



Q1 2013 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.

Operational review

Financial review

Appendix

Operational review

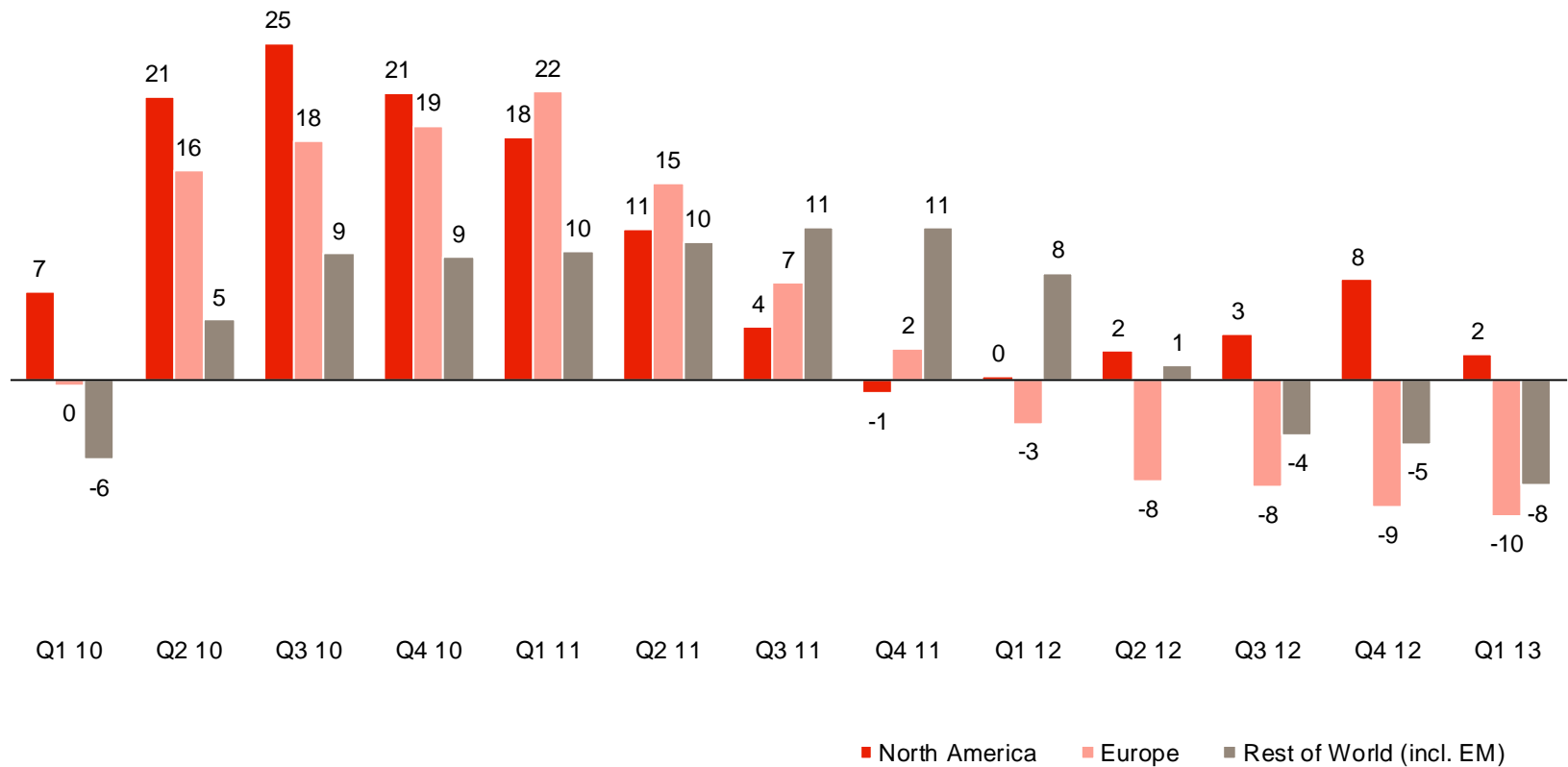
Highlights

Q1 2013 and Outlook

- ▶ Revenues down 5% yoy organically and adjusted for trading days
- ▶ Gross margin down 20 bps yoy to 18.0%, down 10 bps organically
- ▶ SG&A down 3% yoy organically and excluding restructuring and integration costs
- ▶ EBITA margin down 80 bps to 3.0%, excluding restructuring and integration costs
- ▶ Revenues in March down 4% yoy organically and adjusted for trading days; April similar
- ▶ Further progress on share buyback programme, with 7.5 million shares acquired to date

Revenue development by region¹⁾

Organic year-on-year change in percent

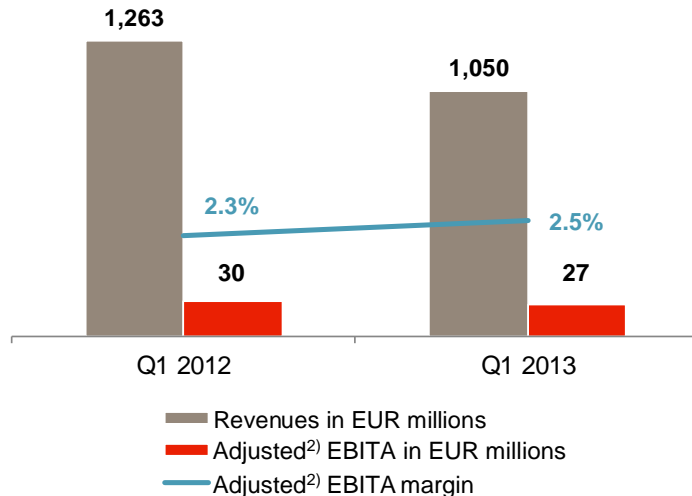


1) Excluding LHH

France

23% of group revenues in Q1 2013

Q1 2013 yoy revenue¹⁾ decline: -17%



Revenues down 17% or -15% adj. for trading days (-18% adj. for trading days in Q4 12)

Adjusted²⁾ EBITA margin up 20 bps, helped by the impact of "CICE"

Revenues in March down 14%, adjusted for trading days

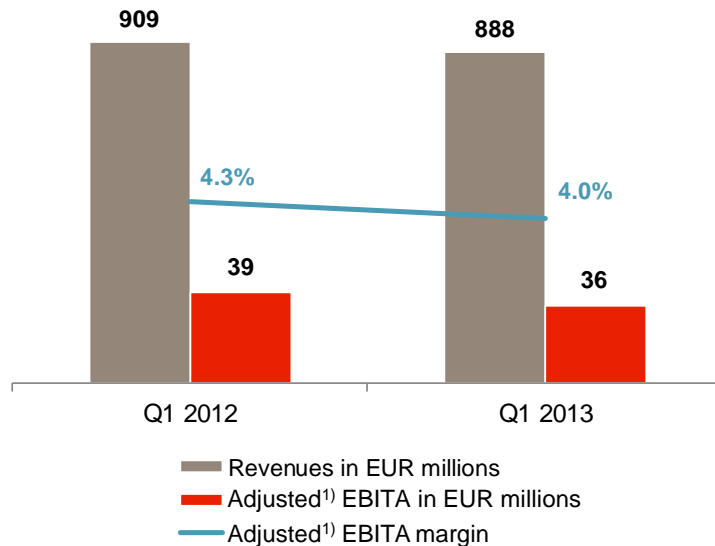
1) As of January 2013, Morocco and Tunisia, previously within France, are reported under Emerging Markets. The 2012 information has been restated to conform to the current year presentation.

2) Q1 13 excludes EUR 6 million restructuring costs and Q1 12 excludes EUR 3 million restructuring costs.

North America

20% of group revenues in Q1 2013

Q1 2013 yoy organic revenue growth: 2%



Organically, revenues up 2% or +4% adj. for trading days (+4% adj. for trading days in Q4 12)

Growth in perm continued to be strong, up 14% in constant currency.

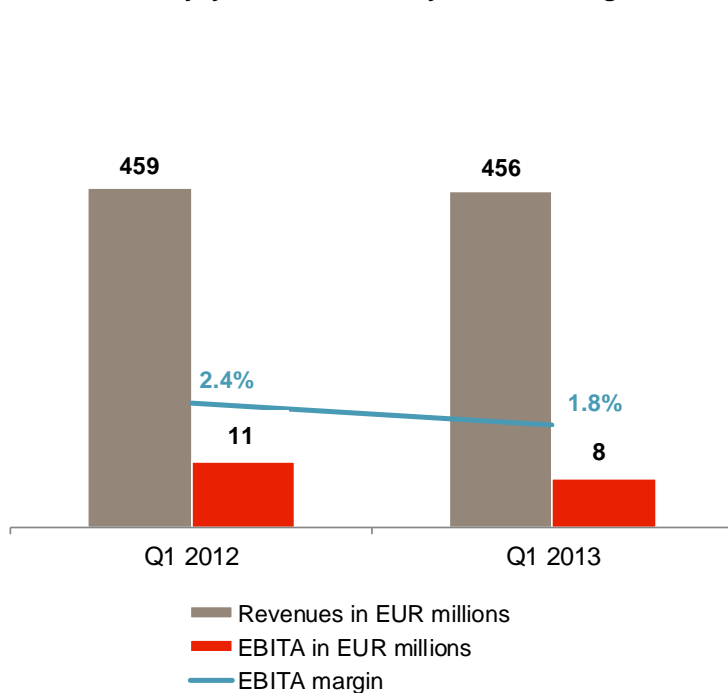
Revenues in March up 4% organically, adjusted for trading days

1) Q1 13 excludes EUR 4 million restructuring costs.

UK & Ireland

10% of group revenues in Q1 2013

Q1 2013 yoy constant currency revenue change: 0%



Revenues in constant currency flat or +4% adj. for trading days (-3% adj. for trading days in Q4 12)

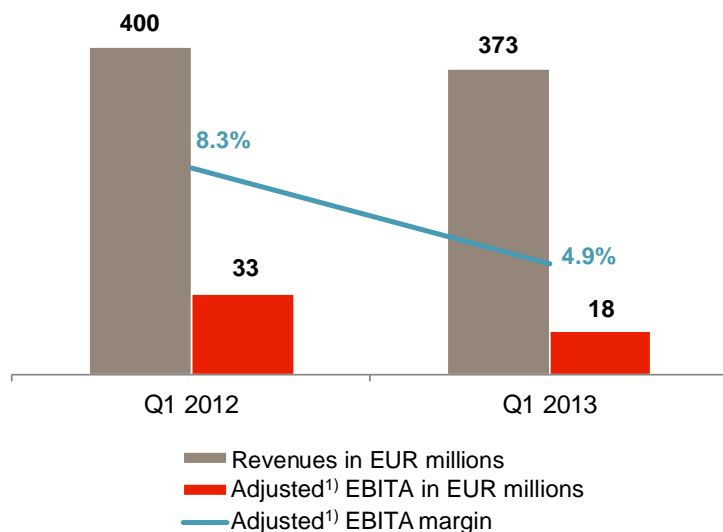
Perm revenues down 26% in constant currency in Q1 13, compared against a high base that benefitted from the Olympics

Revenues in March up 8% in constant currency, adjusted for trading days

Germany & Austria

8% of group revenues in Q1 2013

Q1 2013 yoy organic revenue decline: 8%



Organically, revenues down 8% or -4% adj. for trading days (-4% adj. for trading days in Q4 12)

Profitability impacted by the timing of bank holidays and lower utilisation

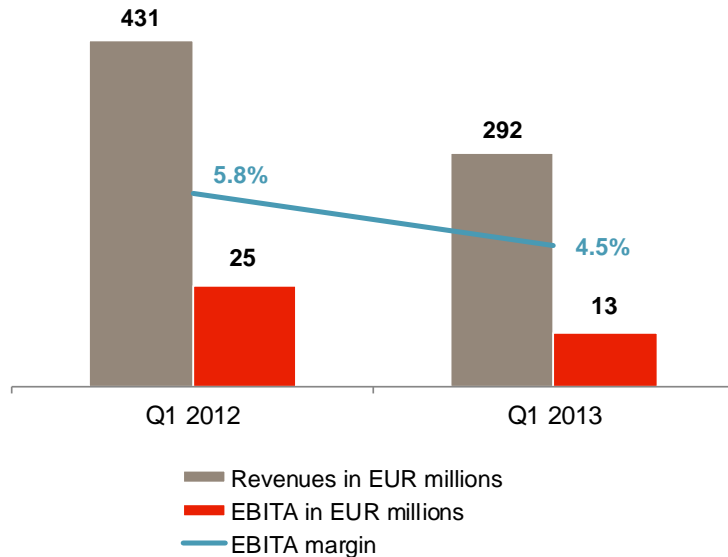
Revenues in March down 2% organically and adjusted for trading days

1) Q1 12 excludes EUR 3 million restructuring costs.

