



strategy days 2006

leading the way in HR services

Agenda

Friday, September 29th

07 30	Breakfast	
08 00	Moving into new services	Jean-Manuel Bullukian
08 30	'Experts talk to experts' - Adecco's approach to the professional market	Neil Lebovits
	<i>Questions & answers</i>	
09 00	Towards specialization in Iberia	Enrique Sanchez
09 30	Creating value through business focus & cost leadership	Raymond T. Roe
	<i>Questions & answers</i>	
10 15	Wrap up	Dieter Scheiff
10 30	Transfer to the Airport	



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 2

Moving into new services

Jean-Manuel Bullukian

President Adecco IT, Engineering &
Technical, Group CIO

Adecco

better work, better life

Agenda

- **IT and E&T at a glance**
- **New accessible markets**
- **Skill shortage**
- **IT and E&T strategy**
- **Showcases**



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 4

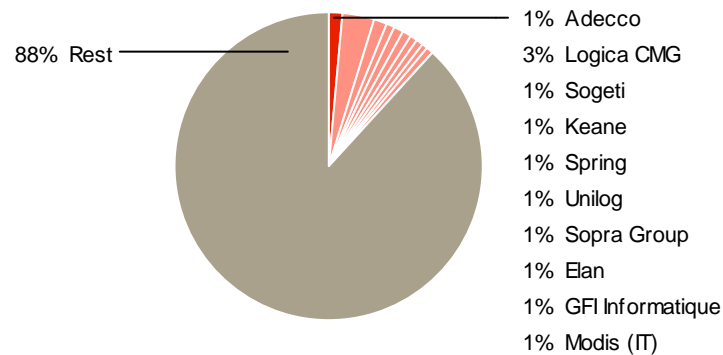
IT & E&T business lines at a glance

Key figures for H1 2006

Information Technology

- EUR 709 million of sales (yoy +18%, organic + 17%)
- Over 150 branches and over 1,450 FTEs

► Market split 2005

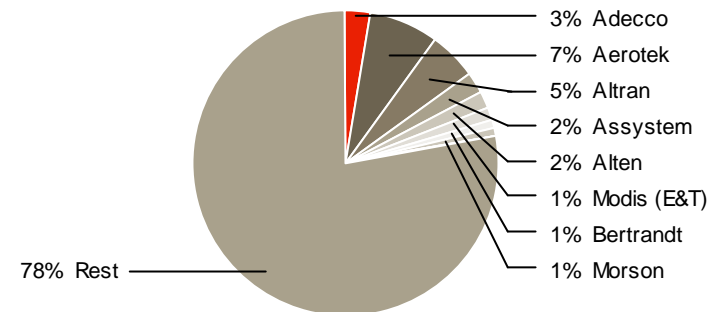


Source: PAC

Engineering & Technical

- EUR 442 million of sales (yoy +13%, organic 6%)
- Over 200 branches and over 1,000 FTEs

► Market split 2005



Source: PAC



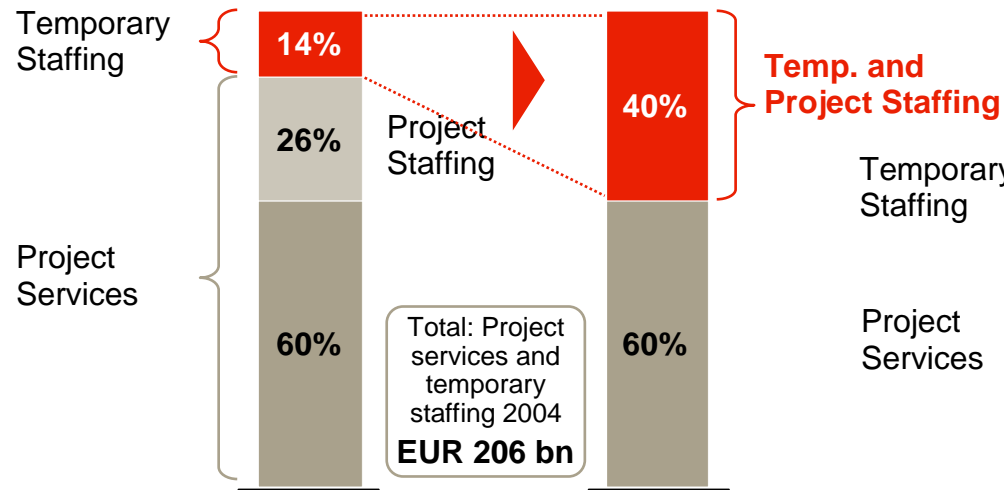
better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 5

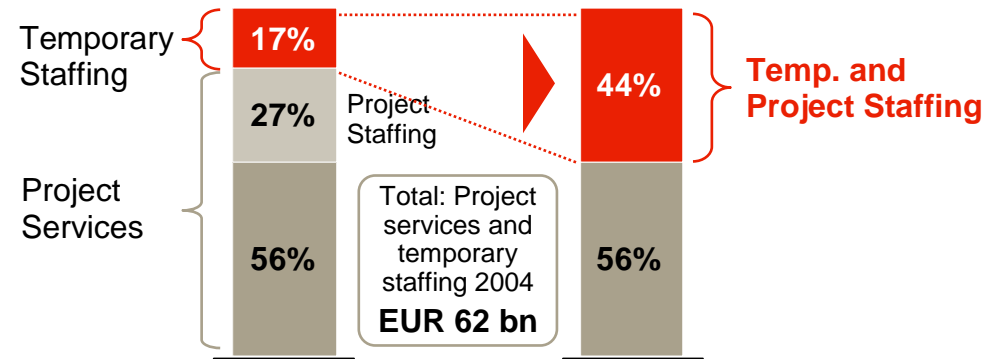
IT and E&T accessible markets

Market split for IT and Engineering Services 2006 in percent

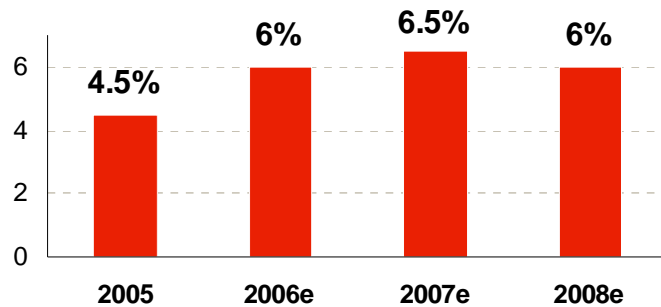
IT Services: accessing new markets



E&T Services: accessing new markets

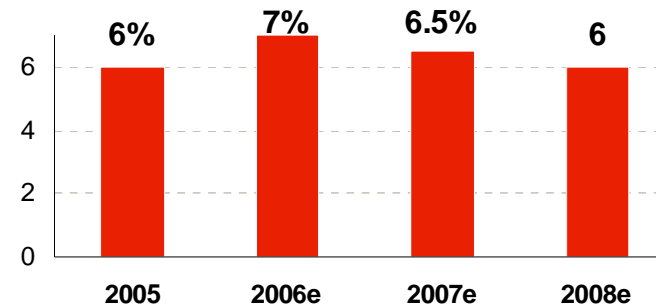


IT Services: expected market growth



Source: PAC

E&T Services: expected market growth



Source: PAC



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 6

Estimates of skill shortages

number of people in Western Europe

Information Technology

- Legacy IT technologies: 20,000 to 30,000
- Open source: 40,000 to 70,000
- SOA: 20,000 to 50,000

Engineering & Technical

- New generation of CAD/CAM: 10,000 to 15,000
- Embedded software specialists: 80,000 to 100,000

Our service portfolio

Project Solutions

- Provide Adecco experts with specific competencies for short or long-term client projects
- Assume full responsibility for the management of clients projects and the delivery of specific solutions

Recruitment Solutions

- Recruit top professionals for our clients
- Bring flexibility to their organizations with qualified specialists on a temporary basis

Managed Solutions

- Manage people and processes to provide long-term service-level-based solutions



Focus on competency



What are we doing?

- Through its Oil & Gas practice in the Engineering business line, Adecco delivers engineers and technicians for off-shore platforms and sub sea operations
- We cover upstream operations with top engineers in geophysics and downstream with piping design.
- Adecco Oil&Gas practice covers all oil field operations from Houston, Calgary, North Sea, Middle East and Australia.



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 9

What are we doing?



**Adecco Engineers worked.....
.... for a global aircraft manufacturer**



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 10

What are we doing: E&T European, Romanian GSM leader

Testing Function Outsourcing

Mobile everything - software, application, systems



Various full project assignments, with teams up to 30 engineers

Working on advanced entertainment, multimedia, R&D and content delivery

Work for Siemens, Samsung, Sony Ericsson, Panasonic, Motorola



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 11

What are we doing?

