Q2 2015 Results

Adecco Group

Zurich, August 11, 2015

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 affecting 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

'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

Outlook

Questions & answers

Closing remarks

Operational review

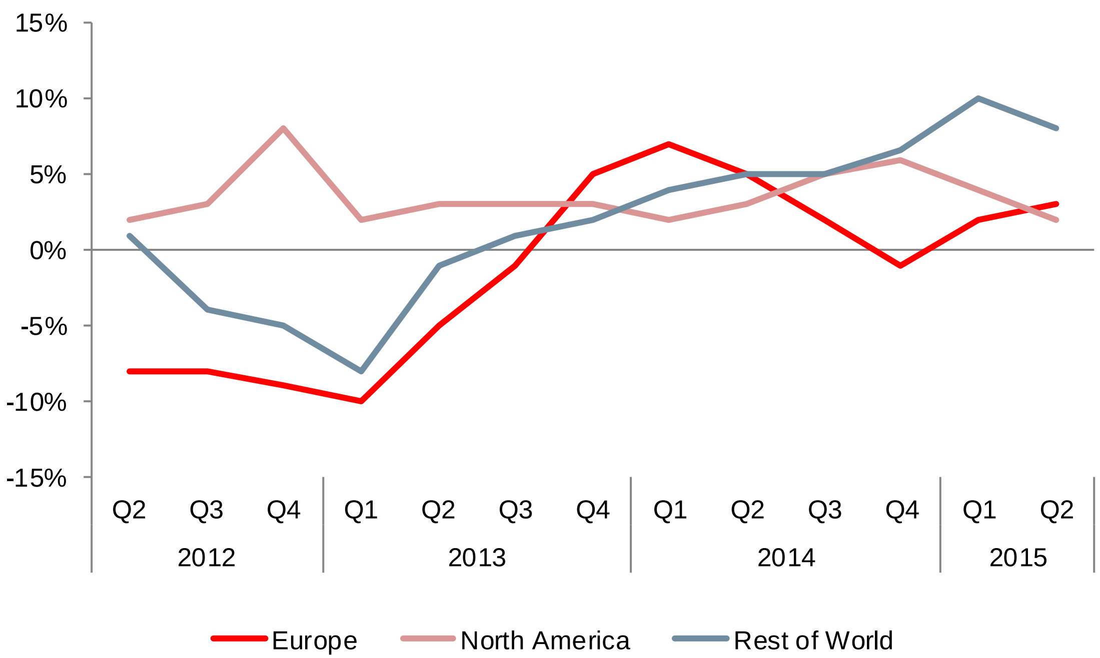
Patrick De Maeseneire, Group CEO

Highlights
Q2 2015

- Revenues EUR 5.6 billion, up 4% yoy organically
- Gross margin of 18.7%; gross profit up 4% organically
- SG&A excluding one-offs up 2% yoy and up 1% sequentially, both organically
- EBITA excluding one-offs EUR 272 million
- EBITA margin excluding one-offs 4.9%, up 30 bps yoy
- Revenue growth in July similar to Q2 15, organically & adjusted for trading days

Revenue development by region[1)]

Organic year-on-year change in percent

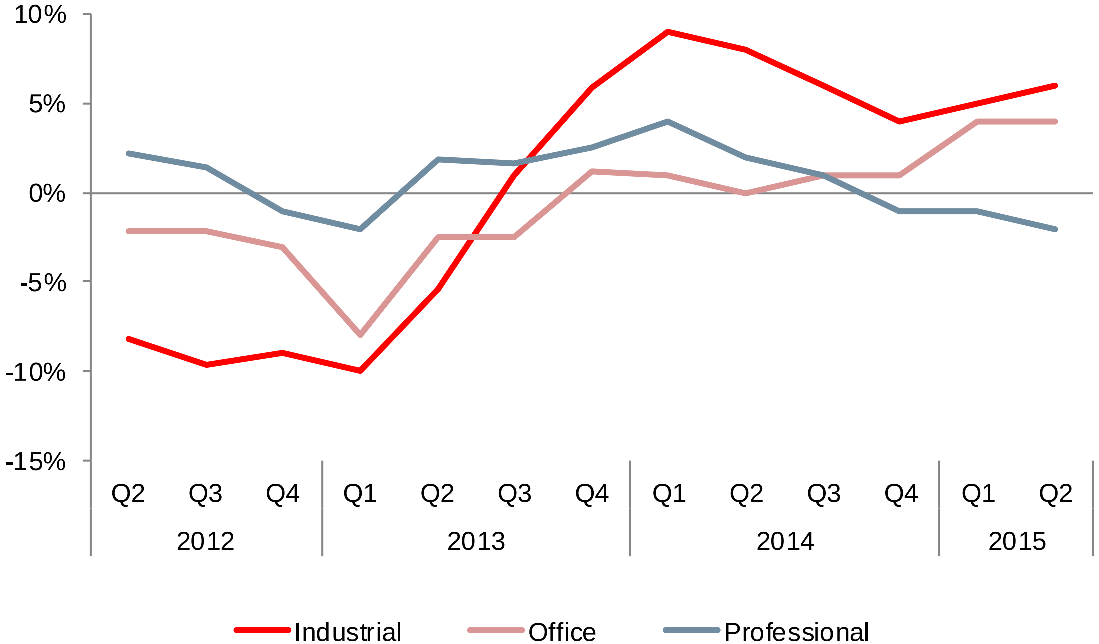


- Europe grew by 3% in Q2 2015 compared to 2% in the previous quarter
- North America grew by 2% in Q2 2015 compared to 4% in the previous quarter
- Rest of World grew by 8% in Q2 2015 compared to 10% in the previous quarter

1) Excluding LHH.

Revenue development by business line[1)]

Organic year-on-year change in percent

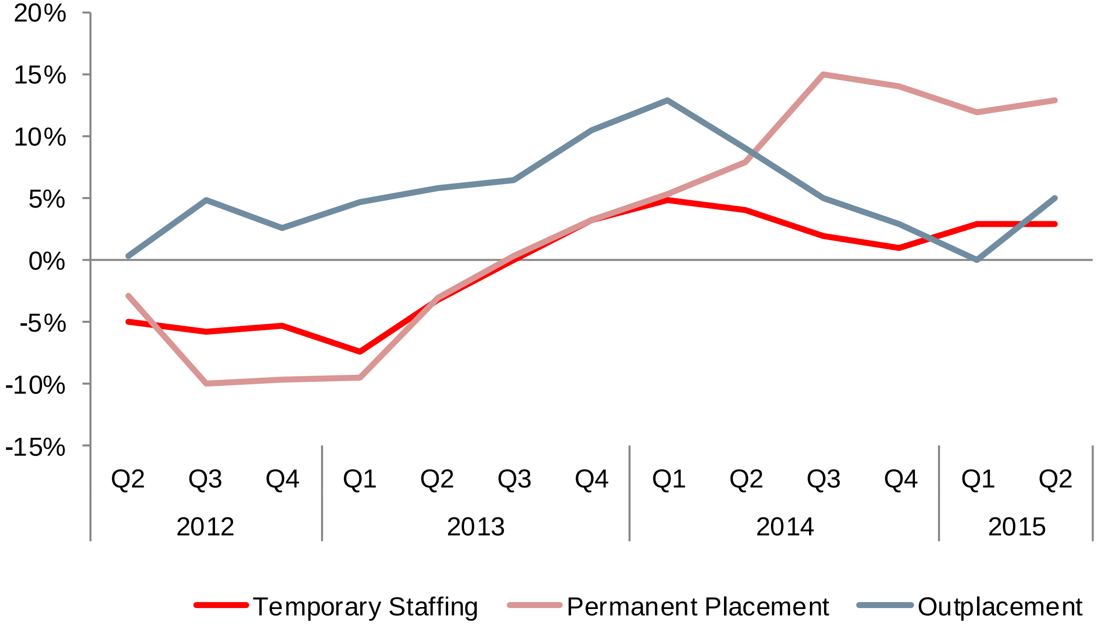


- Industrial grew by 6% in Q2 2015 compared to 5% in the previous quarter
- Office grew by 4% in Q2 2015, the same as in the previous quarter
- Professional Staffing -2% in Q2 2015, compared to -1% in the previous quarter:
  - IT: flat (flat in Q1 2015)
  - Engineering & Tech.: -9% (-6%)
  - Finance & Legal: 2% (3%)
  - Medical & Science: 4% (8%)

1) Excluding Solutions.