Japan

6% of group revenues in Q1 2013

Q1 2013 yoy constant currency revenue decline: 21%



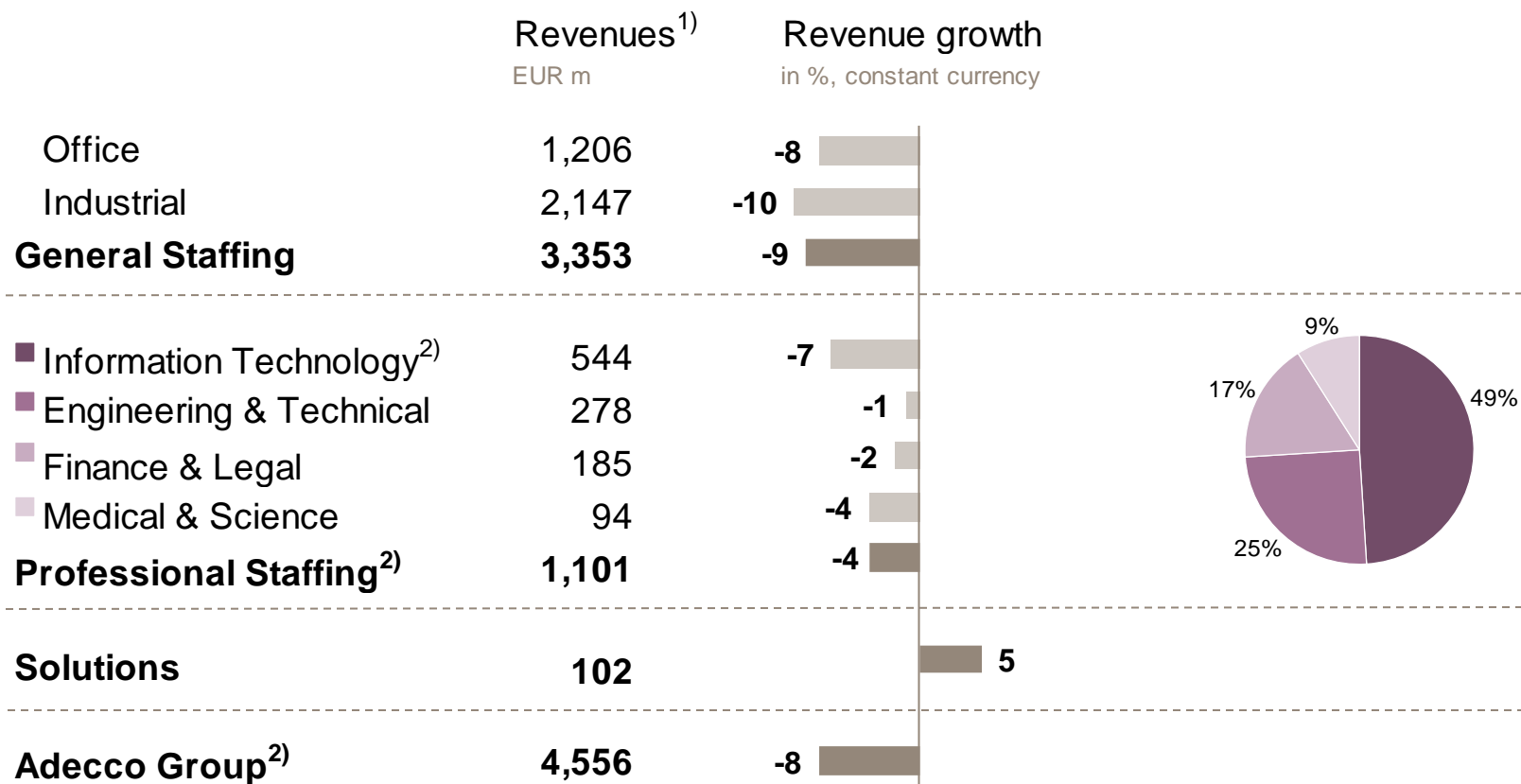
Revenues in constant currency down 21% or -15% adj. for trading days (-19% adj. for trading days in Q4 12), still impacted by the high base of last year

The EBITA margin was 4.5% compared to 5.8% in Q1 12

Revenues in March down 20% in constant currency and adjusted for trading days. Q2 13 decline rate expected to ease.

Revenue development by business line

Q1 2013 vs. Q1 2012



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 Career Transition & Talent Development (CTTD), Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management System (VMS).

2) In Q1 2013 revenues changed organically in Information Technology by -2% , Professional Staffing by -2% and Adecco Group by -7% .

Financial review

Q1 2013 Results in detail – P&L

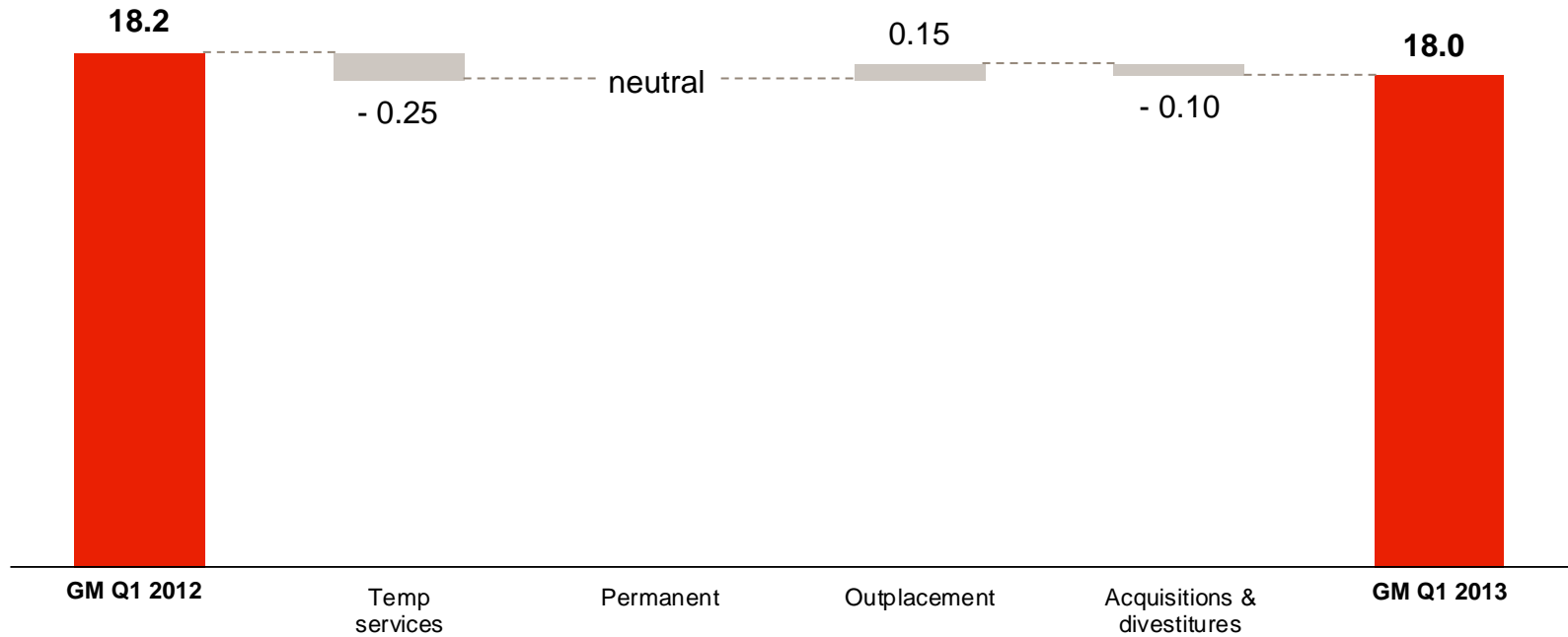
In EUR millions

	Q1 2013	Q1 2012	Variance %	
			EUR	Constant Currency
Revenues	4,556	5,035	-10%	-8%
Direct costs of services	(3,735)	(4,119)		
Gross profit	821	916	-10%	-9%
<i>Gross margin</i>	18.0%	18.2%		
Selling, general, and administrative expenses	(694)	(734)	-5%	-4%
<i>As a percentage of revenues</i>	15.2%	14.6%		
EBITA¹⁾	127	182	-30%	-29%
<i>EBITA¹⁾ margin</i>	2.8%	3.6%		
Amortisation of intangible assets	(11)	(14)		
Operating income	116	168	-31%	-29%
<i>Operating income margin</i>	2.5%	3.3%		
Interest expense	(19)	(18)		
Other income / (expenses), net	(2)	3		
Income before income taxes	95	153	-38%	
Provision for income taxes	(28)	(41)		
Net income	67	112	-40%	
Net income attributable to noncontrolling interests				
Net income attributable to Adecco shareholders	67	112	-40%	
<i>Net income margin attributable to Adecco shareholders</i>	1.5%	2.2%		

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

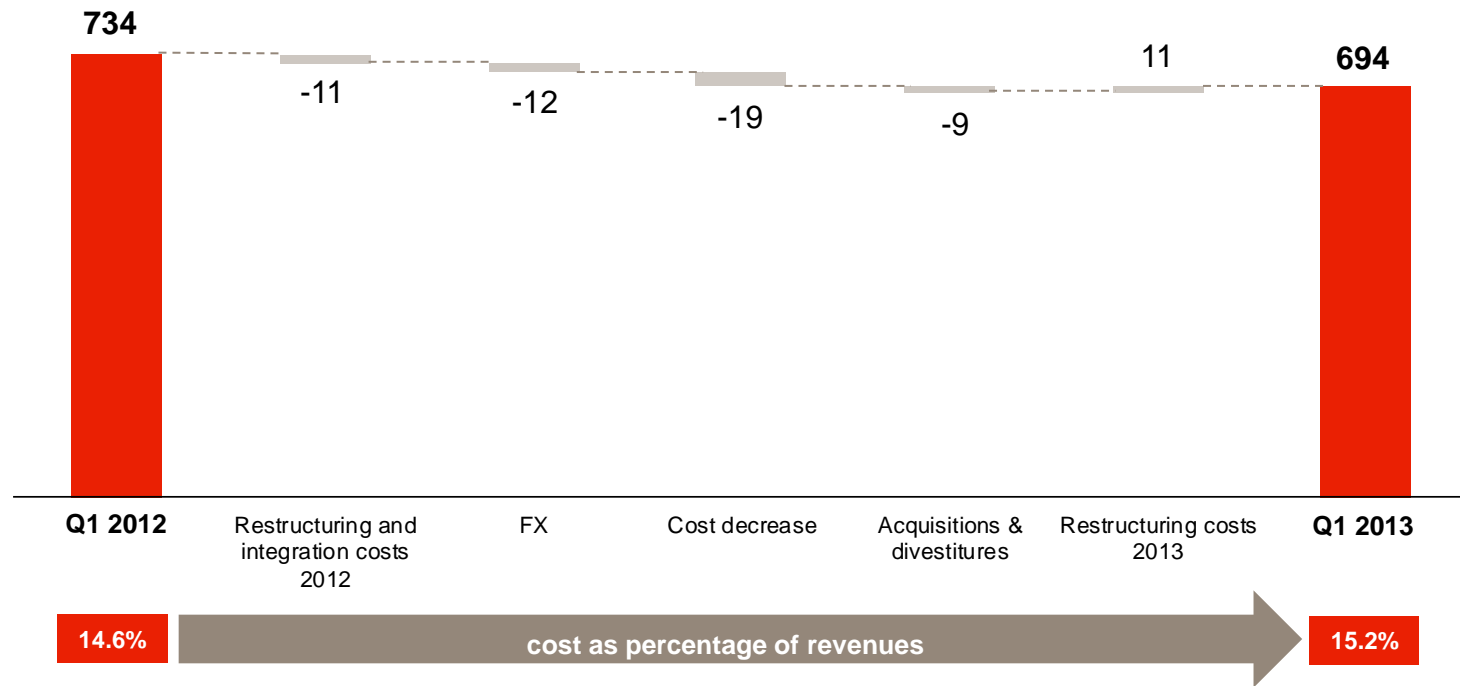
Q1 2013 gross margin drivers

As percentage of revenues



Q1 2013 SG&A movements

In EUR millions



Overview of restructuring charges

Development in EUR millions

	FY 2012	Q1 2013	Q2 - Q4 2013	FY 2013
France	60	6		
Other countries/regions	17	1		
Data centre consolidation (North America)	6	4		
Total restructuring charges	83	11	≈ 19	≈ 30

Balance sheet

In EUR millions

	Mar 31 2013	Dec 31 2012
Assets		
Cash and cash equivalents	941	1,103
Short-term Investments	-	2
Trade accounts receivable, net	3,544	3,492
Other current assets	309	308
Property, equipment, and leasehold improvements, net	286	291
Other assets	382	331
Goodwill and intangible assets, net	4,096	4,087
Total assets	9,558	9,614
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,321	3,332
Short- and long-term debt	2,011	2,077
Other liabilities	510	506
Total Adecco shareholders' equity	3,713	3,696
Noncontrolling interests	3	3
Total liabilities and shareholders' equity	9,558	9,614
Net Debt ¹⁾	1,070	972

1) 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.

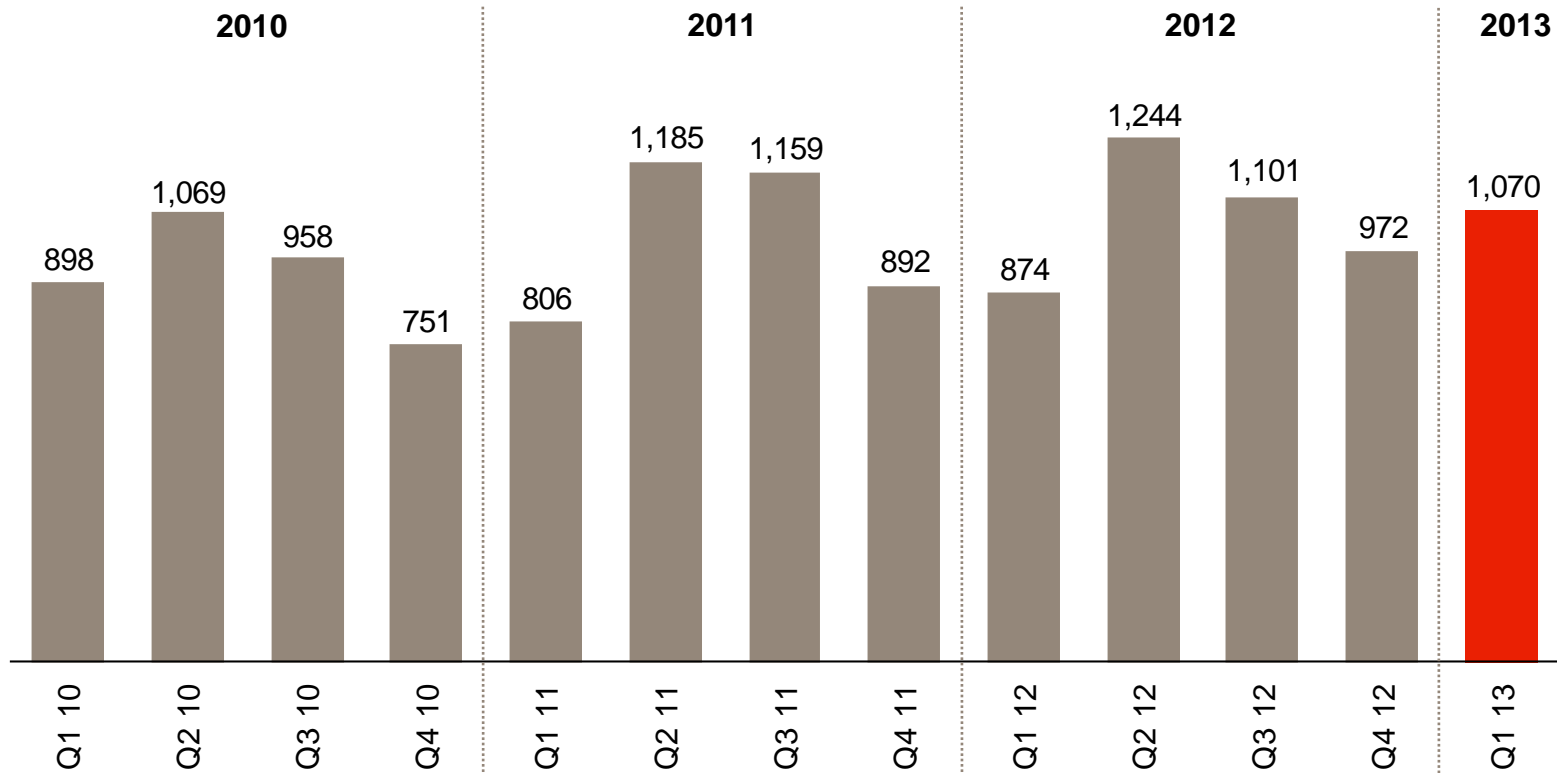
Cash flow statement

In EUR millions

	Q1 2013	Q1 2012
Net income	67	112
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	36	41
– Other charges	(3)	4
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(46)	56
– Accounts payable and accrued expenses	(31)	(48)
– Other assets and liabilities	(51)	(28)
Cash flows from/(used in) operating activities	(28)	137
Cash flows from investing activities	(3)	(148)
Cash flows from financing activities	(128)	331
Effect of exchange rate changes on cash	(3)	36
Net increase/(decrease) in cash and cash equivalents	(162)	356

Net debt¹⁾ development since Q1 2010

In EUR millions



1) 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.