Maritime radar and navigation solution

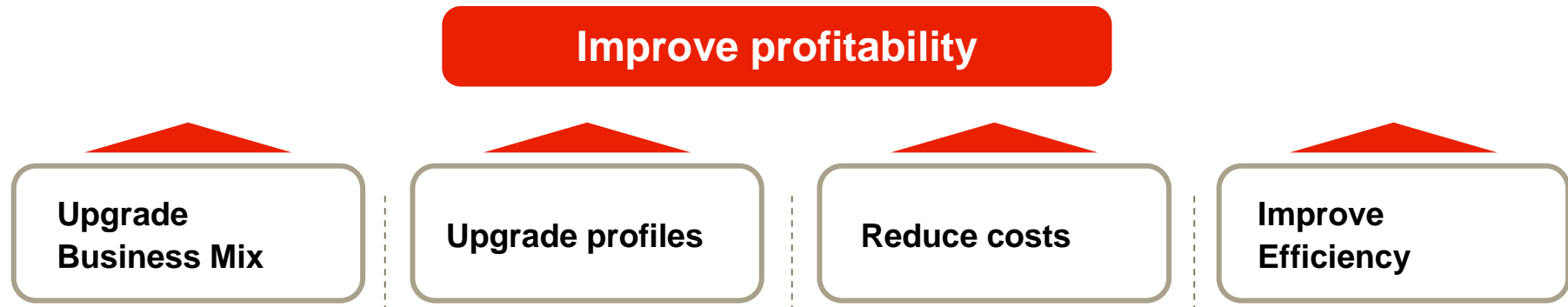


Engineers developing solutions for our clients including hardware and software development, product analysis and architecture.

SIMRAD is no.2 in the world in radars for maritime platforms

- full software package for new navigation platform family
- radar hardware
- communication platform using CAN

10 key enablers to reach profitability improvement



1 Define and track KPIs and benchmarks (internal and external, by country and by service line)

2 Refine target service offering / value proposition / go-to-market

3 Upgrade internal capabilities (through acquisitions & new hires)

4 Specialize/differentiate via competency centers (horizontal & vertical)

5 Setup industry specific partnerships

6 Develop candidate attraction program (training, certification, loyalty cards, etc.)

7 Near/off-shoring (sourcing of candidates and delivery of projects)

8 Improve Adecco leverage

9 Improve international account mgmt

10 Optimize international bid process

**„Experts talk to experts“
Adecco’s approach to the
professional staffing market**

Neil Lebovits, Finance & Legal
USA/Canada

Adecco

better work, better life

Today's discussion

- **Finance & Legal USA/Canada**
 - **Adecco at a glance**
 - **Market and market drivers**
- **'Experts talk to experts' - The 'retail' model opportunity**
- **Adecco's approach to the professional staffing market**
- **What the future holds**



Finance & Legal USA/Canada at a glance

Key figures in H1 2006

- EUR 145 million sales (yoy +23% cc¹)
- 45% gross margin
- Permanent placement revenue up 40%

Business numbers

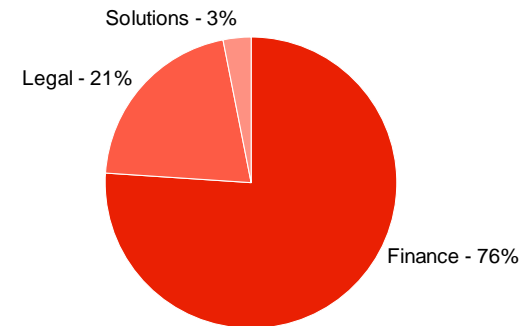
- Over 4,900 associates placed per day
- Over 5,200+ perms placed in 2005
- 2,600+ clients served per day

Network & Clients

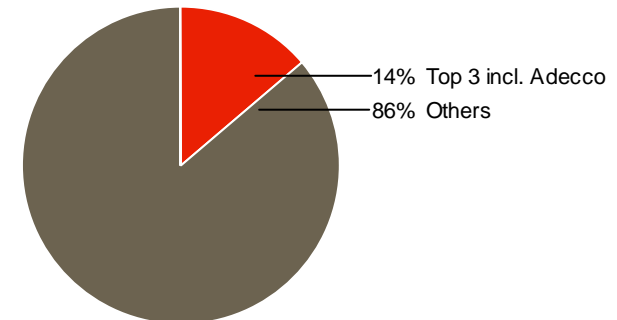
- Over 130 branches
- Over 910 FTEs
- Clients: Crowell & Morning, Bank of America Mellon Bank, Cingular, Citicorp & Bloomberg

¹ constant currency

Business mix H1 2006



Market size 2005: USD 12 billion



Source – Staffing Industry Analysts, Inc.



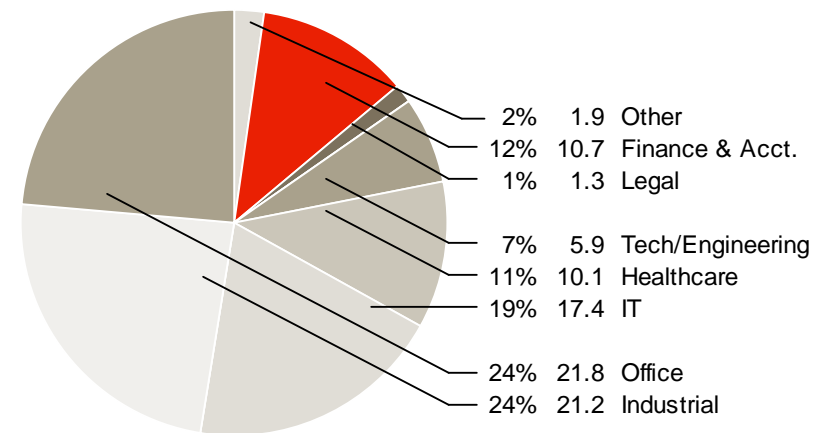
better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 16

Finance & Legal overview

- ▶ Finance is one of the largest and fastest-growing sectors in professional staffing
- ▶ In the USA, we are the definitive #2 in Finance
- ▶ In the Legal space, we are closing in on the #1 position in USA

US staffing industry revenue 2005
Excludes perm & contingency, in USD bn



Source – Staffing Industry Analysts, Inc.

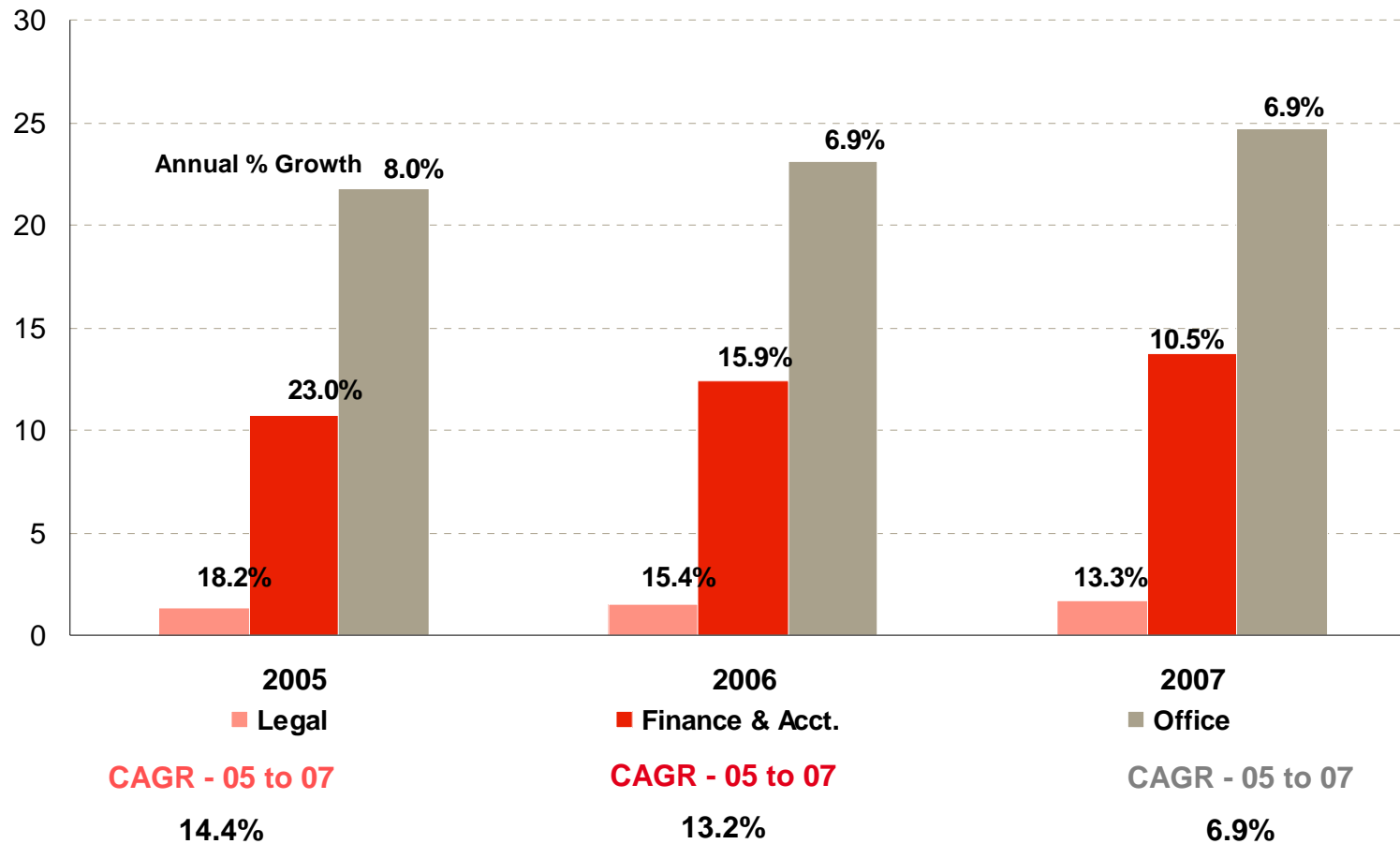


better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 17

Finance & Legal growth trend to continue

US staffing revenue - Primary Business Lines in USD bn



Source – Staffing Industry Analysts, Inc.