Revenue development by service line[1)]

Organic year-on-year change in percent



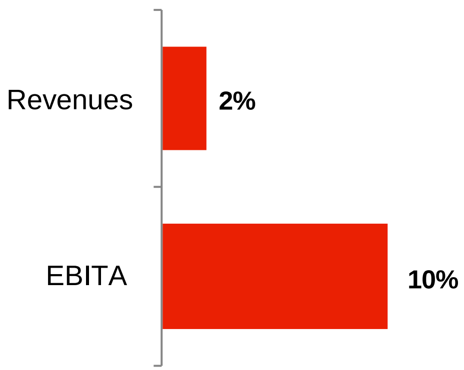
- Temporary staffing revenues grew by 3% in Q2 2015, the same as in the previous quarter
- Permanent placement revenues grew by 13% in Q2 2015 compared to 12% in the previous quarter
- Outplacement revenues grew by 5% in Q2 2015 compared to flat in the previous quarter

1) Excluding Outsourcing and Other.

France

22% of group revenues in Q2 2015

Q2 yoy growth

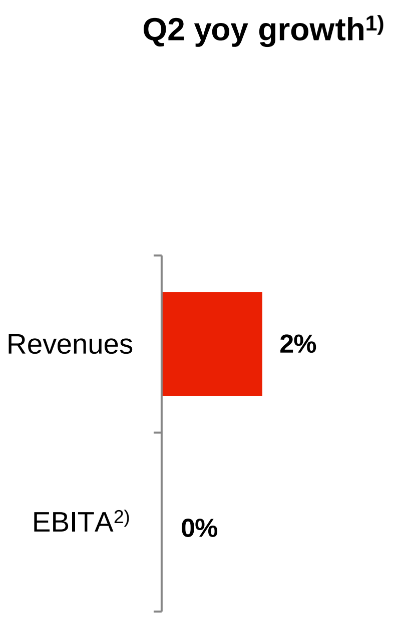


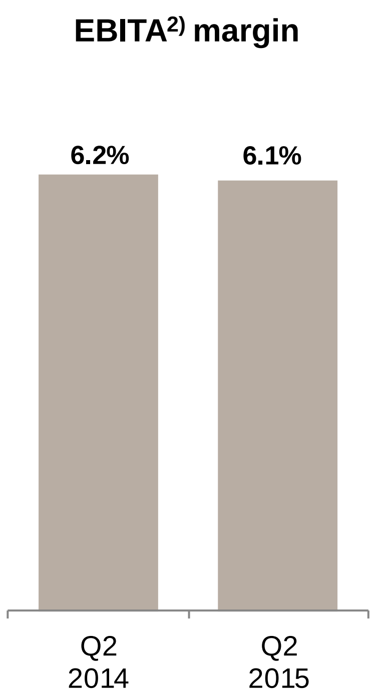
EBITA margin

- Revenues EUR 1,221 million, up 2% yoy; revenue growth led by Industrial, up by 3%, while Office was flat
- EBITA EUR 81 million. EBITA margin of 6.6%, up 50 bps.
- Revenues for May-June up 3% yoy, adjusted for trading days

Adecco Group

North America
21% of group revenues in Q2 2015



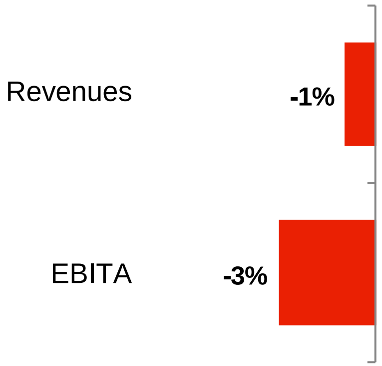


- Revenues EUR 1,186 million, up 2% yoy organically, driven by continued strong growth in Industrial, up 11% in constant currency
- EBITA EUR 72 million. EBITA margin[2)] down 10 bps
- Revenues for May-June up 2% yoy, adjusted for trading days

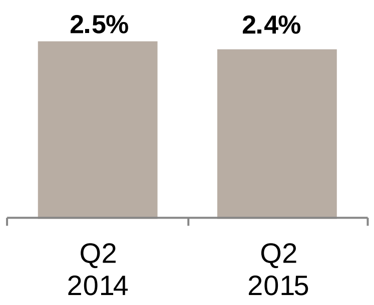
1) Revenue growth is organic and EBITA growth is in constant currency.
2) EBITA growth rate and EBITA margin exclude restructuring costs of EUR 4 million in Q2 14.

UK & Ireland
10% of group revenues in Q2 2015

Q2 yoy growth[1)]



EBITA margin

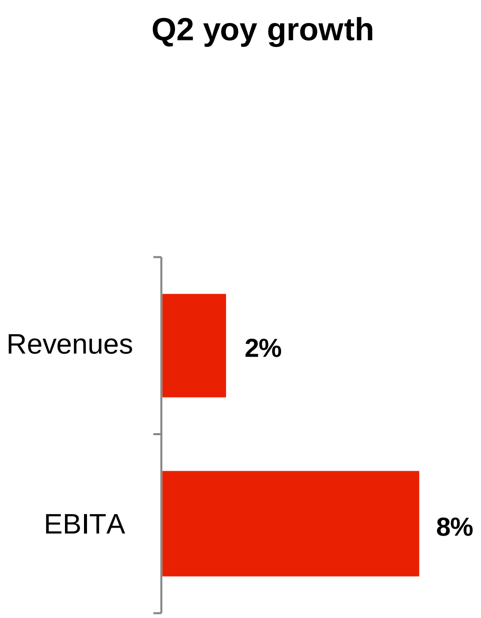


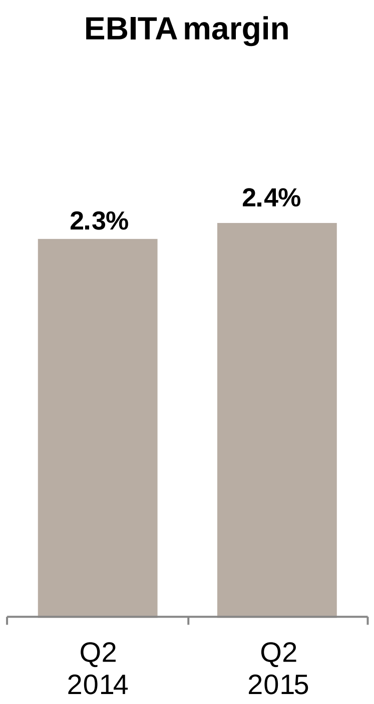
- Revenues EUR 564 million, down 1% yoy in constant currency
- EBITA EUR 14 million. EBITA margin down 10 bps
- Revenues for May-June up 1%, adjusted for trading days

1) Growth rates are in constant currency.

Germany & Austria

8% of group revenues in Q2 2015



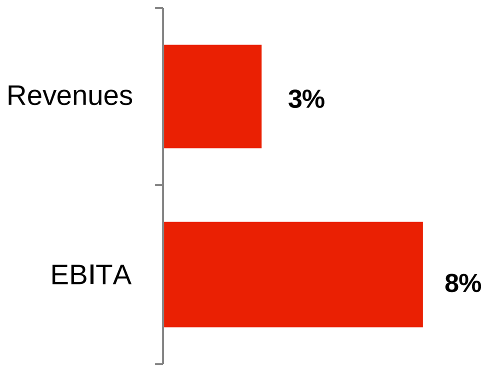


- Revenues EUR 423 million, up 2% yoy, with Industrial up 4% and Professional Staffing down 1%
- EBITA EUR 10 million. EBITA margin up 10 bps
- Revenues for May-June up 3% yoy, adjusted for trading days

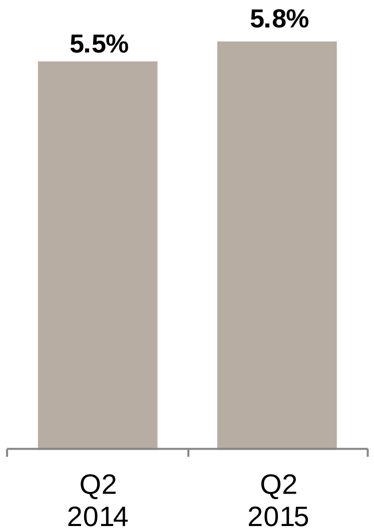
Japan

5% of group revenues in Q2 2015

Q2 yoy growth[1)]



EBITA margin



- Revenues EUR 281 million, up 3% yoy in constant currency with Office up 5%
- EBITA EUR 16 million. EBITA margin up 30 bps
- Revenues for May-June up 4% yoy, adjusted for trading days

1) Growth rates are in constant currency.

