THE ADECCO GROUP

Q4 and FY 2016 results

2 March 2017

Disclaimer & 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 Group AG 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 and impairment of goodwill and intangible assets.

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

'Free cash flow' comprises cash flows from operating activities less capital expenditures.

'Cash conversion' is calculated as last 4 quarters of free cash flow before interest and tax paid (FCFBIT) divided by last 4 quarters of EBITA excluding one-offs.

'Net debt to EBITDA' is calculated as net debt at period end divided by last 4 quarters of EBITA excluding one-offs plus depreciation.

Agenda

- Highlights 2016 – Alain Dehaze, Group CEO
- Financial Performance – Hans Ploos van Amstel, Group CFO
- Strategic and Operational Progress – Alain Dehaze, Group CEO
- Questions & Answers

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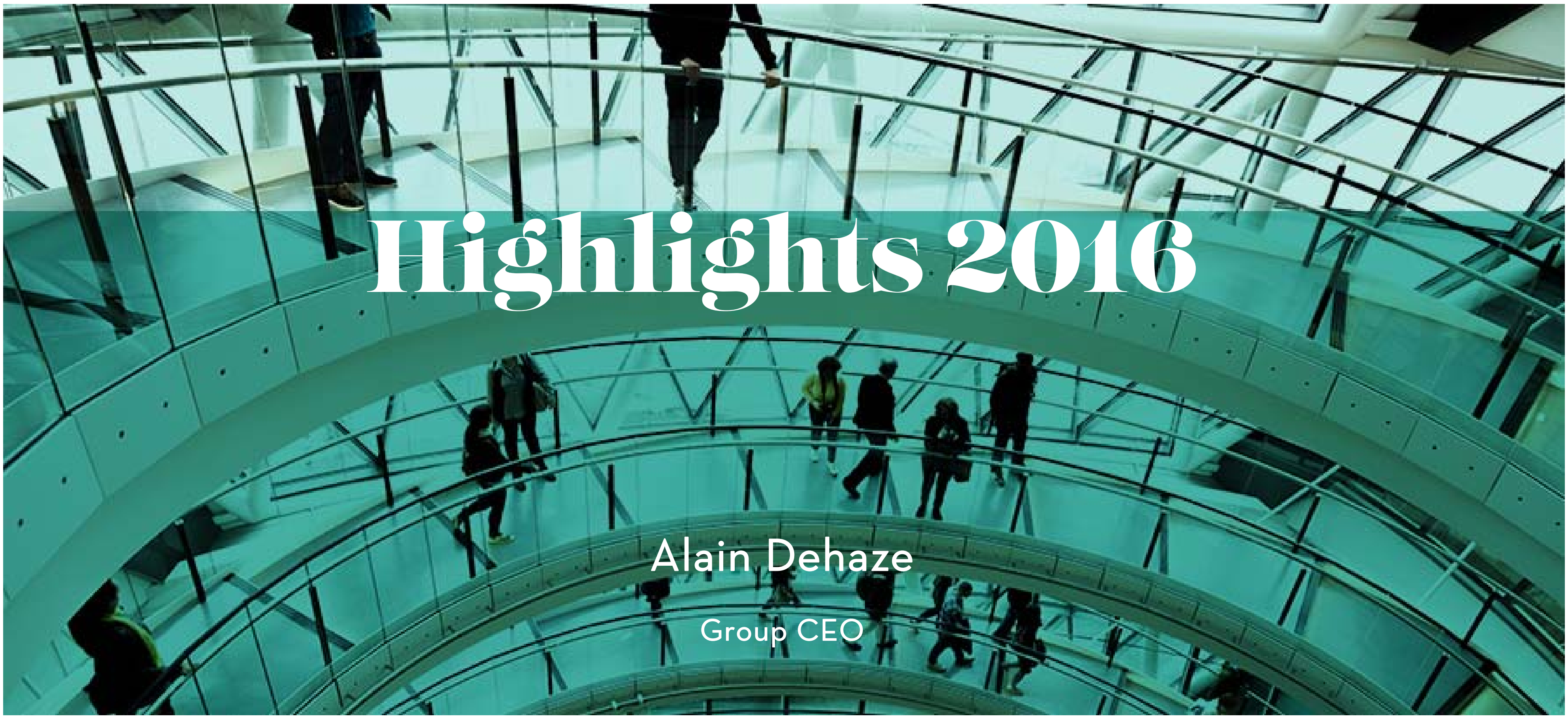