Financial Guidance

Full year 2013

Capex	Approximately EUR 120 million
Interest expense	Approximately EUR 75 million
Corporate costs	Approximately EUR 100 million
Amortisation	Approximately EUR 45 million

We strive to reach an EBITA margin above 5.5% in 2015

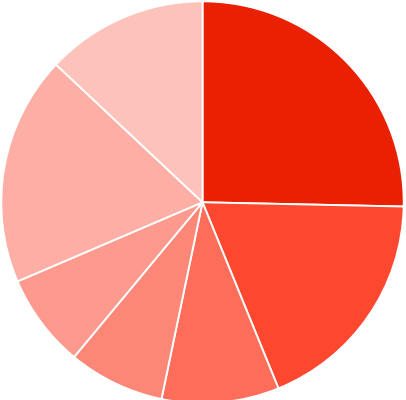


Appendix

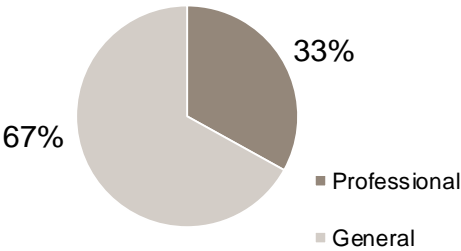
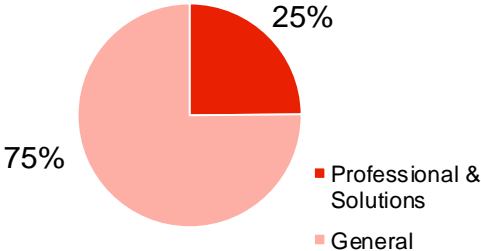
Market potential for Professional and General staffing

Market size and FY 2012 revenues of Adecco

Adecco FY 2012 revenues: EUR 20.5bn



Global market 2012: Approx. EUR 278bn



1) Excluding Emerging Markets

Source: National statistics and Adecco estimates

Adecco's market position in FY 2012

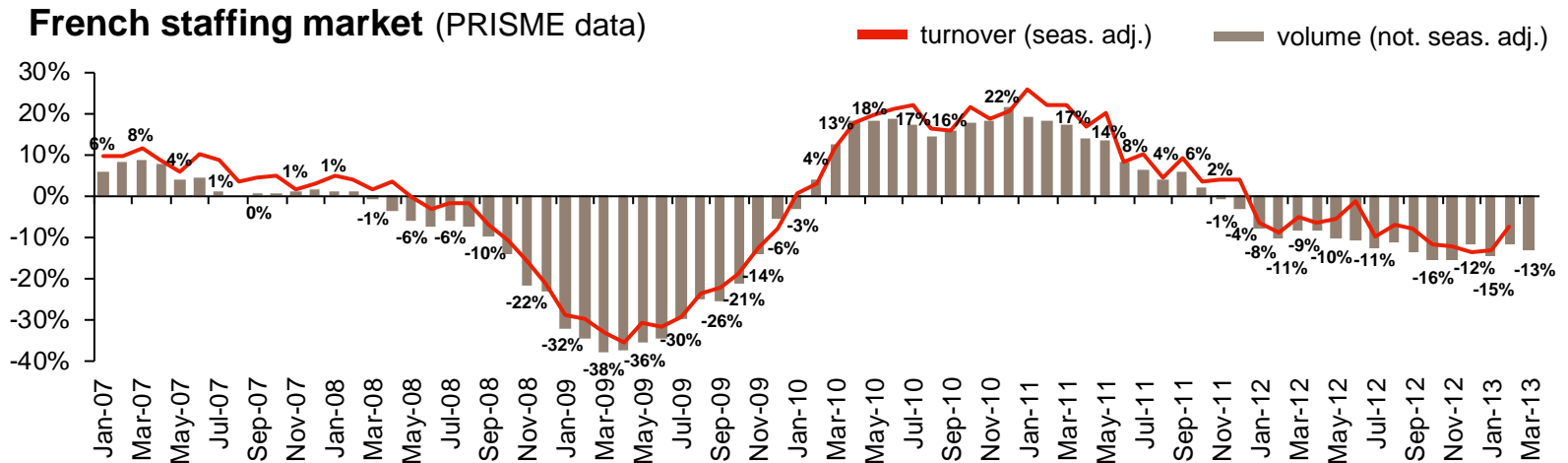
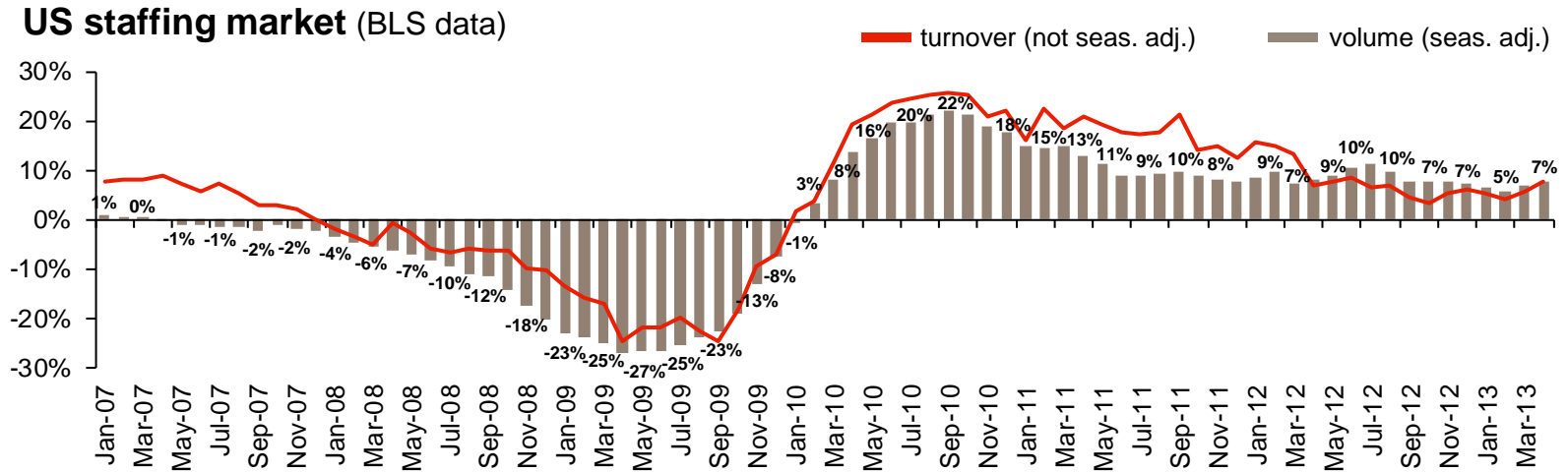
Based on revenues

	percent of Adecco revenues	Market share ¹⁾ in percent	Market position ¹⁾
France	25%	28%	1
North America	18%	4%	3
UK & Ireland	9%	6%	1
Germany & Austria	8%	9%	2
Japan	8%	3%	4
Italy	5%	17%	1
Benelux	4%	6%	3
Nordics	4%	13%	2
Iberia	3%	24%	2
Australia & New Zealand	3%	4%	4
Switzerland	2%	15%	1
Emerging Markets	9%	6%	1
LHH	2%	15%	1

1) Adecco estimate.

Development of US and French staffing market

Year-on-year growth

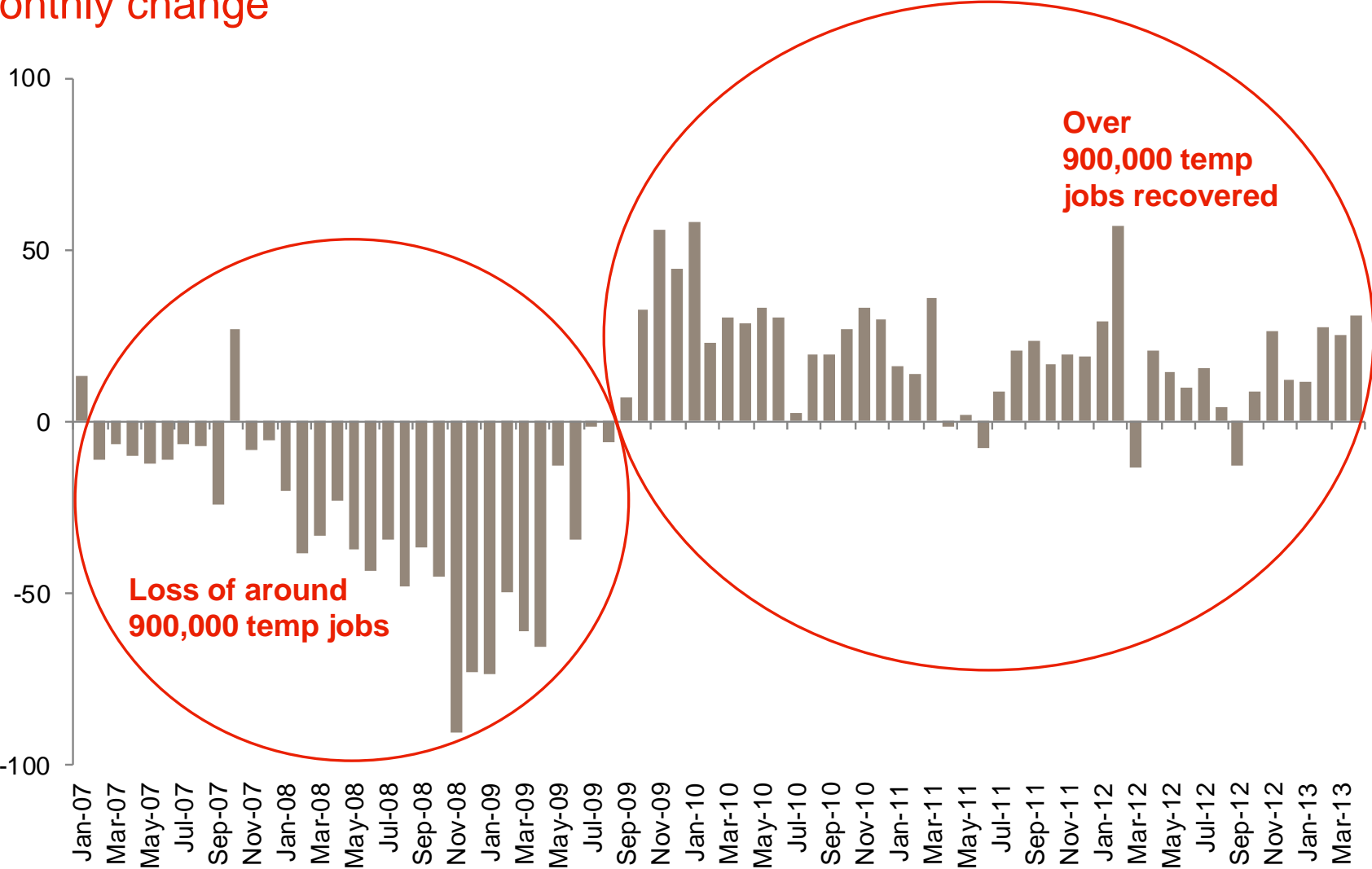


Sequential revenue analysis

Adecco Group	Q1	Q2	Q3	Q4
2007	=	=	-	=
2008	+	--	-	----
2009	----	----	=	=
2010	++	+	+	+
2011	+	=	=	=
2012	-	-	-	-
2013	=			

US temporary job market

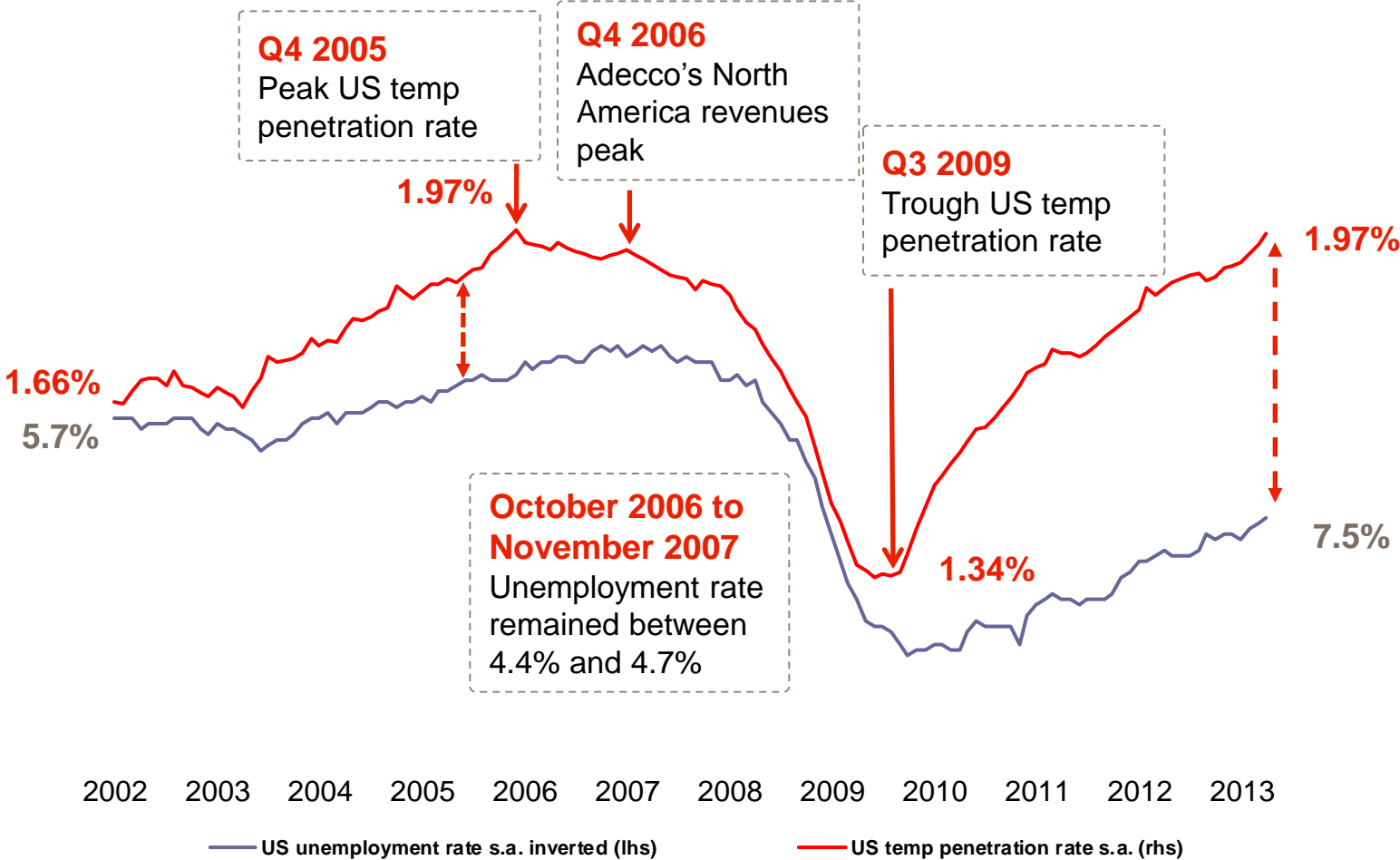
Monthly change



Source: Bureau of Labor Statistics (BLS)

