



Q1 2014 Results

Adecco Group

Zurich, May 8, 2014

Disclaimer and Note on Terminology

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.

Non US GAAP measures used in this presentation

'Organic growth' excludes the impact of currency, acquisitions and divestitures.

'EBITA' refers to operating income before amortisation of intangible assets.

'Net debt' comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

Agenda

Operational review

Financial review

Strategy & Outlook

Questions & Answers

Operational review

Patrick De Maeseneire, Group CEO

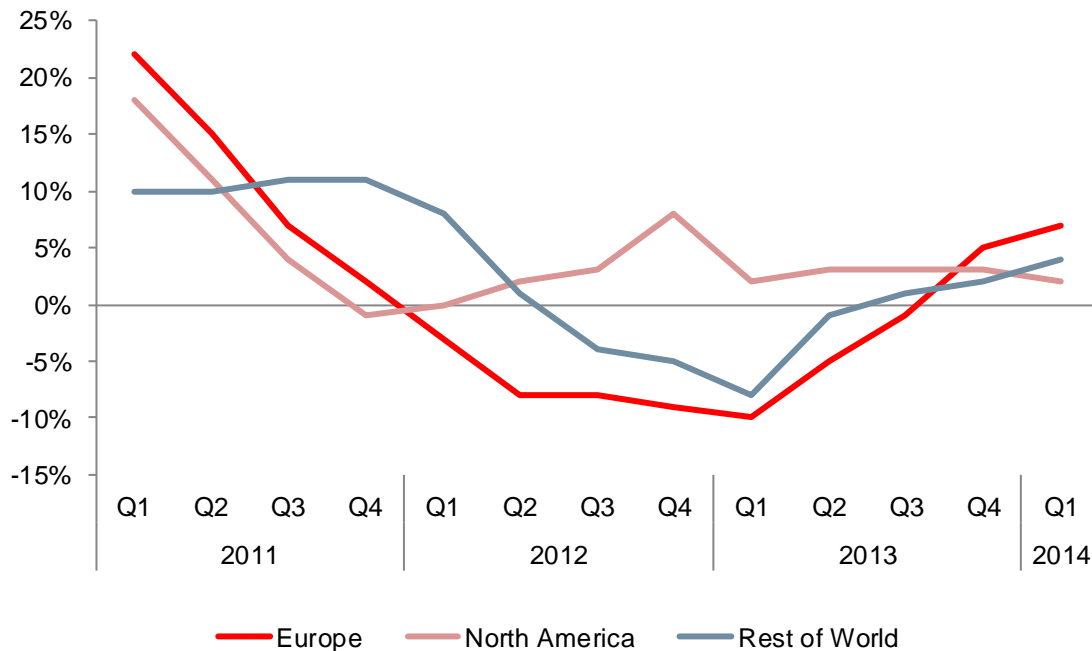
Highlights

Q1 2014 and Outlook

- ▶ Revenues EUR 4.7 billion, up 2% yoy or up 6% in constant currency
- ▶ Gross margin of 18.6%, up 60 bps yoy
- ▶ SG&A up 3% yoy in constant currency and excluding restructuring costs
- ▶ EBITA excluding restructuring costs of EUR 185 million, up 41% in constant currency
- ▶ EBITA margin excluding restructuring costs of 4.0%, up 100 bps yoy
- ▶ Revenues up 6% for March and April combined, in constant currency and adjusted for trading days