Revenues and EBITA by segment
Q2 2015 vs. Q2 2014

% of revenues		Revenues: EUR millions	Revenues: Organic change yoy	EBITA[1)]: EUR millions	EBITA[1)]: Margin	EBITA[1)]: Margin change yoy
22%	France	1,221	2%	81	6.6%	50 bps
21%	North America[1)]	1,186	2%	72	6.1%	-10 bps
10%	UK & Ireland	564	-1%	14	2.4%	-10 bps
8%	Germany & Austria	423	2%	10	2.4%	10 bps
5%	Japan	281	3%	16	5.8%	30 bps
6%	Italy	344	19%	26	7.3%	90 bps
5%	Benelux	260	8%	9	3.5%	10 bps
3%	Nordics	190	-9%	4	2.4%	-110 bps
4%	Iberia	222	13%	9	4.3%	-10 bps
2%	Australia & New Zealand	95	7%	0	0.0%	70 bps
2%	Switzerland	121	-1%	8	6.6%	-190 bps
10%	Emerging Markets	567	11%	21	3.6%	60 bps
2%	LHH[1)]	108	4%	32	30.0%	160 bps
	Corporate[1)]			(30)		
100%	**Adecco Group[1)]**	**5,582**	**4%**	**272**	**4.9%**	**30 bps**

1) In Q2 2015 excluding integration costs of EUR 5 million in LHH and costs related to the change of CEO and CFO of EUR 10 million in Corporate. In Q2 2014 excluding restructuring costs of EUR 4 million in North America.

Financial review

David Hancock, Head of Investor Relations

Q2 2015 Results in detail – P&L

In EUR millions

EUR millions except share and per share information	Q2 2015	Q2 2014	Variance % EUR	Variance % Constant Currency
Revenues	**5,582**	**4,987**	12%	4%
Gross profit	**1,041**	**905**	15%	6%
EBITA excluding one-offs	**272**	**228**	19%	10%
EBITA	**257**	**224**	15%	6%
Operating income	**247**	**215**	15%	7%
Income before income taxes	**236**	**199**	19%	
Net income	**178**	**145**	22%	
Net income attributable to Adecco shareholders	**177**	**145**	22%	
Basic earnings per share	1.02	0.82	25%	
Diluted earnings per share	1.02	0.82	25%	

Revenues up 4% in constant currency

EBITA up 10% in constant currency and excluding one-off costs

Basic weighted-average shares were 173m in Q2 2015 vs 177m in Q2 2014

Sequential revenue analysis

Adecco Group	Q1	Q2	Q3	Q4
2007	=	=	−	=
2008	+	− −	−	− − −
2009	− − −	− − −	=	=
2010	++	+	+	+
2011	+	=	=	=
2012	−	−	−	−
2013	=	=	=	=
2014	=	=	−	=
2015	+	=		

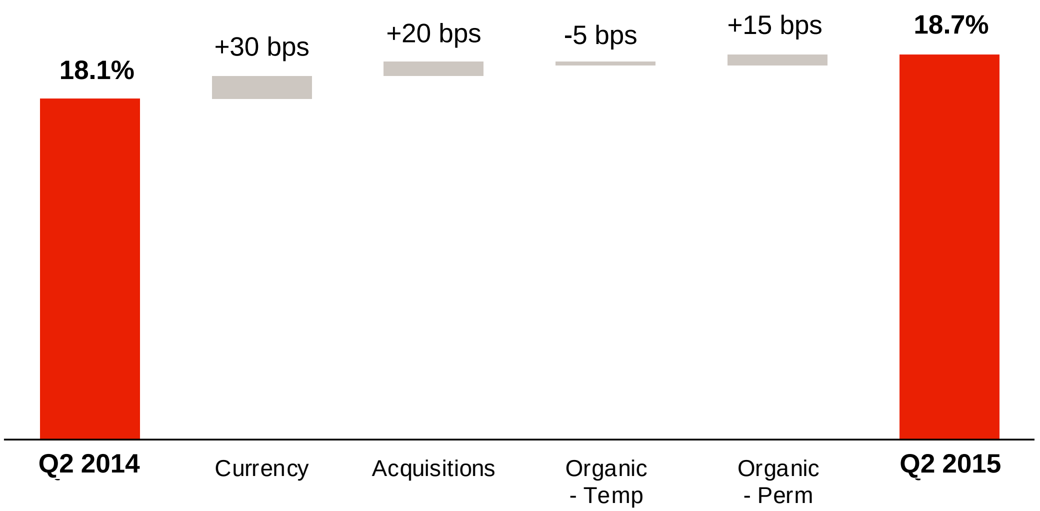
+ Above long-term growth trend[1]

= In line with long-term growth trend[1]

− Below long-term growth trend[1]

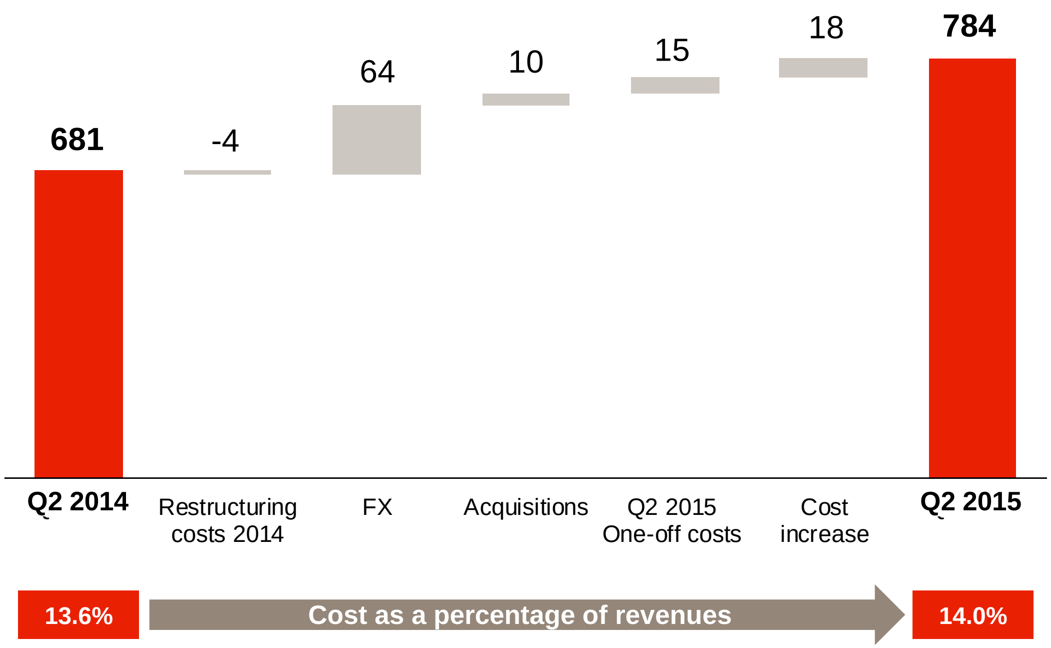
1) Long-term growth trend is the 12-yr median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days.