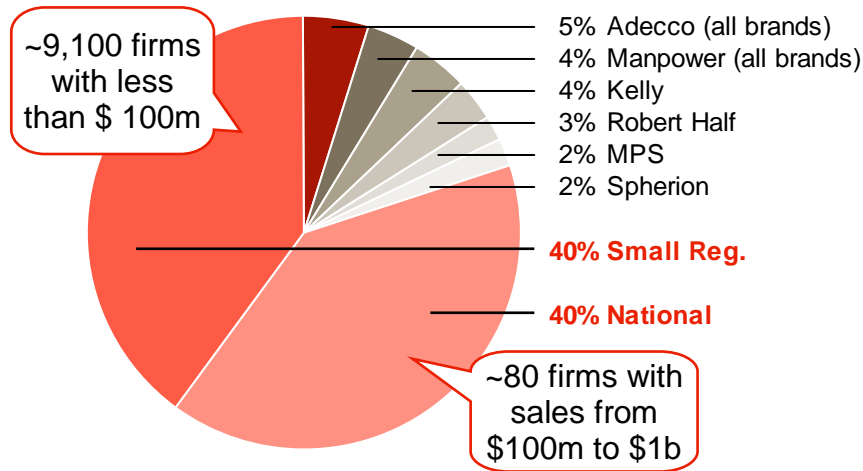


better work, better life

Leading the way in HR services
 September 28 & 29, 2006
 Slide 18

'Experts talk to experts' - The retail opportunity I

Estimated market size for North America



- ▶ Adecco can capture market share in the USA by pursuing the 80% owned by regional and local firms with a retail business model.
- ▶ General & Professional captures the entire market – large accounts and retail.

Source – Staffing Industry Analysts, Inc.



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 19

'Experts talk to experts' - The retail opportunity II

- ▶ Line managers in many companies will pay extra for the quality and the one-to-one service that only a low volume, retail business model can provide
- ▶ Professional staffing is synergistic with general staffing – “rogue spend” by line managers, sub contracts, etc
- ▶ Candidates become clients & clients become candidates
- ▶ Permanent placement business feeds “Upstream” sales
- growth engine (up yoy 33% in constant currency)
- ▶ Best way to “evolve” to a solutions business



Adecco's approach to the professional staffing market I

- ▶ True specialty organization
Dedicated exclusively to placing accounting and finance personnel
Will not venture into disciplines outside the specialty

- ▶ Hiring profile – industry experience

“Experts talking to experts”

- ▶ Low volume allows focused attention on true, proactive candidate recruiting, building one-to-one relationships with candidates and clients, and increase in quality match
 - Over 90% fill ratio on average in temporary placements

- ▶ Comprehensive training focuses on relationship building, in-depth, multiple interviewing, prospect management and candidate follow up



Adecco's approach to the professional staffing market II

- ▶ Line managers are primary sales targets – not procurement (small spend), not even HR
 - time spent recruiting is also sales time!

- ▶ Candidate/client relationship building is primary focus, achieved through multi-channel contact

- ▶ The branch experience is critical
 - professional atmosphere
 - private interview rooms
 - separate back office
 - Candidate In Office
 - Employer In Office



Adecco's approach to the professional staffing market III

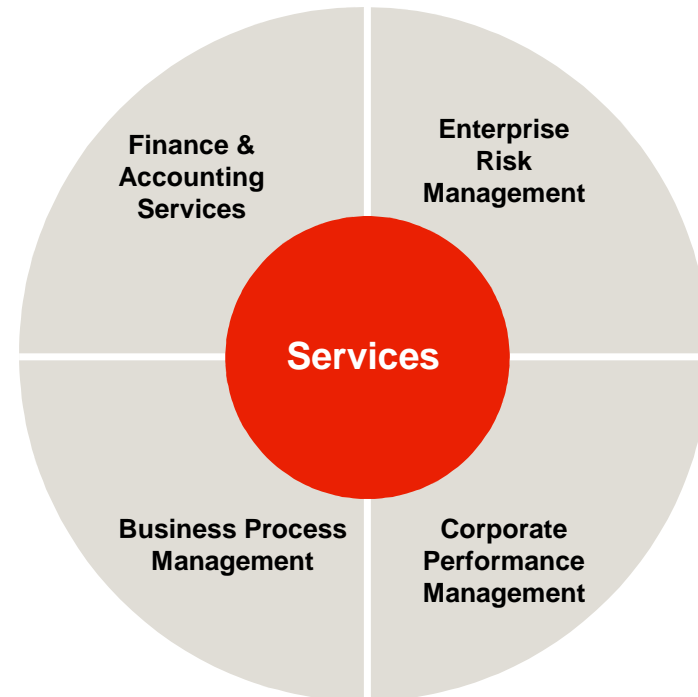
How the model works - Recruiting and focus are key differentiators

	Monday	Tuesday	Wednesday	Thursday	Friday
8am	Branch Meeting / Morning Meeting	Morning Meeting / 1 on 1's	Morning Meeting / 1 on 1's	Morning Meeting / 1 on 1's	Morning Meeting / 1 on 1's
9am	Power Hour	Power Hour	Power Hour	Power Hour	Power Hour
10am	Marketing	Marketing	Marketing	Marketing	Marketing
11am	Internal Recruiting / Individual Training	Collection Calls	Internal Recruiting / Individual Training	Internal Recruiting / Individual Training	Internal Recruiting / Individual Training
12 noon					
1pm	Marketing	Presentations/(Interviews if running desk)	Presentations/ (Interviews if running desk)	Presentations (Interviews if running desk)	Extension Calls
2pm	↓				
3pm	MAD Power Hour				↓
4pm	Marketing				Weekly Recap Meeting with Staff- goals update?
5pm	Follow ups, Thank you letters, Prepare for next day, Set up call plan, Follow ups on Corp e-mails and other e-mails.				
6pm					



What the future holds

- ▶ Continue to grow staffing business – classic #2 strategy
- ▶ Continue investment into fast growing permanent placement
- ▶ Evolve into Finance Solutions organically
 - staff augmentation
 - projects
 - feed professional staffing business
 - build higher level, business relationships



Questions?



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 25

Towards specialization in Iberia

Enrique Sanchez
Country Manager Iberia



better work, better life

Adecco Iberia overview

Key figures H1 2006 (vs. 2005)

- EUR 515 million sales (yoy +38%, organic +9%)
- 6,1% EBITA margin

Business numbers

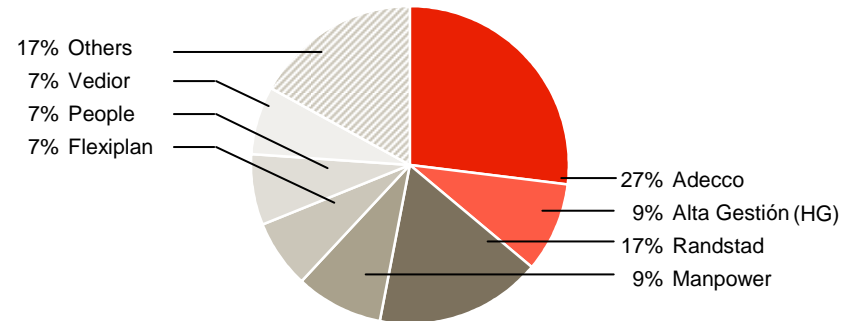
- 9,700 Clients / 53,500 Associates
- 460 of Top 500 companies are clients
- Brand recognition: 61%

Network & clients

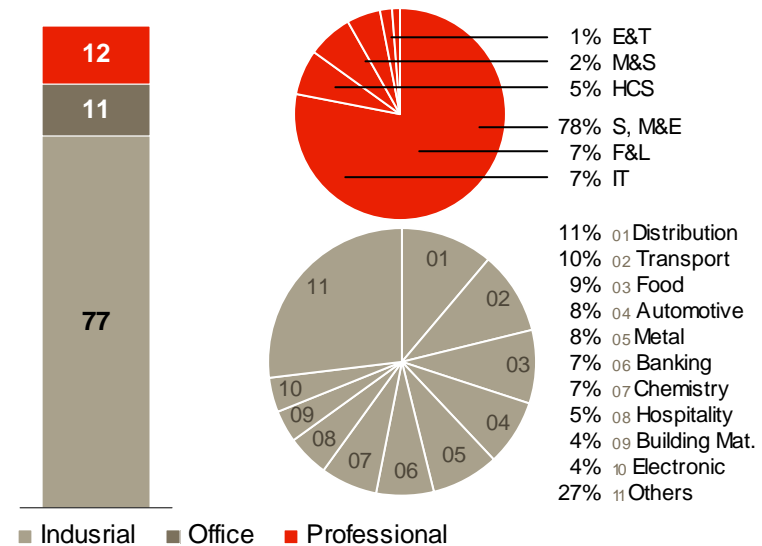
- 540 branches
- 2,300 FTEs

	Office:		
	Front	Back	TOTAL
HQ	5%	5%	10%
Regions	4%	3%	7%
Branch	72%	11%	83%
TOTAL	81%	19%	100%

Market share 2005



Business mix H1 2005



better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 27

From a successful past...

