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Q2 2007 Results

Glattbrugg, August 10, 2007

Disclaimer

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 of temporary work; intense competition in the markets in which the Company competes; changes in the Company's ability to attract and retain qualified temporary personnel; the resolution of the French anti-trust investigation and the resolution of the US class action; and any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.



Today's agenda

Operational review

Dieter Scheiff

Financial review

Dominik de Daniel

Outlook

Dieter Scheiff



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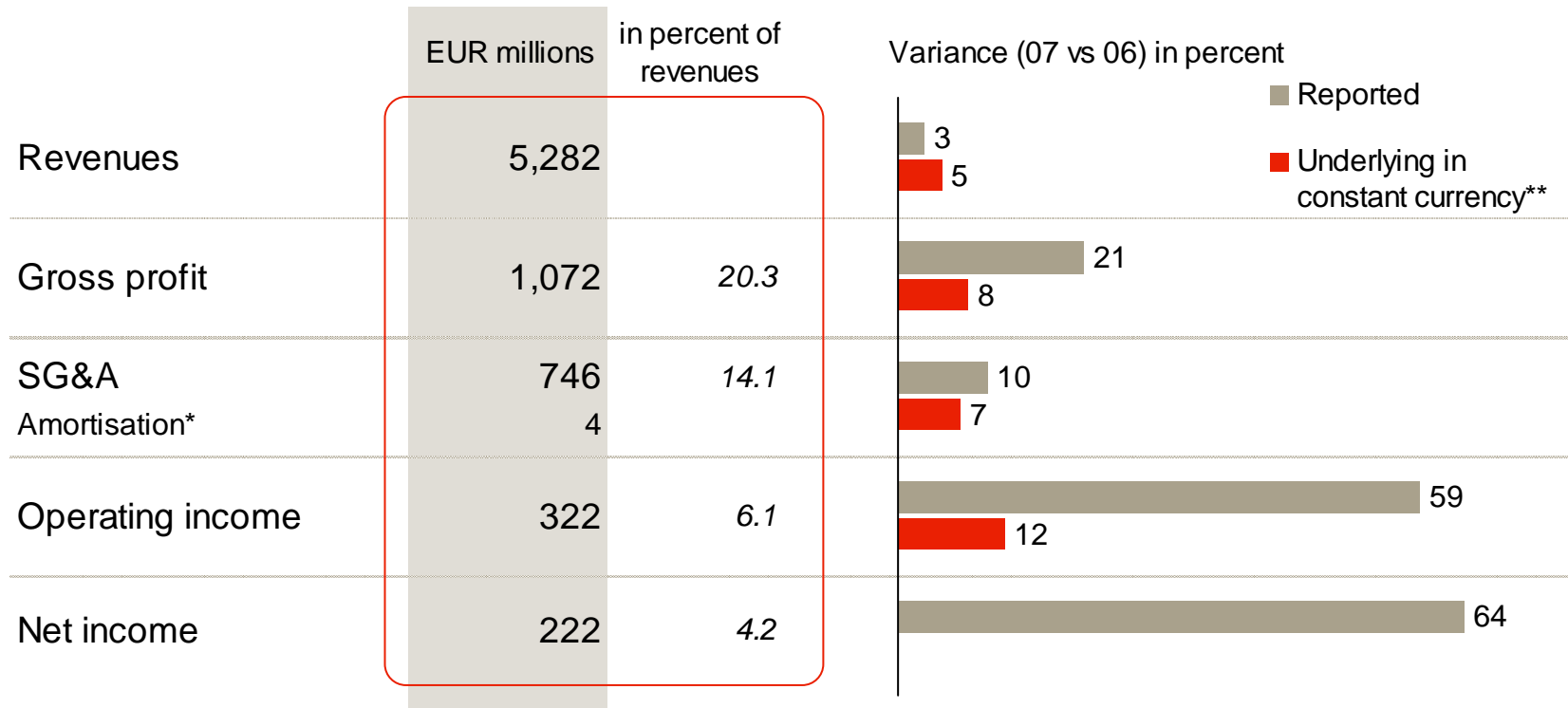
Operational review

