



Achieving our Goals through Improved Controls

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Agenda

1. **Adecco US Today** (Overview and Strategy)
2. **Impact of Internal Controls**
3. **US Market Conditions and Katrina Disaster Recovery Efforts** (Video Clip)
4. **Conclusion and Q&A**

United States at a glance

Key figures in 2004

- Revenue of \$3.3B
- 1.5% EBITA margin

Business numbers

- ≈ 110K temps per week
- ≈ 4K perm placements in H1 2004
- ≈ 40K active clients

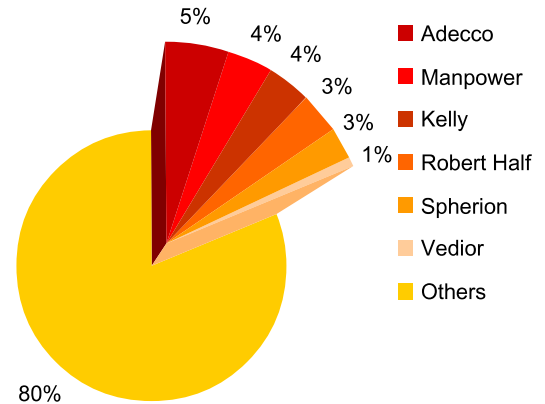
Network & Clients

- ≈ 1,200 branches
- ≈ 3,000 employees
- Service ≈79% of Fortune 500 Companies

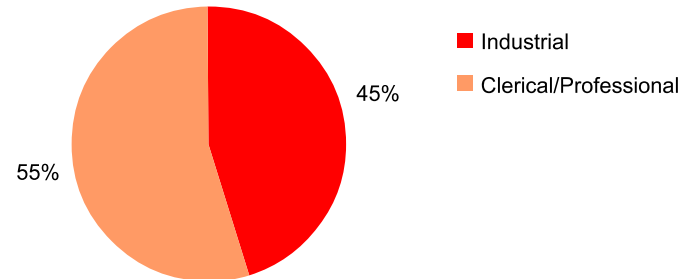
Year to date performance (June)

- ≈ +1% sales growth, excl. divestitures
- -3% sales growth reported

Approximate Market Size \$82B 2004



Revenue Mix (Skilled vs. Unskilled)