1995 to 2000: Battle for market share

- ▶ From 0 to 250 branches
- ▶ From 30% to 15% GM

2001 to 2005: Generating profits!

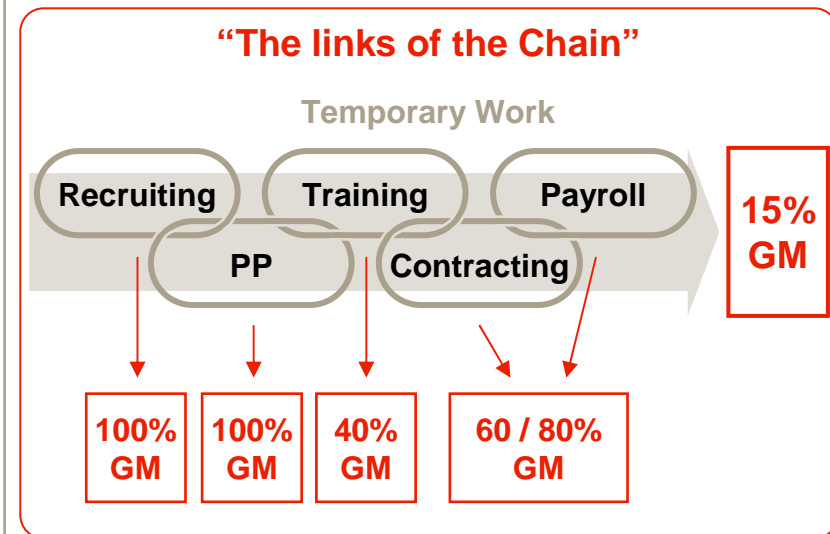
	Op. Profits	Δ Op. Profits	ROS	RoGM
01	21	-	3,6%	23%
02	24	+12%	4,0%	26%
03	36	+53%	5.7%	36%
04	46	+26%	6.7%	41%
05	52	+15%	7,2% ¹	44% ¹

1 excluding Humangroup

- Improving GM ✓
- Reducing expenses ✓
 - HQ consolidation + SSC
 - Salary growth linked to profit growth
 - Improving IT
- Reducing DSO (-12 days) ✓
- Maintaining market share ✓

First level of SPECIALIZATION

- ▶ 0% to 20% profits → PP + Training + Outsourcing + Consulting + Outplacement



- Specialized people
- Specialized approach:
 - Clients
 - Candidates
- Synergies: Sharing BO & HQ

... to a successful immediate future.

Continue with traditional business management model

- ▶ **Focus on**
 - GM
 - Lobbying
 - Cost excellence
 - DSO reduction
 - IT (100% Time capture & electronic billing)
 - Improving skills & commitment of people

Successful development of SPECIALIZED business

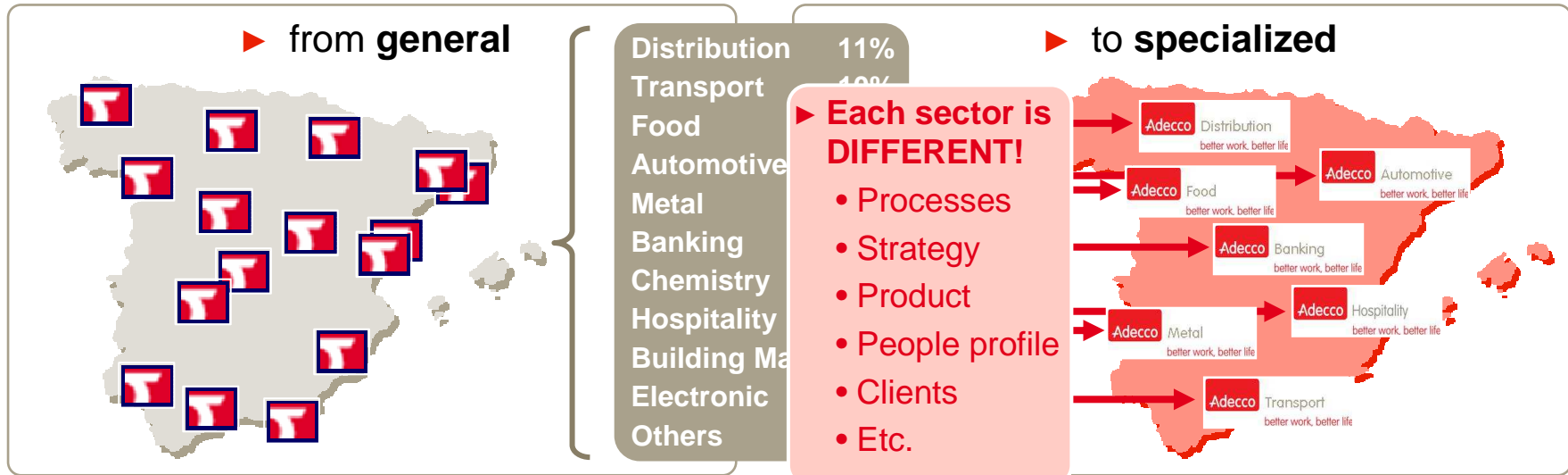


better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 29

Building SPECIALIZATION from staffing through clients sector

Main objective: Grow faster than competition & at a higher margin

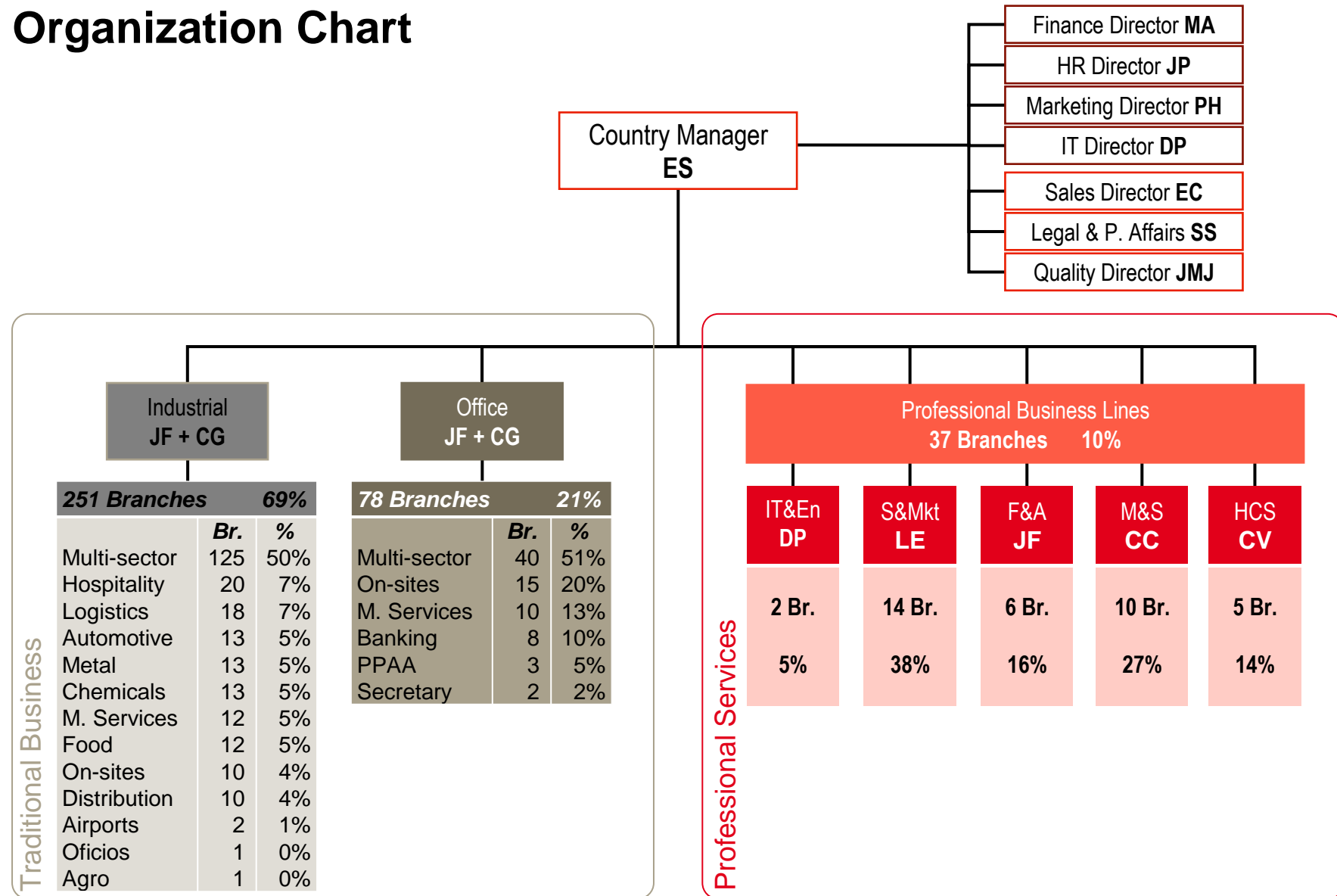


1. Appoint sector **specialized national manager**
2. Identify **specialized branches and client allocation**
 - Per volume of sales
 - Per geographic situation
3. **Training** of the team in each specialized branch
4. Specialized commercial **brochure**
5. Create a specialized **candidate database**
6. Specific Training for Associates
7. Specific **marketing & PR events**
8. Each specialized sector has its **own P&L and budget**