Q2 2015 gross margin drivers
As percentage of revenues



- Gross margin up 60 bps yoy to 18.7%, or up 10 bps organically
- On an organic basis, temporary staffing had a 5 bps negative impact while perm placement added 15 bps, compared to Q2 2014

Q2 2015 SG&A movements
In EUR millions



- SG&A excluding one-offs up 2% yoy organically
- FTEs up 1% organically and branches up 1%
- Sequentially, SG&A excluding one-offs up 1% organically

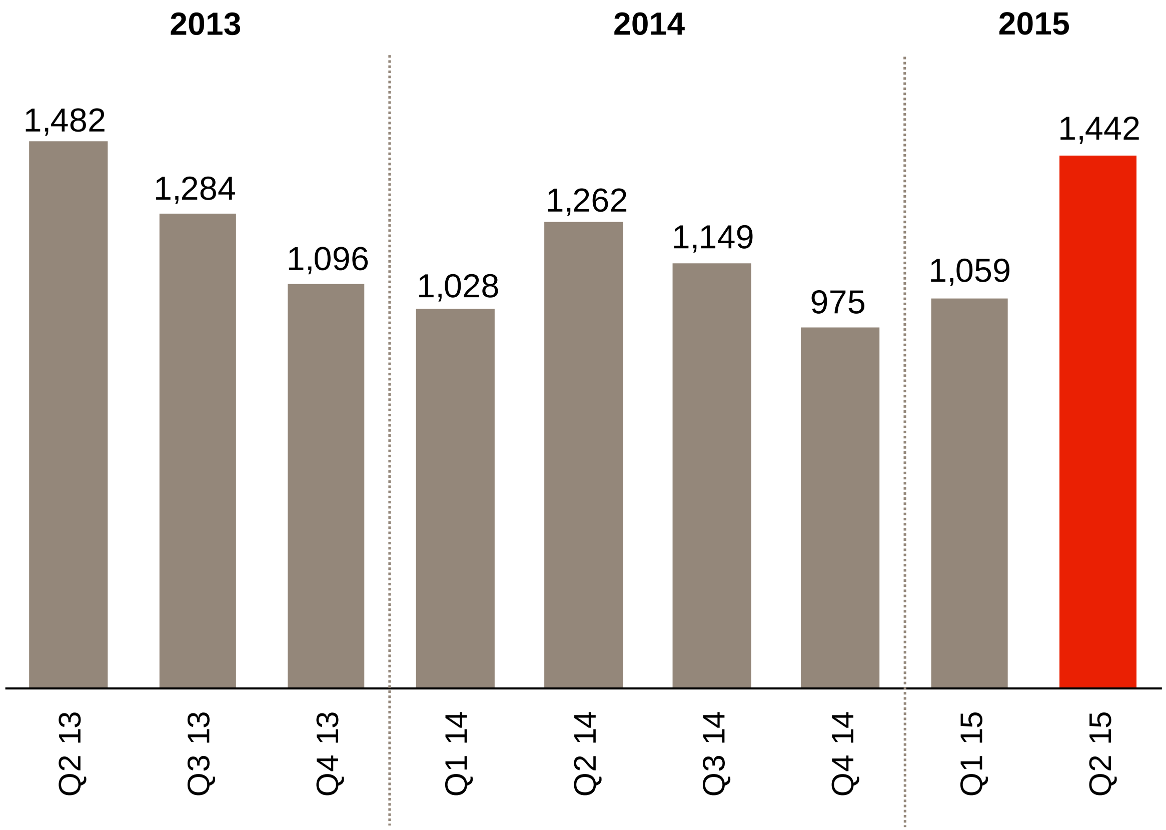
Q2 2015 cash flow statement

In EUR millions

EUR millions	Q2 2015	Q2 2014
Cash flows from operating activities		
Net income	178	145
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	33	32
– Other charges	5	5
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(270)	(244)
– Accounts payable and accrued expenses	97	139
– Other assets and liabilities	111	53
Cash flows from operating activities	**154**	**130**
Cash (used in) investing activities	**(157)**	**(23)**
Cash from/(used in) financing activities	**223**	**(595)**
Effect of exchange rate changes on cash	(18)	4
Net increase/(decrease) in cash and cash equivalents	**202**	**(484)**
Cash and cash equivalents:		
– Beginning of period	921	1,097
– End of period	1,123	613

- Q2 2015 cash flow from operating activities of EUR 154 million
- Q2 2015 and Q2 2014 cash flows from operating activities benefited from the sale of a portion of the CICE receivables
- Q2 2015 cash flows from financing activities included EUR 348 million dividend payment and EUR 11 million purchase of shares

Net debt development
In EUR millions



Q2 2015 Net Debt / EBITDA[1)] of 1.3x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding one-offs plus depreciation.

Financial Guidance

Based on current management expectations

FY 2015	**Corporate costs**	~ EUR 125 million
	Interest expense	~ EUR 65 million
	Capex	~ EUR 90 million
	Amortisation	~ EUR 35 million
Q3 2015	**Tax rate**	Effective rate ~ 27 %
	SG&A	Down slightly QoQ, in constant currency and excluding one-offs

Outlook

Alain Dehaze, Group CEO Designate

Outlook

Adecco Group:
In July, revenue growth similar to Q2, in constant currency and adjusted for trading days

Europe:
Overall trend continues to become more positive

North America:
Growth moderated in Q2 but July similar to Q2, in constant currency and adjusted for trading days

Rest of the World:
Steady or improving trend in Japan, Australia & NZ and Emerging Markets

Remain convinced we will achieve target of >5.5% EBITA margin in 2015, based on a positive outlook for H2 revenue growth acceleration

Q&A

Q3 2015 results, November 5th, 2015

Appendix

Developments in the Emerging Markets

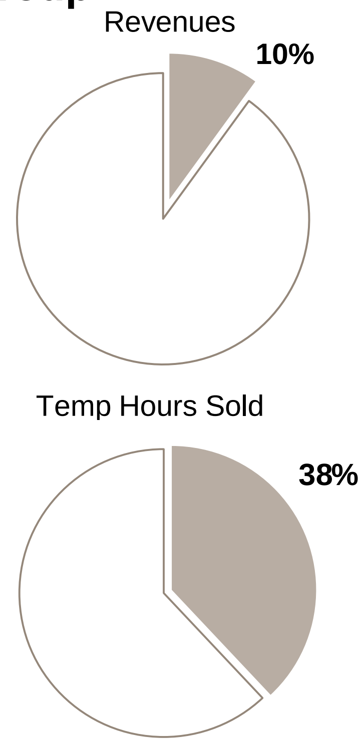
Q2 2015 revenues by geography

Revenue split / growth

yoy growth, in constant currency

39%		Latin America	*7%*
30%		Eastern Europe & MENA	*17%*
19%		Asia	*6%*
12%		India	*19%*

Emerging Markets compared to Adecco Group

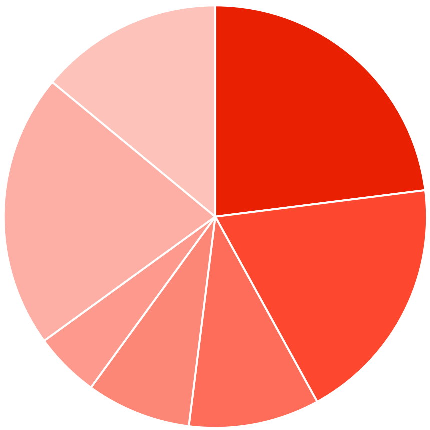


Emerging Markets
Adecco Group (excl. Emerging Markets)

Revenue and Gross Profit

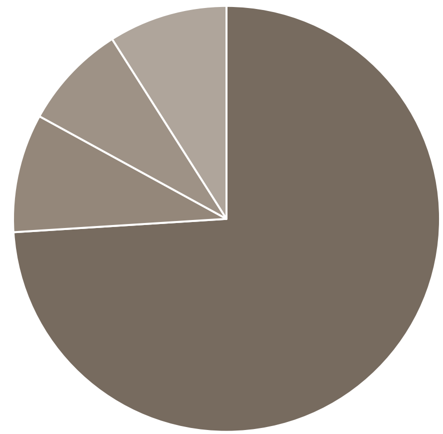
by segment, by business line and by service line