Highlights 2016

Alain Dehaze

Group CEO

Key highlights in the Q4 & FY 2016 results

Q4 2016

- Acceleration in revenue growth to 6%, organically and trading days adjusted
- Good cost management; underlying gross margin decline continues

FY 2016

- Improvement in relative revenue growth versus main peers
- EBITA margin leadership maintained, while investing for the future
- Proposed dividend per share CHF 2.40, share buyback programme EUR 300 million announced today
- Good progress on strategic initiatives, including accelerating our digital strategy

Outlook

- Revenues in January & February 2017 up 4-5%, organically and trading days adjusted
- Continued strategic and operational progress in 2017 as we Perform, Transform, and Innovate

Organisational change in North America and UK & Ireland

- Management of North America and UK & Ireland realigned according to the business lines Professional Staffing (PS) and General Staffing (GS)
- In each of these regions we have substantial operations in both PS and GS
- This move will allow us to drive further commercial and operational focus through our dedicated GS and PS brands
- Federico Vione is appointed Regional Head of North America, UK & Ireland General Staffing (Adecco, Pontoon)
- John Marshall is appointed Regional Head of North America, UK & Ireland Professional Staffing
- Bob Crouch has decided to leave to pursue opportunities outside The Adecco Group

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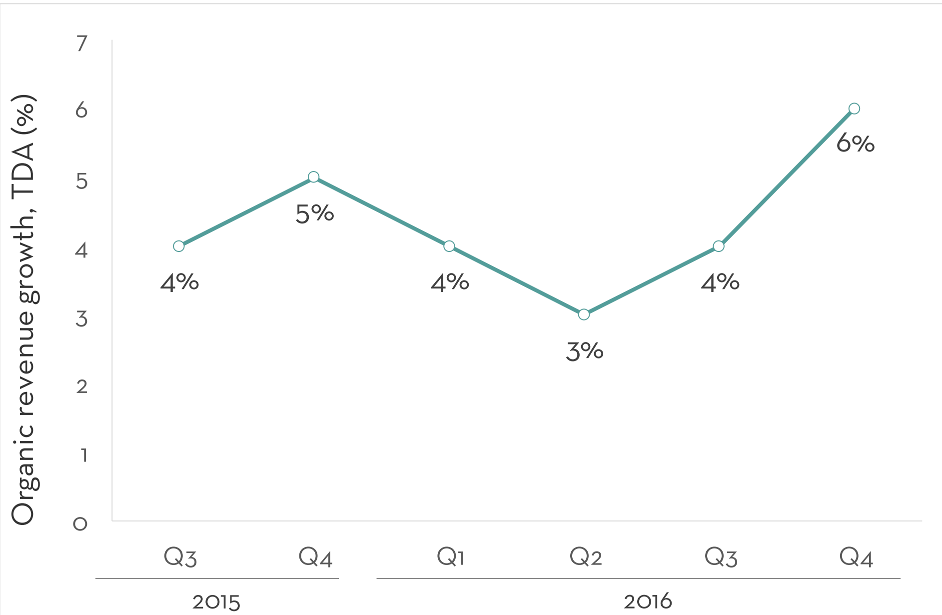
Financial performance

Hans Ploos van Amstel

Group CFO

Improvement in revenues and relative growth

Group revenue growth



- Clear improvement in revenue momentum
- Improvement is broad-based, but greatest in France, Italy and Germany

