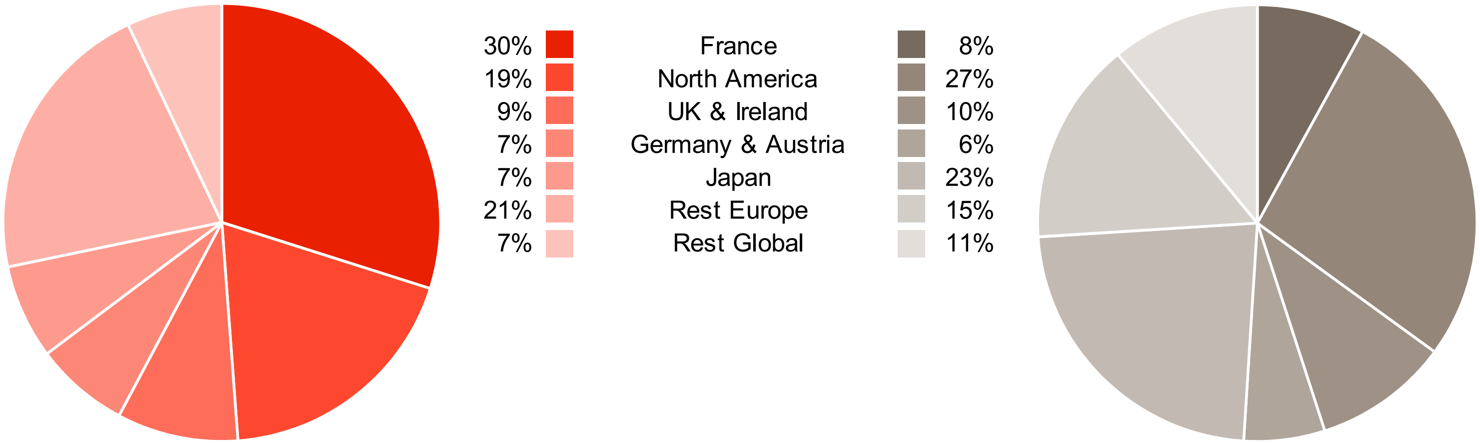
Appendix

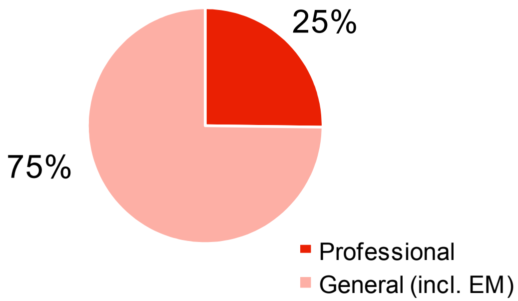
Market potential for Professional and General staffing

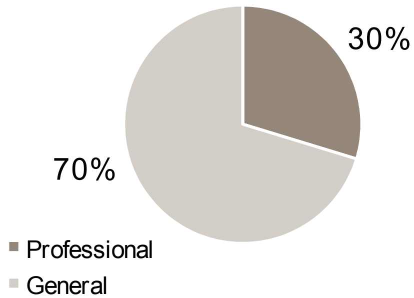
Market size and FY 2010 revenues of Adecco

Adecco FY 2010 revenues: EUR 18.7bn

Global market 2010: Approx. EUR 220bn







Source: National statistics and Adecco estimates

Adecco's market position in FY 2010
Based on revenues

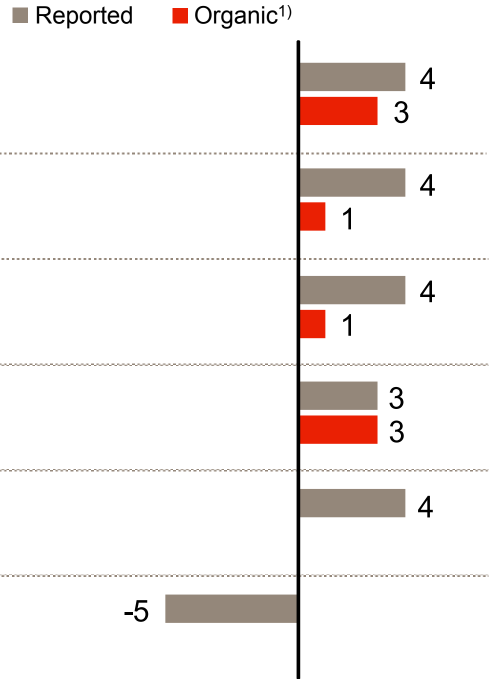
	percent of Adecco revenues	Market share[1] in percent	Market position[1]
France	**30%**	**31%**	**1**
North America	**19%**	**5%**	**2**
UK & Ireland	**9%**	**8%**	**1**
Germany & Austria	**7%**	**10%**	**2**
Japan	**7%**	**3%**	**4**
Italy	**4%**	**16%**	**1**
Iberia	**4%**	**25%**	**2**
Nordics	**4%**	**15%**	**2**
Benelux	**5%**	**6%**	**3**
Switzerland	**2%**	**22%**	**1**
Australia & New Zealand	**2%**	**9%**	**5**
Emerging Markets	**7%**	**5%**	**1**

1) Adecco estimate.

Q4 2011 results summary

	Reported EUR m	% of rev.
Revenues	**5,194**	
Gross profit	**930**	17.9%
SG&A	**713**	13.7%
EBITA[2)]	**217**	4.2%
Operating income	**206**	4.0%
Net income attributable to Adecco shareholders	**133**	2.6%

Variance (11 vs. 10) in percent

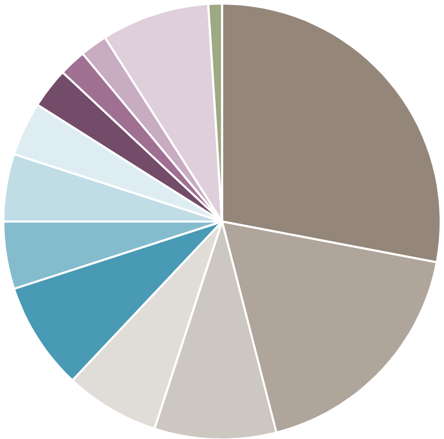


1) Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.
2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

Revenues and EBITA by segment

Q4 2011 vs. Q4 2010

Revenues in percent



		Revenues EUR m	Revenues organic[1] yoy growth	EBITA[2] EUR m	EBITA[2] margin
28%	France	**1,458**	0%	**62**	4.3%
18%	North America	**917**	0%	**48**	5.2%
9%	UK & Ireland	**466**	13%	**5**	1.2%
7%	Japan	**374**	5%	**21**	5.6%
8%	Germany & Austria	**393**	14%	**22**	5.6%
5%	Benelux	**239**	-1%	**11**	4.4%
5%	Italy	**253**	4%	**10**	4.0%
4%	Nordics	**201**	-4%	**7**	3.9%
3%	Iberia	**179**	-8%	**8**	4.0%
2%	Australia & New Zealand	**130**	4%	**6**	4.3%
2%	Switzerland	**119**	-4%	**16**	13.1%
8%	Emerging Markets	**391**	21%	**16**	4.1%
1%	LHH	**74**	-1%	**7**	8.6%
	Corporate			**(22)**	
	Adecco Group	**5,194**	3%	**217**	4.2%