Structural shift to temporary staffing in current upturn

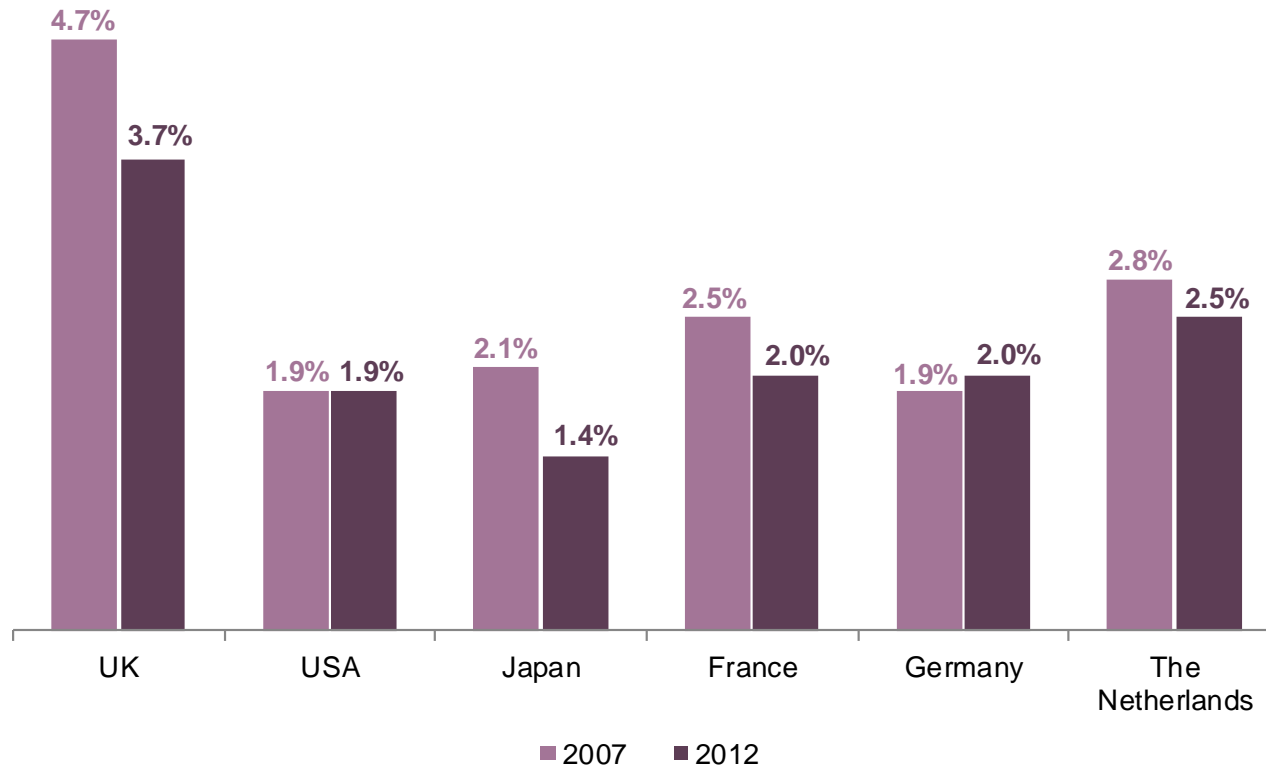
US temporary penetration rate vs. unemployment rate



Source: Bureau of Labor Statistics (BLS)

Penetration rates

Main markets

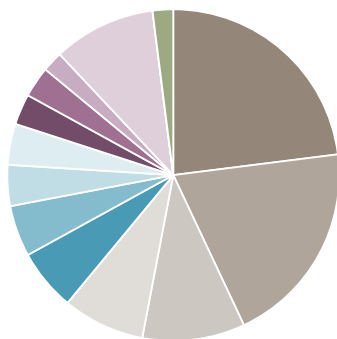


Source: Eurociett, Bureau of Labor Statistics and Adecco estimate

Revenues and EBITA by segment

Q1 2013 vs. Q1 2012

Revenues in percent



	Revenues		EBITA ^{2), 3)}	
	EUR m	organic ¹⁾ yoy growth	EUR m	margin
23% ■ France ⁴⁾	1,050	-17%	21	2.0%
20% ■ North America	888	2%	32	3.6%
10% ■ UK & Ireland	456	0%	8	1.8%
8% ■ Germany & Austria	373	-8%	18	4.9%
6% ■ Japan	292	-21%	13	4.5%
5% ■ Italy	219	-6%	11	4.9%
4% ■ Benelux	204	-9%	4	1.8%
4% ■ Nordics	191	-6%	-1	-0.6%
3% ■ Iberia	149	-9%	3	1.8%
3% ■ Australia & New Zealand	117	-11%	1	1.1%
2% ■ Switzerland	89	-9%	6	7.1%
10% ■ Emerging Markets ⁴⁾	449	4%	13	2.9%
2% ■ LHH	79	3%	21	26.9%
Corporate			(23)	
Adecco Group	4,556	-7%	127	2.8%

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

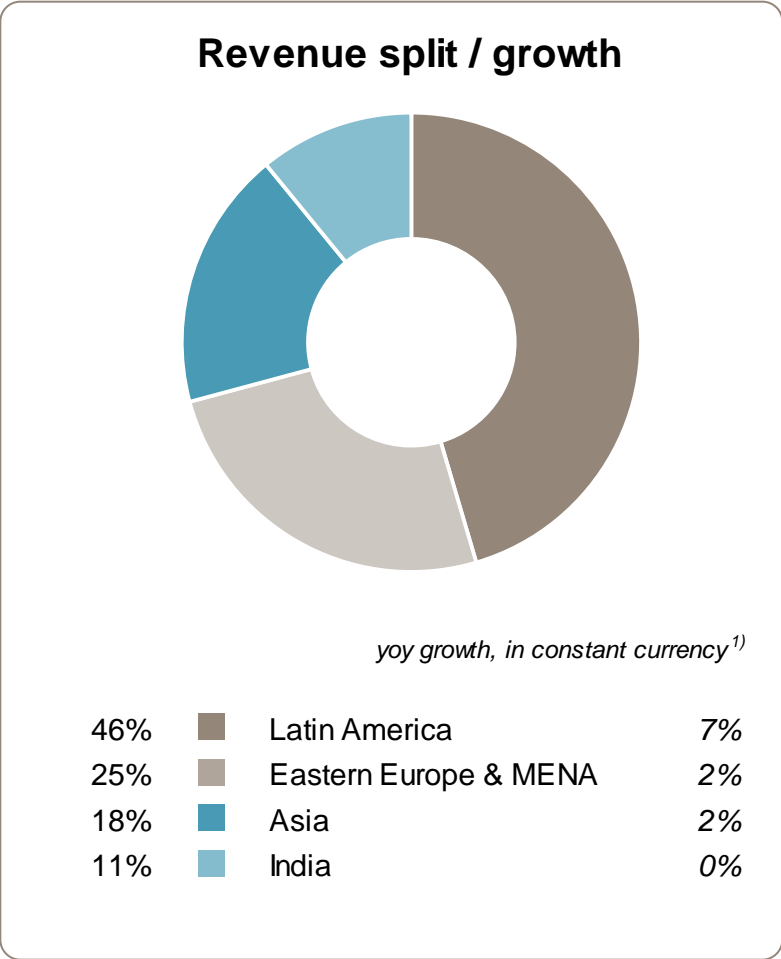
2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

3) Including restructuring costs of EUR 6 million for France, EUR 4 million for North America, EUR 1 million other countries.

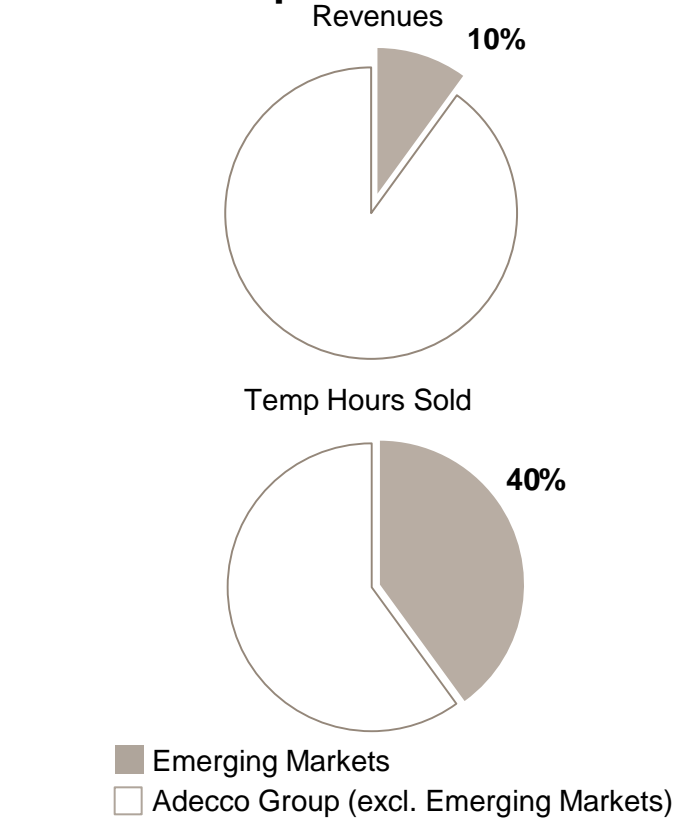
4) As of January 2013, Morocco and Tunisia, previously within France, are reported under Emerging Markets. The 2012 information has been restated to conform to the current year presentation.

Developments in the Emerging Markets

Q1 2013 revenues by geography



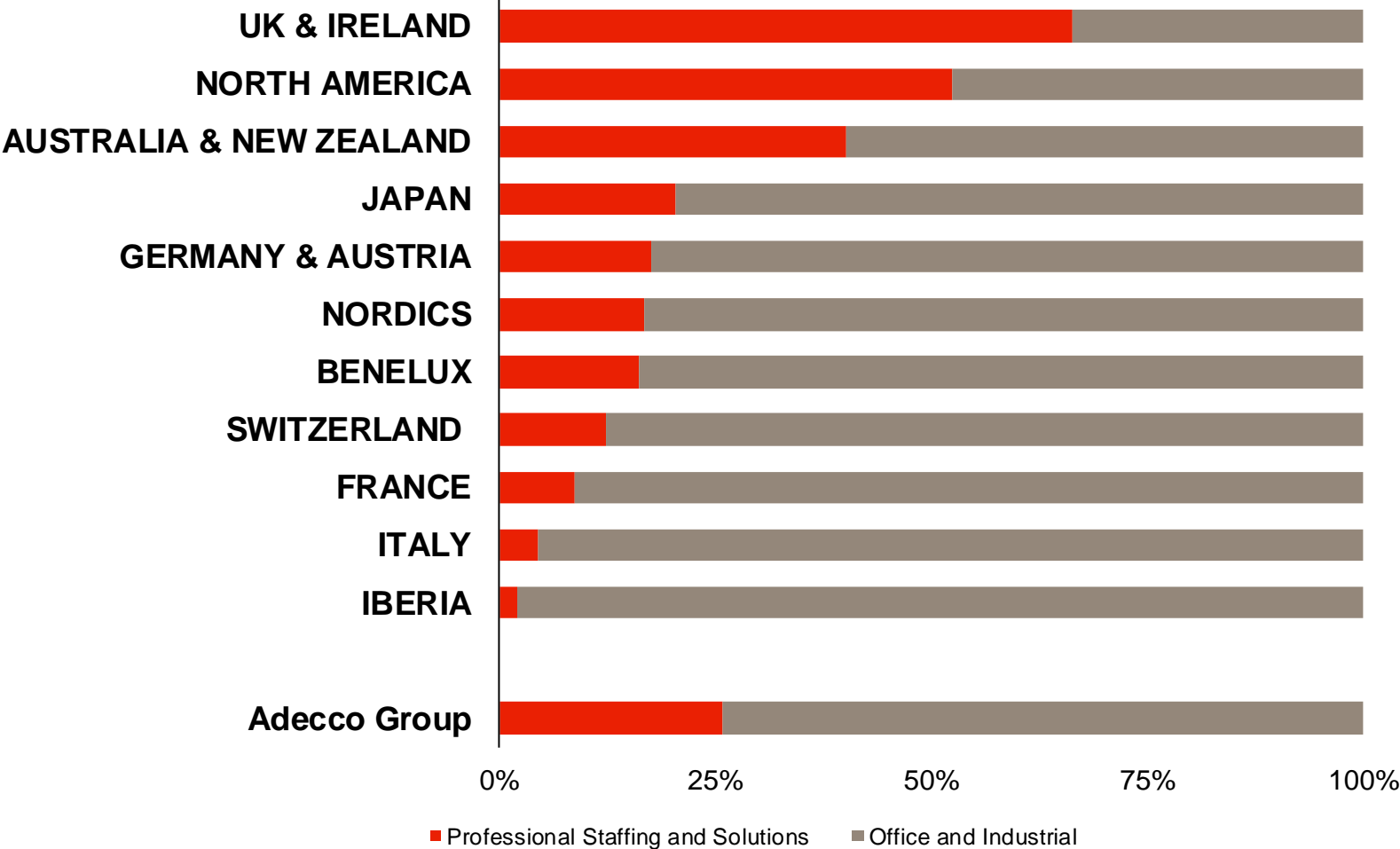
Emerging Markets compared to Adecco Group



1) As of January 2013, Morocco and Tunisia, previously within France, are reported under Emerging Markets. The 2012 information has been restated to conform to the current year presentation.