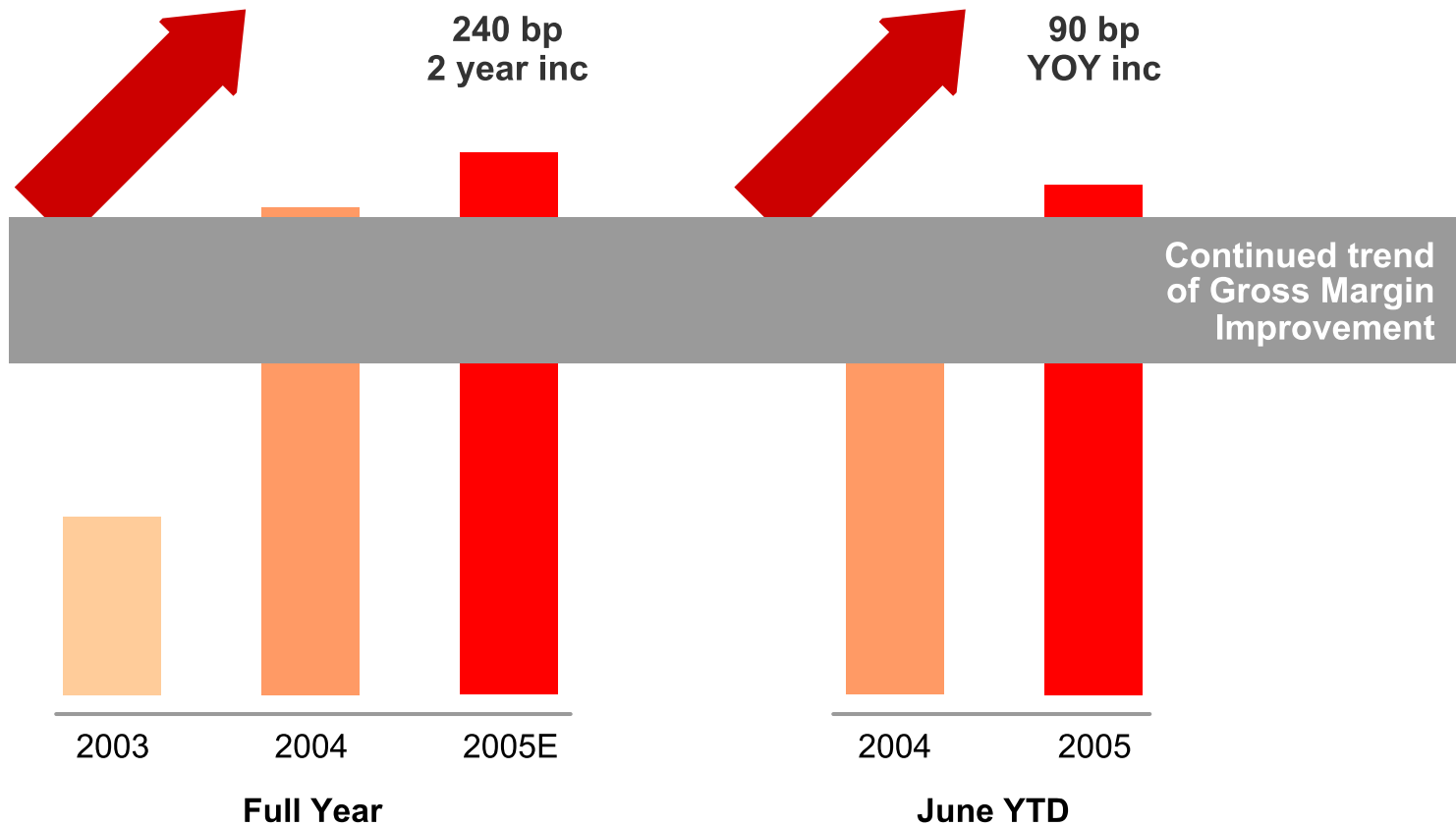


Our Vision, Business Objectives, & Strategy