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

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

Developments in the Emerging Markets

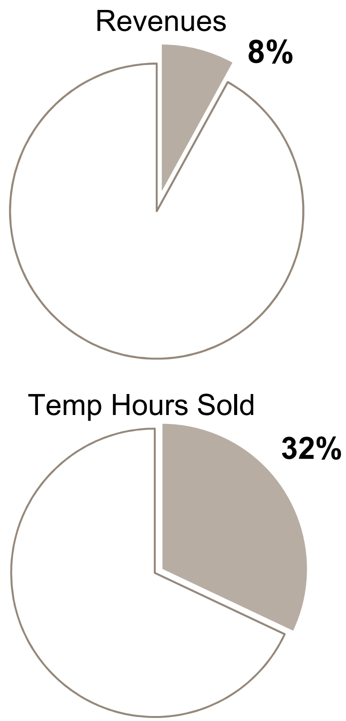
Q4 2011 revenues by geography

Revenue split / growth

yoy growth, in constant currency

37%	South America	*34%*
28%	Eastern Europe	*7%*
21%	Asia	*15%*
14%	India	*30%*

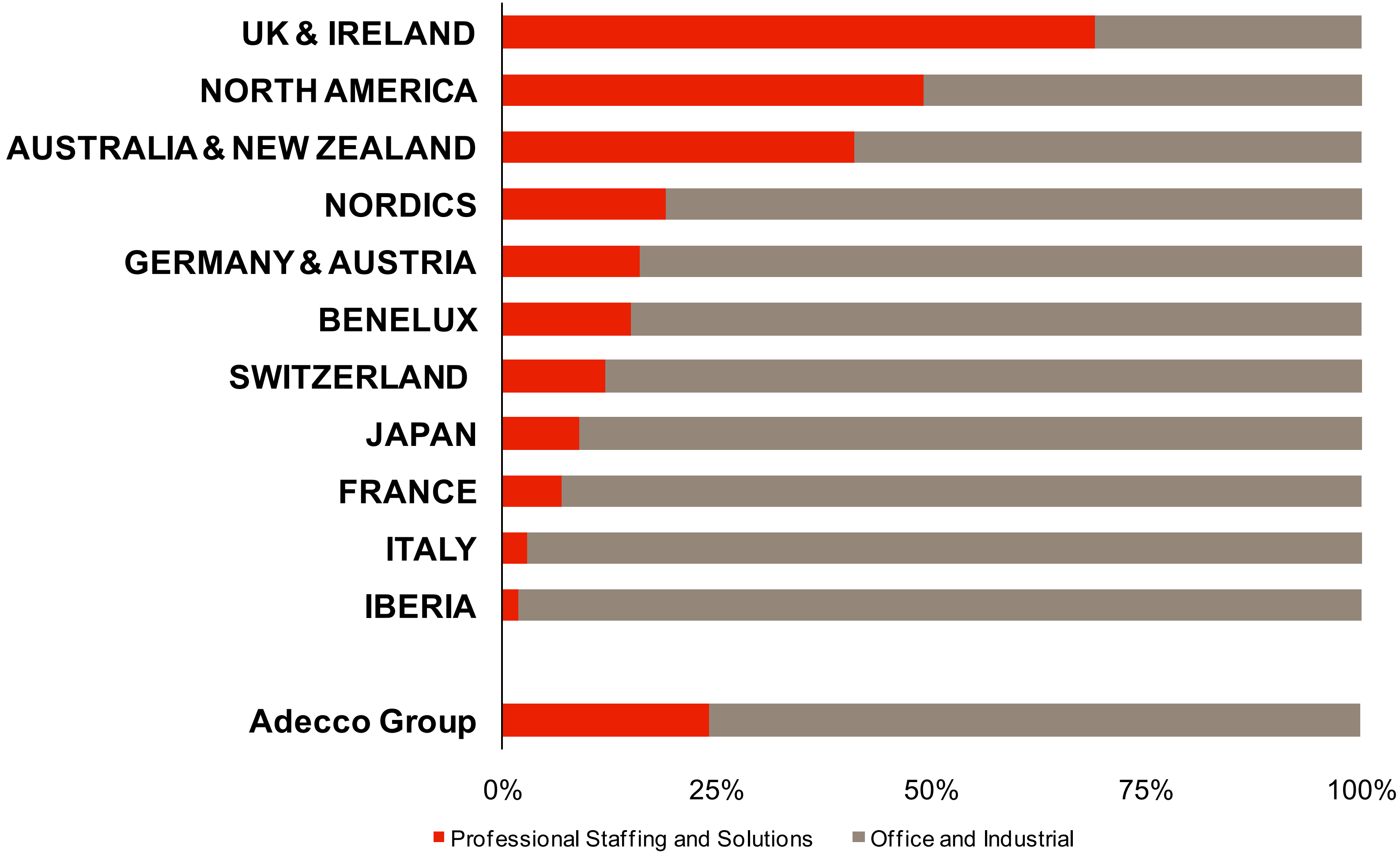
Emerging Markets compared to Adecco Group



Emerging Markets
Adecco Group (excl. Emerging Markets)

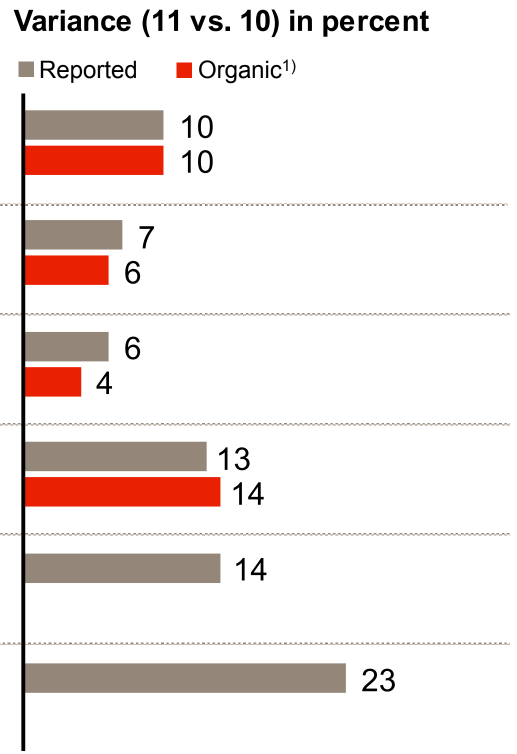
Revenues – General vs. Professional Staffing and Solutions

Based on dedicated branches in Q4 2011



FY 2011 results summary

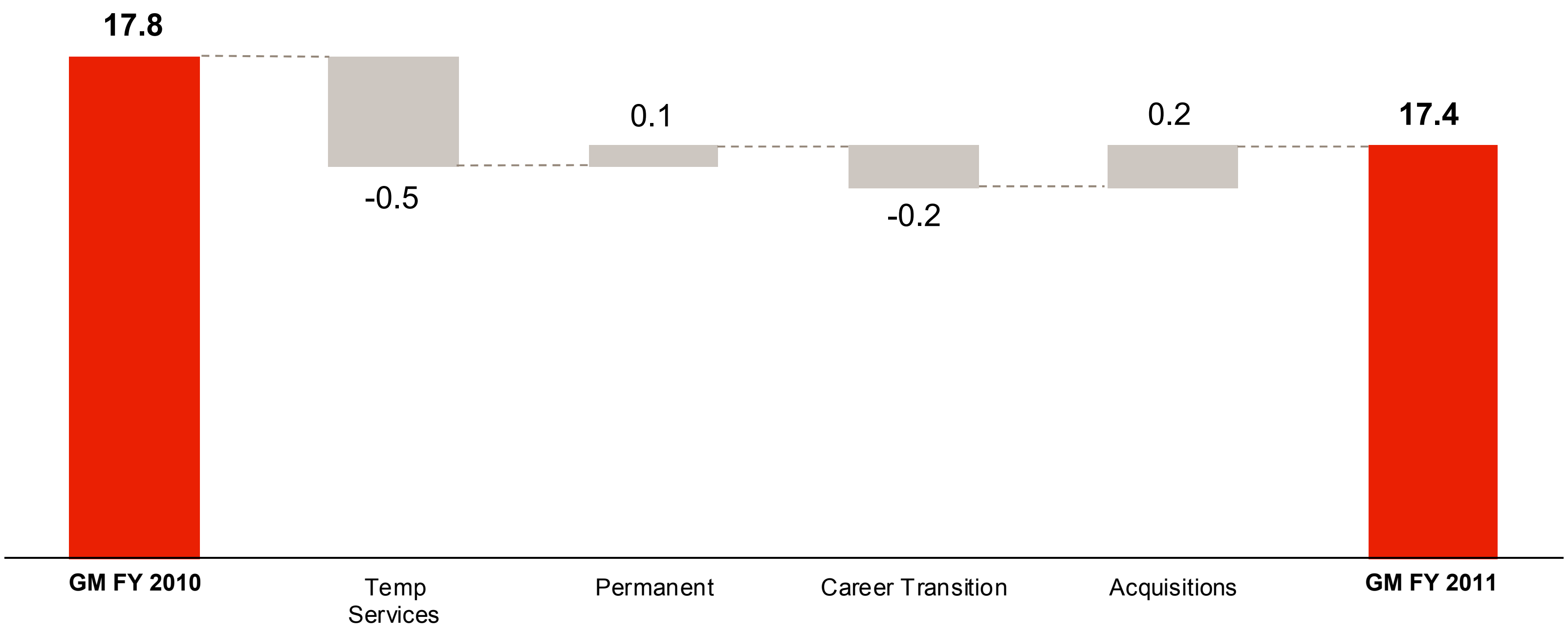
	Reported EUR m	% of rev.
Revenues	**20,545**	
Gross profit	**3,566**	17.4%
SG&A	**2,752**	13.4%
EBITA[2)]	**814**	4.0%
Operating income	**763**	3.7%
Net income attributable to Adecco shareholders	**519**	2.5%



1) Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.
2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

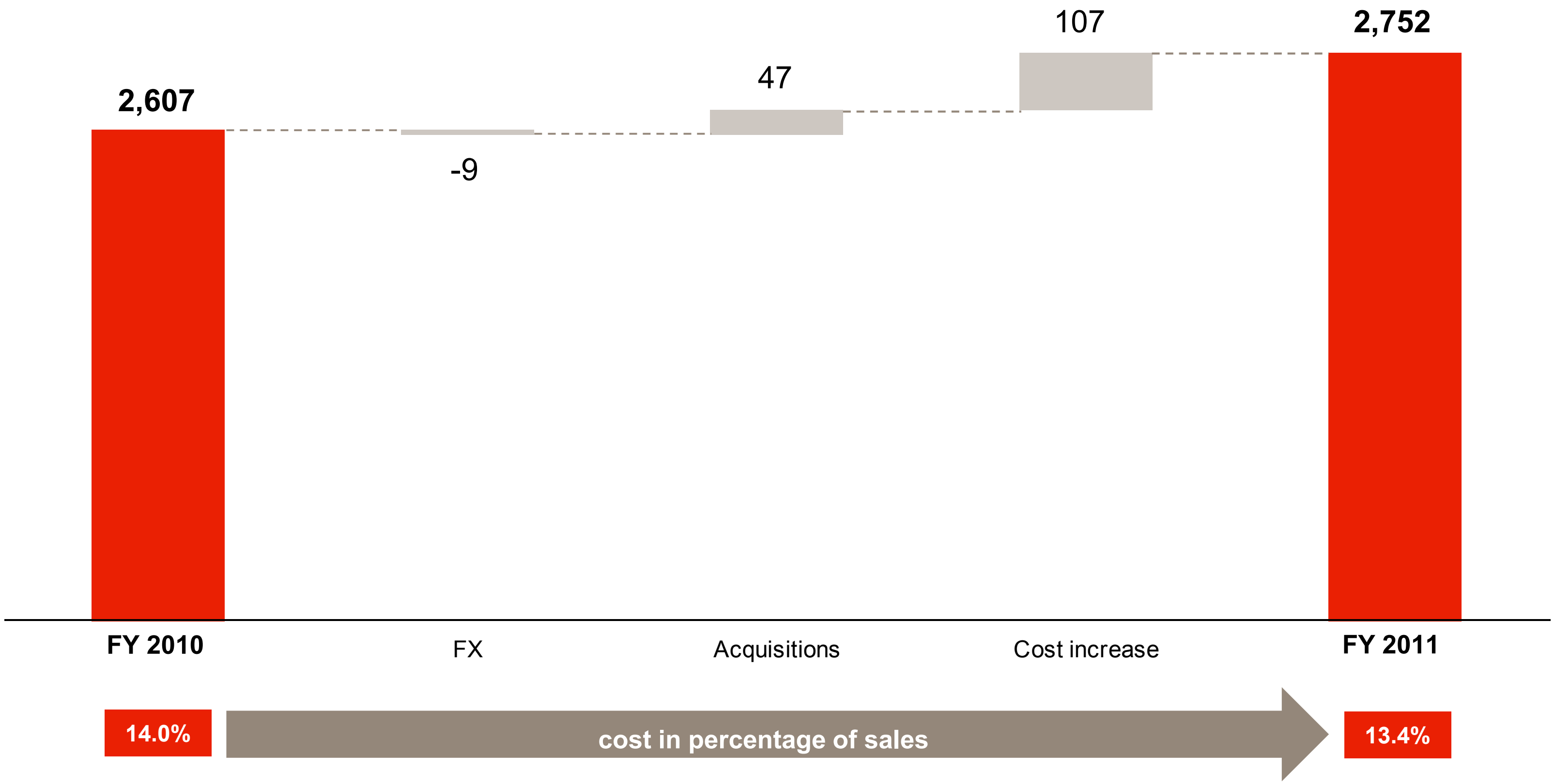
FY 2011 gross margin drivers

In percent of revenues



FY 2011 SG&A movements

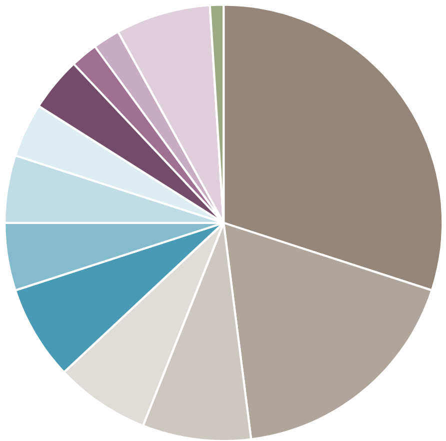
In EUR millions



Revenues and EBITA by segment

FY 2011 vs. FY 2010

Revenues in percent



		Revenues EUR m	Revenues organic[1] yoy growth	EBITA[2] EUR m	EBITA[2] margin
30%	France	**6,066**	10%	**220**	3.6%
18%	North America	**3,646**	8%	**161**	4.4%
8%	UK & Ireland	**1,707**	5%	**32**	1.9%
7%	Japan	**1,406**	4%	**80**	5.7%
7%	Germany & Austria	**1,544**	25%	**110**	7.1%
5%	Benelux	**961**	8%	**44**	4.5%
5%	Italy	**1,032**	23%	**60**	5.8%
4%	Nordics	**795**	5%	**18**	2.3%
4%	Iberia	**734**	1%	**24**	3.2%
2%	Australia & New Zealand	**510**	9%	**18**	3.5%
2%	Switzerland	**474**	7%	**50**	10.5%
7%	Emerging Markets	**1,434**	18%	**43**	3.0%
1%	LHH	**236**	-13%	**36**	15.1%
	Corporate			**(82)**	
	Adecco Group	**20,545**	10%	**814**	4.0%

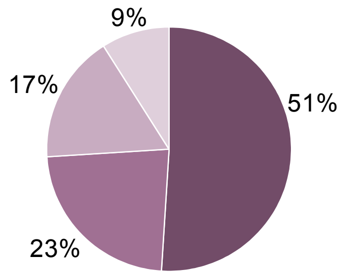
1) Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.