FY 2014 revenues by segment

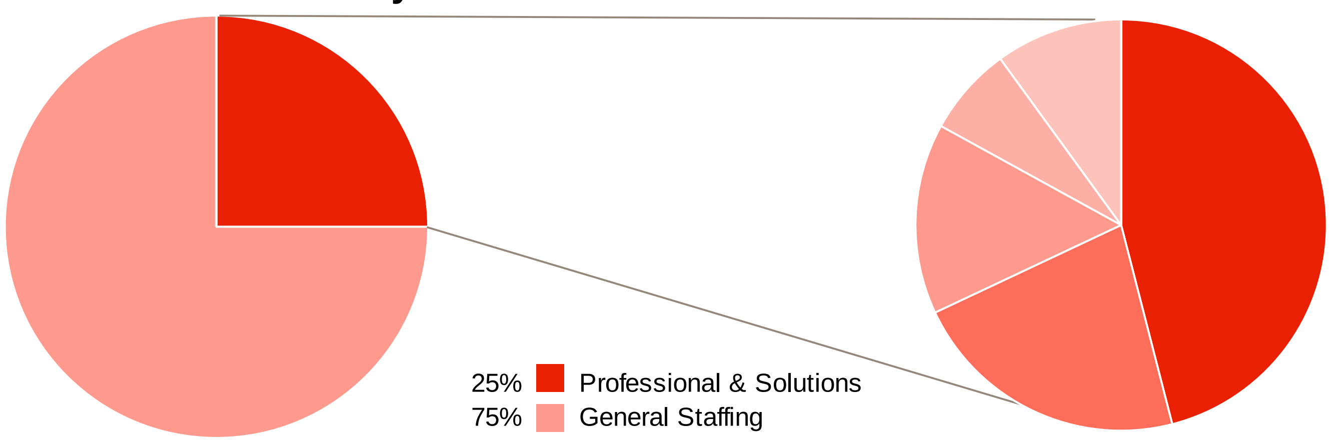


1) Excluding Emerging Markets

FY 2014 gross profit by service



FY 2014 revenues by business line



Our six strategic priorities

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

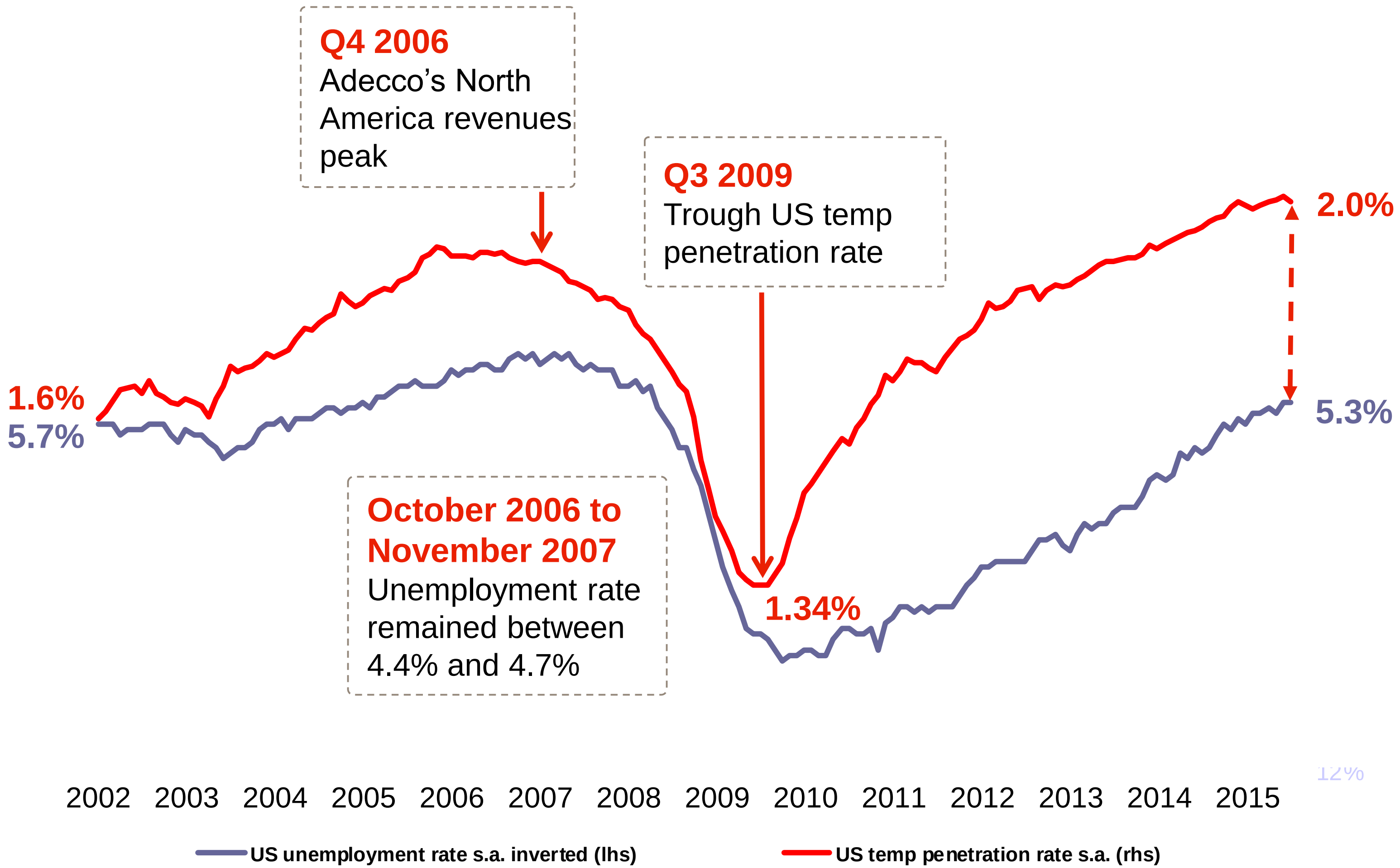
1. Engagement
2. IT
3. Professional Staffing & Services
4. Segmentation
5. BPO solutions
6. Emerging Markets

EBITA margin >5.5%

- Top-line growth
- Price discipline
- Business mix
- Cost control

Structural shift to temporary staffing in current upturn

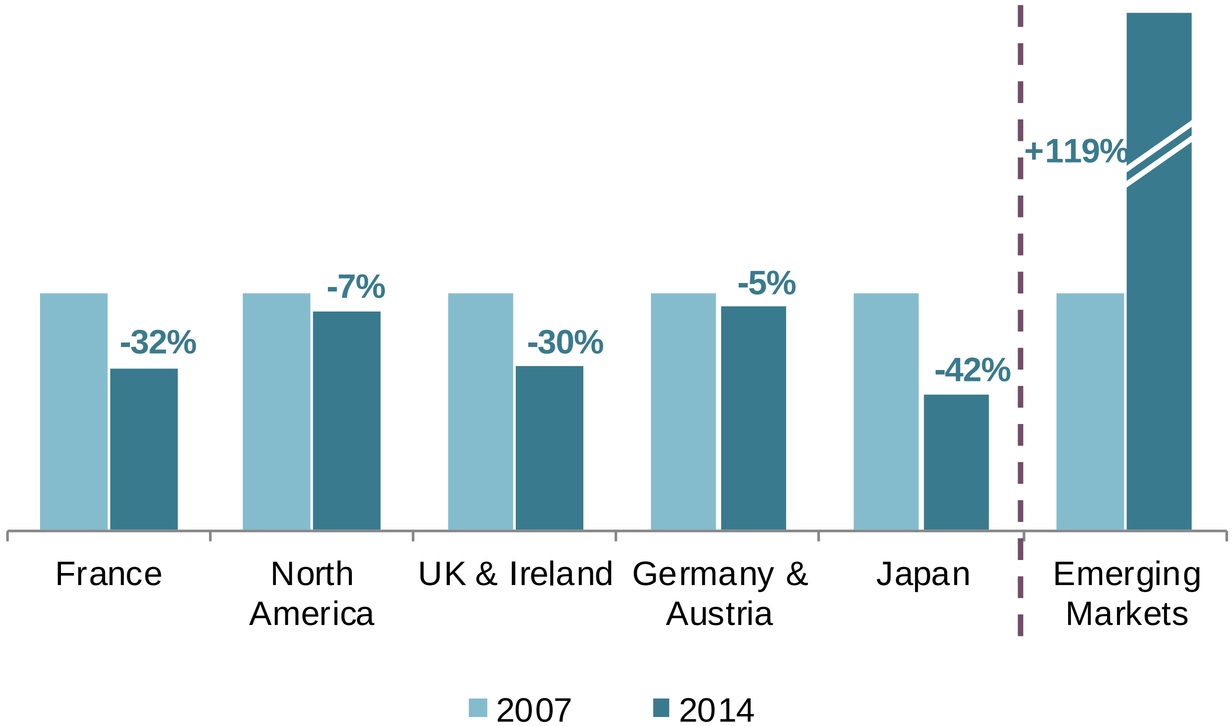
US temporary penetration rate vs. unemployment rate



Source: Bureau of Labor Statistics (BLS).