Segment revenue growth

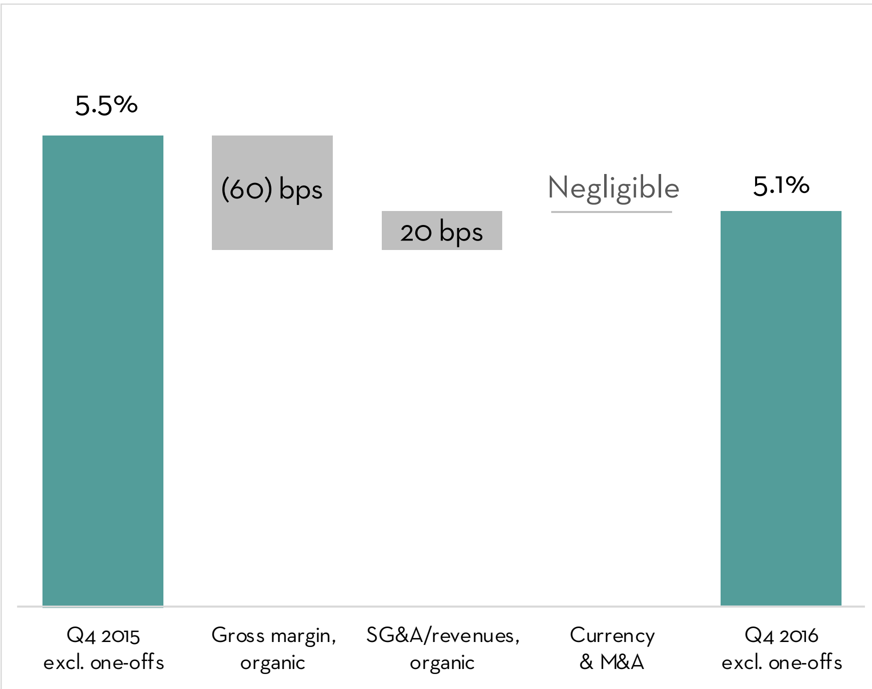
	Organic revenue growth, trading days adjusted	
	Q4 2016	vs market
France	9%	=
North America	1%	=
UK & Ireland	5%	+
Germany, Austria, Switzerland	3%	- / -
Benelux and Nordics	4%	- / +
Italy	24%	+
Japan	0%	=
Iberia	12%	+
Rest of World	11%	=
Lee Hecht Harrison	2%	+
Adecco Group	**6%**	

+ above market, = in-line with market, – below market

- Outperformance in UK & Ireland, Nordics, Italy, Iberia and LHH
- Below market in Germany & Austria, Switzerland and Netherlands

Maintaining leading EBITA margin

Group EBITA margin YoY



- Gross margin down due to price/mix and strong comparison base in Q4 2015
- SG&A/revenues improved through good leverage

Segment EBITA margins YoY

	EBITA margin excluding one-offs	
	Q4 2016	Variance
France	6.7%	(120) bps
North America	6.9%	20 bps
UK & Ireland	1.9%	(130) bps
Germany, Austria, Switzerland	4.1%	(190) bps
Benelux and Nordics	4.1%	150 bps
Italy	7.6%	(70) bps
Japan	6.4%	40 bps
Iberia	5.7%	100 bps
Rest of World	2.9%	(10) bps
Lee Hecht Harrison	26.3%	(130) bps
Adecco Group	5.1%	**(40) bps**

- France benefited by c.100 bps in Q4 2015 from a favourable item related to prior year social security charges
- Germany, Austria, Switzerland benefited in Q4 2015 from a favourable bank holiday effect