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

Revenue development by business lines

FY 2011 vs. FY 2010

	Revenues[1)] EUR m	Revenue growth in %, constant currency
Office	5,301	9
Industrial	10,642	13
General Staffing	**15,943**	**12**
Information Technology[2)]	2,176	8
Engineering & Technical[2)]	1,009	9
Finance & Legal[2)]	722	6
Medical & Science[2)]	384	7
Professional Staffing[2)]	**4,291**	**7**
Solutions[2)]	**311**	**3**
Adecco Group[2)]	**20,545**	**11**



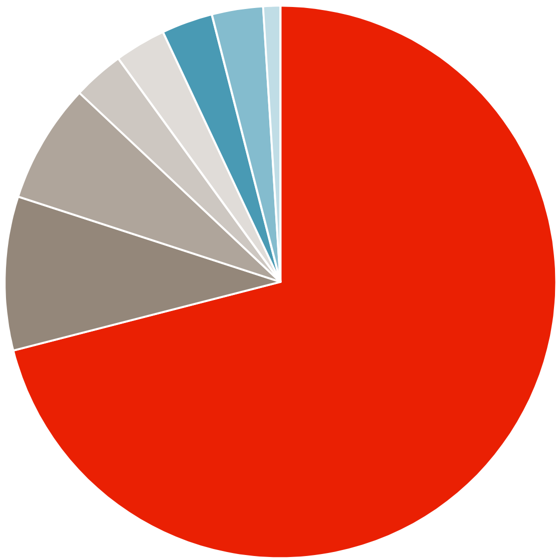
1) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal and Medical & Science is based on dedicated branches. Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management System (VMS). The 2010 information has been restated to conform to the current year presentation.

2) FY 2011 revenues changed organically in Information Technology by 6%, in Engineering & Technical by 7%, in Finance & Legal by 1%, in Medical & Science by 5%, in Professional Staffing by 5%, in Solutions by -6% and in Adecco Group by 10%.

SG&A breakdown

FY 2011

Premises Expenses	9%
Office & Admin. Expenses	7%
Marketing	3%
Depreciation	3%
Consultants & Associates	3%
Bad Debt Expense	1%
Other Operating Net Income/Expenses	3%



71% Personnel cost

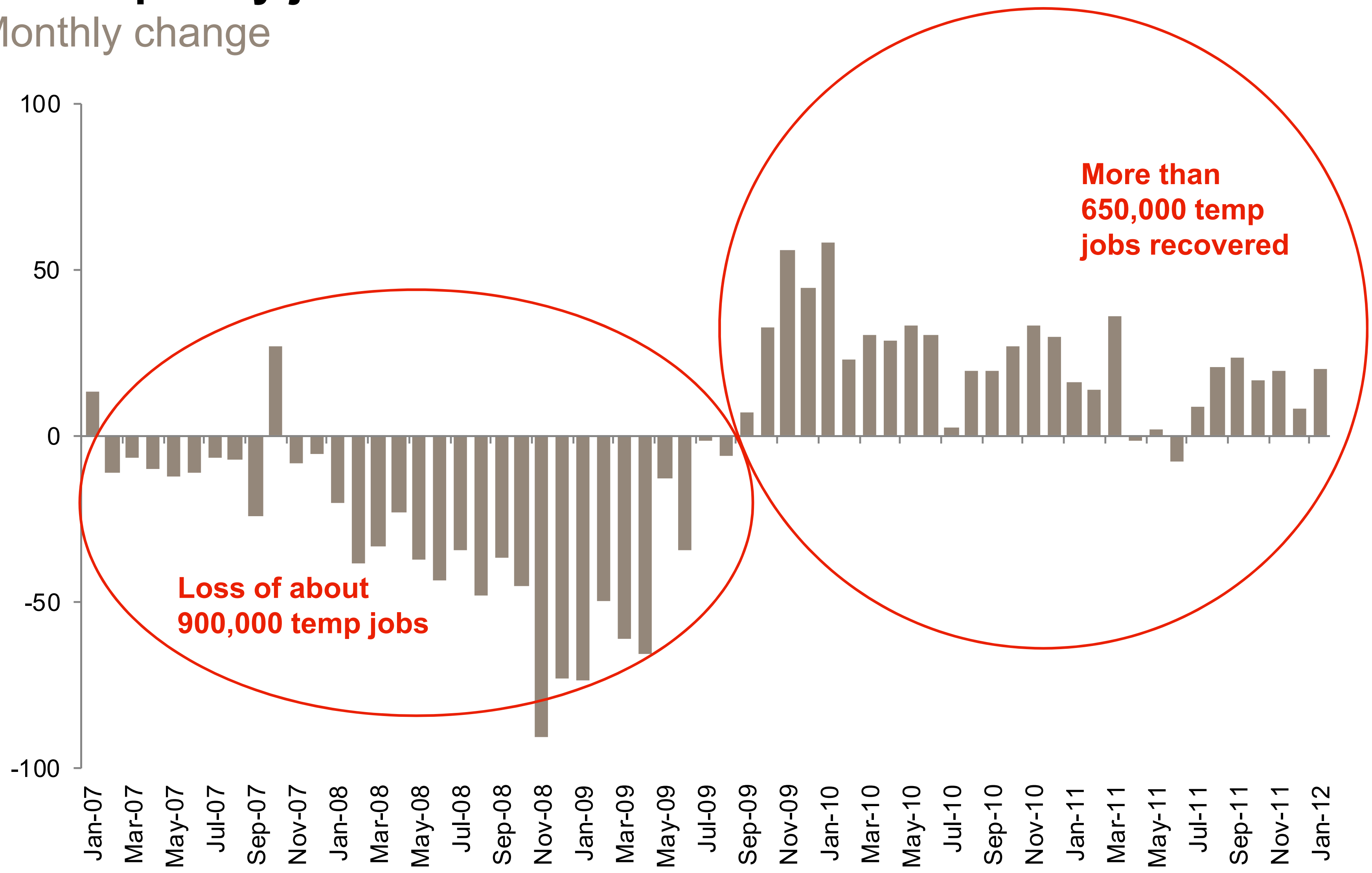
Five key trends

Huge growth potential for our industry

Ageing population	Finding the right people at the right time
Move of production	Need for people in emerging markets, need for different skills in developed markets
Skills gap	Finding skills locally and through mobility
More made to order	Higher volatility requires more flexibility
Regulatory environment	More sectors open for our industry