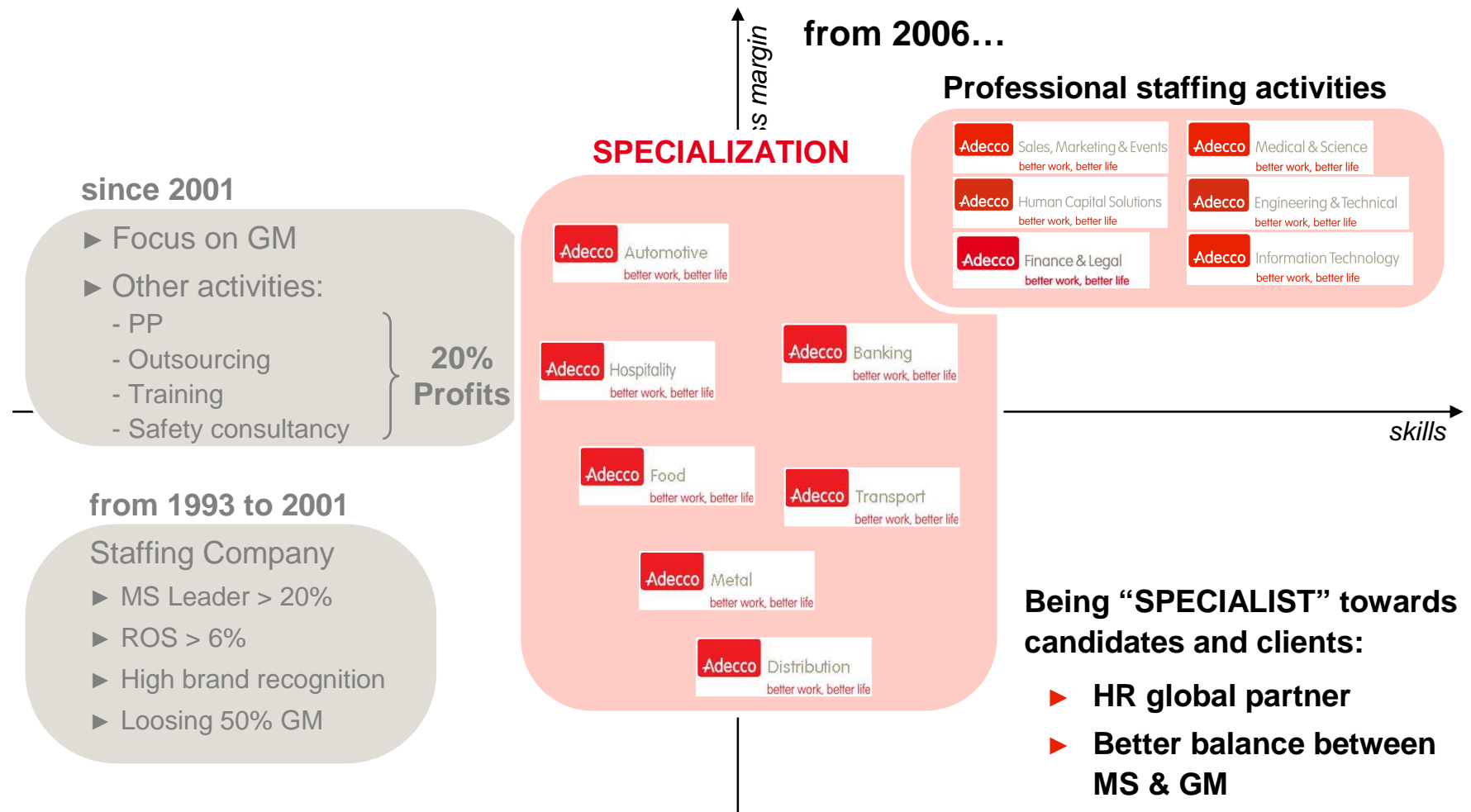


better work, better life

Organization Chart



In summary... an exciting **SPECIALIZATION** challenge!



**Creating value through business
focus & cost leadership**

Raymond T. Roe

Country Manager USA/Canada

Adecco

better work, better life

Agenda

- **Adecco's place in the USA/Canada Market**
- **Situation analysis**
- **Creating value in the market**
 - **Business focus**
 - **Cost leadership**



Adecco USA/Canada at a glance

Key figures in H1 2006

- EUR 1.9 billion of sales (+2% cc¹ yoy)
- EUR 68 million EBITA (+24% cc¹ yoy)
- 3.6% EBITA margin (+60 bps vs 2005)

Business numbers (approximately)

- 125,000 associates per week
- 15,000 perm placement per year
- 40,000 active clients
- 700,000 W-2s

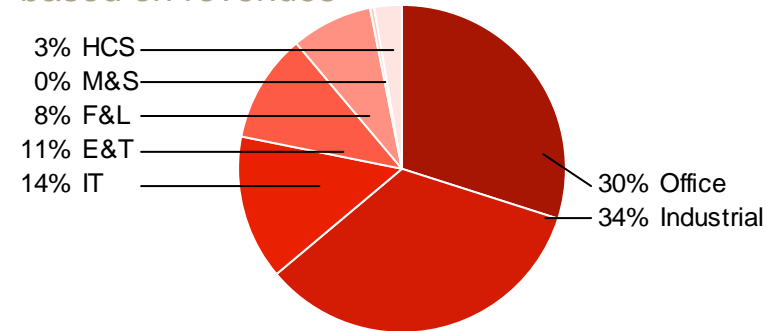
Network & Clients

- 1,300 branches
- 6,500 FTEs
- Key Clients: *GE, Honda of America, Verizon Wireless, Roche, Corning, Bank of America, Citigroup, Bear Stearns, Cardinal Health*