Revenue development by region¹⁾

Organic year-on-year change in percent



Europe grew by 7% in Q1 2014 compared to 5% in the previous quarter

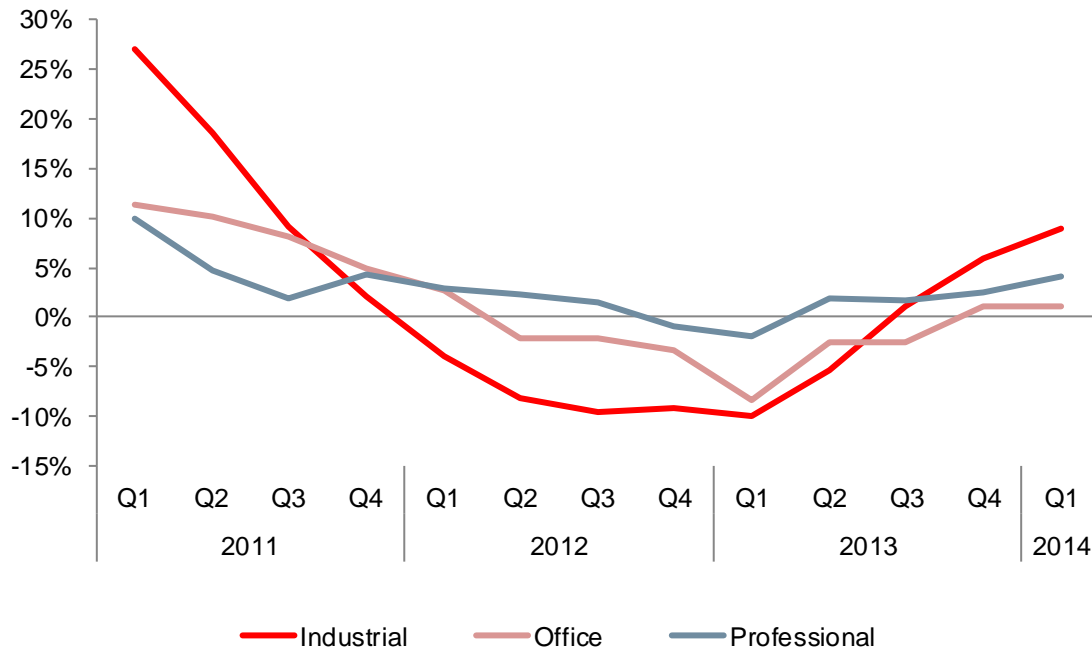
North America grew by 2% in Q1 2014 compared to 3% in the previous quarter

Rest of World grew by 4% in Q1 2014 compared to 2% in the previous quarter

1) Excluding LHH

Revenue development by business line¹⁾

Organic year-on-year change in percent



Industrial grew by 9% in Q1 2014 compared to 6% in the previous quarter

Office grew by 1% in Q1 2014 the same as in the previous quarter

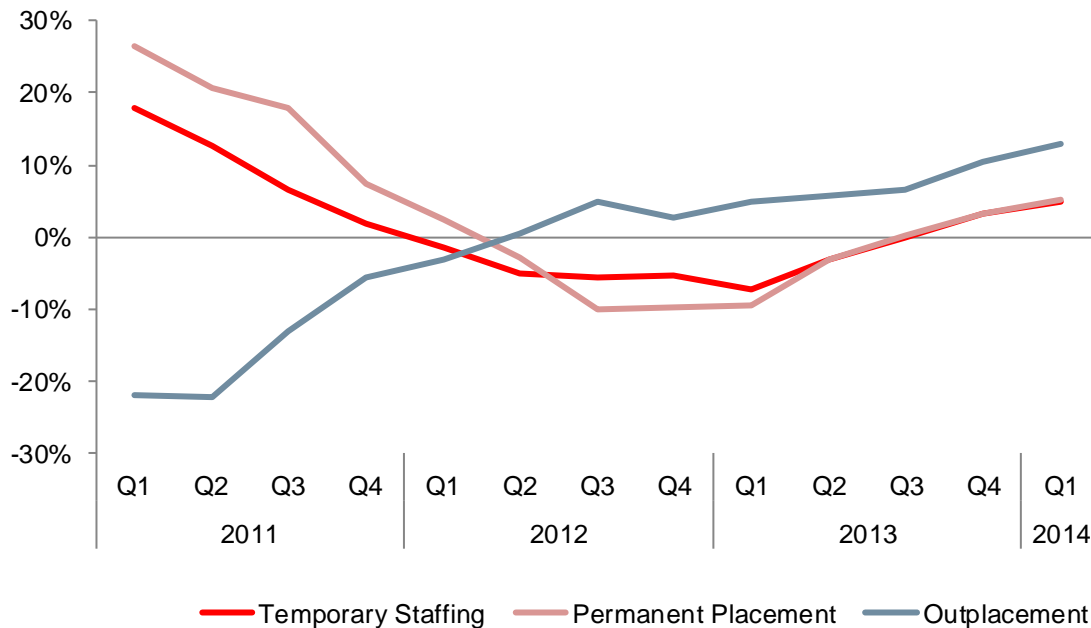
Professional Staffing grew by 4% in Q1 2014 compared to 2% in the previous quarter:

- IT: 9% (5% in Q4 2013)
- Engineering & Tech.: 1% (2%)
- Finance & Legal: 1% (2%)
- Medical & Science: -10% (-8%)

1) Excluding Solutions

Revenue development by service line¹⁾

Organic year-on-year change in percent



Temporary Staffing revenues grew by 5% in Q1 2014 compared to 3% in the previous quarter

Permanent placement revenues grew by 5% in Q1 2014 compared to 3% in the previous quarter

Outplacement revenues grew by 13% in Q1 2014 compared to 10% in the previous quarter

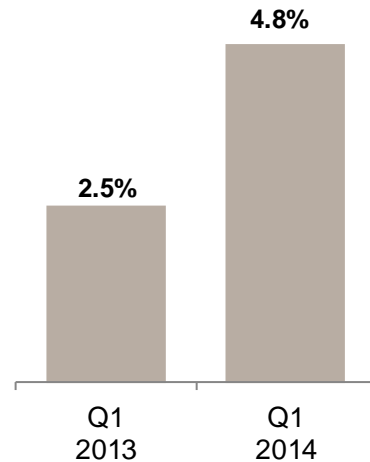
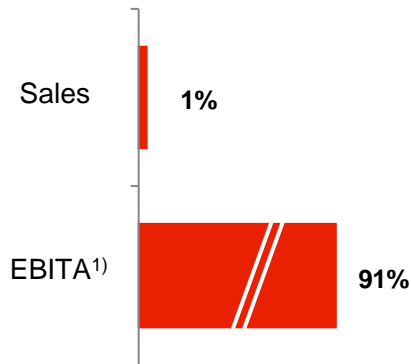
1) Excluding Outsourcing and Other

France

23% of group revenues in Q1 2014

Q1 yoy growth

EBITA¹⁾ margin



Revenues EUR 1,056 million, up 1% yoy, driven by further improvement in Industrial

EBITA EUR 50 million. Strong EBITA margin¹⁾ up 230 bps, driven by price discipline, the impact of CICE and cost efficiencies

Revenues for March up 1%, adjusted for trading days

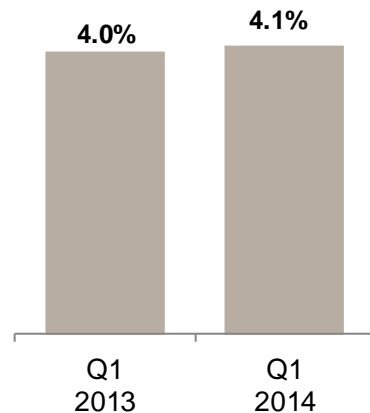
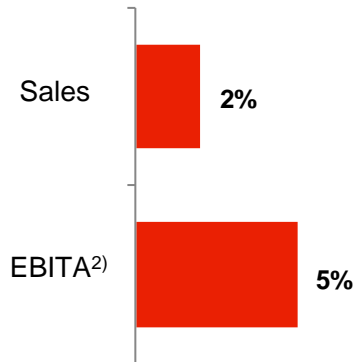
1) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 6 million in Q1 13.

North America

19% of group revenues in Q1 2014

Q1 yoy growth¹⁾

EBITA²⁾ margin



Revenues EUR 874 million, up 2% yoy driven by growth in Industrial of 9% and IT of 5%, all in constant currency



EBITA excluding restructuring costs EUR 36 million. EBITA margin²⁾ up 10 bps helped by perm revenue growth of 11% yoy in constant currency



Revenues for March up 4% in constant currency, adjusted for trading days

1) Growth rates are in constant currency

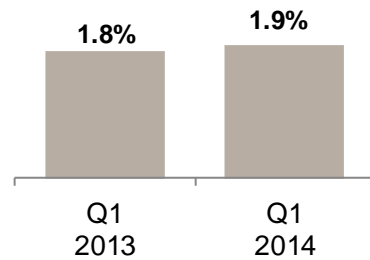
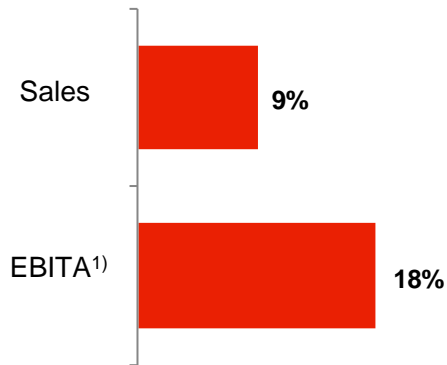
2) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 5 million in Q1 14 and EUR 4 million in Q1 13.