Revenues – General vs. Professional Staffing and Solutions

Based on dedicated branches in Q1 2013



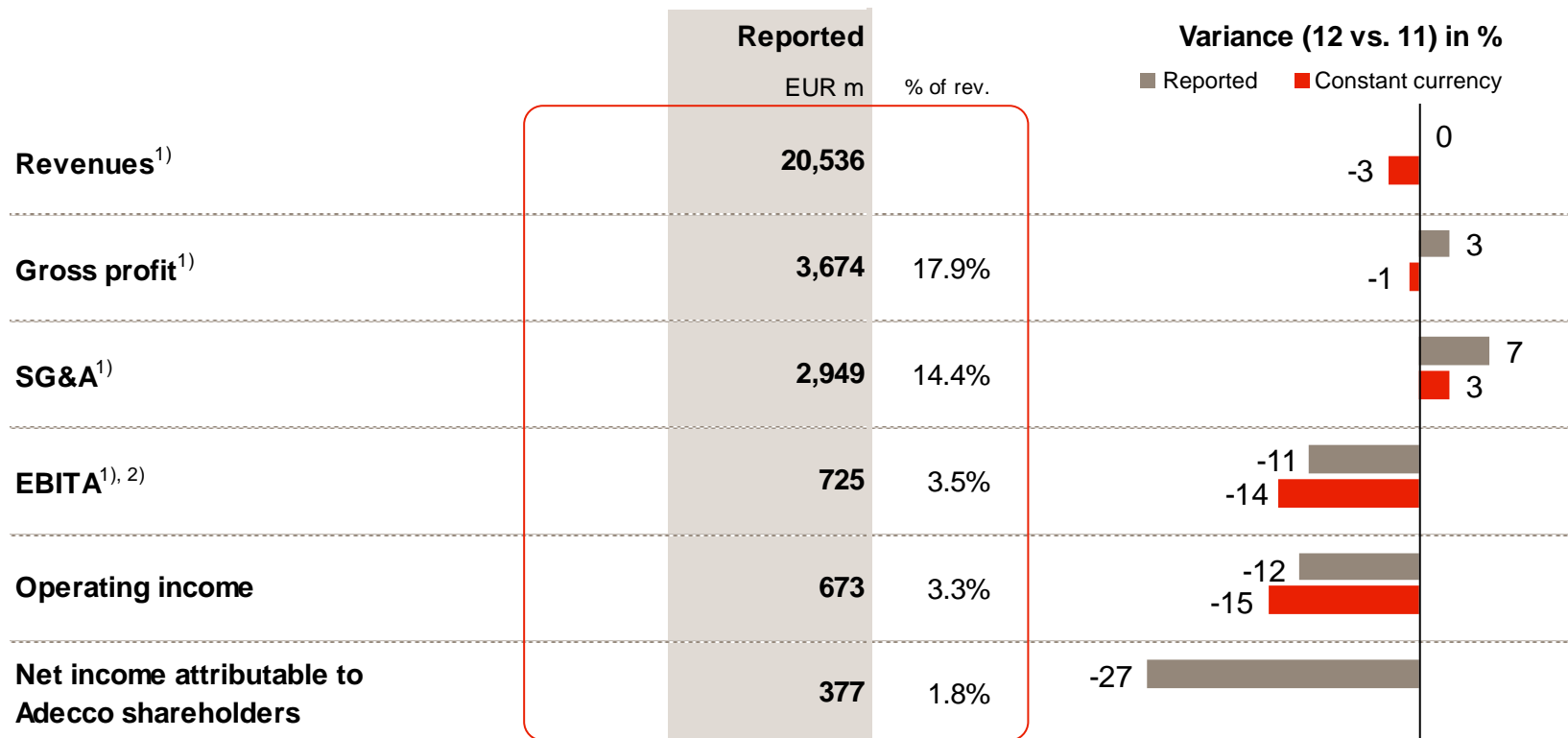
Debt and cash & short term investments

As of March 31, 2013

	Principal at maturity	Maturity	Fixed interest rate	Total in EUR million
7-year guaranteed Euro medium term notes	EUR 500	2018	4.75%	493
5-year guaranteed Euro medium term notes	EUR 352	2014	7.625%	354
7-year fixed rate guaranteed notes	EUR 333	2013	4.5%	334
4-year Swiss Franc fixed notes	CHF 350	2016	2.125%	287
5-year Swiss Franc fixed notes	CHF 350	2017	1.875%	289
8-year Swiss Franc fixed notes	CHF 125	2020	2.625%	103
Committed multicurrency revolving credit facility	EUR 600	2017	Variable rate	0 ¹⁾
French Commercial Paper program				131
Other				20
Short & long term debt				2,011
Cash & short term investments				941
Net Debt				1,070

1) EUR 83 millions used for letters of credit

FY 2012 results summary



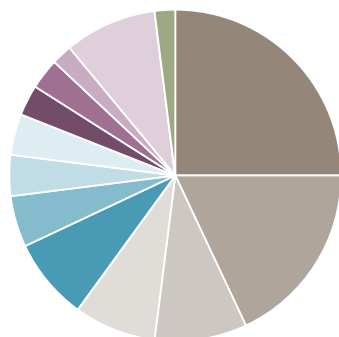
1) In 2012 organic revenues changed by -4%, Gross Profit by -3%, SG&A by 1% and EBITA by -17%.

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

Revenues and EBITA by segment

FY 2012 vs. FY 2011

Revenues in percent



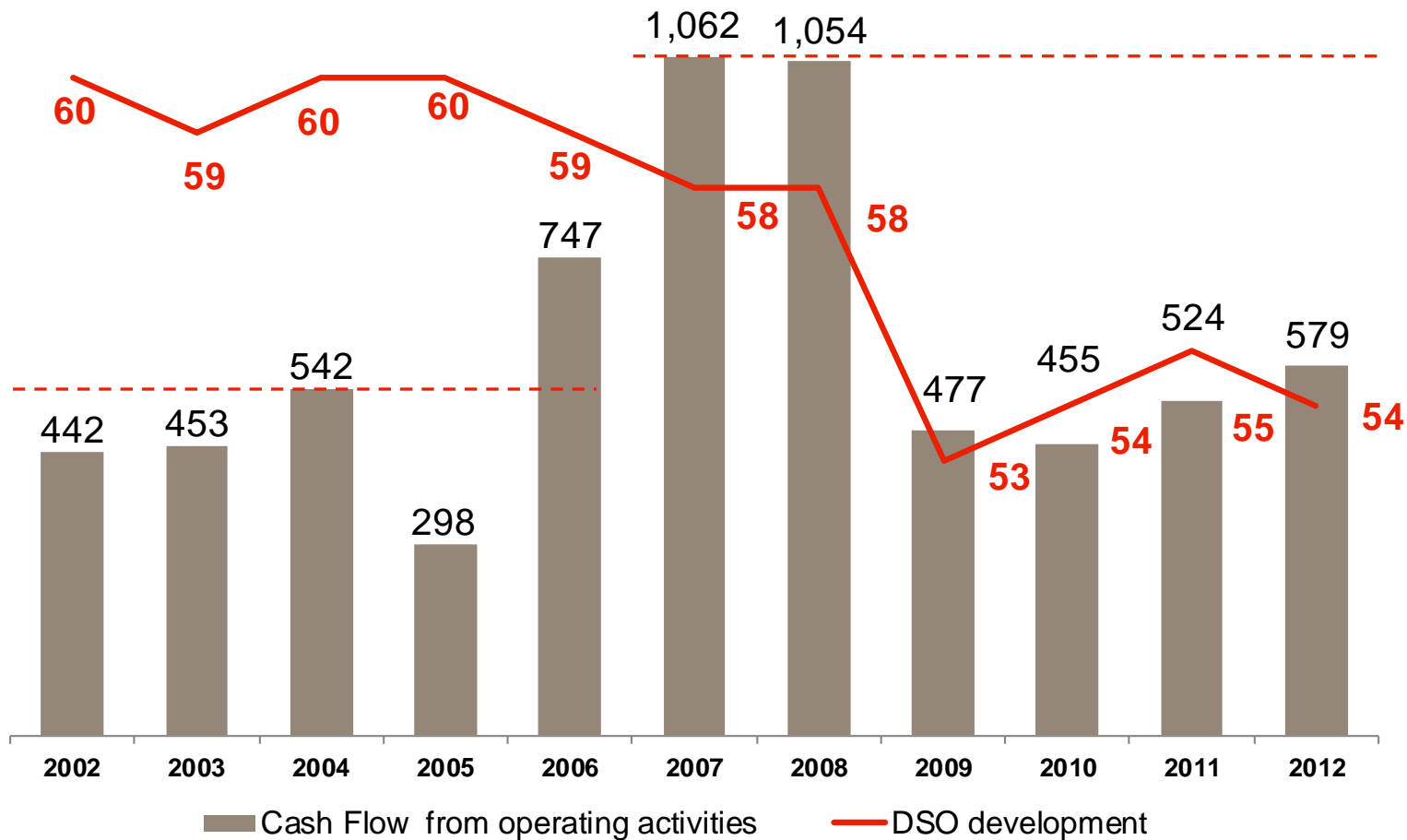
	Revenues		EBITA ^(2), 3)	
	EUR m	organic ¹⁾ yoy growth	EUR m	margin
25% ■ France	5,203	-14%	103	2.0%
18% ■ North America	3,800	3%	161	4.2%
9% ■ UK & Ireland	1,936	6%	32	1.6%
8% ■ Germany & Austria	1,591	1%	90	5.6%
8% ■ Japan	1,550	-10%	91	5.8%
5% ■ Italy	934	-10%	51	5.4%
4% ■ Benelux	922	-4%	40	4.3%
4% ■ Nordics	840	2%	30	3.6%
3% ■ Iberia	657	-11%	20	3.0%
3% ■ Australia & New Zealand	531	-4%	17	3.2%
2% ■ Switzerland	437	-10%	42	9.7%
9% ■ Emerging Markets	1,825	10%	63	3.5%
2% ■ LHH	310	3%	82	26.6%
Corporate			(97)	
Adecco Group	20,536	-4%	725	3.5%

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

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

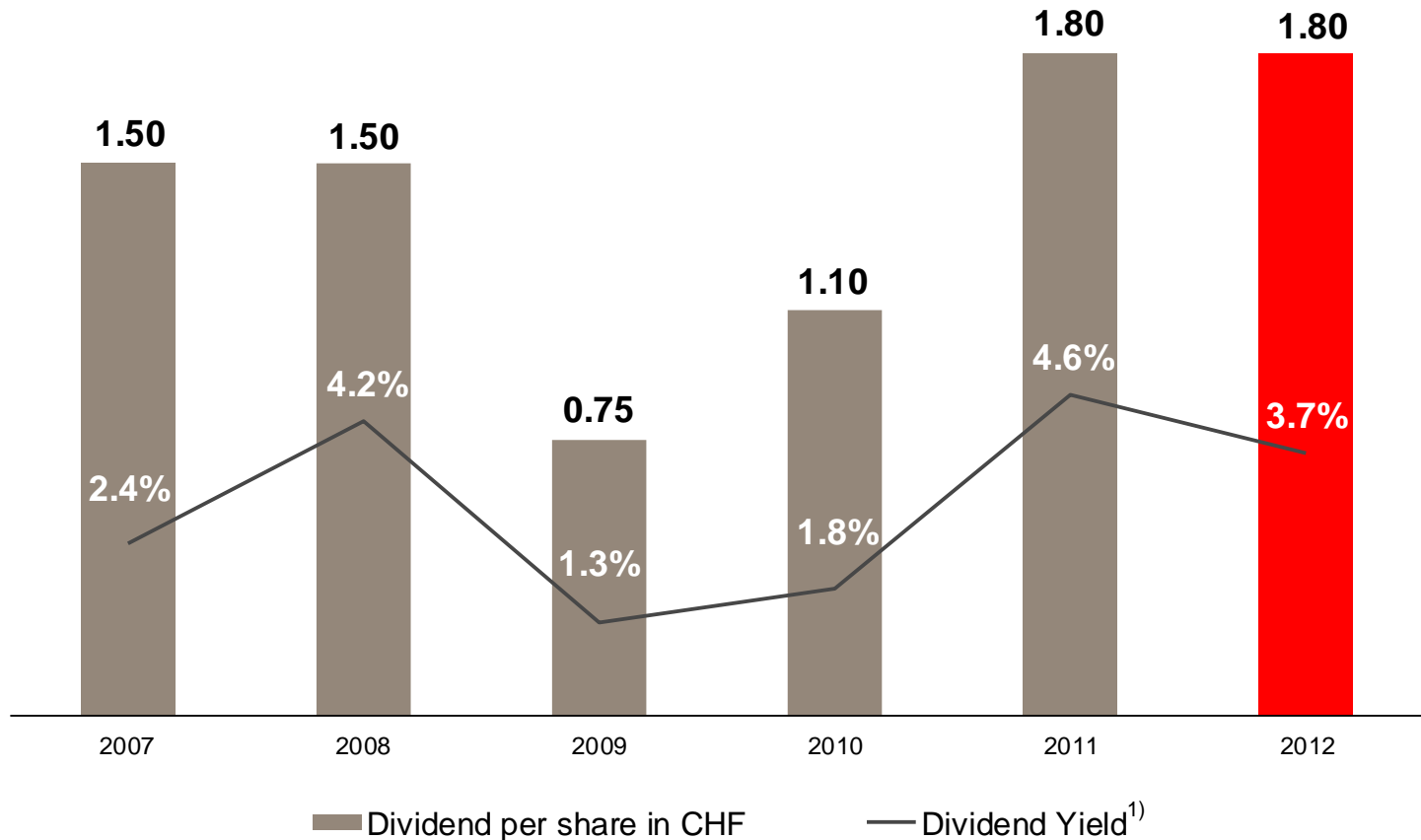
3) Including restructuring costs of EUR 60 million in France, EUR 6 million in North America and EUR 17 million in other European countries and Japan and integration costs of EUR 5 million in LHH.