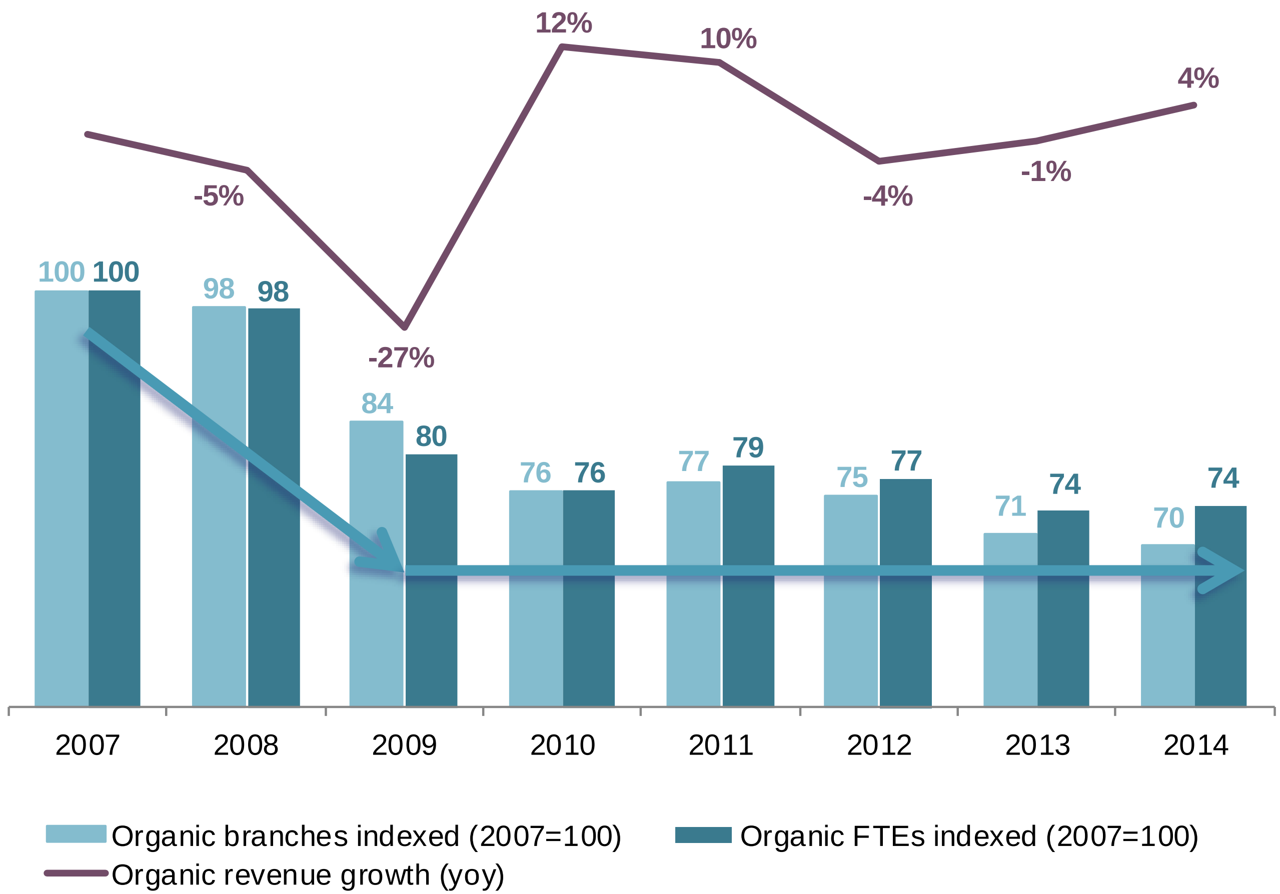
Revenue development since the Group's peak in 2007

Gap against the peak on an organic basis for the main markets

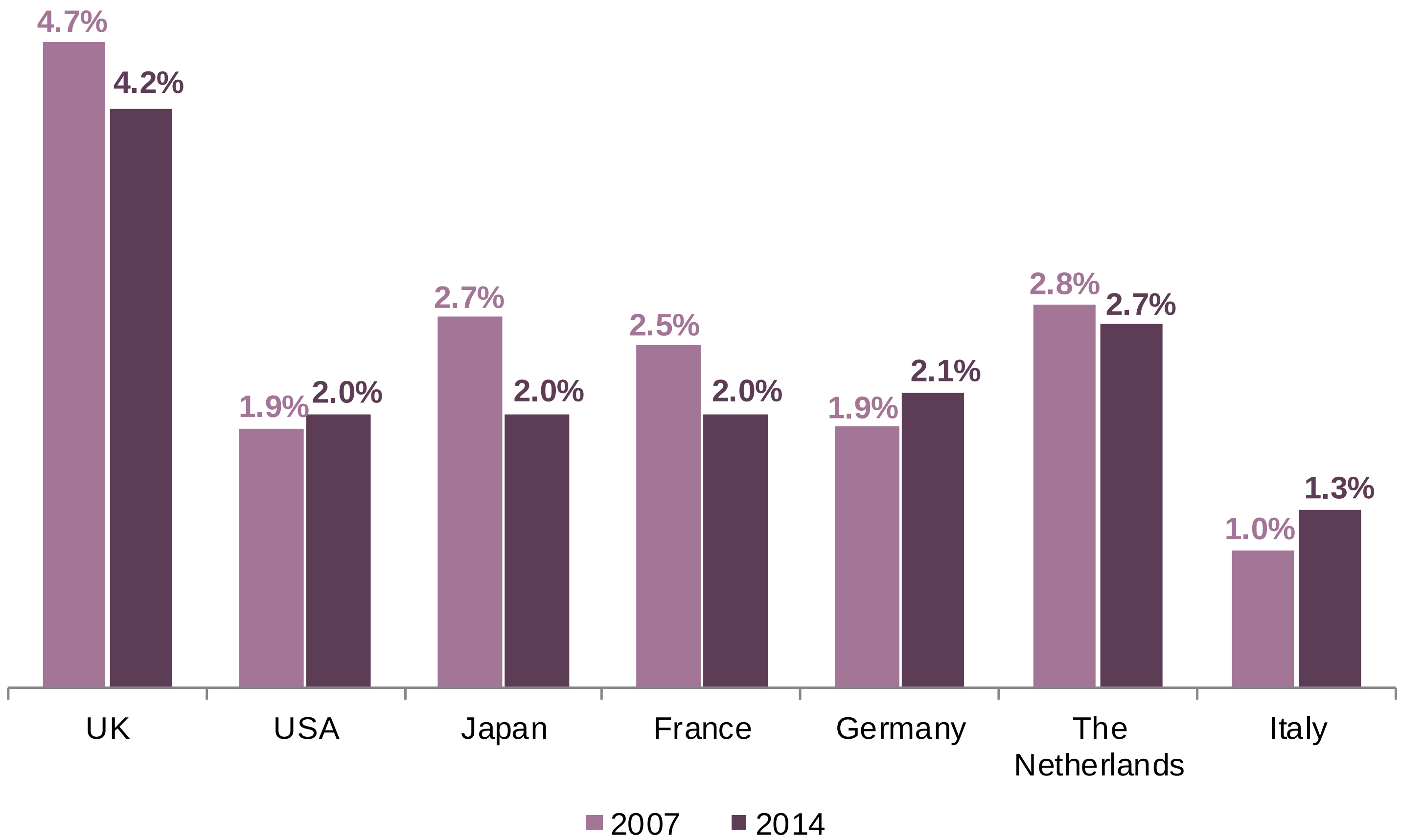


Revenues, branches and FTEs

Organic development (indexed)



Penetration rates
Main markets



Source: Eurociett, Bureau of Labor Statistics and Adecco estimate.