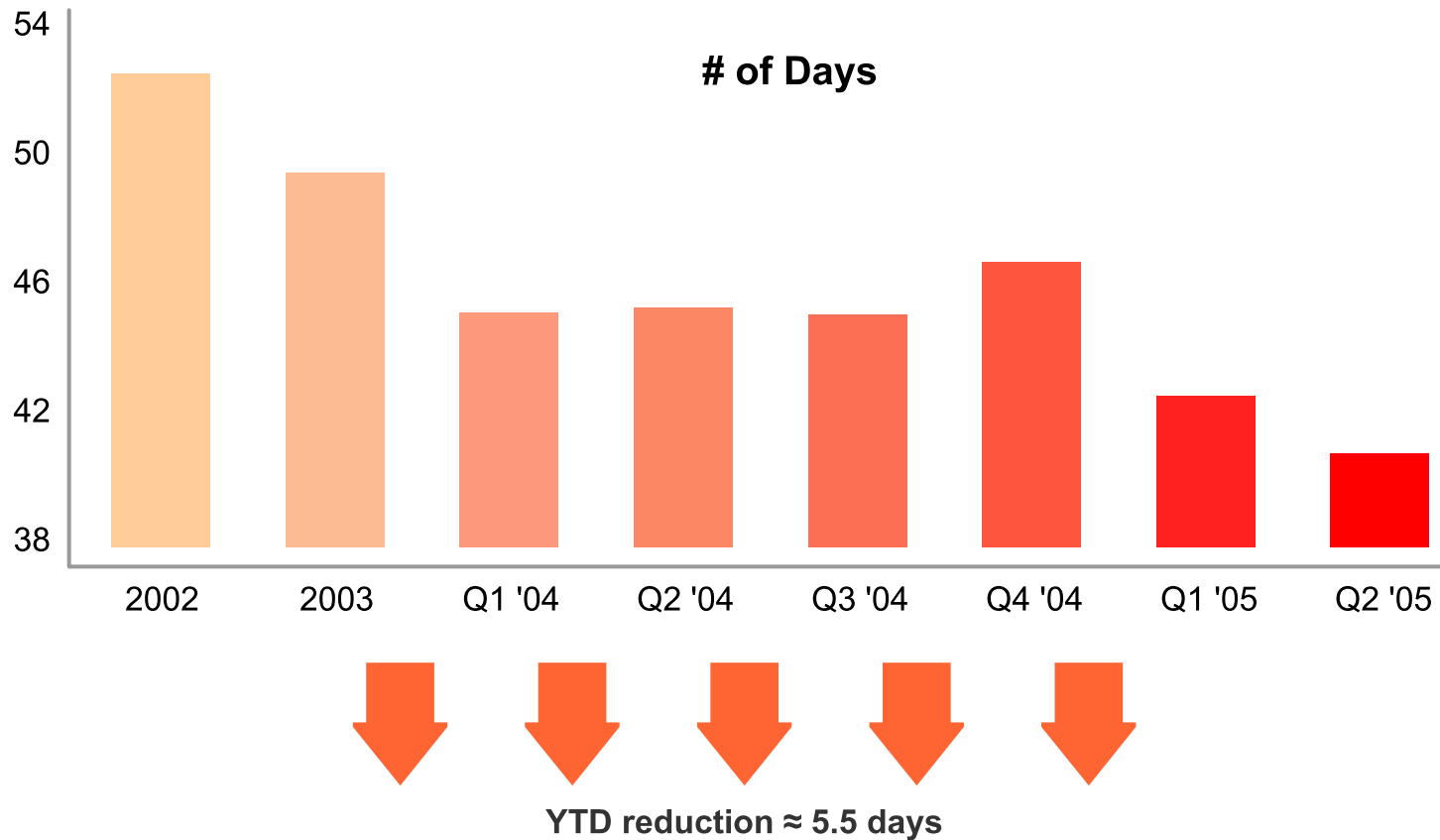
Vision: Become the best in class staffing company in North America