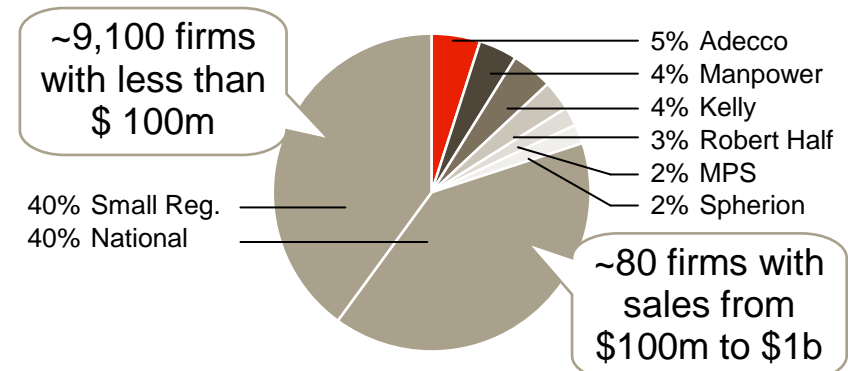
¹ constant currency

Business mix H1 2006

based on revenues

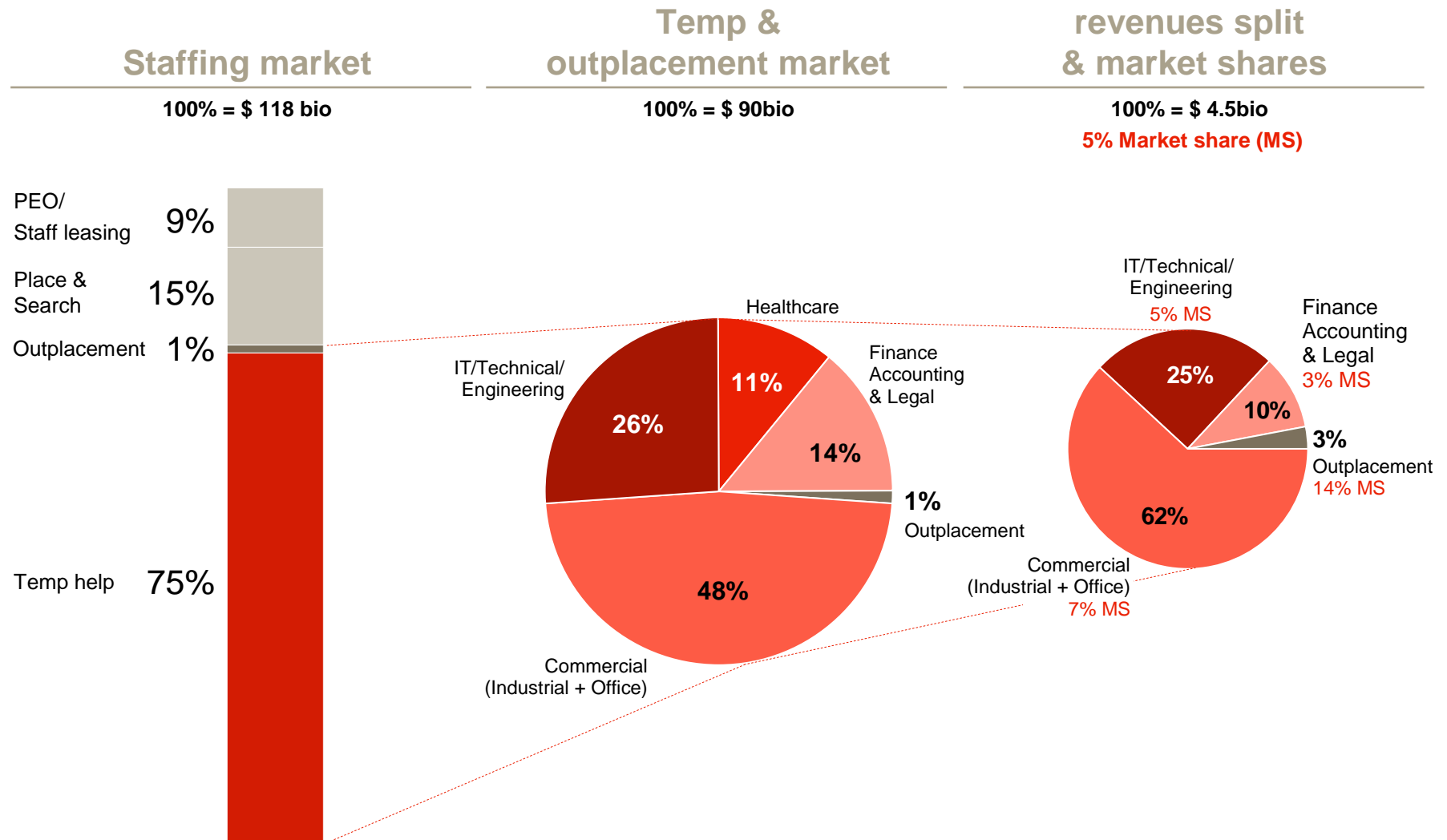


Estimated market size 2005



better work, better life

Staffing market



Source: Staffing Industry

The state of the USA & Canada market

- ▶ In general staffing, national accounts (60% of Adecco business) are dominated by a small group of national competitors representing only 20% of the market.
- ▶ Procurement is involved in the decision making process for national accounts which are rewarded with a heavy reliance on pricing and risk transfer.
- ▶ Professional staffing is growing at a faster rate than general staffing.
- ▶ Customers are increasingly looking at managed service solutions to provide all of their staffing needs
 - Staffing firms further removed from end users
 - Increased pressure on price
 - High barrier to exit



Situation analysis – Where are we today?

- ▶ **Established professional business lines with strong growth potential**
 - Finance & Legal
 - Information Technology

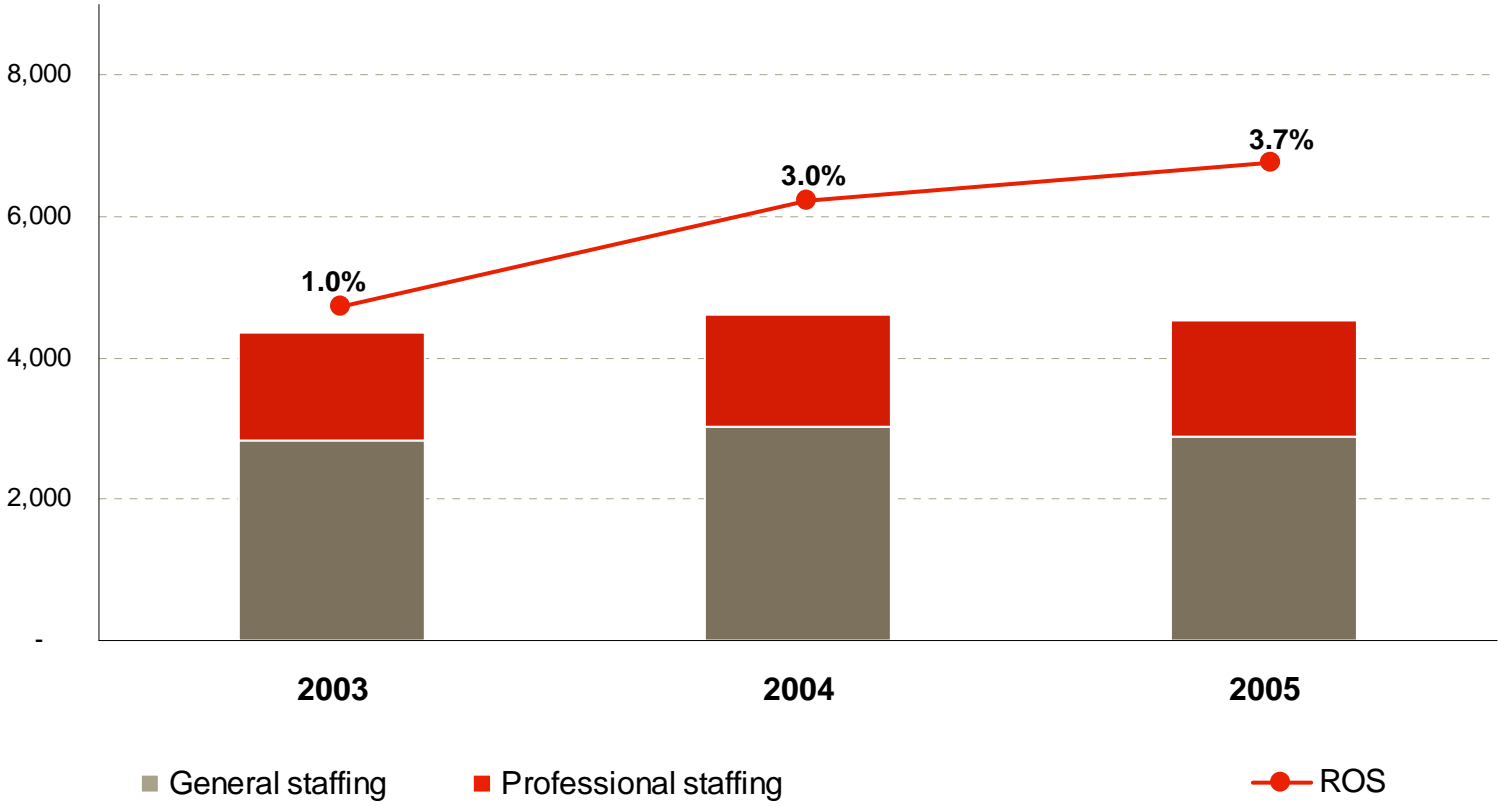
- ▶ **Developing professional business lines to complete services portfolio**
 - Medical & Science
 - Engineering/Technical

- ▶ **Focus on transactional accounts in office and industrial**
 - Greater than 50% of overall Market

- ▶ **Specialization within general staffing**
 - Automotive
 - Transportation
 - Government Solutions
 - Banking