US temporary job market

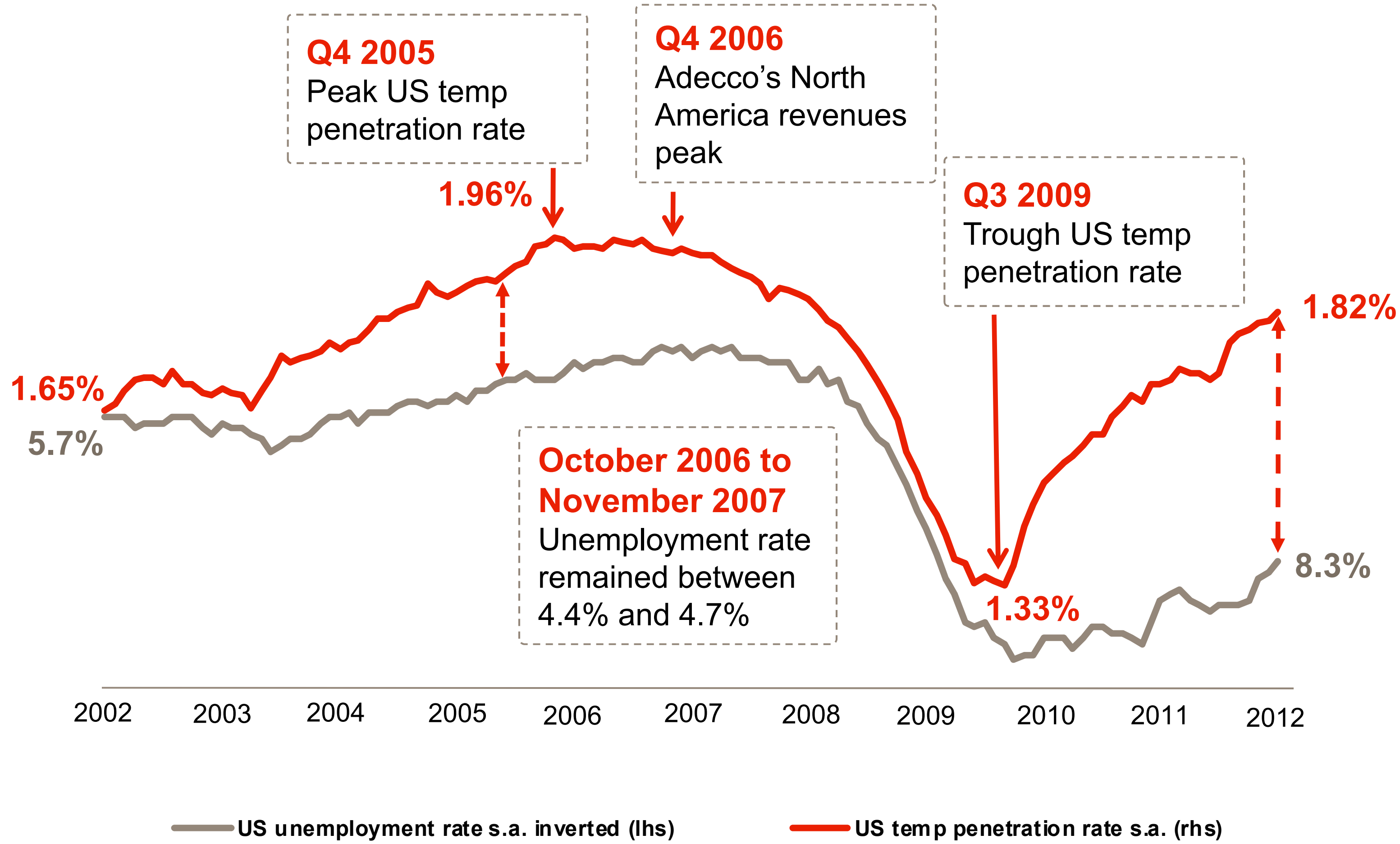
Monthly change



Source: Bureau of Labor Statistics (BLS)

Structural shift to temporary staffing in current upturn

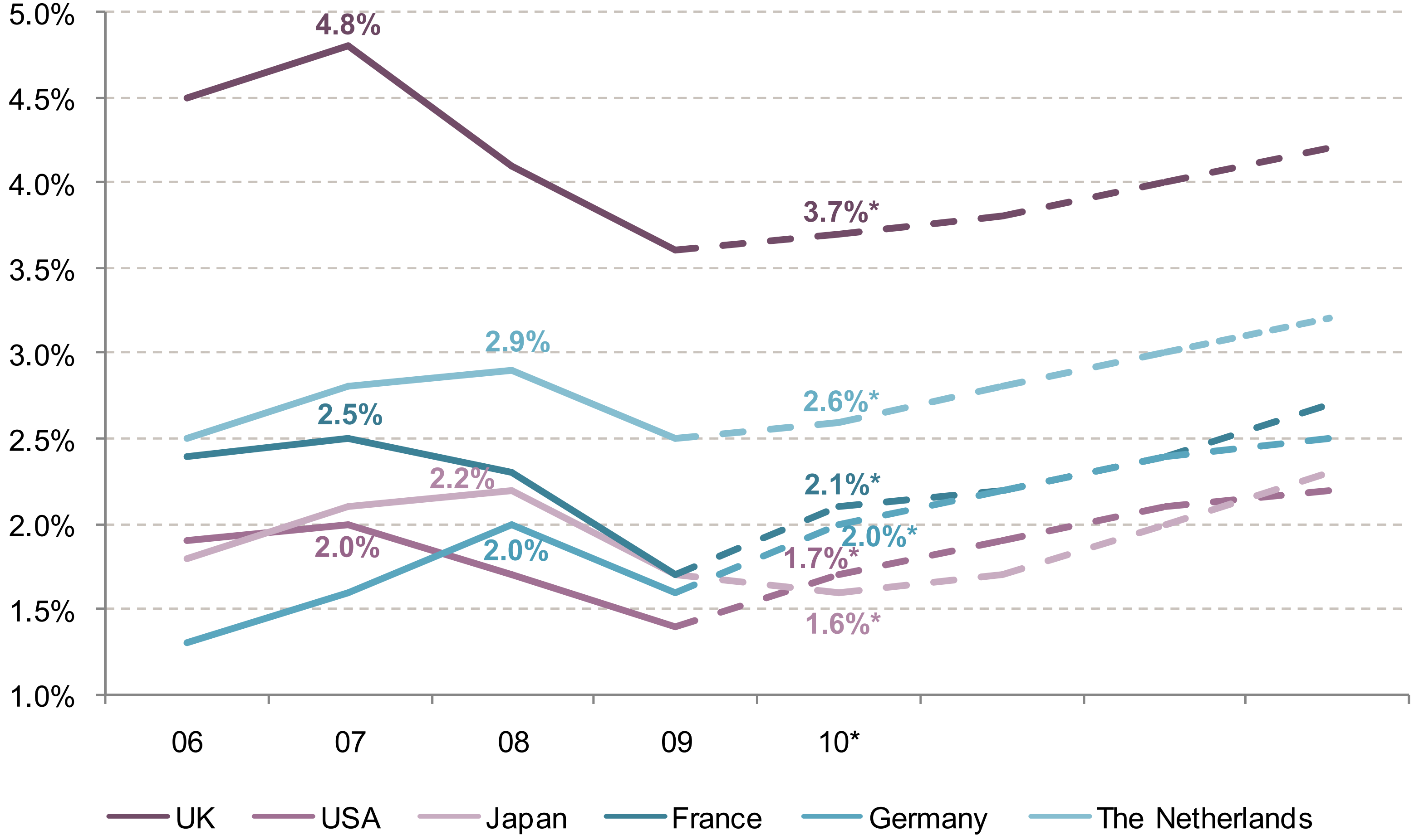
US temporary penetration rate vs. unemployment rate



Source: Bureau of Labor Statistics (BLS)