Adecco US – Gross Margin Trend



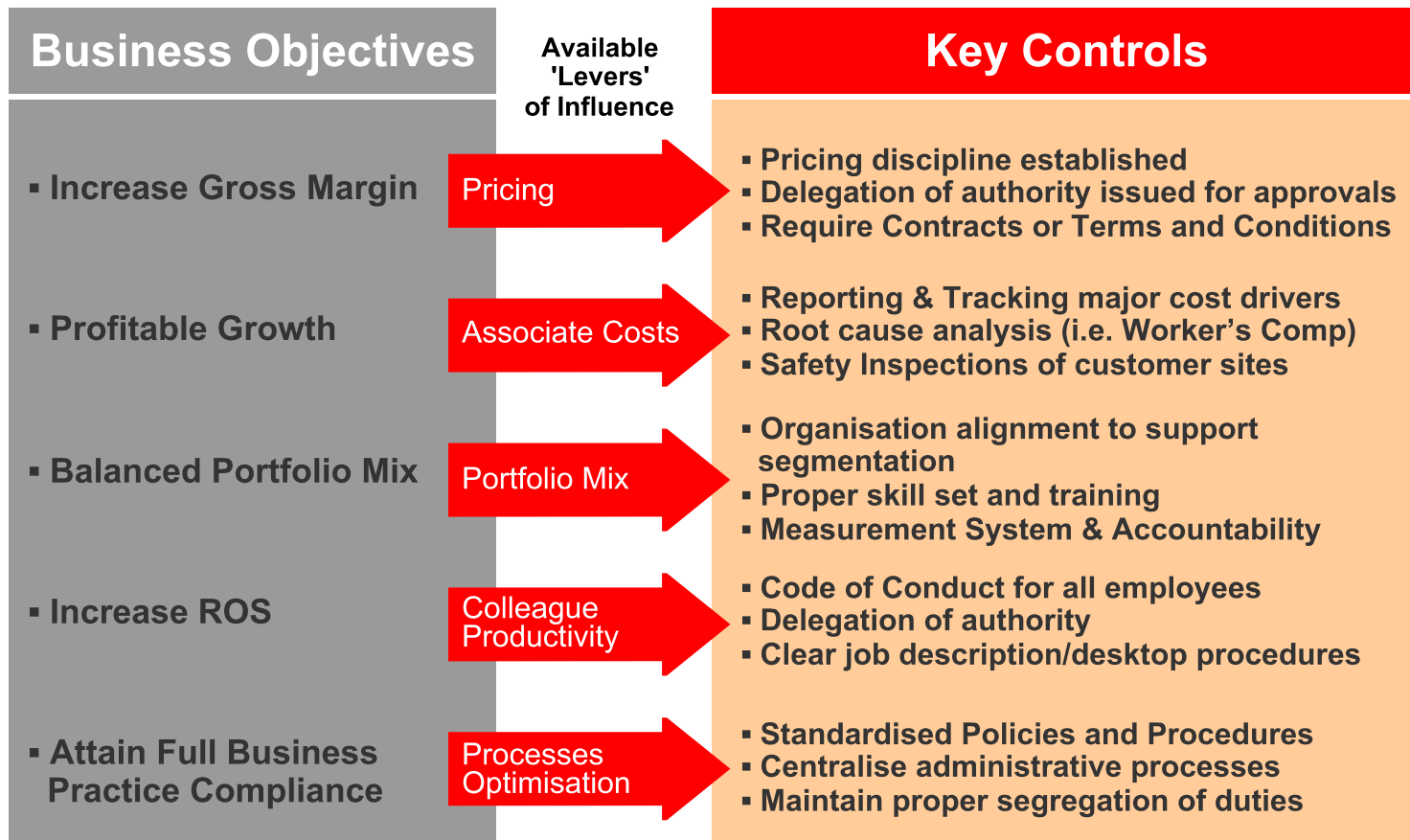
Adecco US – DSO Trend



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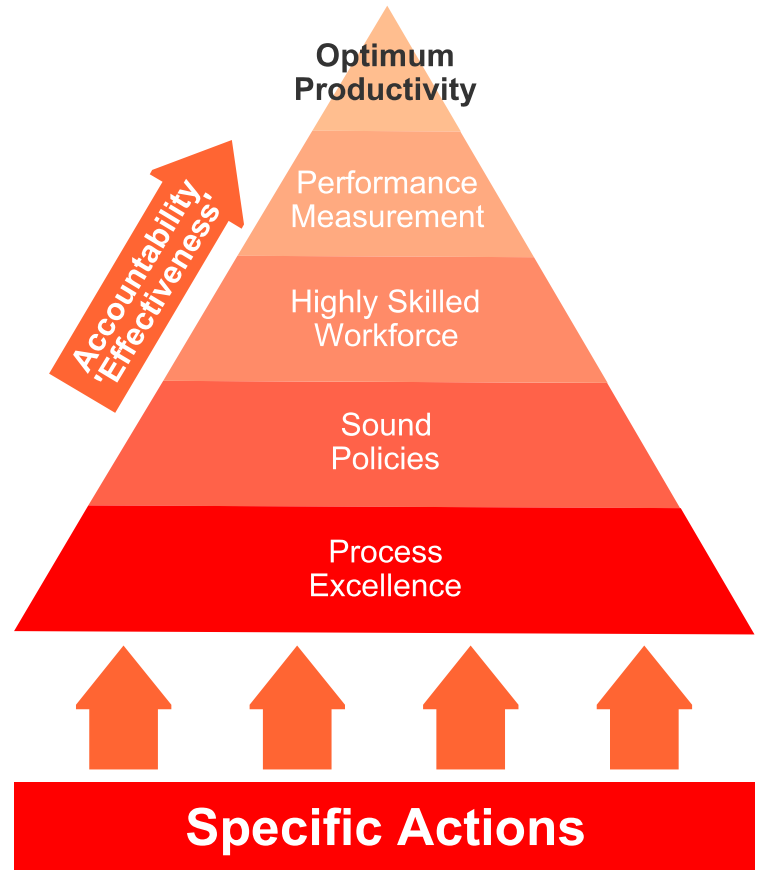
Linkage of Business Objectives with Controls



Process & Control Improvements Strategy

Primary Objectives

- Strengthen Process Controls
- Maintain Compliance with Policies and Procedures
- Realign Administrative Responsibilities
- Efficient and Cost-effective Admin. Processing
- Provide training and tools
- Implement measurement systems
- Drive Accountability for performance and compliance