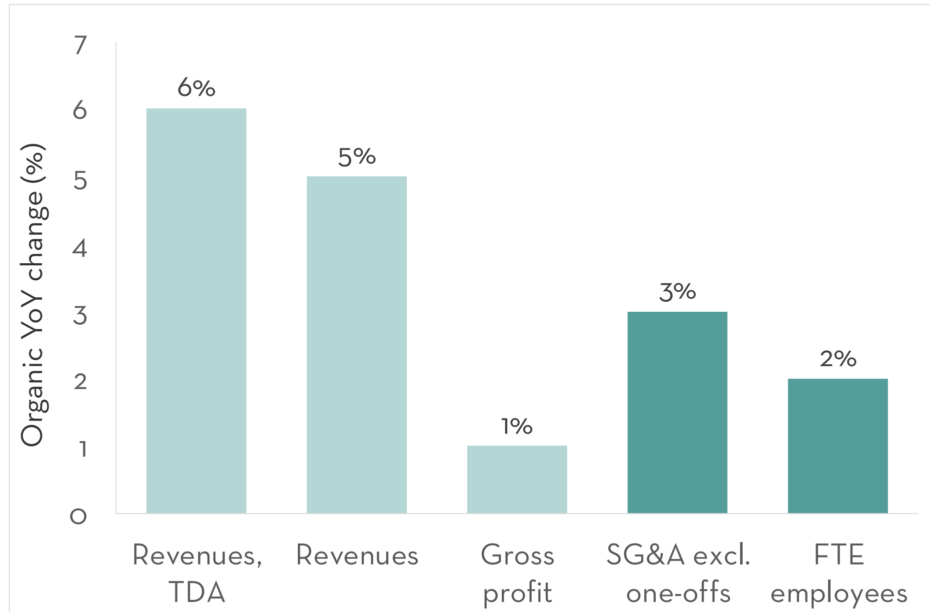
Continuation of gross margin trend; good SG&A productivity

Gross margin YoY

bps	H1	Q3	Q4
Reported	**0**	**(20)**	**(40)**
Acquisitions/divestments	10	10	10
Currency	10	10	10
Organic	**(20)**	**(40)**	**(60)**
Temporary staffing	(30)	(50)	(60)
Permanent placement	10	0	0
Outplacement	0	10	0
Other	0	0	0

- Q4 2016 gross margin organic decline was -60 bps or approx. -30 bps on underlying basis
- Underlying decline attributed to price and mix effects in temporary staffing, similar to the trend seen in the first 9 months of 2016

SG&A productivity



- Increase in SG&A and full-time equivalent (FTE) employees below revenue growth
- Gross profit per FTE employee down 1% organically, against strong comparison base in Q4 2015

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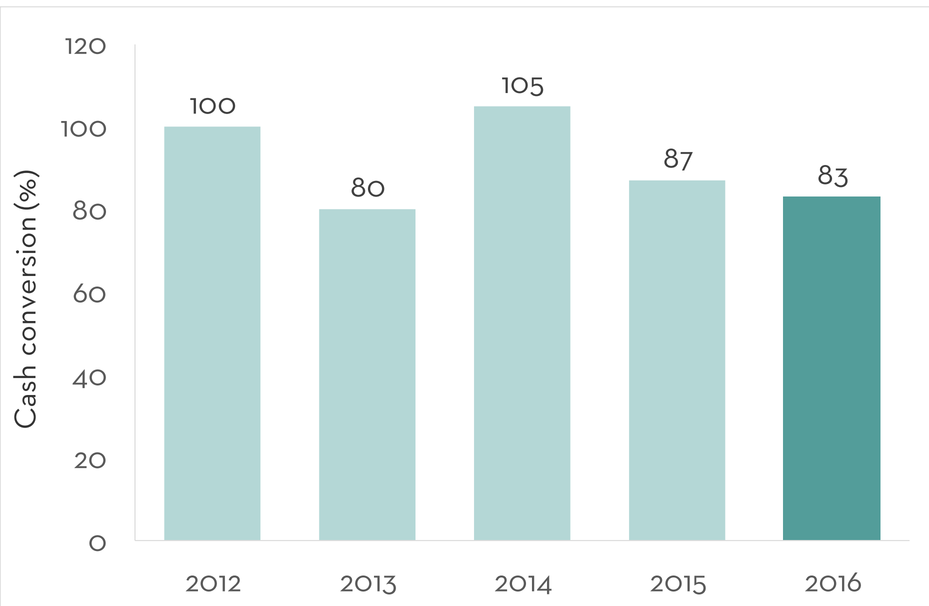
Solid cash conversion and further reduction in net debt