Cash flow and DSO development



A sustainable increase in the pay-out to shareholders

Dividend payments since 2007

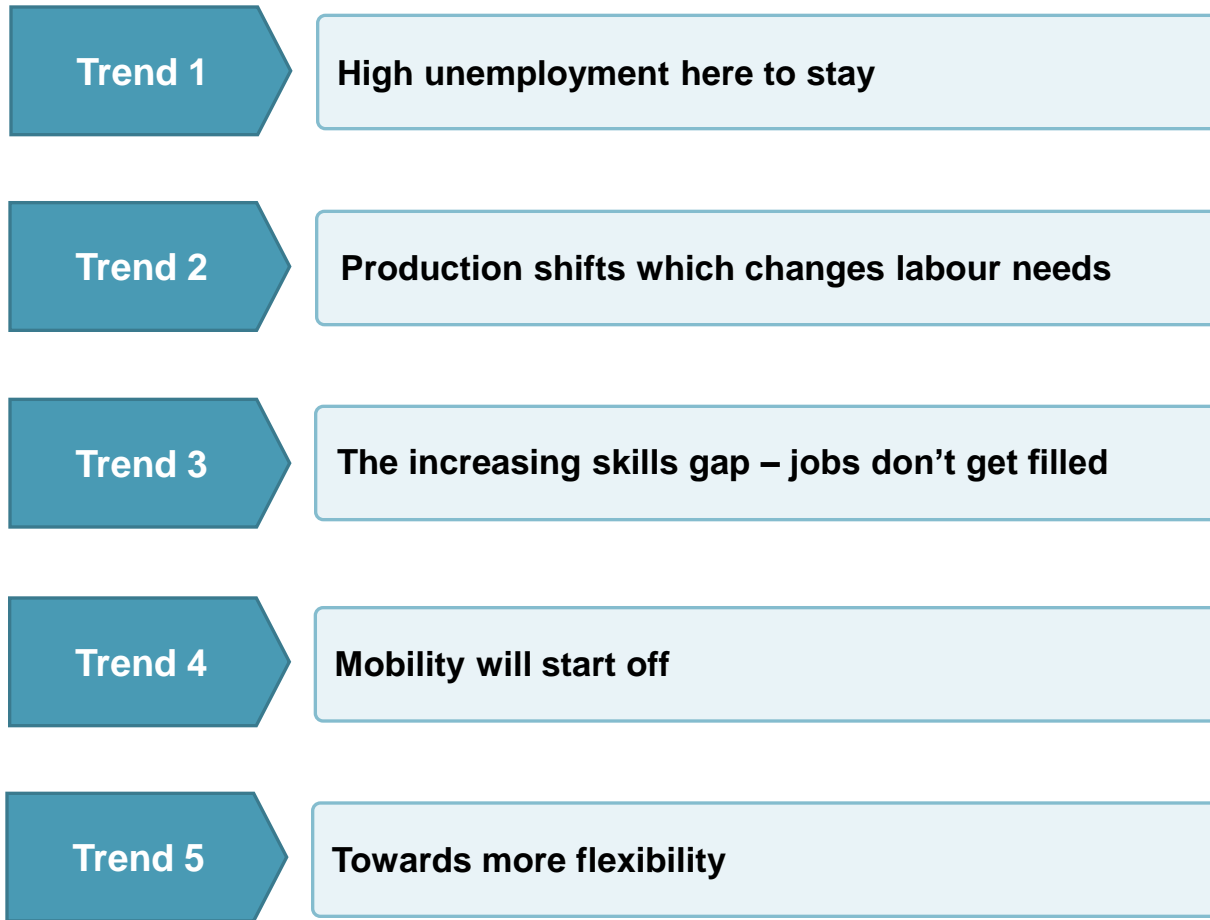


From 2011, the target pay-out range has been increased to 40-50% from historically 25-30%

1) Dividend yield is based on the relevant year end share price for 2007 to 2012.

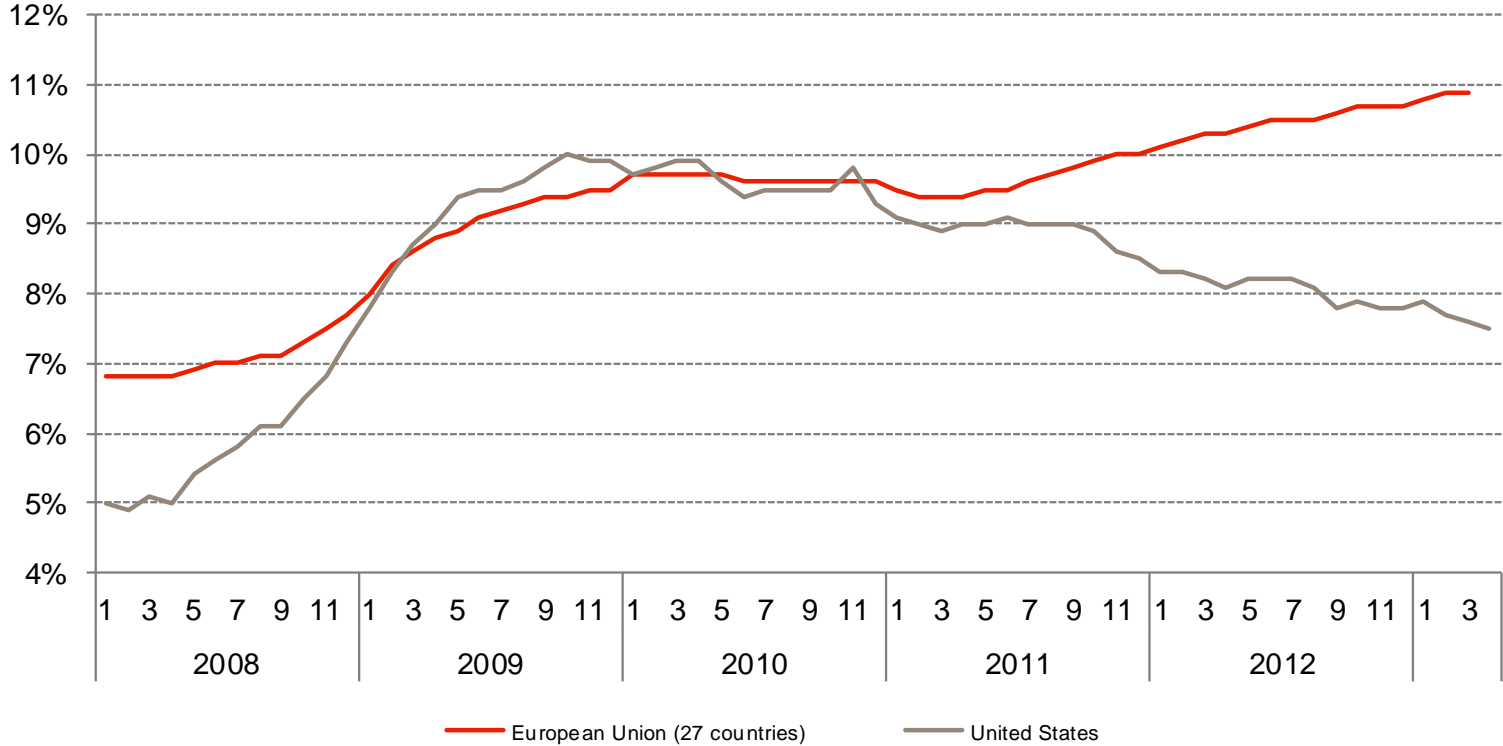
Key market trends

The environment we live in and the potential for our industry



Diverging unemployment trends between the US and Europe

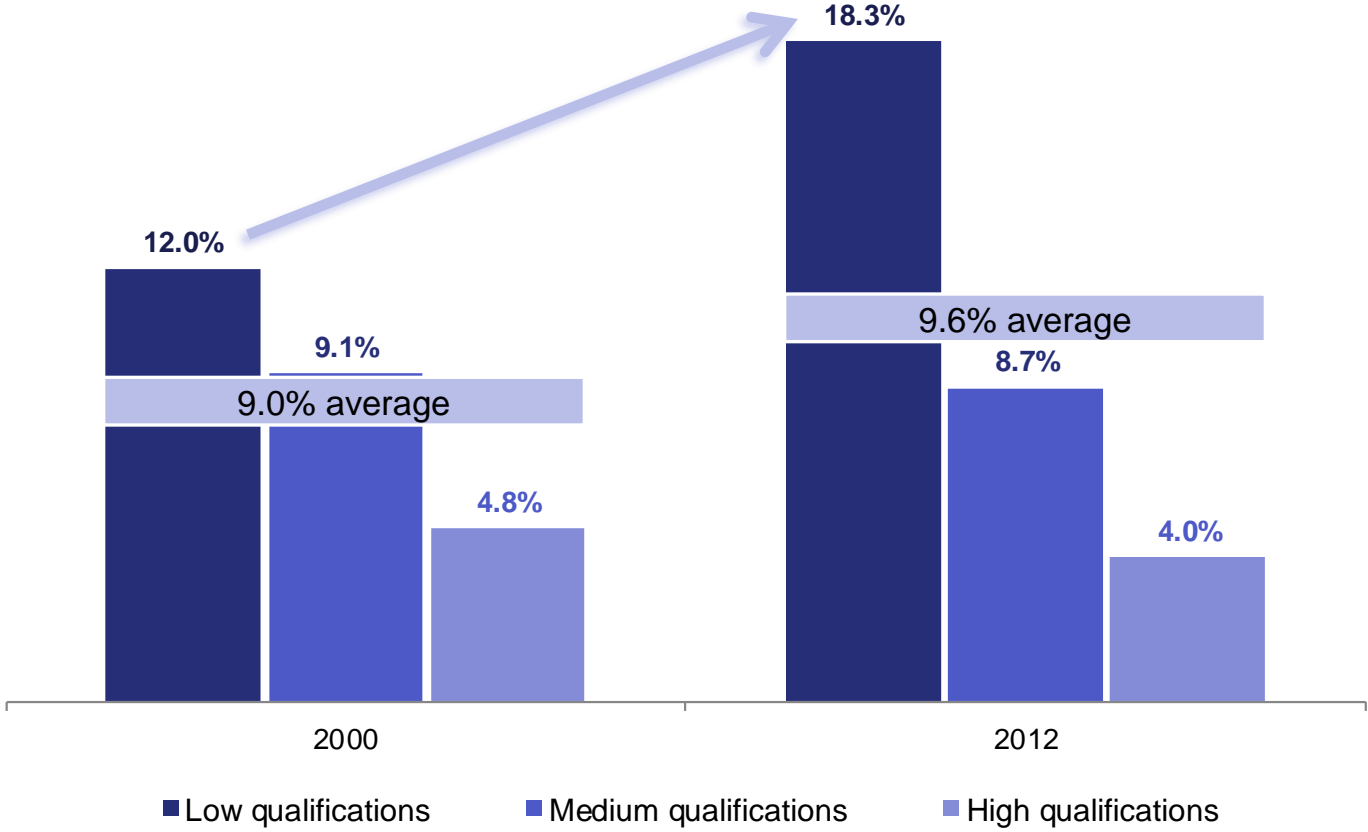
In Europe unemployment still increasing



Source: US Bureau of Labor Statistics; Eurostat

Production shifts change labour needs

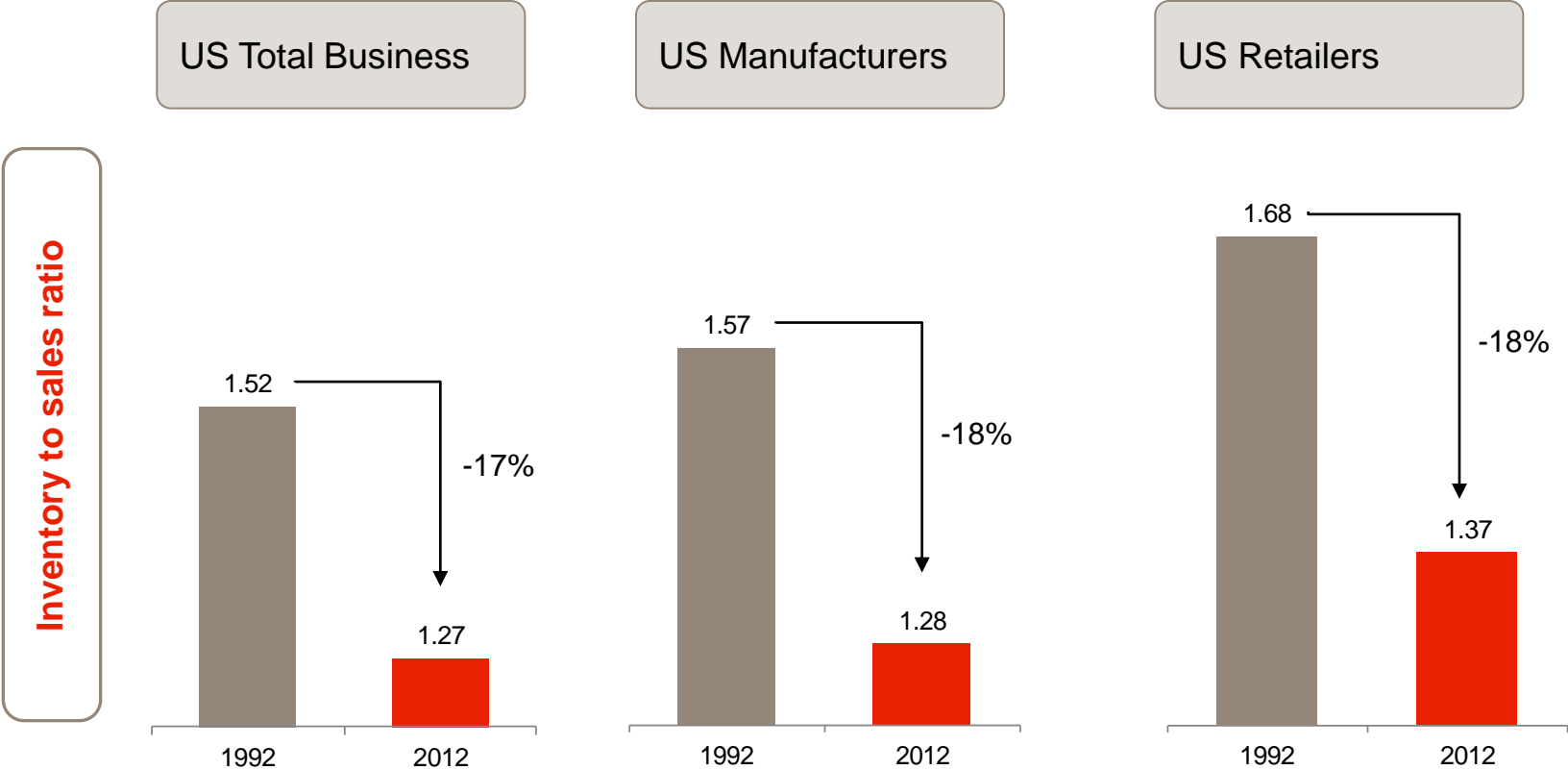
Strong increase in unemployment among low qualifications in the EU