UK & Ireland

11% of group revenues in Q1 2014

Q1 yoy growth¹⁾

EBITA margin



Revenues EUR 509 million, up 9% yoy in constant currency driven by growth in IT of 17% in constant currency



EBITA EUR 10 million. EBITA margin up 10 bps.



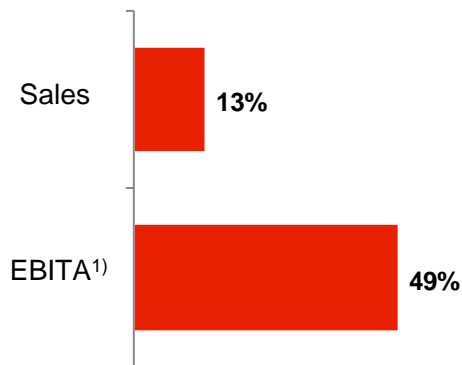
Revenues for March up 5% in constant currency, adjusted for trading days

1) Growth rates are in constant currency

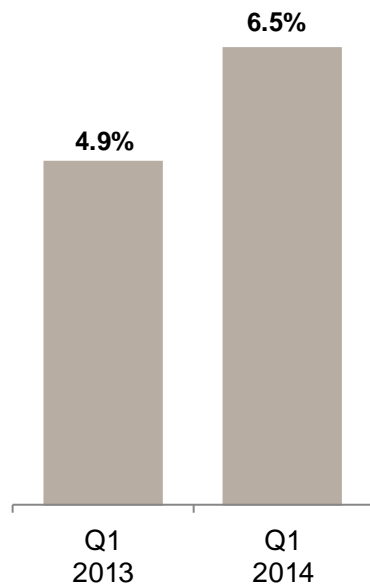
Germany & Austria

9% of group revenues in Q1 2014

Q1 yoy growth



EBITA margin



Revenues EUR 421 million, up 13% yoy, driven by accelerating growth in Industrial of 19%



EBITA EUR 27 million. EBITA margin up 160 bps



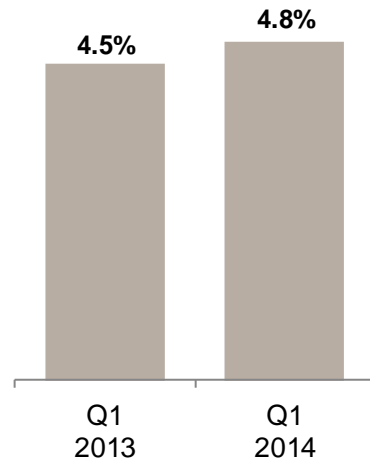
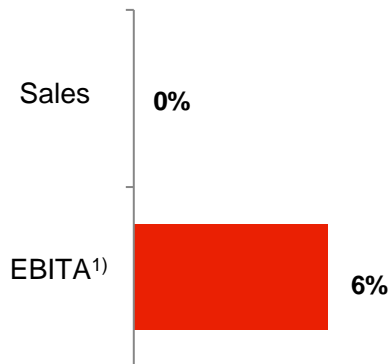
Revenues for March up 10%, adjusted for trading days

Japan

5% of group revenues in Q1 2014

Q1 yoy growth¹⁾

EBITA margin



Revenues EUR 248 million, flat yoy in constant currency



EBITA EUR 12 million. Strong EBITA margin up 30 bps driven by growth in professional staffing, and good cost control



Revenues for March flat in constant currency, adjusted for trading days

1) Growth rates are in constant currency

Revenues and EBITA by segment

Q1 2014 vs. Q1 2013

% of revenues	Revenues		EBITA excluding restructuring costs ¹			
	EUR millions	Organic change yoy	EUR millions	Margin	Margin change yoy	
23%	France	1,056	1%	50	4.8%	230 bps
19%	North America	874	2%	36	4.1%	10 bps
11%	UK & Ireland	509	9%	10	1.9%	10 bps
9%	Germany & Austria	421	13%	27	6.5%	160 bps
5%	Japan	248	0%	12	4.8%	30 bps
5%	Italy	249	14%	12	4.8%	-10 bps
5%	Benelux	226	11%	8	3.4%	160 bps
4%	Nordics	195	10%	4	2.1%	270 bps
4%	Iberia	174	16%	6	3.2%	140 bps
2%	Australia & New Zealand	78	-21%	(1)	-1.4%	-250 bps
2%	Switzerland	93	4%	6	7.0%	-10 bps
9%	Emerging Markets	448	13%	15	3.3%	40 bps
2%	LHH	85	10%	27	31.5%	370 bps
	Corporate			(27)		
100%	Adecco Group	4,656	6%	185	4.0%	100 bps