Dieter Scheiff, Group CEO



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Q2 2007 results summary



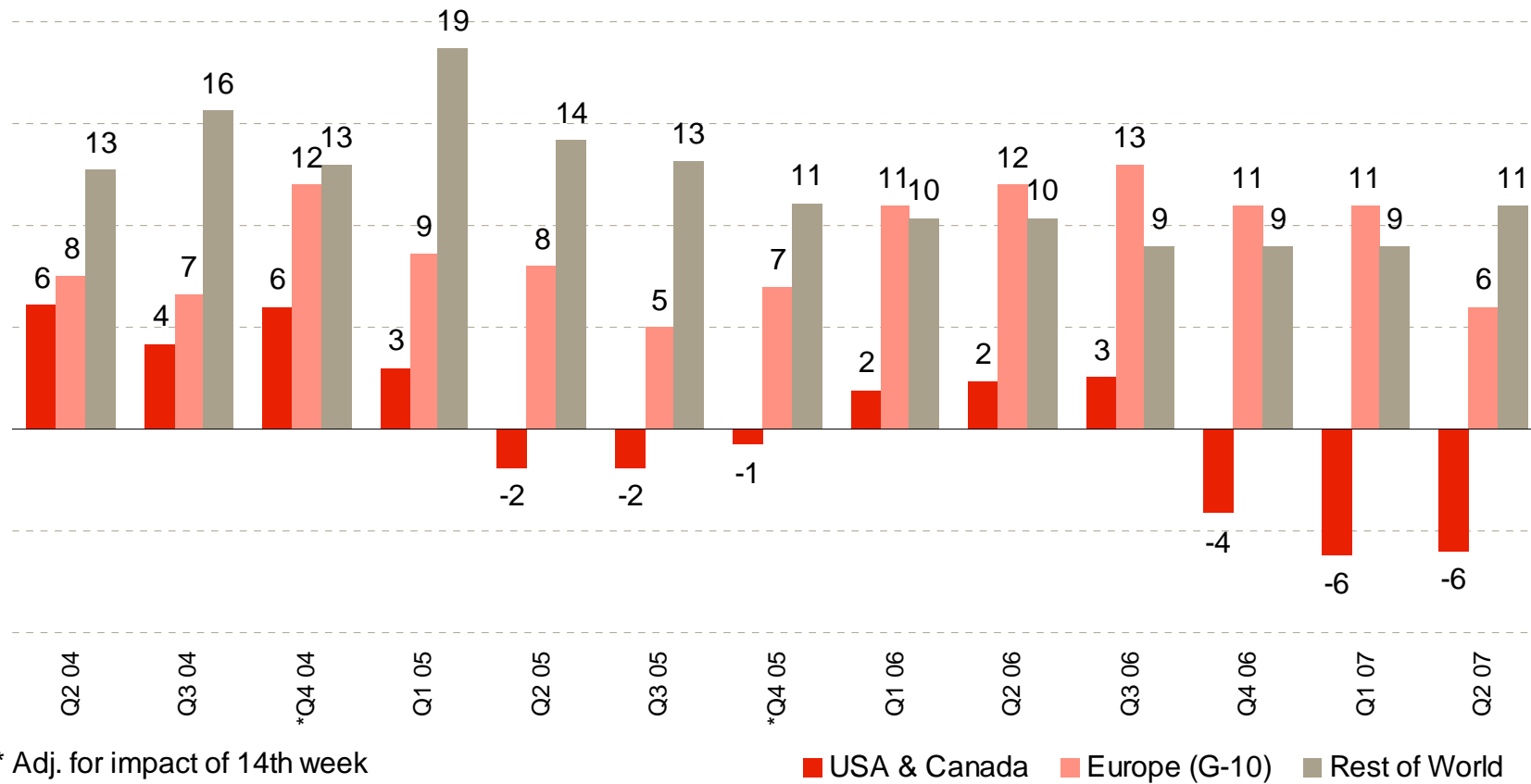
* Amortisation of intangibles of EUR 4 million for Q2 2007 compares to EUR 3 million in Q2 2006.