Source: European Centre for the Development of Vocational Training

More made to order

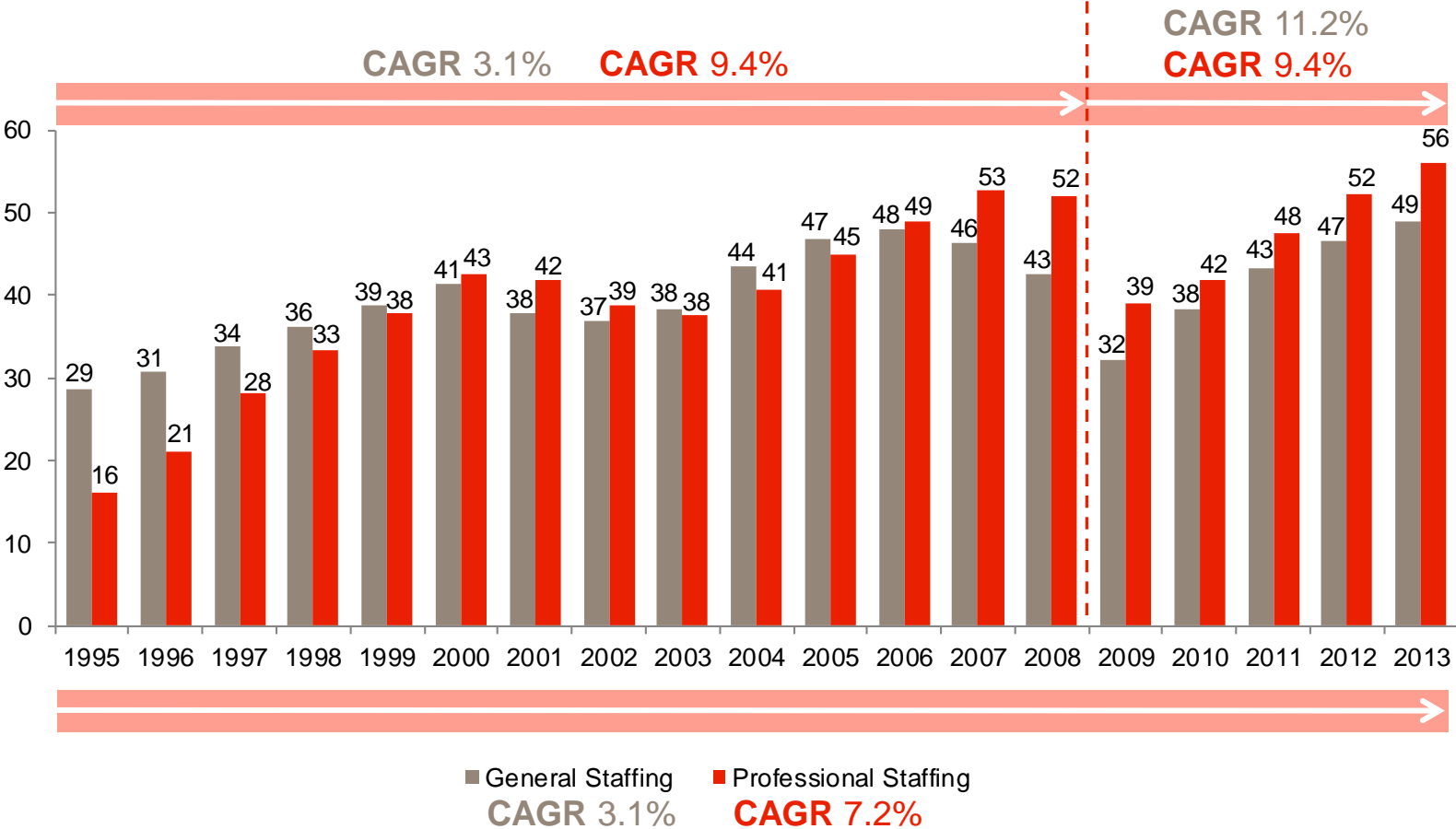
US example: Inventory to sales ratio declining 1992 – 2012



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

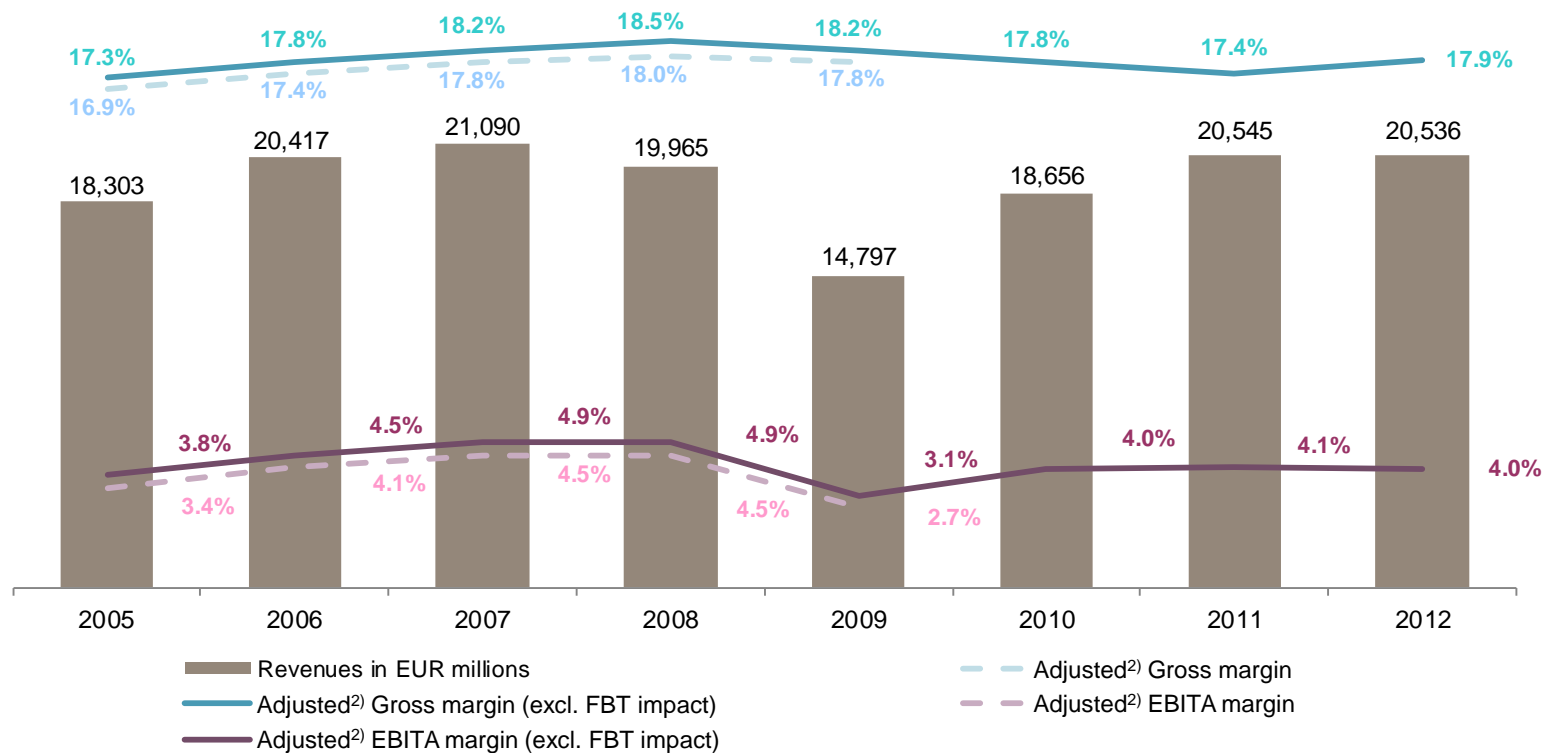
A major achievement - comparison of KPIs during the last two downturns

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 54.

What we have achieved

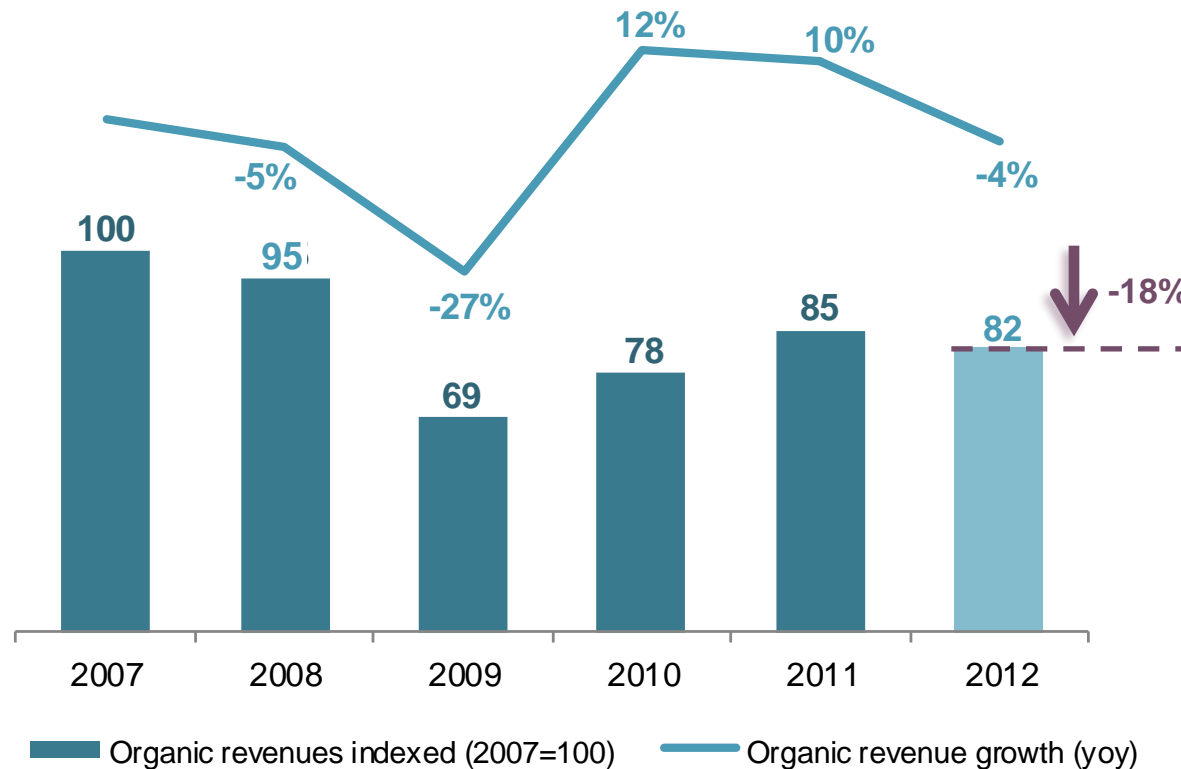
Financial performance since 2005



2) Please refer to slide 54.

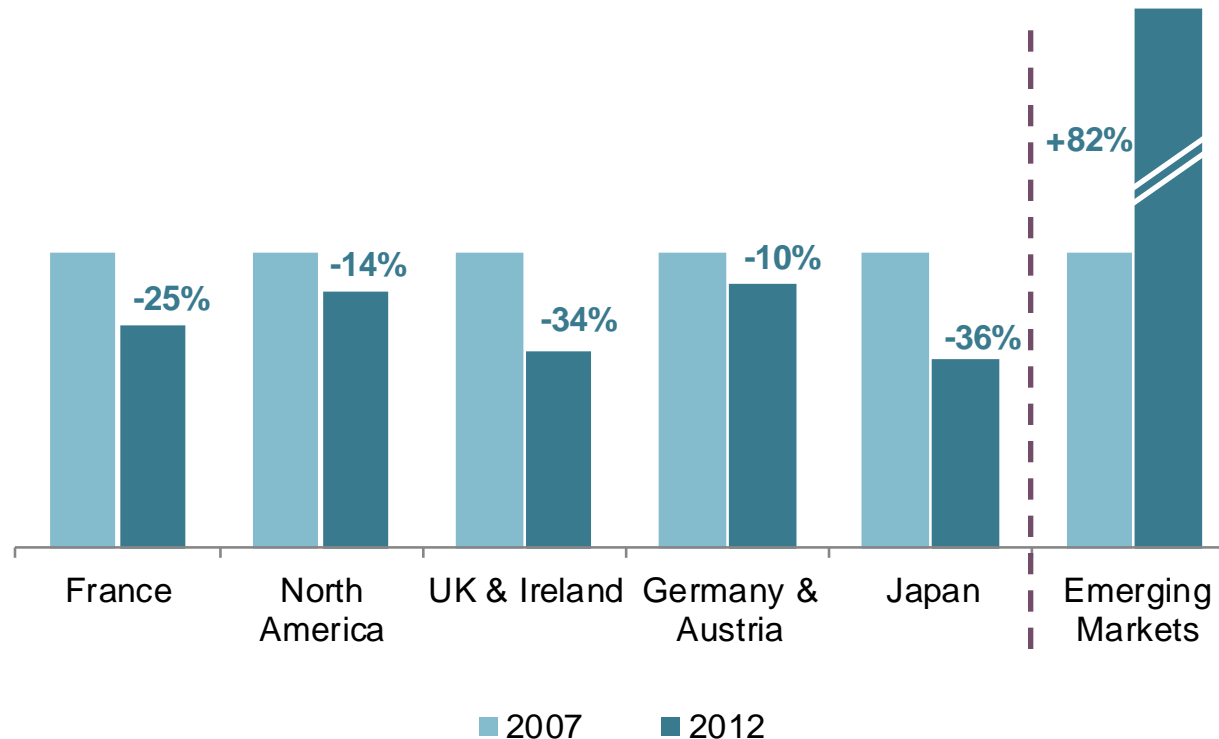
Revenue development since the peak in 2007

We are still 18% below the peak organically



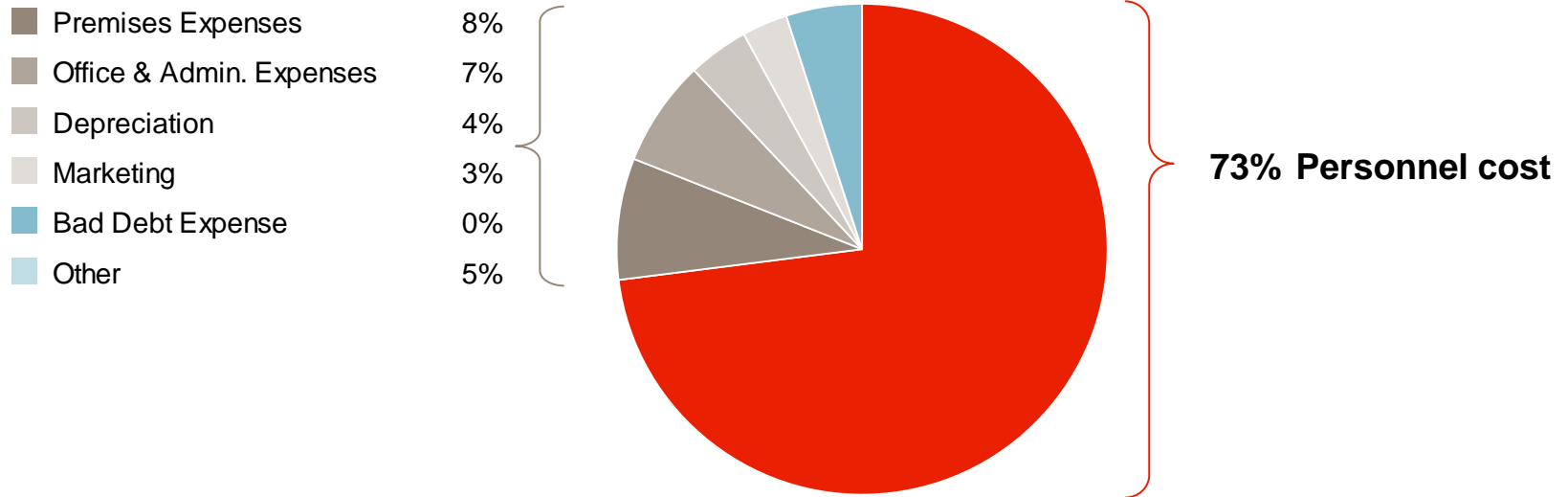
Revenue development since the Group's peak in 2007