1) In Q1 2014, restructuring costs were EUR 5 million for North America; in Q1 2013, restructuring costs were EUR 6 million for France, EUR 4 million for North America and EUR 1 million for LHH.

Financial review

Dominik de Daniel, Group CFO

Q1 2014 Results in detail – P&L

In EUR millions

EUR millions except per share information	Q1		Variance %	
	2014	2013	EUR	Constant Currency
Revenues	4,656	4,556	2%	6%
Gross profit	868	821	6%	10%
EBITA excluding restructuring costs	185	138	35%	41%
EBITA	180	127	42%	49%
Operating income	171	116	47%	54%
Income before income taxes	152	95	60%	
Net income	111	67	64%	
Net income attributable to Adecco shareholders	110	67	64%	
Basic earnings per share	0.62	0.37	69%	
Diluted earnings per share	0.62	0.37	69%	

Revenue up 6% and EBITA excluding restructuring cost up 41%, both in constant currency

Effective tax rate 27% compared to 29% in prior year

Basic weighted-average shares were 178m in Q1 2014 vs 184m in Q1 2013.

Sequential revenue analysis

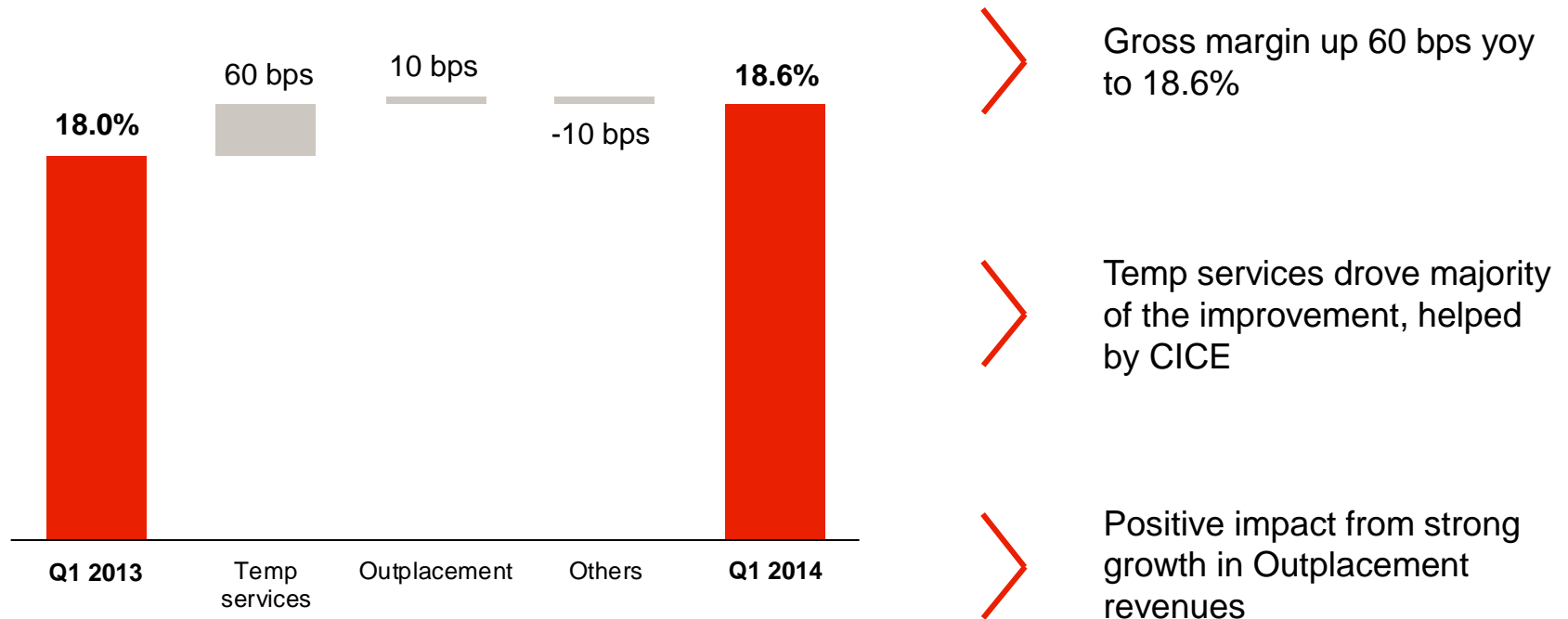
Adecco Group	Q1	Q2	Q3	Q4
2007	=	=	-	=
2008	+	- -	-	- - -
2009	- - -	- - -	=	=
2010	+ +	+	+	+
2011	+	=	=	=
2012	-	-	-	-
2013	=	=	=	=
2014	=			