** Underlying is a non US GAAP measure and excludes the impact of a modified calculation of French social charges for 2006 and H1 2007, which fully positively impacted Q2 2007 with EUR 144 million on gross profit, EUR 101 million on operating income and EUR 66 million on net income.



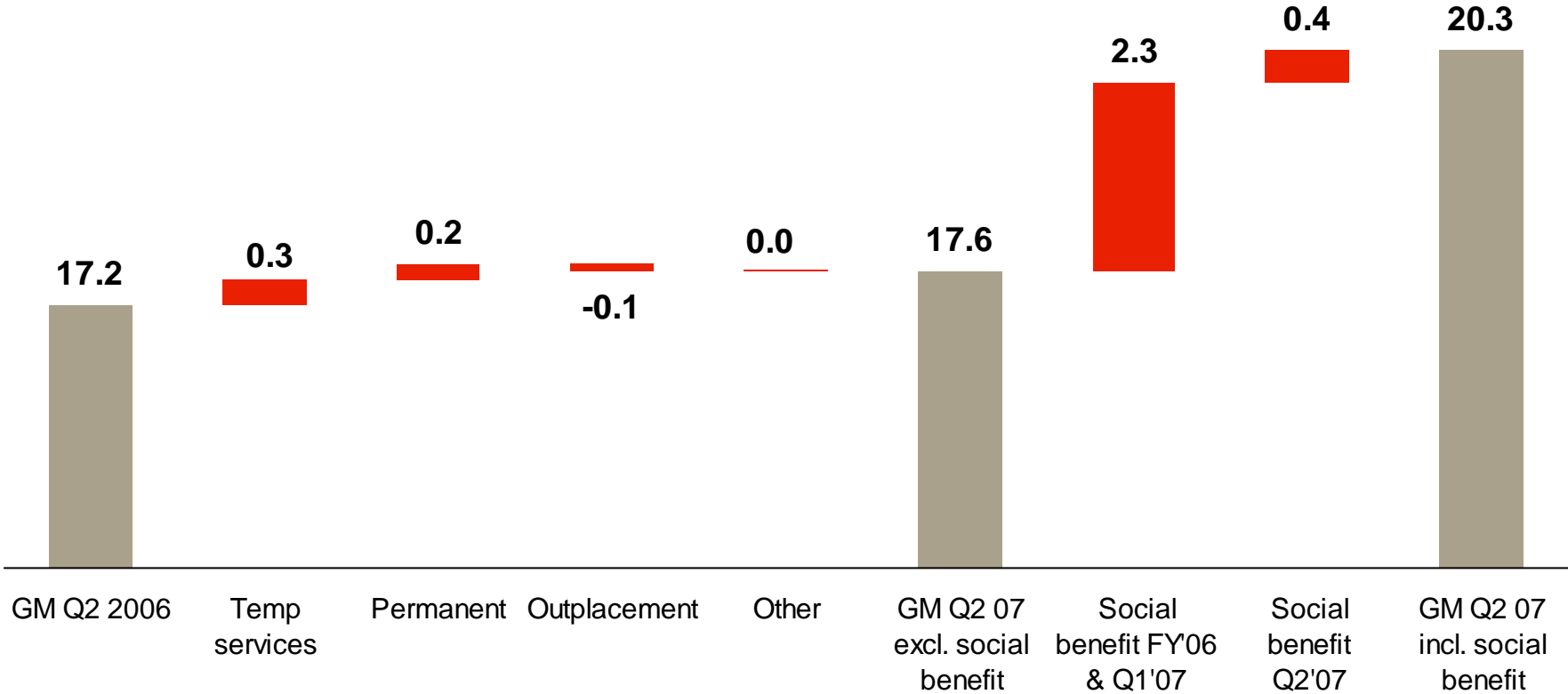
Regions revenue growth

Organic year-on-year growth in percent