Revenue growth drivers in 2011

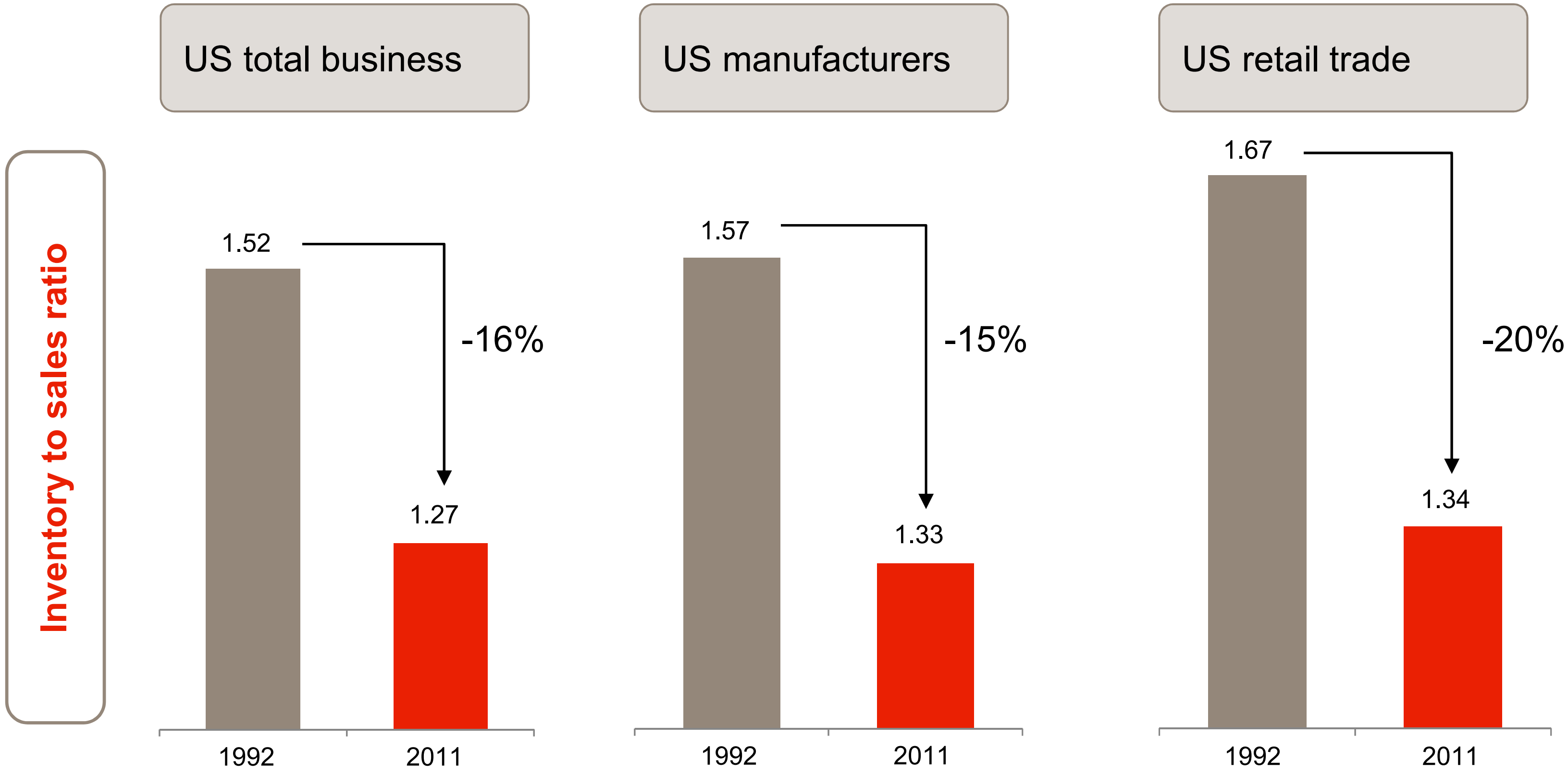
Prior peak penetration rates should be surpassed



Source: Eurociett *Adecco estimate

More made to order

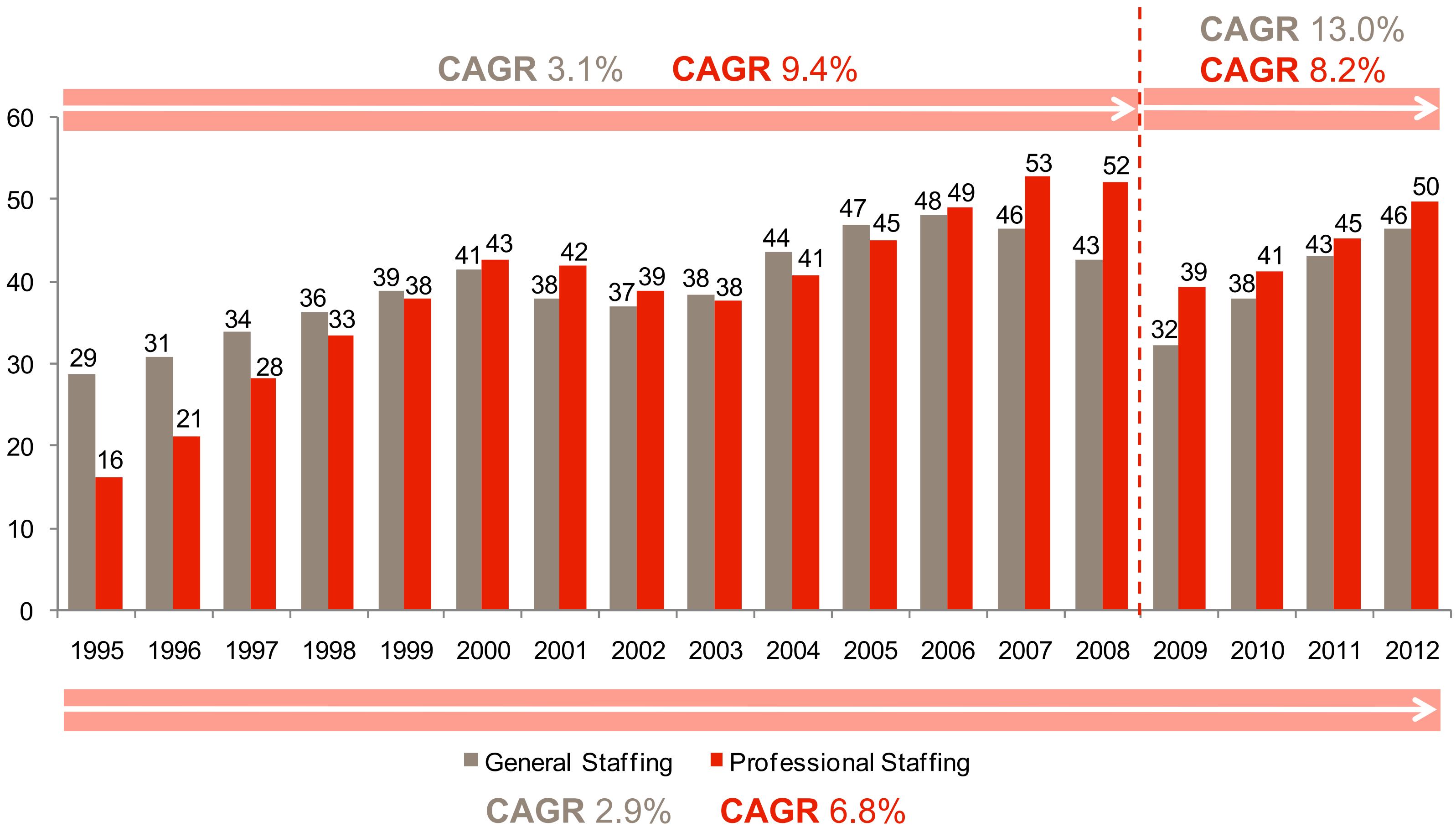
US example: Inventory to sales ratio declining 1992 – 2011



Source: US Inventory to Sales ratio; US Manufacturing and Trade Inventories and Sales report

Professional staffing outgrowing general staffing

US temporary staffing market, based on revenues in USD billion



Source: Staffing Industry Analysts Inc., U.S. Census Bureau, Bureau of Labor Statistics, public company results