- + Above long-term growth trend¹⁾
- = In line with long-term growth trend¹⁾
- Below long-term growth trend¹⁾

1) Long-term growth trend is the 13-yr median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days

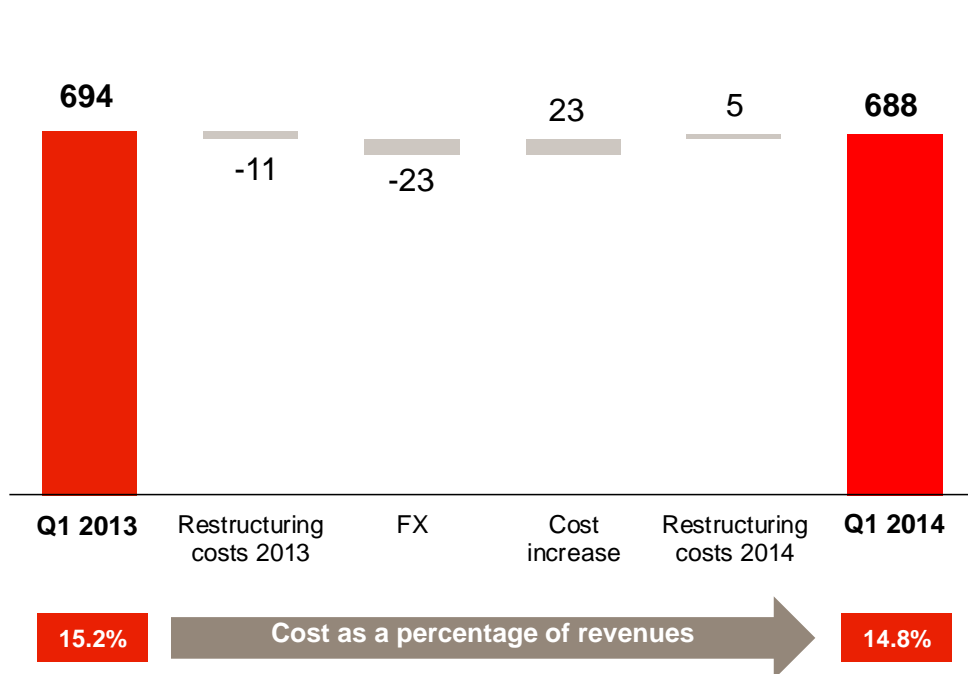
Q1 2014 gross margin drivers

As percentage of revenues



Q1 2014 SG&A movements

In EUR millions



SG&A excluding restructuring costs up 3% yoy in constant currency

FTEs down 1% and branches down 4%, offset by mix, higher IT costs and higher bonuses

Sequentially, SG&A excluding restructuring costs up 2% in constant currency

Q1 2014 cash flow statement

In EUR millions

EUR millions	Q1	
	2014	2013
Cash flows from operating activities		
Net income	111	67
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	32	36
– Other charges	11	(3)
Changes in operating assets and liabilities, net of acquisitions		
– Trade accounts receivable	24	(46)
– Accounts payable and accrued expenses	(32)	(31)
– Other assets and liabilities	(43)	(51)
Cash flows from/(used in) operating activities	103	(28)
Cash flows from/(used in) investing activities	8	(3)
Cash flows from/(used in) financing activities	32	(128)
Effect of exchange rate changes on cash	(9)	(3)
Net increase/(decrease) in cash and cash equivalents	134	(162)