Cash conversion

- Good cash generation in Q4 2016, with cash from operations of EUR 334m vs EUR 298m in Q4 2015
- For FY 2016, cash conversion was 83% vs 87% in FY 2015, negatively impacted by timing of payments



Net debt

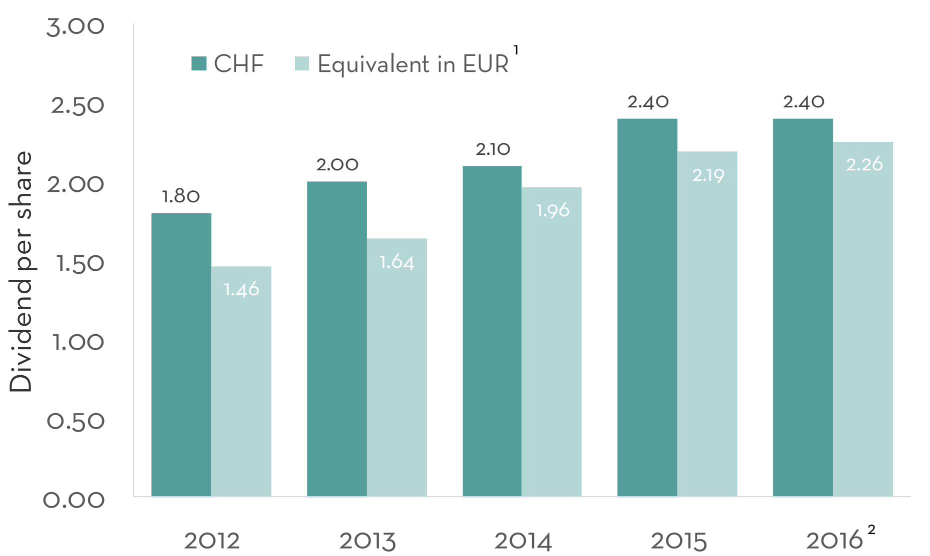
- Net debt EUR 887 million at year end 2016, vs EUR 1,039 million at year end 2015
- Net debt to EBITDA excluding one-offs 0.7x at year end 2016 vs 0.8x at year end 2015
- Refinancing in Q4:
  - Issued EUR 500 million of new 8-year notes with a 1.00% coupon
  - Bought back EUR 338 million nominal value of two existing notes with coupons of 4.75% and 2.75%

CHF 2.40 per share dividend, EUR 300m share buyback announced

Dividend

Our progressive dividend policy has two components:

- As earnings grow over time, our dividend per share (DPS) will also grow, within the bounds of a pay-out ratio of 40-50% of adjusted earnings per share (EPS)
- We are committed to holding our Swiss franc DPS at least in line with the prior year, even if EPS temporarily declines and the pay-out ratio is exceeded



[1] At date of announcement [2] As proposed by the Board of Directors

Share buyback programme

- Net debt to EBITDA excluding one-offs 0.7x at year end 2016
- EUR 72 million net proceeds from merger of Beeline with IQNavigator
- New share buyback programme launched for up to EUR 300 million shares
- Shares repurchased under the programme are intended for subsequent cancellation, following shareholder approval