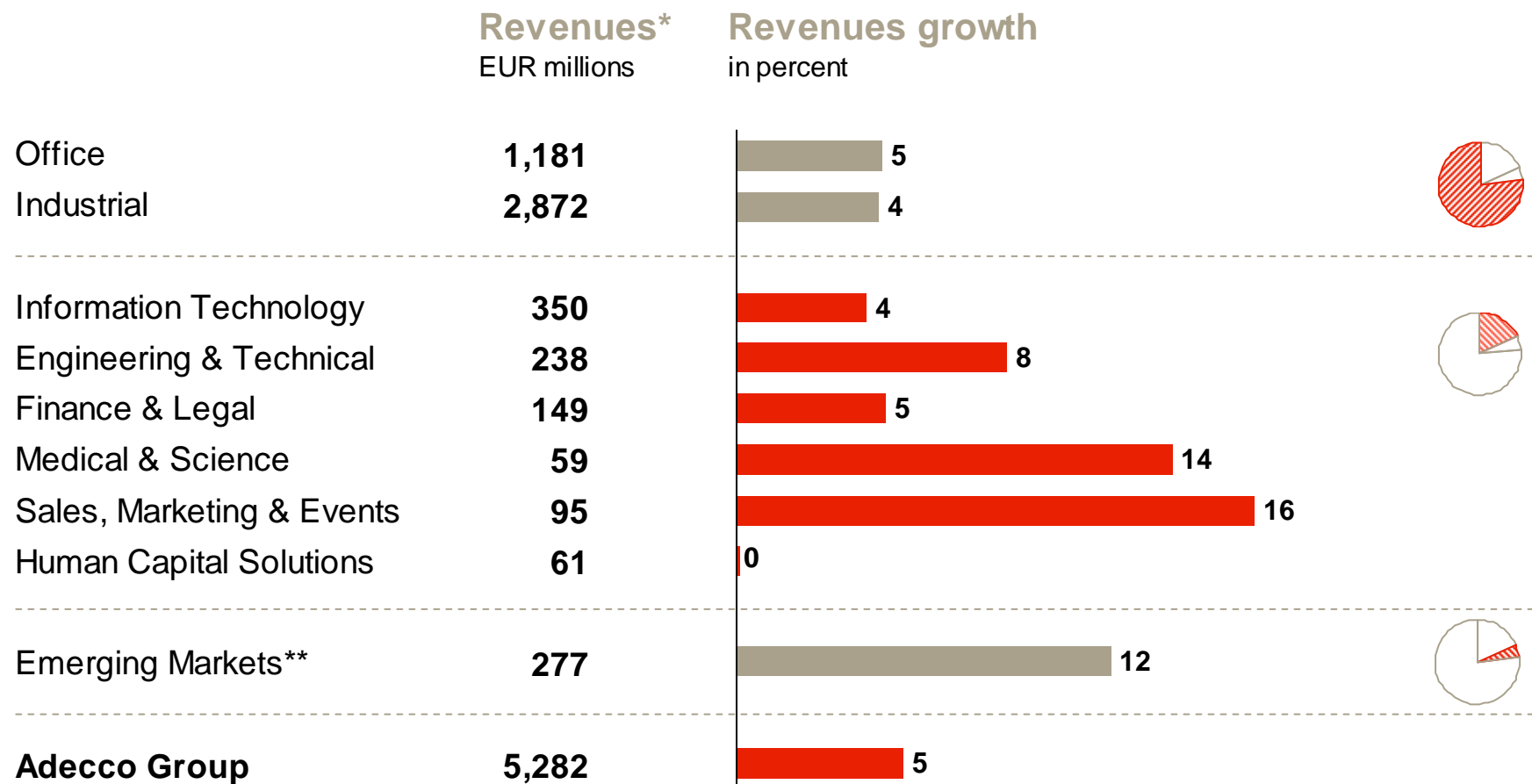
Gross margin drivers

In percent of revenues



Revenues and revenue growth by business lines

Q2 2007 vs. Q2 2006 in constant currencies



* Breakdown of revenues is based on dedicated branches. In Q2, revenues increased organically in Office by 4%; Information Technology by 2%; Engineering & Technical by 6%; Medical & Science by 11%.

