

Adecco

Exploiting New Service Opportunities in France

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Agenda

- 1. Adecco France Today**
- 2. Core Business Evolutions (Temp)**
- 3. New Regulations / New Services**
 - Permanent Placement
 - Public Service Subcontracting
 - Home Services
- 4. HR Global Solutions**

France at a glance

Key figures in 2004

- EUR 6.0 bn of sales

Business numbers

- 185,000 temps per year
- 1,208 perms in 7 months 2005
- 50,000 clients

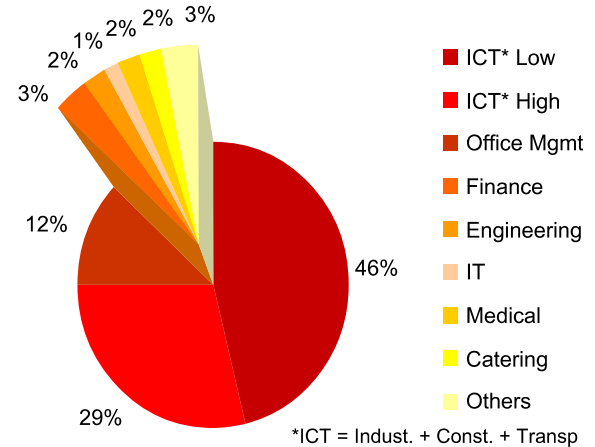
Network & Clients

- 1,700 branches (70% specialized)
- 7,400 employees
- Clients: Vinci, Renault, Veolia, PSA, France Télécom

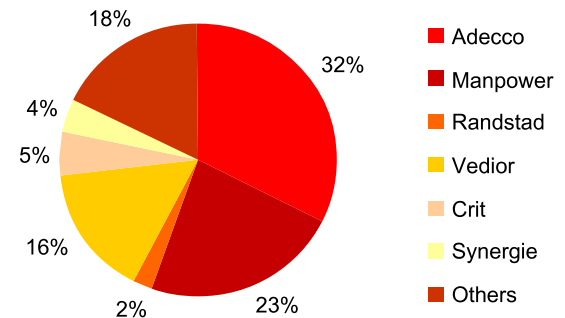
Year to date performance (June)

- +4.7% revenue growth (in line with market)
- +18 branches since Dec 2004
- +84 FTEs since Dec 2004

Revenues split by skills 2004



Market Size in EUR 18.4 bn



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Less Manufacturing, More Service

Market Changes

- **Service sector**
 - 2/3 active population (wo public administration)
 - Lowest temp penetration in active population (1,8%)
 - 2/3 of hiring projects 2005
- **De-localisation/offshoring**

Adecco Strategic Priorities

- **Increased commercial activity toward service sector/SME***
 - +150 new sales forces in 2005
- **Reduce the cost of delivery (distribution model)**
 - Call-center ⇒ SME
 - Dedicated branches ⇒ large accounts

*SME: Small and Medium Enterprises

More Specialization

Changes

- **Client segmentation**
 - Construction
 - Transportation
 - Catering
- **Candidates segmentation**
 - Higher skills
(IT, Finance, Engineering)

Strategic Priorities

- **Specialties: acceleration**
 - Certification approach
(launched in 2004)
 - 13 branches opened over last
12 months (+10%)
 - 40 branches/departments to be
opened by March 2006
- > **Ambition: grow market share to
average Adecco**
- **Finance, IT and Engineering**
 - Already a significant player
(220ME in 2004)
 - Vertical and perm/temp approach
 - Internal synergies (Ajilon/Adecco)
- **Potential acquisitions**

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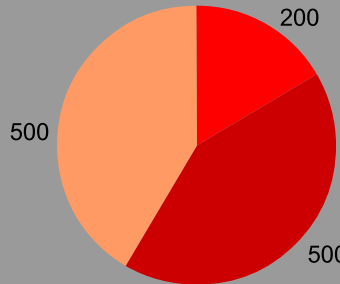
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Permanent Placement

1.2 million job proposals in 2005

Low qualification

- ANPE (services)
- Temp (indus)
- Associations
- Self recruiting



Executives

- Consultants
- 2004: 375ME
- Recruiting + Selection + Consulting

Shortages

- ETAM
- APEC /TEMP

Source : Enquête BMO Crédoc / Adecco

▪ Double channel approach

- Low/medium skills: existing Adecco network (specific training and compensation system)
- Higher skills: dedicated structure and network (high level of specialization: IT, Finance, Sales/Marketing, Engineering...)
- **Dedicated investment in 2005 (80 consultants, 40 recruitment centres, 7 high qualification centres)**
- **Ambition: #4 in 2005 ⇒ #1 in 2007**

Public Service Subcontracting

Changes

- 'Loi de Cohésion Sociale' (January 2005)
- Historical segregation/competition between public and private
- More efficiency thanks to increased collaboration/flexibility

Strategic Priorities

- Strength = outplacement expertise + Network proximity
- Two major experiments launched
 - UNEDIC experiments (Lyon, St Etienne, Valence)
 - RMISTES 'reclassement'
- ANPE: a new potential client
- Public administration: a future significant client? (temp + perm)

Home Services

Changes

- Strong government willingness to promote home services
- Children school support, gardening, medical support, housekeeping...
- Market size: EUR 5,3 billion
- Fragmented market (450 private entities + 6000 associations)

Strategic Priorities

- The only player with dedicated brand/network (Adom)
- The only temp company with 'official admin. agreement'
- 7 branches today (20 branches by end 2006)

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Preparing an Integrated Offer

Find resources	<p>Temps recruiting Permanent placement</p>	<p>Adecco / Adia / Qms / A.Tic / Altedia / Ajilon</p>
Develop resources	<p>Training</p>	<p>Novitec / Adecco / Adia</p>
Manage/motivate resources	<p>Compensation policies Internal communication Social relations/working conditions Coaching</p>	<p>Altedia / LHH / Oberthur</p>
Organise resources	<p>Work time organization Consulting</p>	<p>Altedia</p>
Transfer resources	<p>Social engineering Internal mobility Restructuring consulting Outplacement (indiv/coll) Move to international</p>	<p>Altedia / Adecco / Adia / LHH</p>
Outsourcing	<p>HR administration HR project management HR research</p>	<p>Ajilon / RHF / Capio / Labho</p>

Thank you



Investor Day, Paris – Friday, September 16, 2005