Annual sales, gross and EBITA margin – Adecco USA/Canada in USD thousand



The question

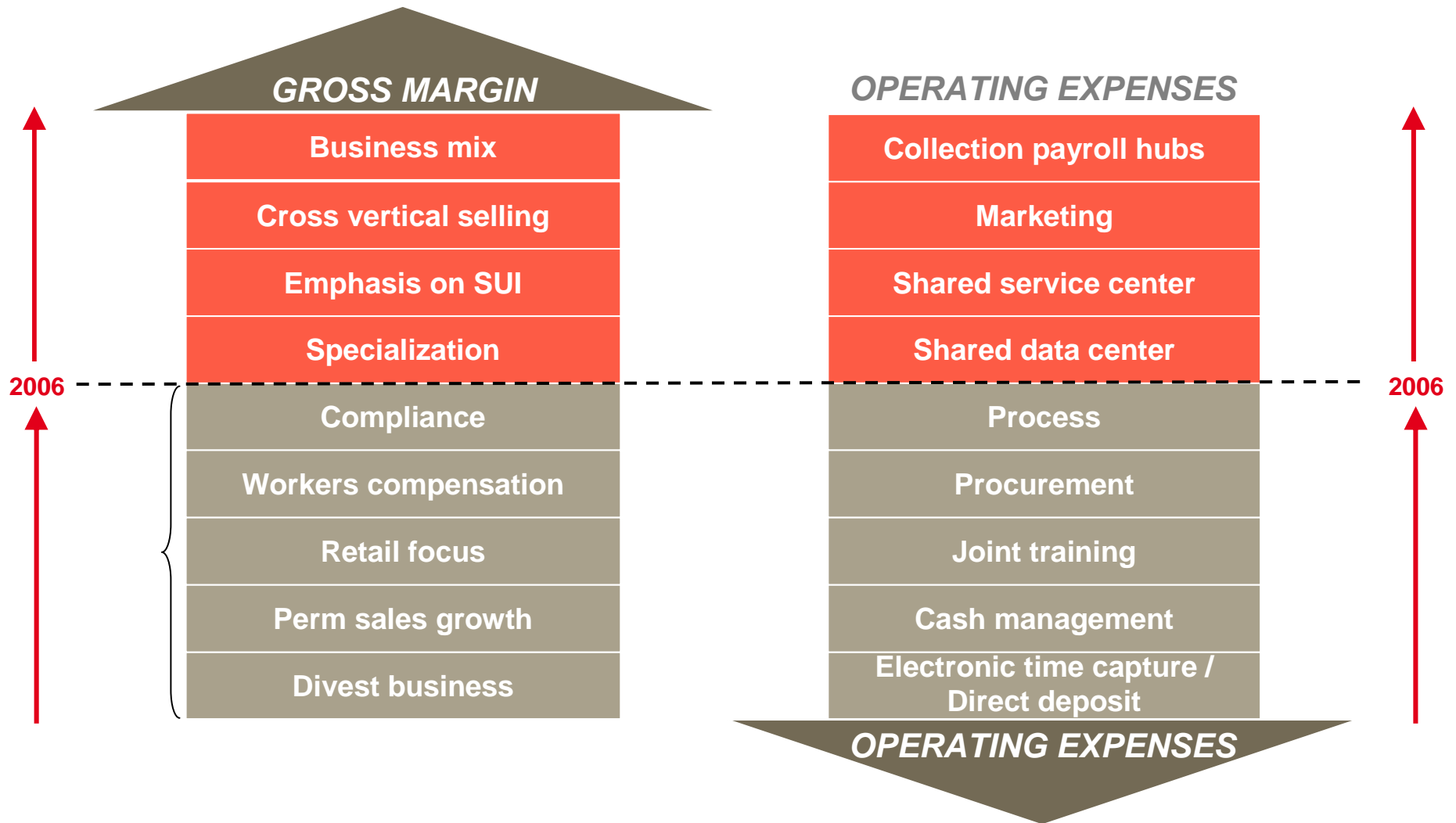
i

The foundation

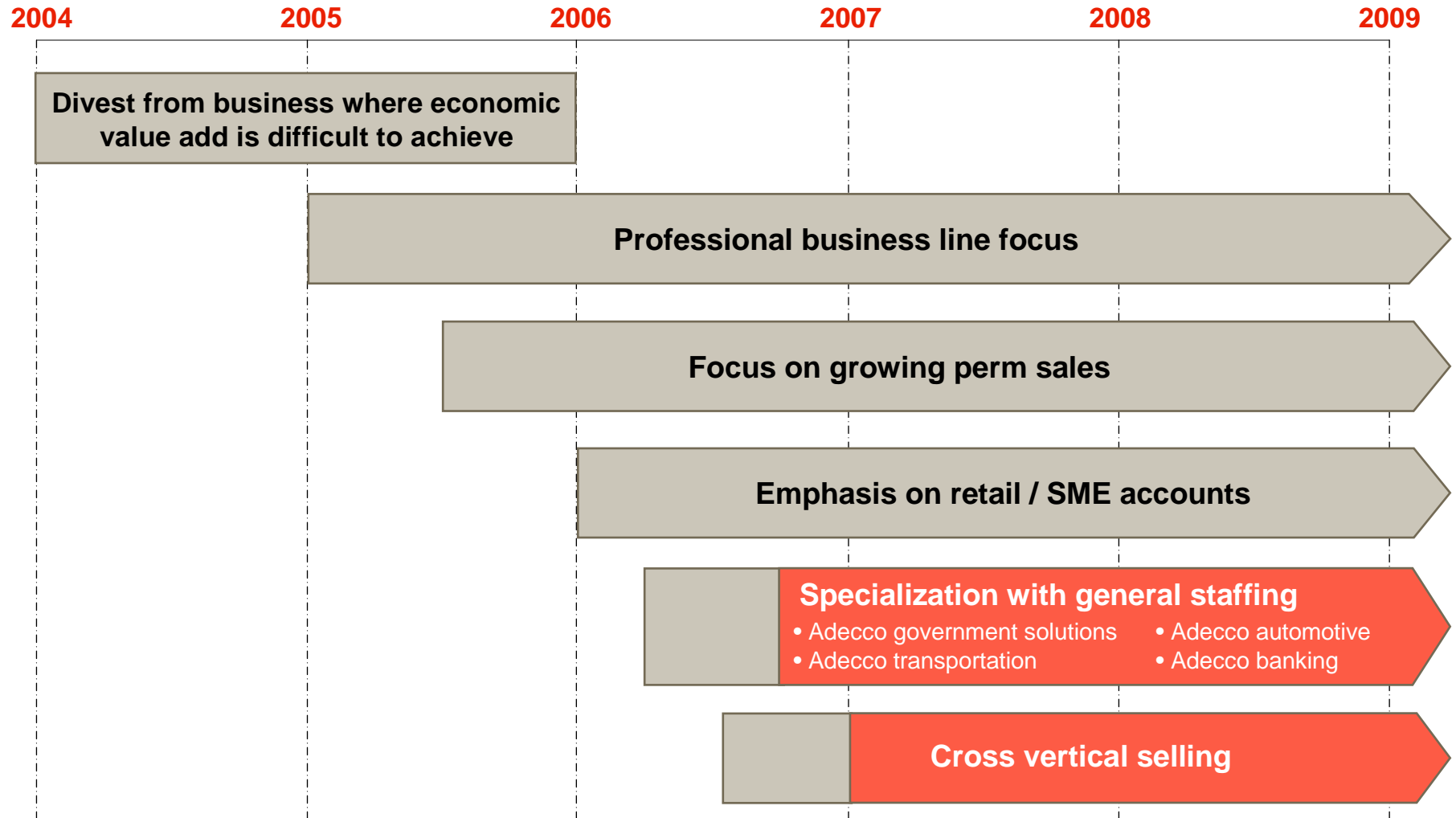
- 1. Professional management team with history of industry experience and influx of fresh talent**
- 2. Evenly distributed, long-established branch infrastructure**
- 3. Low-cost onsite model**
- 4. Account management**
- 5. National account team with history of implementing large accounts**
- 6. Leveraged back office shared services with strong functional leadership**



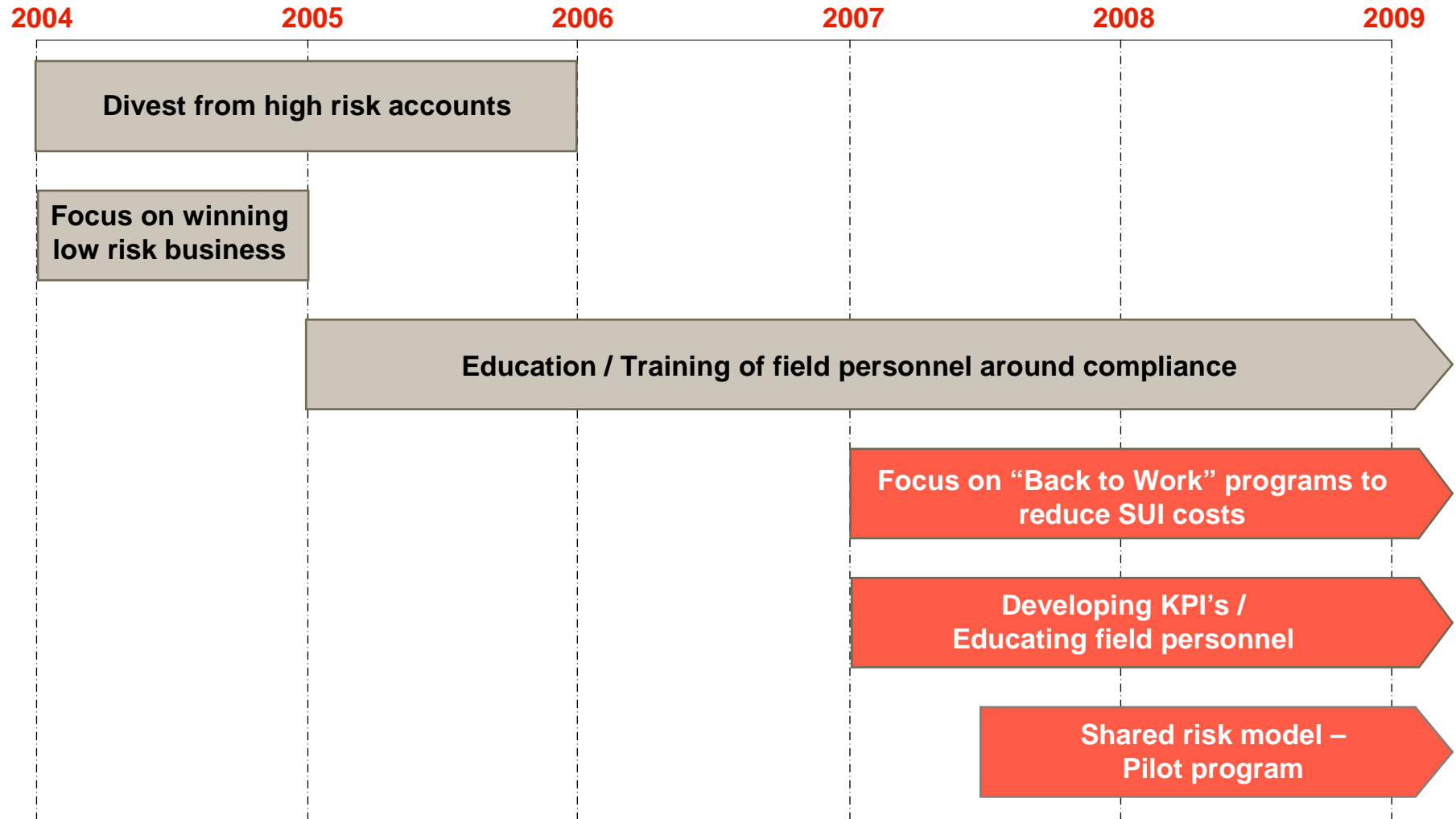
Building blocks for the two-pronged attack