The success of EVA

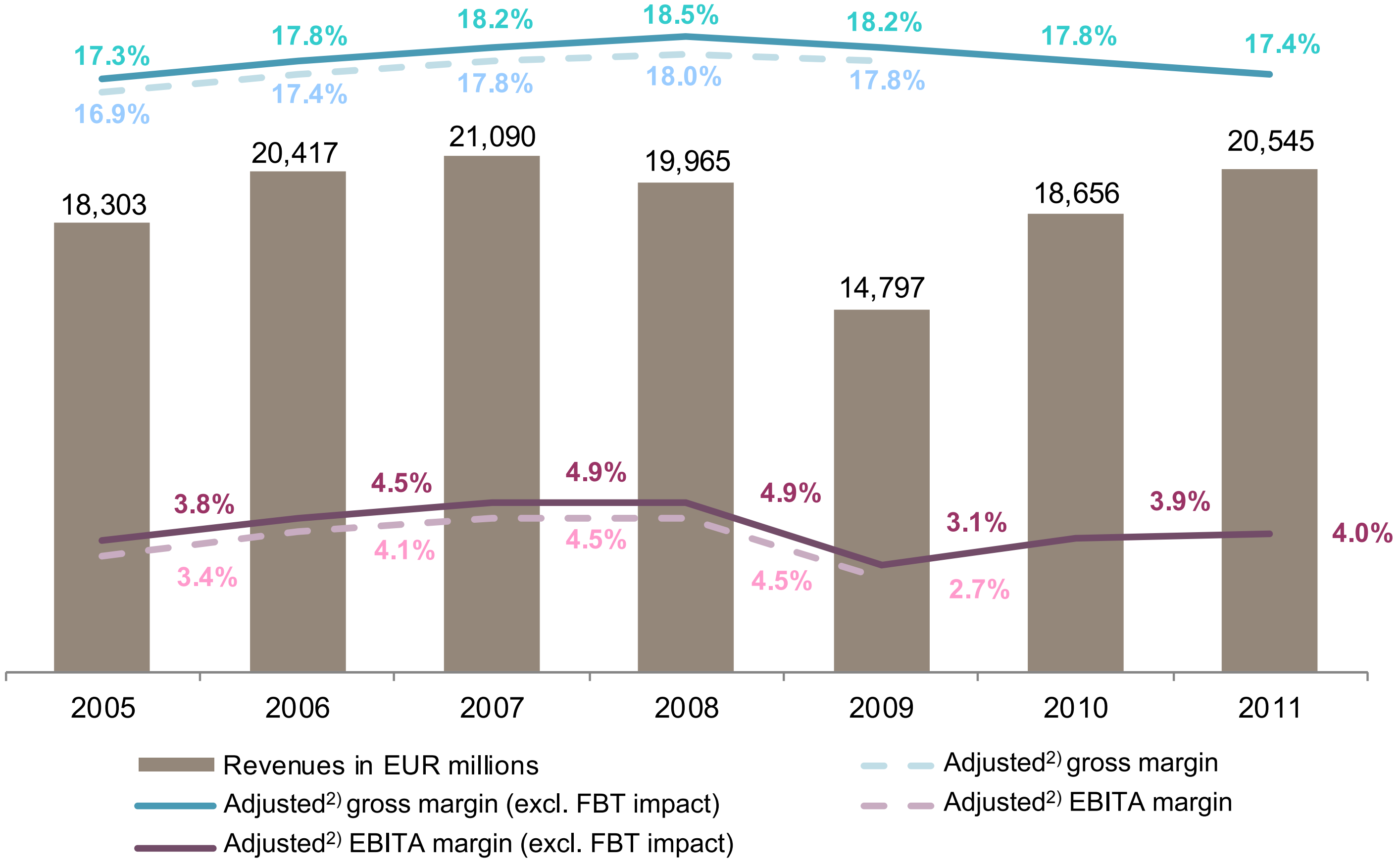
A major achievement - comparison of KPIs during the last two downturns

2002			2009	
Revenue decline yoy in constant currency	**-3%**	→	**-27%**	**Revenue decline yoy** organically
Gross margin yoy	**-100 bps**	→	**-20 bps**	**Gross margin adjusted**[1] **yoy**
SG&A in % of revenues	**15.1%**	→	**15.1%**	**Adjusted**[1] **SG&A** in % of revenues
EBITA margin yoy	**-160 bps**	→	**-180 bps**	**EBITA margin adjusted**[1] **yoy**
EBITA margin	**2.7%**	→	**2.7%**	**EBITA margin adjusted**[1]

1) Please refer to slide 50.

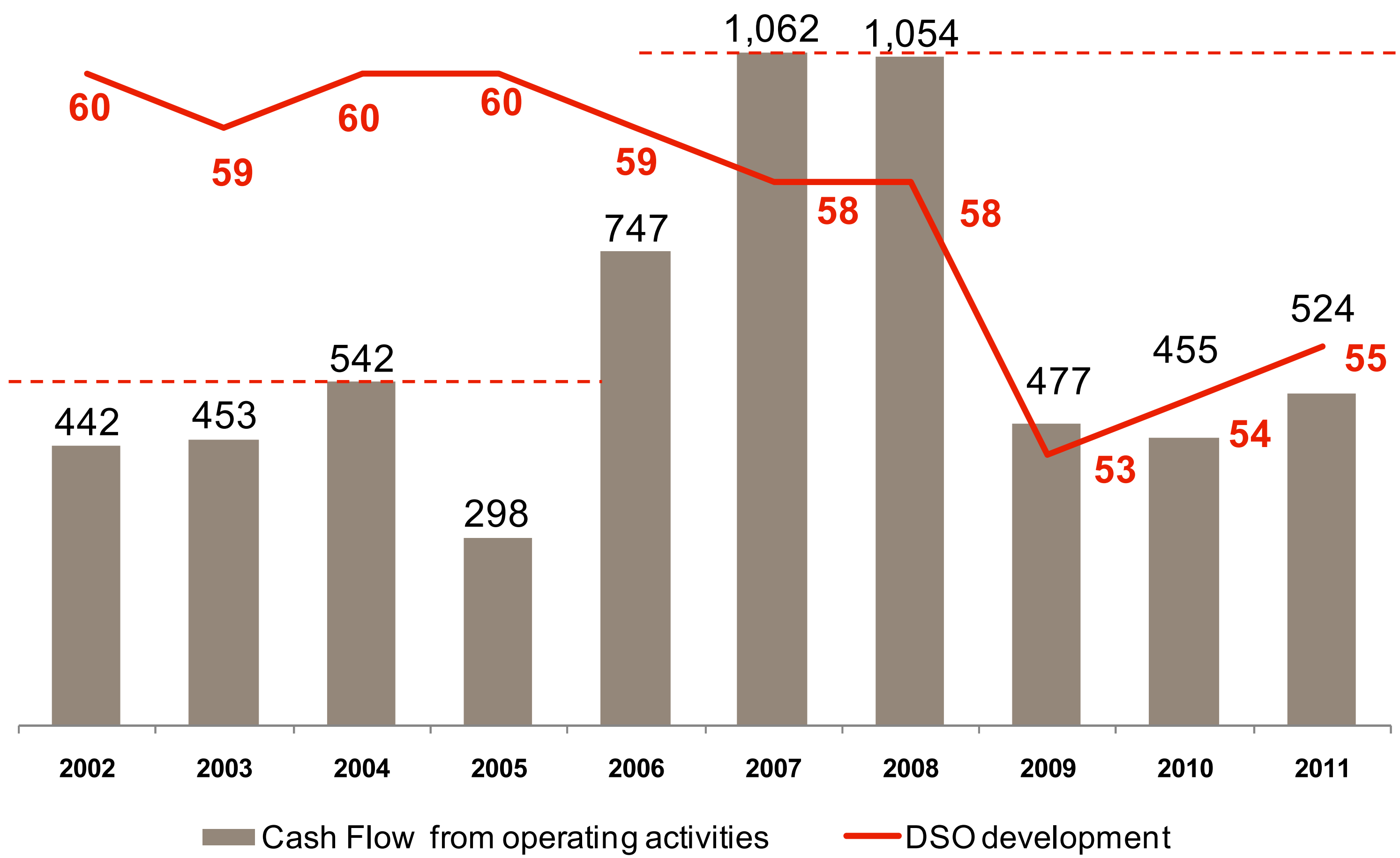
What we have achieved

Financial performance since 2005



2) Please refer to slide 50.

Cash flow and DSO development

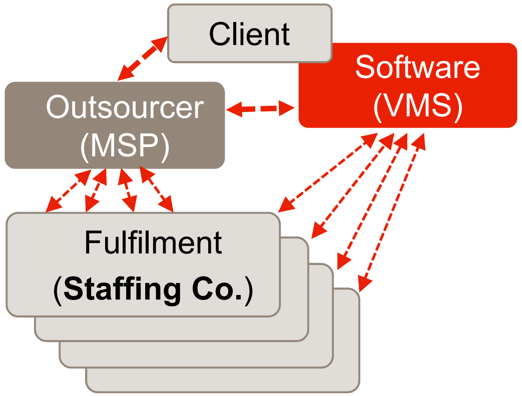


MSP, RPO, VMS…

Can someone help with the definitions please!