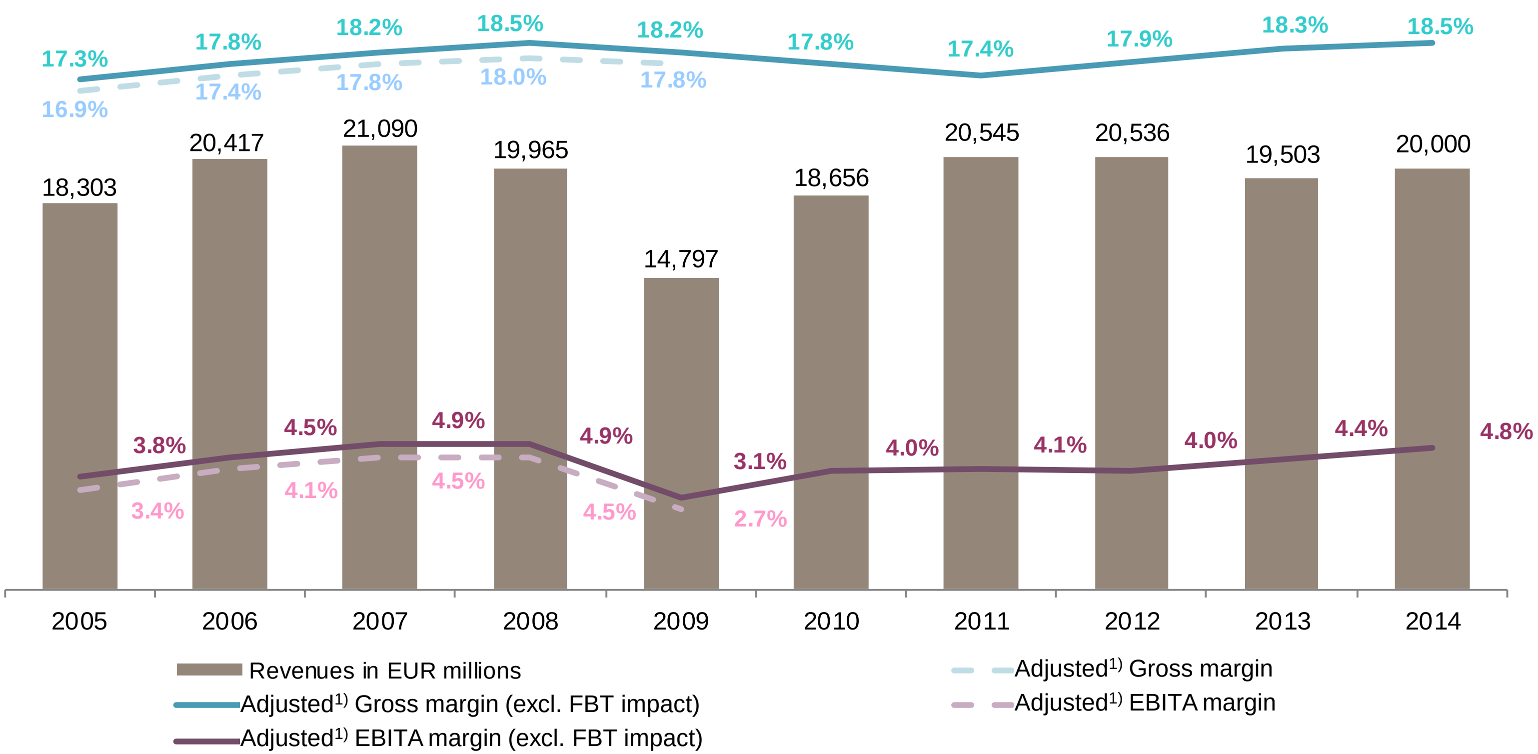
Revenues and EBITA by segment

FY 2014 vs. FY 2013

% of revenues		Revenues: EUR millions	Revenues: Organic change yoy	EBITA excluding restructuring costs[1), 2)]: EUR millions	EBITA excluding restructuring costs[1), 2)]: Margin	EBITA excluding restructuring costs[1), 2)]: Margin change yoy
23%	France[1), 2)]	4,640	-2%	284	6.1%	100 bps
19%	North America[1), 2)]	3,854	4%	223	5.8%	110 bps
10%	UK & Ireland[1)]	2,061	3%	49	2.4%	30 bps
8%	Germany & Austria[2)]	1,687	4%	91	5.4%	-10 bps
5%	Japan	1,032	2%	57	5.5%	-40 bps
6%	Italy	1,098	14%	65	5.9%	-10 bps
5%	Benelux	982	6%	45	4.5%	+30 bps
4%	Nordics[1)]	821	6%	23	2.9%	+20 bps
4%	Iberia[1)]	789	19%	31	3.9%	+90 bps
2%	Australia & New Zealand	350	-11%	0	0.1%	-180 bps
2%	Switzerland	427	3%	38	8.8%	+50 bps
10%	Emerging Markets[2)]	1,925	11%	69	3.6%	+20 bps
2%	LHH[1)]	334	6%	98	29.3%	+110 bps
	Corporate			(108)		
100%	**Adecco Group[1). 2)]**	**20,000**	**4%**	**965**	**4.8%**	**40 bps**

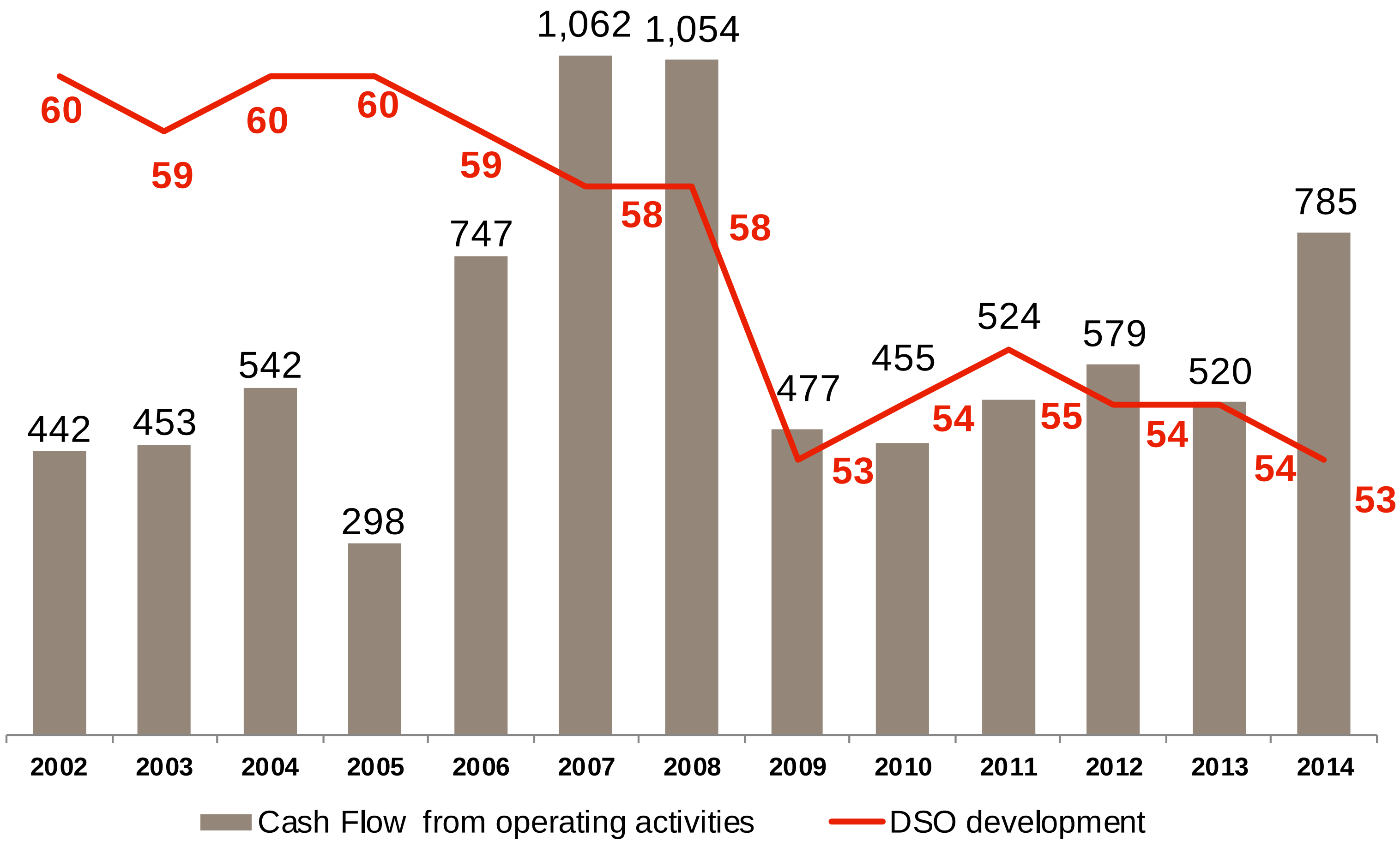
1) EBITA excluding restructuring costs in 2013 of EUR 19 million in France, EUR 6 million in North America, EUR 3 million in UK & Ireland, EUR 1 million in Nordics, EUR 2 million in Iberia and EUR 2 million in LHH.
2) EBITA excluding restructuring costs in 2014 of EUR 4 million in France, EUR 18 million in North America, EUR 14 million in Germany & Austria and EUR 1 million in the Emerging Markets.