A look at the main markets – gap against the peak on an organic basis



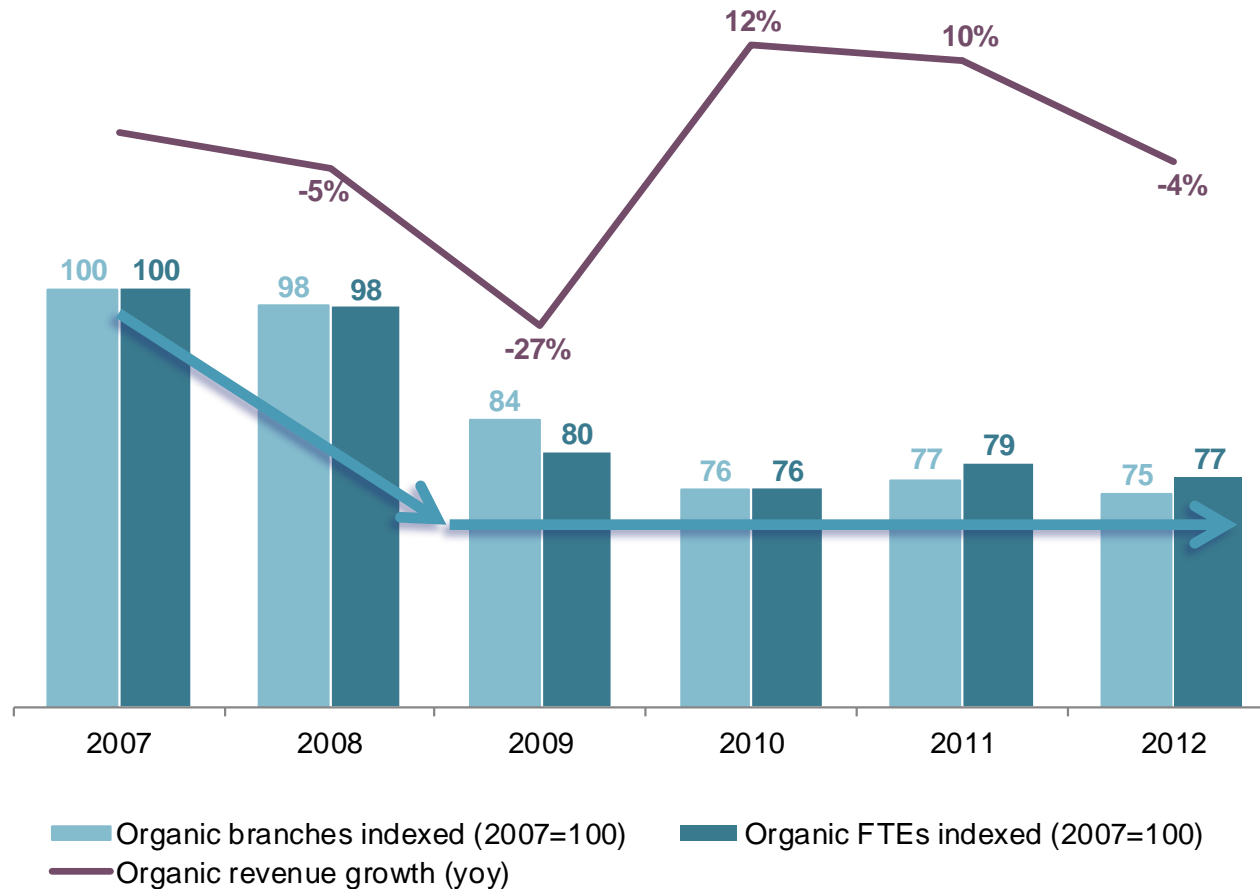
SG&A breakdown

FY 2012









Revenues, branches and FTEs

Organic development (indexed)



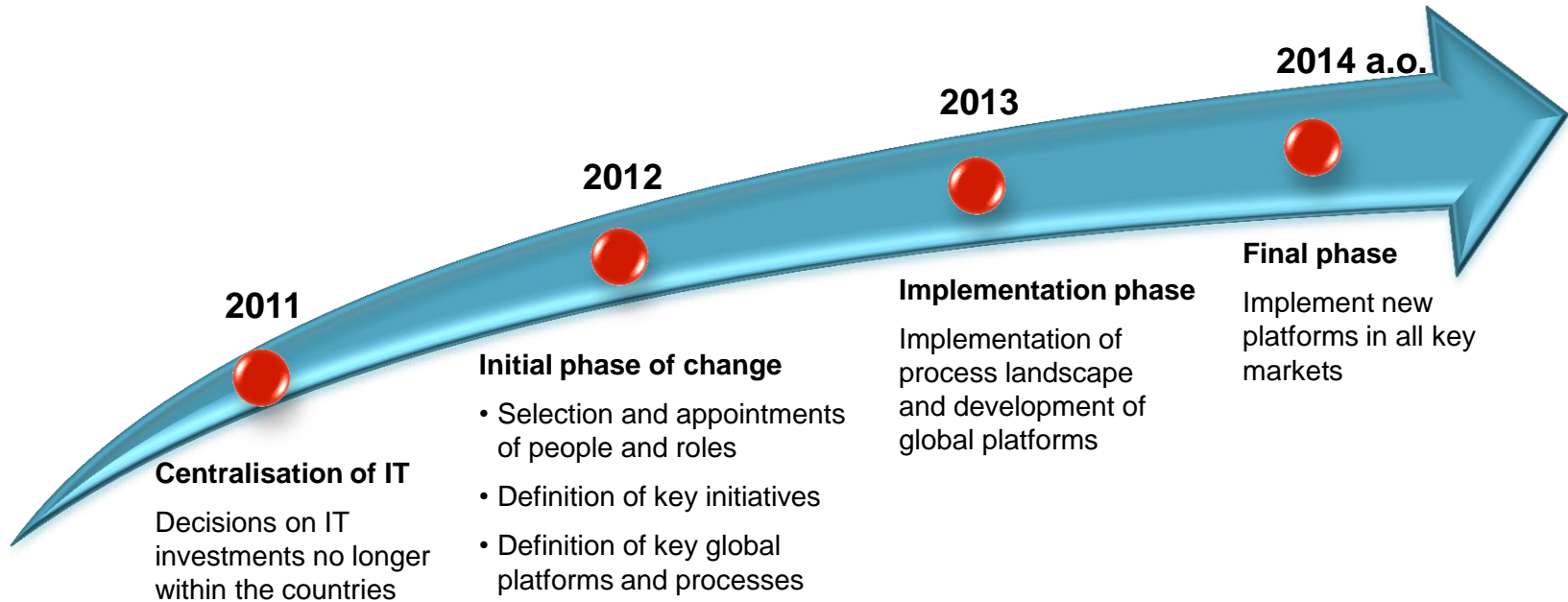
Centralisation of our IT division

Six key focus areas, from local to global

	Key focus areas	Targeted outcome
	Client management	<ul style="list-style-type: none">• Consistent CRM practice• Better tailored client service
	Candidate management	<ul style="list-style-type: none">• A consistent and personalised experience• Access to all jobs globally
	Search & Match	<ul style="list-style-type: none">• Optimise matching through better use of hard and soft factors• Integration with social networks
	Finance & Reporting	<ul style="list-style-type: none">• Common platforms• High quality business intelligence
	Colleague management	<ul style="list-style-type: none">• Leverage talents• Increase retention
	Infrastructure & Operations	<ul style="list-style-type: none">• Consolidation of data centers• Standardisation of IT services

Our plan for the coming years

Implementation phase

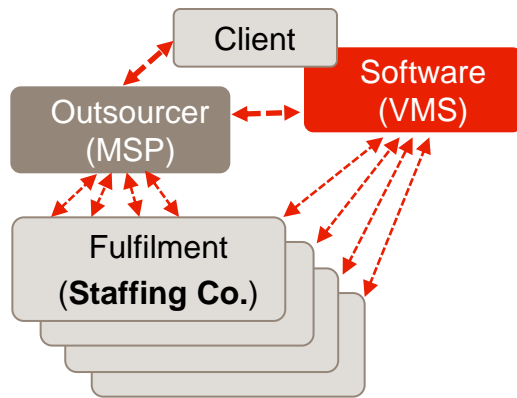


MSP, RPO, VMS...

Can someone help with the definitions please!

Managed Service Programmes (MSP)

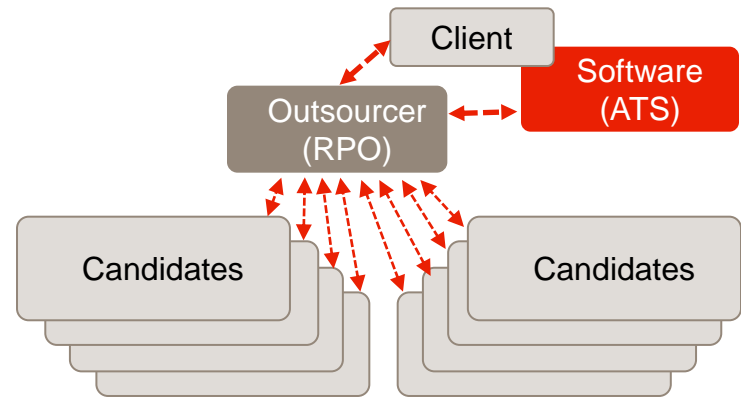
Clients outsource the management of **contingent workforce** to MSPs



- ▶ 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

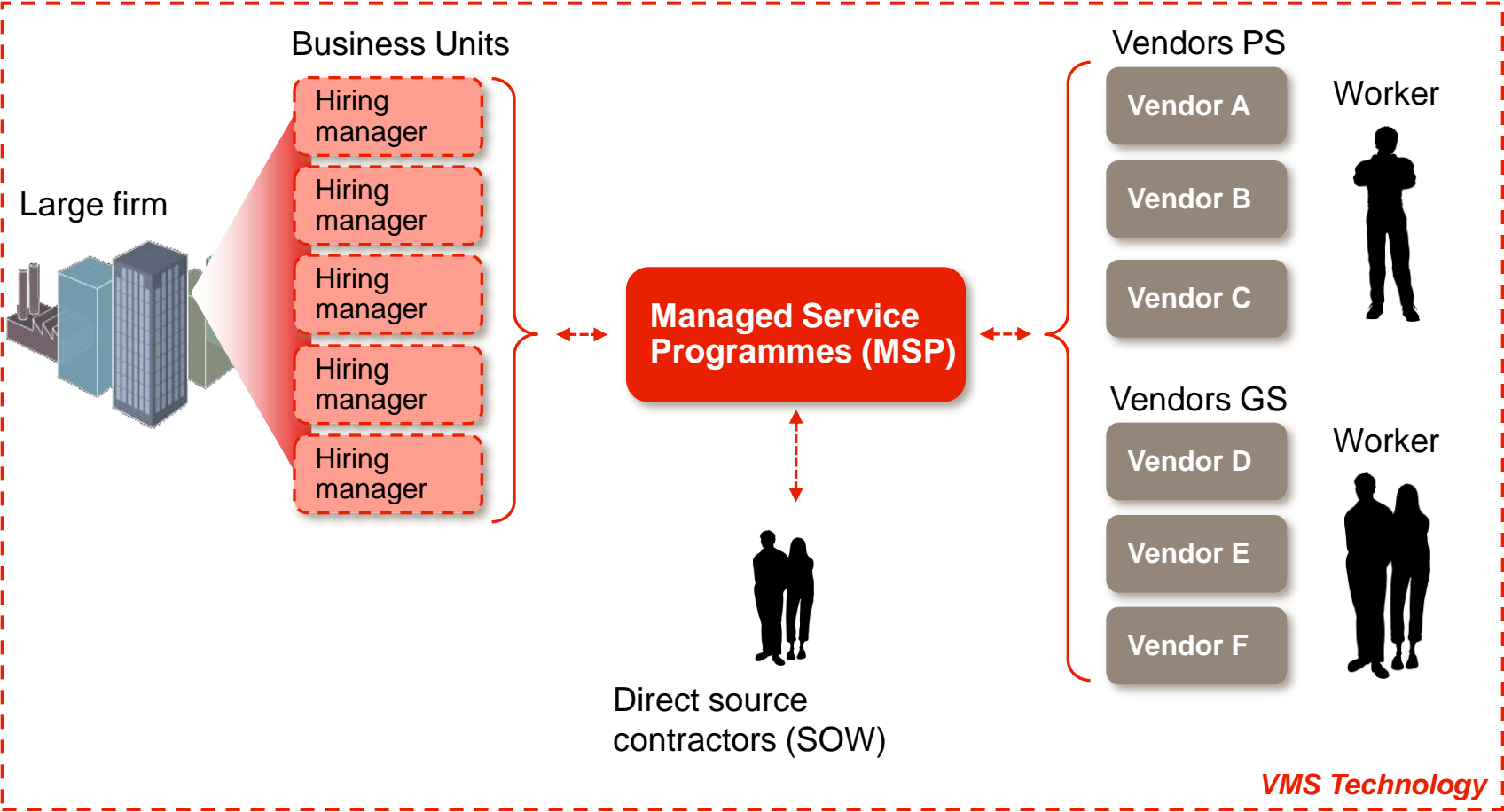
Recruitment Process Outsourcing (RPO)

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.
2010 figures exclude on EBITA the negative impact of EUR 33 million associated with integration costs of MPS in NA and the UK and integration costs of Spring in the UK.
2011 figures exclude on EBITA the negative impact of EUR 20 million associated with integration costs of MPS and DBM.
2012 figures exclude on EBITA the negative impact of EUR 83 million associated with restructuring costs in France and other countries as well as integration costs of EUR 5 million related to DBM.