Good momentum continues into Q1 2017

January & February 2017

- Revenues for January & February 2017 up 4–5%, organically and trading days adjusted
- This is slightly below 6% in Q4 2016, but adjustments for trading days and holidays in December and January cannot be precise
- We recognise uncertainties, but we have started 2017 with good momentum

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Strategic and operational progress

Alain Dehaze

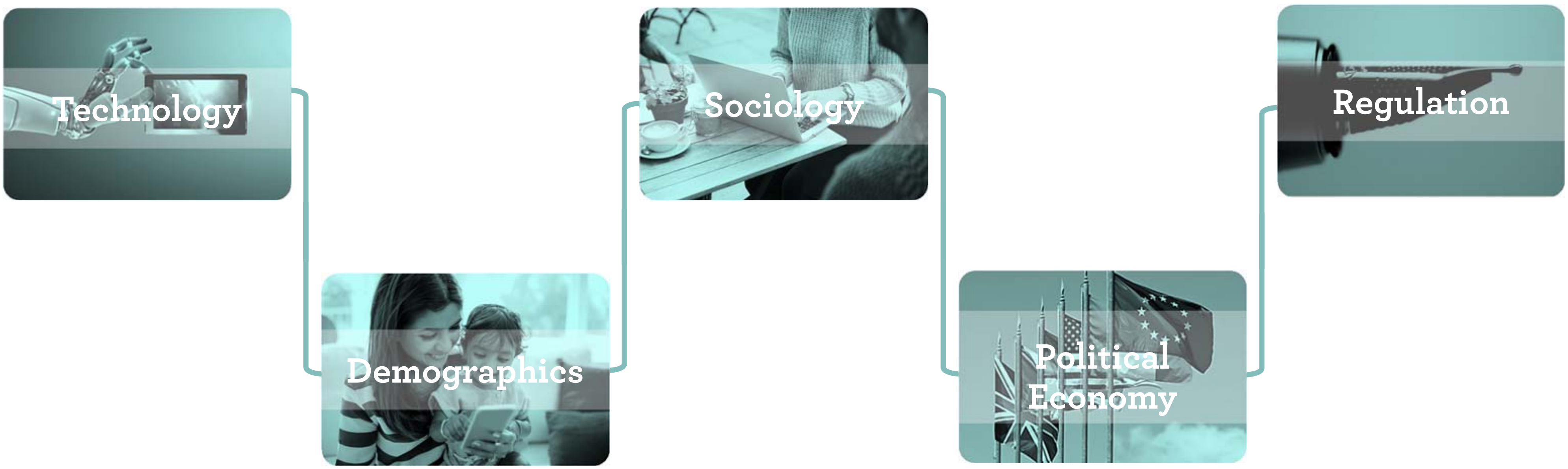
Group CEO

Strategic and operational progress in the last 12 months

Highlights

- Clear focus on 6 strategic priorities, with measurable progress made this year
- Strengthened our portfolio through M&A and acting on underperformance
- Establishing ourselves as leaders in Digital development
- Strengthened positioning of The Adecco Group and its global lead brands: Adecco, Badenoch & Clark, Modis, Spring Professionals, Lee Hecht Harrison, pontoon
- GPTW rank 7th worldwide and 5th in Europe amongst >6,500 multinationals

Looking forwards: our vision of the changing world of work



PERFORM → TRANSFORM → INNOVATE

Our Digital strategy is a key part of our vision

DIGITAL IS AN ENABLER OF

- Better user experience
- Broader service offering
- Deeper customer relationships
- Lower cost-to-serve models