What we have achieved
Financial performance since 2005



1) Please refer to Slide 41 for details on the adjustments.

Cash flow and DSO development



Debt, cash & short term investments

As of June 30, 2015

	Principal at maturity	Maturity	Fixed interest rate	Total in EUR million
4-year Swiss Franc fixed rate notes	CHF 350	2016	2.125%	**336**
5-year Swiss Franc fixed rate notes	CHF 350	2017	1.875%	**336**
7-year guaranteed Euro medium term notes	EUR 500	2018	4.75%	**497**
6-year guaranteed Euro medium term notes	EUR 400	2019	2.75%	**400**
8-year Swiss Franc fixed rate notes	CHF 125	2020	2.625%	**120**
7-year guaranteed Euro medium term notes	EUR 500	2022	1.50%	**500**
Committed multicurrency revolving credit facility	EUR 600	2018	Variable rate	**0**[1)]
French Commercial Paper program				**307**
Other				**72**
Short & long term debt				**2,568**
Cash & short term investments				**1,126**

1) EUR 82 million used for letters of credit.

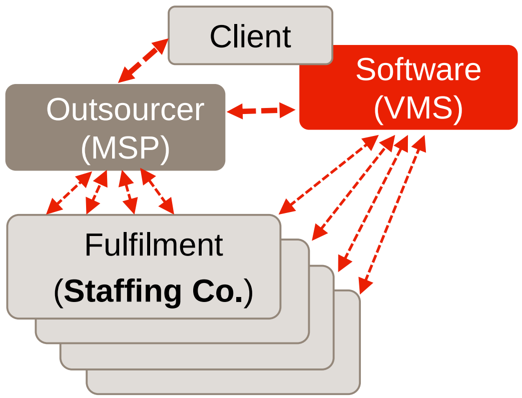
Adecco Group

MSP, RPO, VMS…

Can someone help with the definitions please!

Managed Service Programmes (MSP)

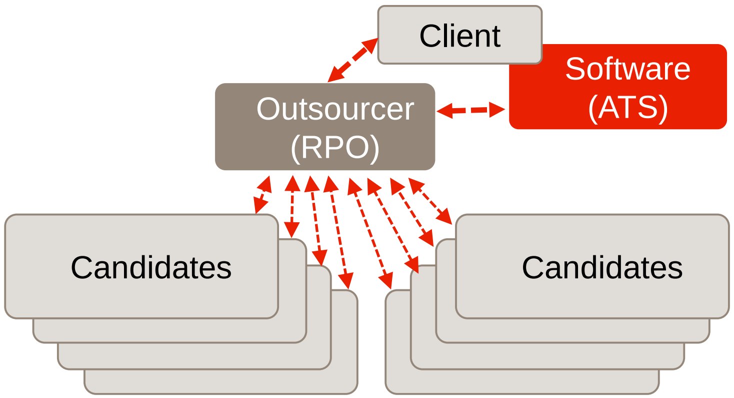
Clients outsource the management of contingent workforce to MSPs



- 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

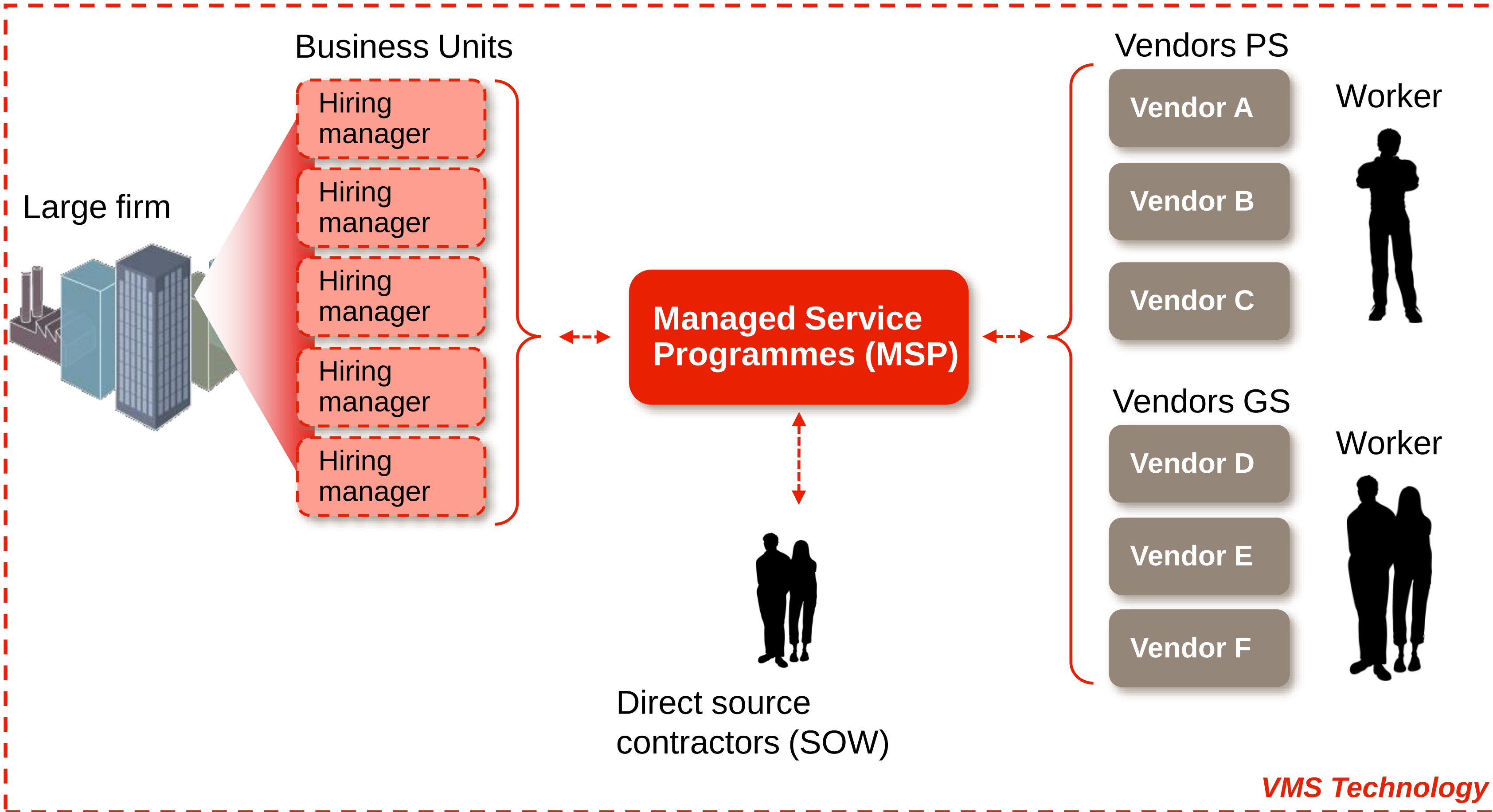
Recruitment Process Outsourcing (RPO)

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 slide 36
Details on adjustments

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.
2013 figures exclude on EBITA the negative impact of EUR 33 million associated with restructuring costs.
2014 figures exclude on EBITA the negative impact of EUR 37 million associated with restructuring costs.