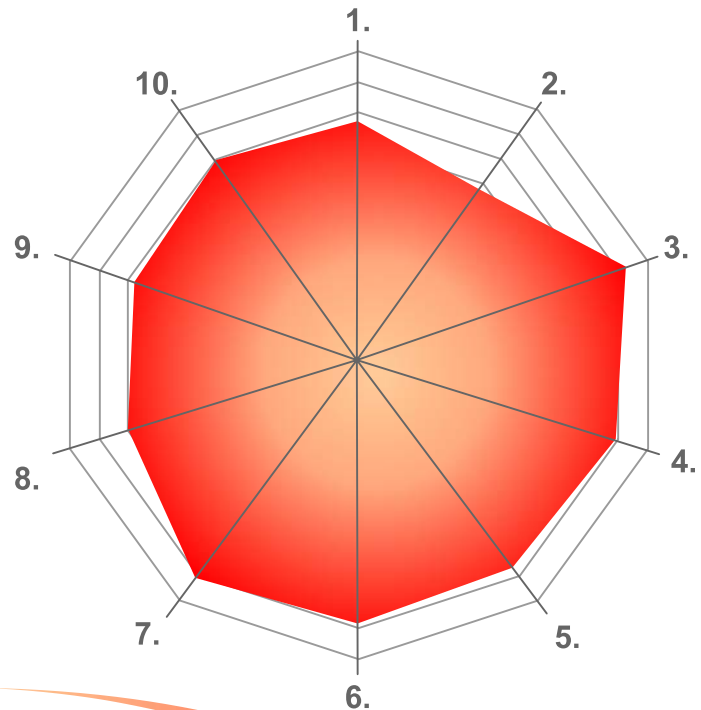


Adecco's Commitment to Quality

Tools/scorecard development:

- Compliance/Quality Operating procedures developed
- Quarterly Performance Review (QPR) of 10 Basics with rating and sampling procedures
- 62 Regional Operations Managers conducting QPR's

1. Business Requirements/Office Mgt
2. Sales
3. Pay/Bill Management
4. Order Management
5. Client Management
6. Employee Management
7. Colleague Training and Development
8. Accounts Receivable Management
9. Expenses Management
10. Risk Management