DISTINCTIVE FEATURES OF OUR DIGITAL APPROACH

- Organization
- Partnership & Co-creation
- Monetization

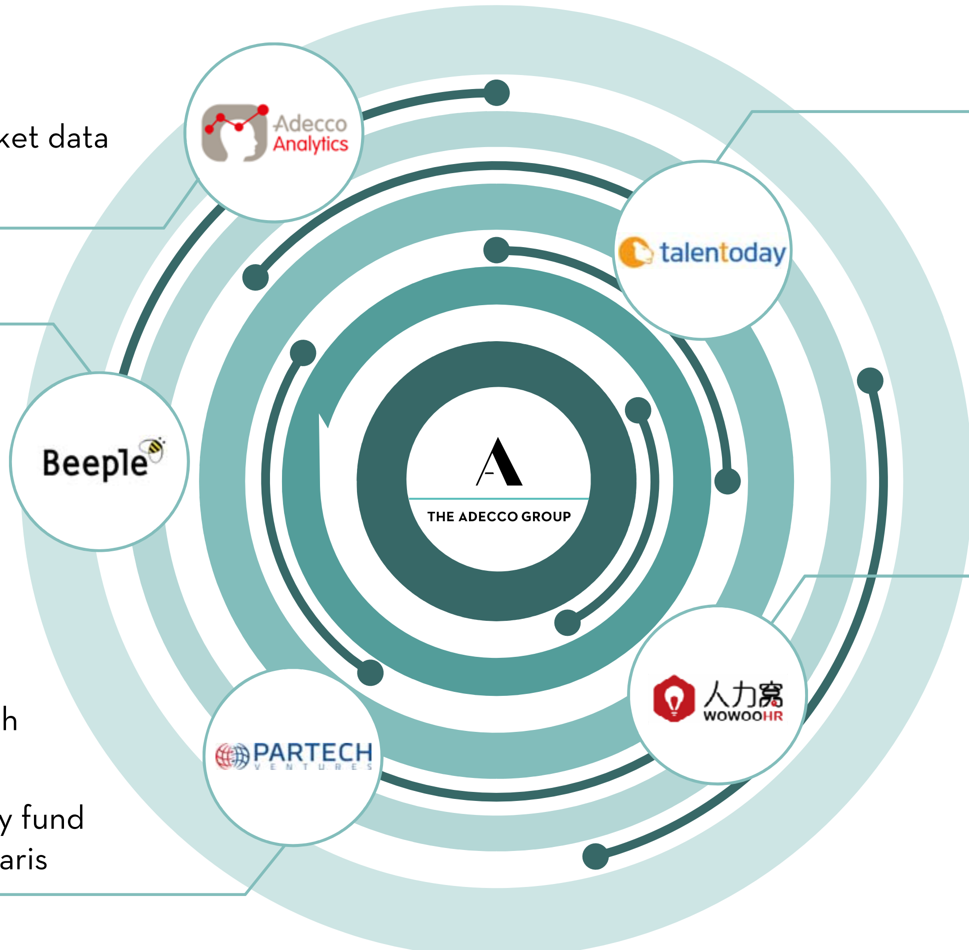
PERFORM → TRANSFORM → INNOVATE

Examples of our co-creation approach in Digital

- Big data analytics; SaaS model
- Provides real-time labour market data
- Internal start-up

- End-to-end online staffing tool
- Focused on high volume profiles
- Direct investment in start-up

- Strategic investment in Partech International Venture VII
- Leading early-stage technology fund in San Francisco, Berlin, and Paris



- People Analytics based on big data
- Enhances talent acquisition and development
- Direct investment in Series A fundraising

- Digital platform for online HR services
- Serving SMEs and entrepreneurs in China
- JV with Alibaba/Alipay, and FESCO

PERFORM → TRANSFORM → INNOVATE

Concluding messages

Summary

- Closed revenue growth gap vs peers, maintained leading margin
- Investing for the future and returning excess cash through dividend and SBB
- Growth momentum continues in January & February 2017
- Outlook for continued operational and strategic progress in 2017 as we Perform, Transform, and Innovate

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Key Dates 2017

Date	Event
20 April 2017	Annual General Meeting
9 May 2017	Q1 2017 results
10 August 2017	Q2 2017 results
21 September 2017	Investor Day, London
7 November 2017	Q3 2017 results

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