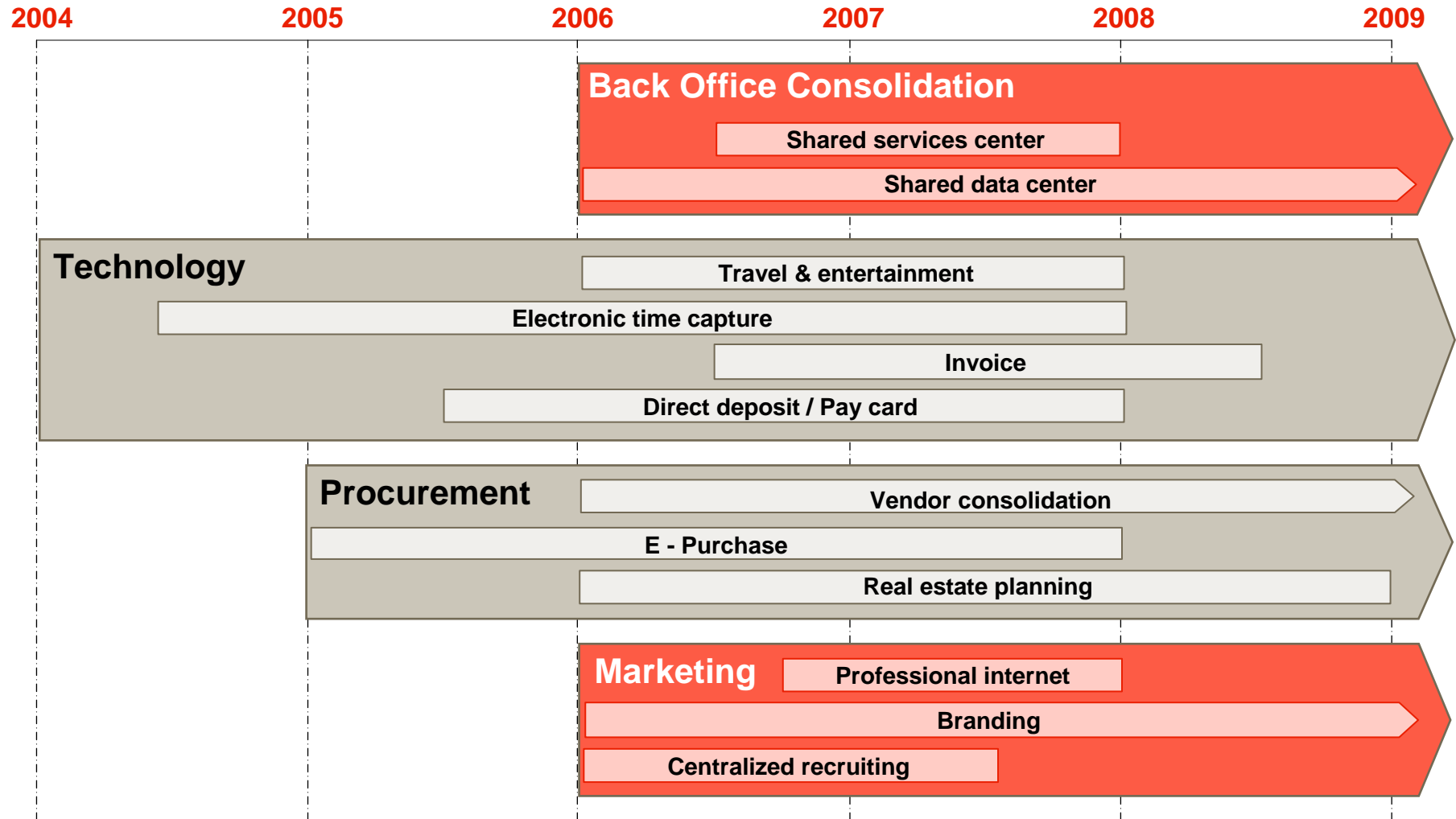
Business focus



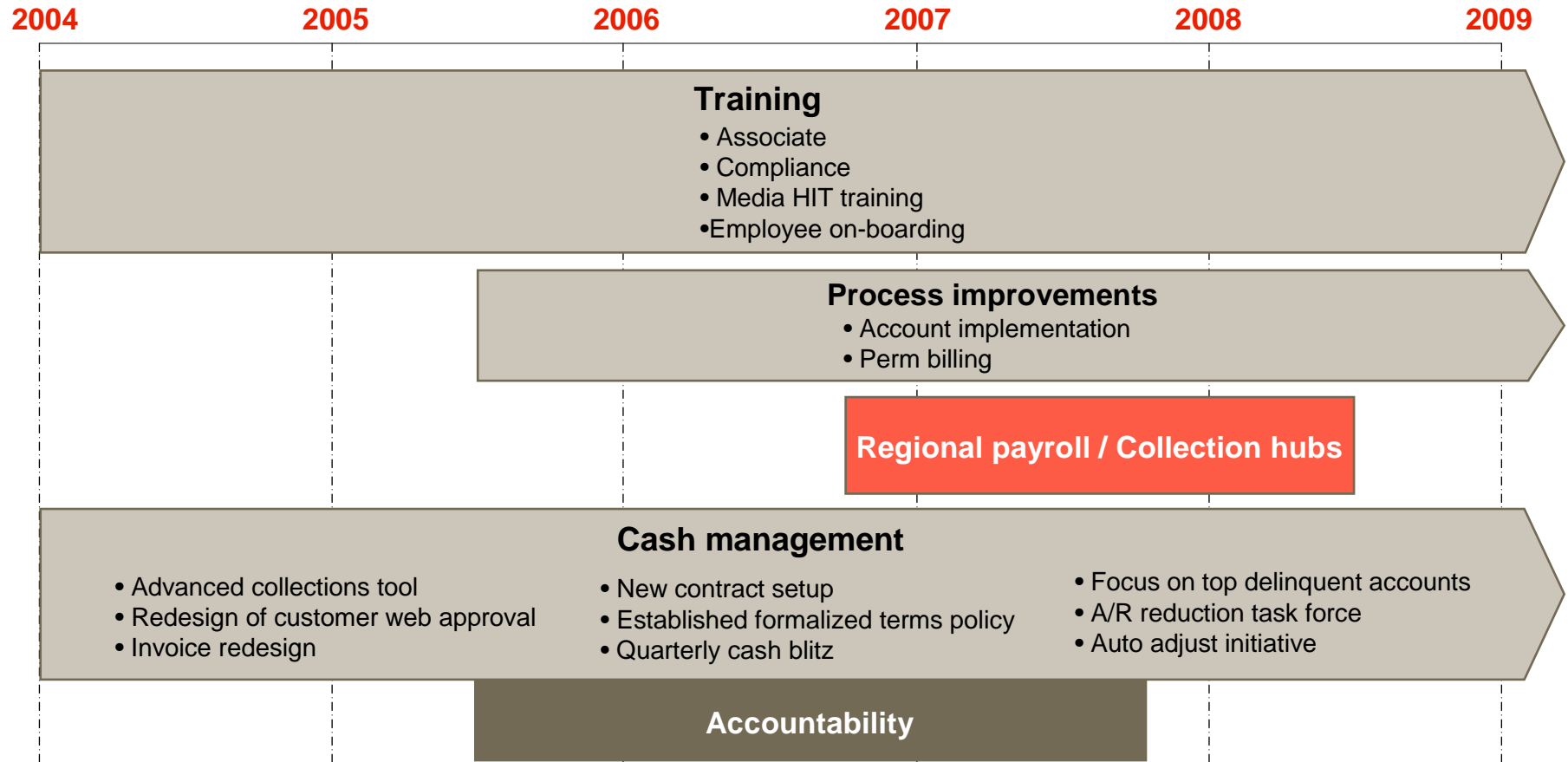
Reduce workers comp & state unemployment insurance



Reduce back office costs



Productivity / cash management



Questions?



Adecco

better work, better life

Leading the way in HR services
September 28 & 29, 2006
Slide 47

Wrap up

Dieter Scheiff, Group CEO

Adecco

better work, better life

expertise

relationships

Two approaches





better work, better life