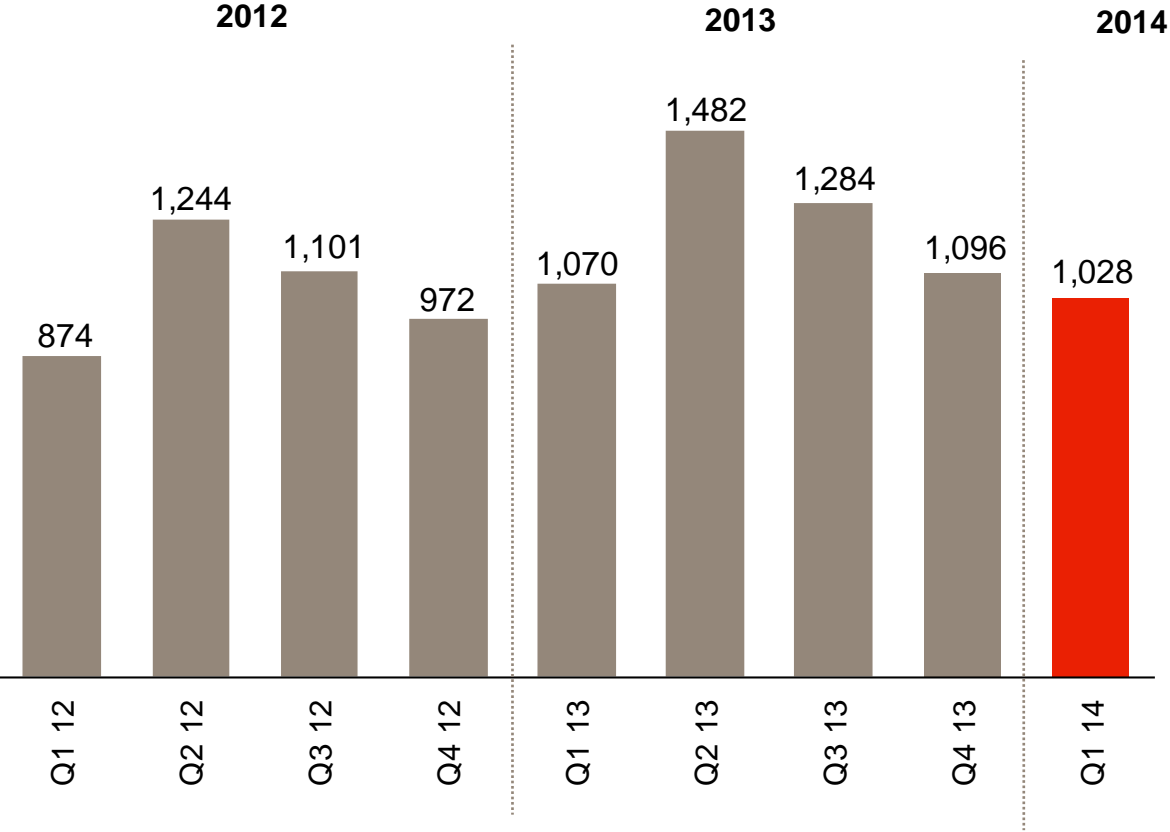
➤ Cash flows from operating activities increased due to profit growth and 1-day reduction in DSO

➤ Cash flows from investing activities included EUR 17 million capex

➤ Cash flows from financing activities included EUR 30 million spent in the quarter on purchase of shares

Net debt development

In EUR millions



Q1 2014 Net Debt / EBITDA¹⁾ of 1.0x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding restructuring costs plus depreciation

Financial Guidance

Based on current management expectations

FY 2014	Capex	≤ EUR 100 million
	Interest expense	~ EUR 65 million
	Corporate costs	~ EUR 100 million
	Amortisation	~ EUR 35 million
	Restructuring	~ EUR 20 million
Q2 2014	Tax rate	~ 28%
	SG&A	Sequentially at a similar level in constant currency and excluding restructuring costs

Strategy & Outlook

Patrick De Maeseneire, Group CEO

Outlook

**Adecco Group:
Revenues up 6% for March
and April combined, in
constant currency and
adjusted for trading days**

**Europe:
Continued gradual
improvement in growth
rate during Q1 2014**

**North America: Pick-up
at end of Q1 2014 after
weather impacted
January and February**

**Rest of the World:
Emerging Markets
maintaining double
digit growth**

**Remain convinced we will achieve target
of >5.5% EBITA margin in 2015**

Q&A