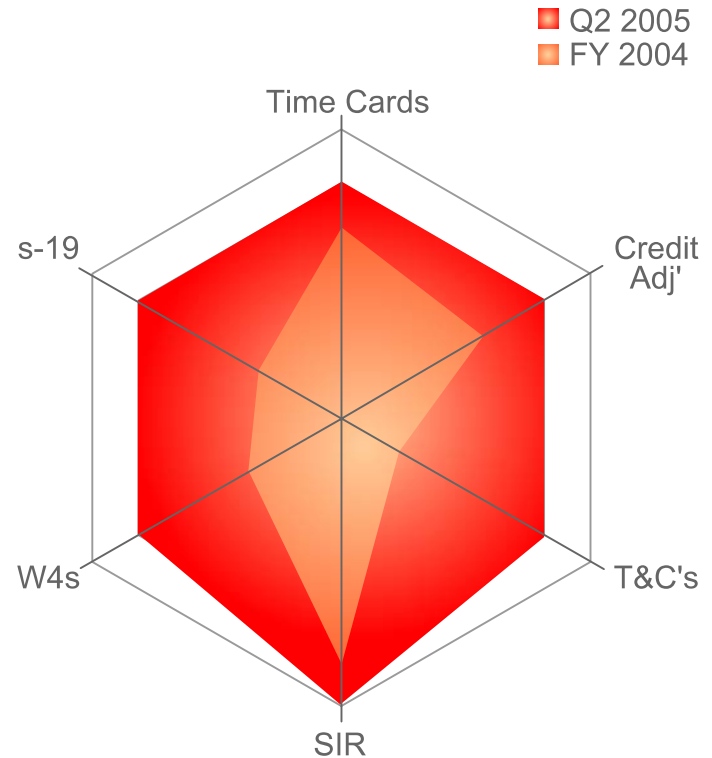


Compliance & Quality Program – Status

Management Identified 6 high priority control related items for specific review

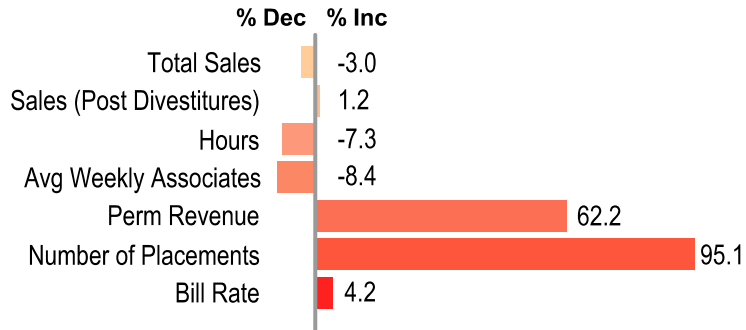
- Continuous testing & scoring conducted to validate existence, accuracy, propriety, and completeness.
- Remarkable progress made in a short timeframe (company-wide and across divisions).
- Goal is continuous improvement.

Adecco US High Priority Items

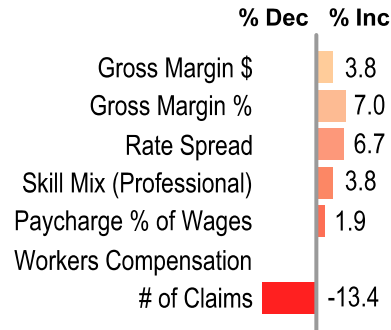


Financial Metrics – H1 '05 vs H1 '04

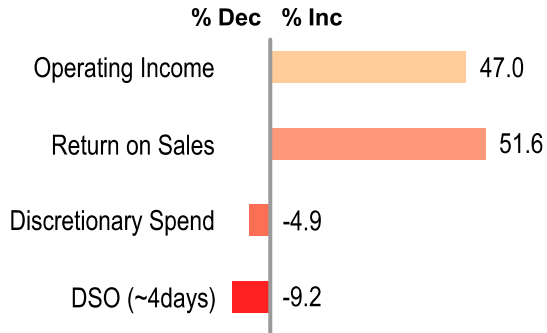
Revenue



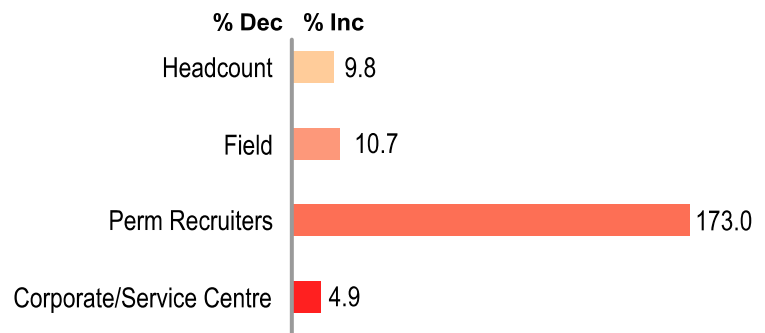
Gross Margin



Return on Sales



Headcount



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Market Assessment and Prognosis

- Mixed messages for US market statistics
- Recovery impacted by high cost of oil and other commodities such as copper and steel
- Unemployment Rate 4.9% (lowest since 09/01)
- Temp jobs increased by 8,800 in June, decreased by 4,300 in May and increased by 10,600 in April
- YOY growth has slowed from 02/05 to 06/05
- Katrina Impact??

Hurricane Katrina Disaster Recovery Efforts

Overview

- Most Costly Natural Disaster to ever hit the United States
- 4 states impacted with heavy damage in Louisiana and Alabama
- Approx. 1 million Americans have been evacuated from their homes

Impact on Business

- 7 branches impacted, sales loss ≈ \$0.5M since 8/29
- All but 2 branches are back up and running
- All colleagues re-located to alternate locations

Adecco US Response

- Established a Disaster Response Team
- Identified critical action items and owners
- Communication plan in place
- Leverage our core competence

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Conclusions

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- Stronger organization
 - Healthier business (GM improvement)
 - Defined strategy being implemented
 - Sales funnel full
 - Costs under control
 - Optimistic for the future

Thank you

Any Questions?