Managed Service Programmes (MSP)

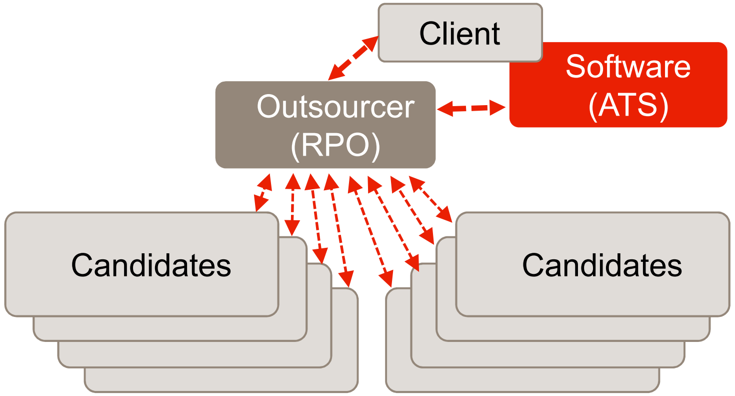
Clients outsource the management of contingent workforce to MSPs



- Outsourced procurement function, distinct from Master Vendor model
- MSP manages contingent workforce/staffing vendors
- Mostly works in conjunction with a VMS tool
- A VMS automates the processes of procuring people from staffing vendors, provides transparency into vendor costs and performance

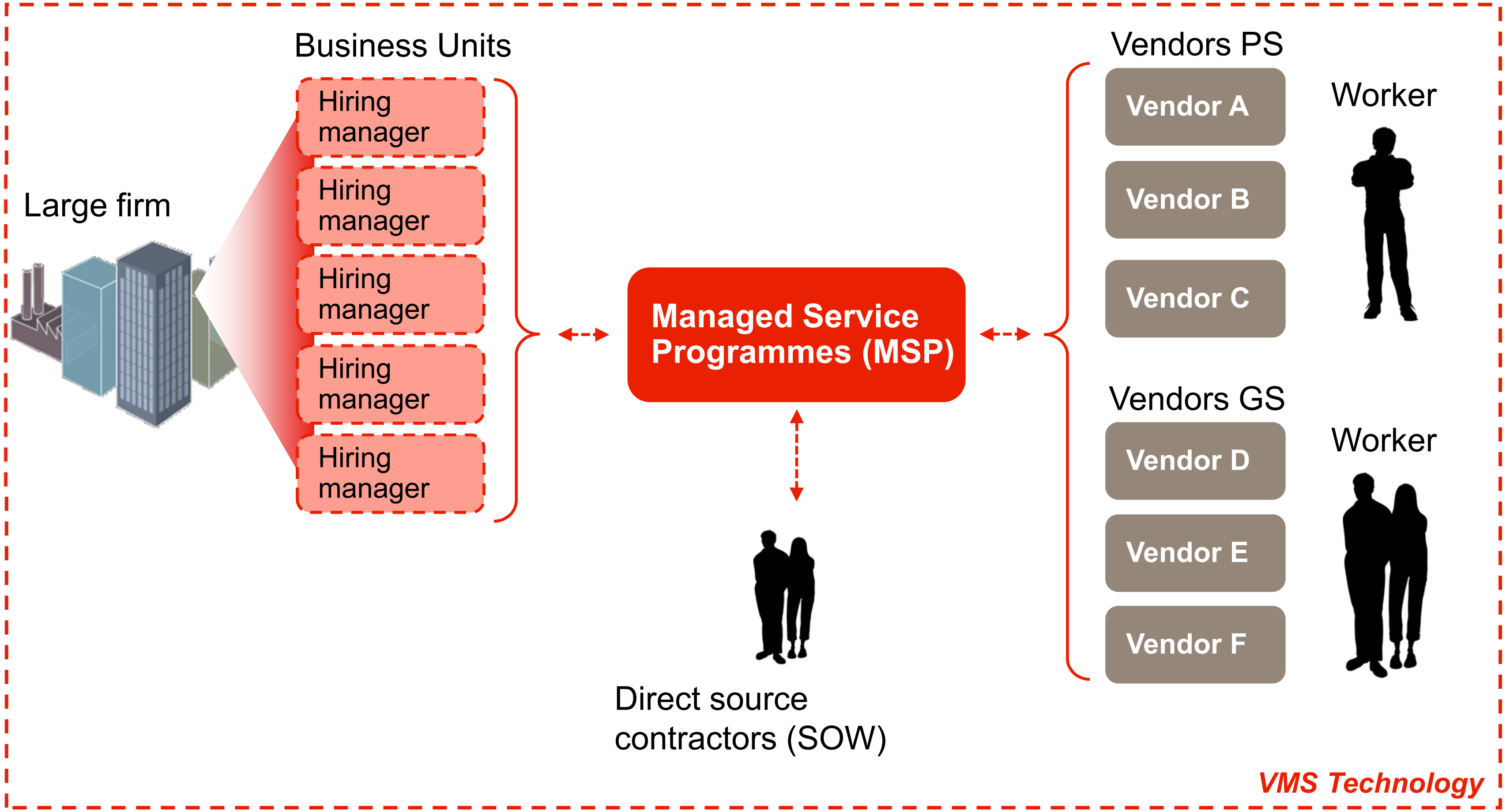
Recruitment Process Outsourcing (RPO)

Clients outsource the permanent recruiting process to RPOs



- Outsourced HR function, distinct from executive search and traditional permanent staffing
- RPO provides any or all in-house/corporate recruiting department services
- Mostly works in conjunction with a ATS tool
- An ATS collects and tracks candidate data, interview scheduling, reporting, provides transparency into candidate pipelining, hiring effectiveness

MSP Programmes manage the staffing supply chain



Notes to the slides

Details on sources, estimates, adjustments and other

1) 2009 figures exclude on gross profit the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years. 2009 figures exclude on EBITA the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals, the negative impact of EUR 7 million due to a sales tax accrual in the UK relating to prior years and the negative impact of EUR 121 million associated with restructuring costs. 2008 figures exclude on gross profit the positive impact of the modified calculation of the French social charges of EUR 63 million and from restructuring charges of EUR 8 million. 2008 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 63 million and the negative impact associated with headcount reductions and branch optimisation in France and other European countries of EUR 32 million and the provision of the French antitrust procedure of EUR 19 million.

2) For better comparison, figures for 2005, 2006, 2007, 2008 and 2009 are excluding the impact of the French business tax (FBT), which as of January 1, 2010 was reclassified as income tax under US GAAP.
   2005 figures exclude on gross profit the negative impact of the French business tax of EUR 80 million and on EBITA the negative impact of the French business tax of EUR 84 million.
   2006 figures exclude on gross profit the negative impact of the French business tax of EUR 86 million and on EBITA the negative impact of the French business tax of EUR 91 million.
   2007 figures exclude on gross profit the positive impact of the modified calculation of the French social charges of EUR 172 million and exclude the negative impact of the French business tax of EUR 88 million. 2007 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 156 million and the negative impact of expenses related to the French antitrust proceedings of EUR 15 million and of the French business tax of EUR 93 million.
   2008 figures exclude on gross profit the positive impact of the modified calculation of French social charges of EUR 63 million and from restructuring charges of EUR 8 million as well as the negative impact of the French business tax of EUR 84 million. 2008 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 63 million, the negative impact associated with headcount reductions and branch optimisation in France and other European countries of EUR 32 million and of the provision for the French antitrust procedure of EUR 19 million and of the French business tax of EUR 89 million.
   2009 figures exclude on gross profit the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years and of the French business tax of EUR 61 million. 2009 figures exclude on EBITA the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals, the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years, the negative impact of EUR 121 million associated with restructuring costs and of the French business tax of EUR 65 million.