** Emerging Markets excluding professional business lines.

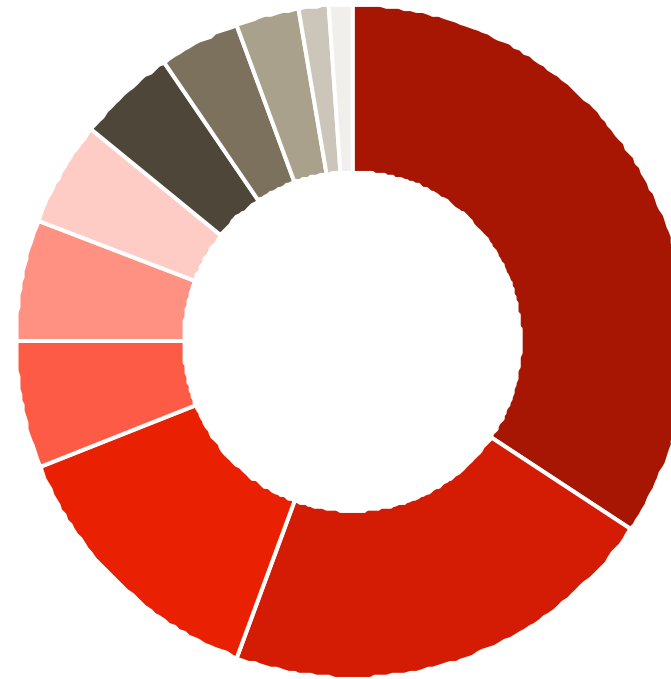
Q2 2007 professional business lines

Based on dedicated branches



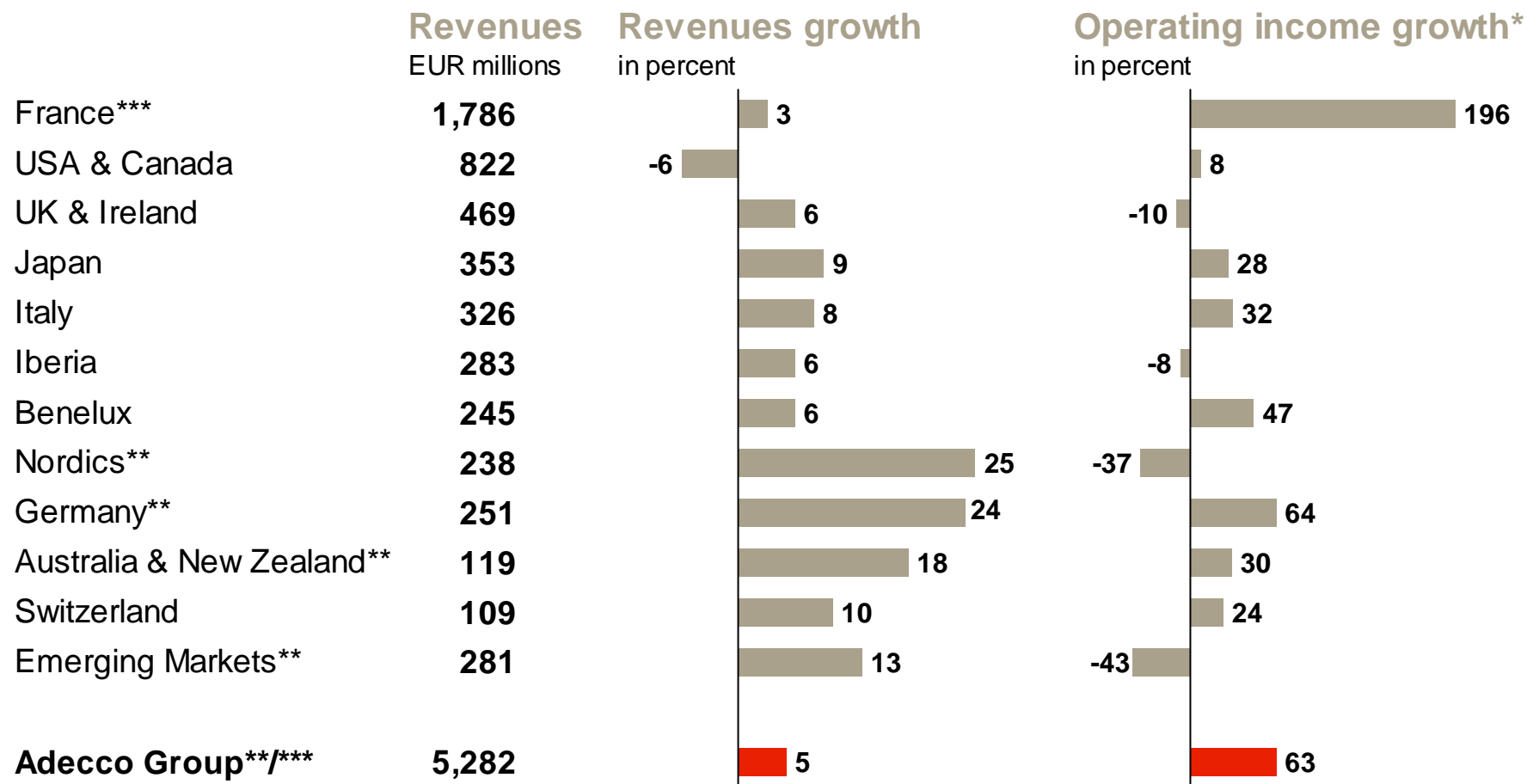
Total professional business lines revenues by geographies
in percent

35%	■	US & Canada
21%	■	UK & Ireland
13%	■	France
6%	■	Germany
6%	■	Australia & NZ
5%	■	Nordics
5%	■	Japan
4%	■	Iberia
3%	■	Benelux
1%	■	Italy
1%	■	Switzerland



Revenues and operating income growth in geographies

Q2 2007 vs. Q2 2006 in constant currencies



* Contribution (Operating income before amortisation) on operating unit level

** In Q2 2007 revenues increased organically in Nordics by 21%; Germany by 23%; Australia & NZ by 11%; EM by 13% and Adecco Group by 5%.

*** Underlying operating income increase in France 28% and in the Adecco Group 11% organically



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France

Financial performance since Q1 2006, organically

	Q1 2006	Q2 2006	Q3 2006	Q4 2006*	Q1 2007	Q2 2007*
Sales growth (adj. for business days)	2%	10%	9%	7%	9%	3%
Market growth (Turnover, adj. for business days, PRISME)	5%	8%	8%	7%	10%	8%
Gross margin Δ	-20 bps	-60 bps	-30 bps	-10 bps	0 bps	+70 bps
SG&A % Δ	30 bps	-30 bps	-30 bps	-30 bps	-30 bps	-10 bps
Operating margin Δ	-50 bps	-30 bps	-0 bps	+20 bps	+30 bps	+80 bps
DSO Δ	0 days	0 days	0 days	0 days	-1 days	-2 days

Development since Q1 2006

- below market growth ► focus on value
- gross margin deterioration ► significant improvement
- costs growing faster than sales ► further operating leverage

* adjusted for Δ in estimates of payroll provisions and excluding social charge benefit



Financial review

Dominik de Daniel, Group CFO



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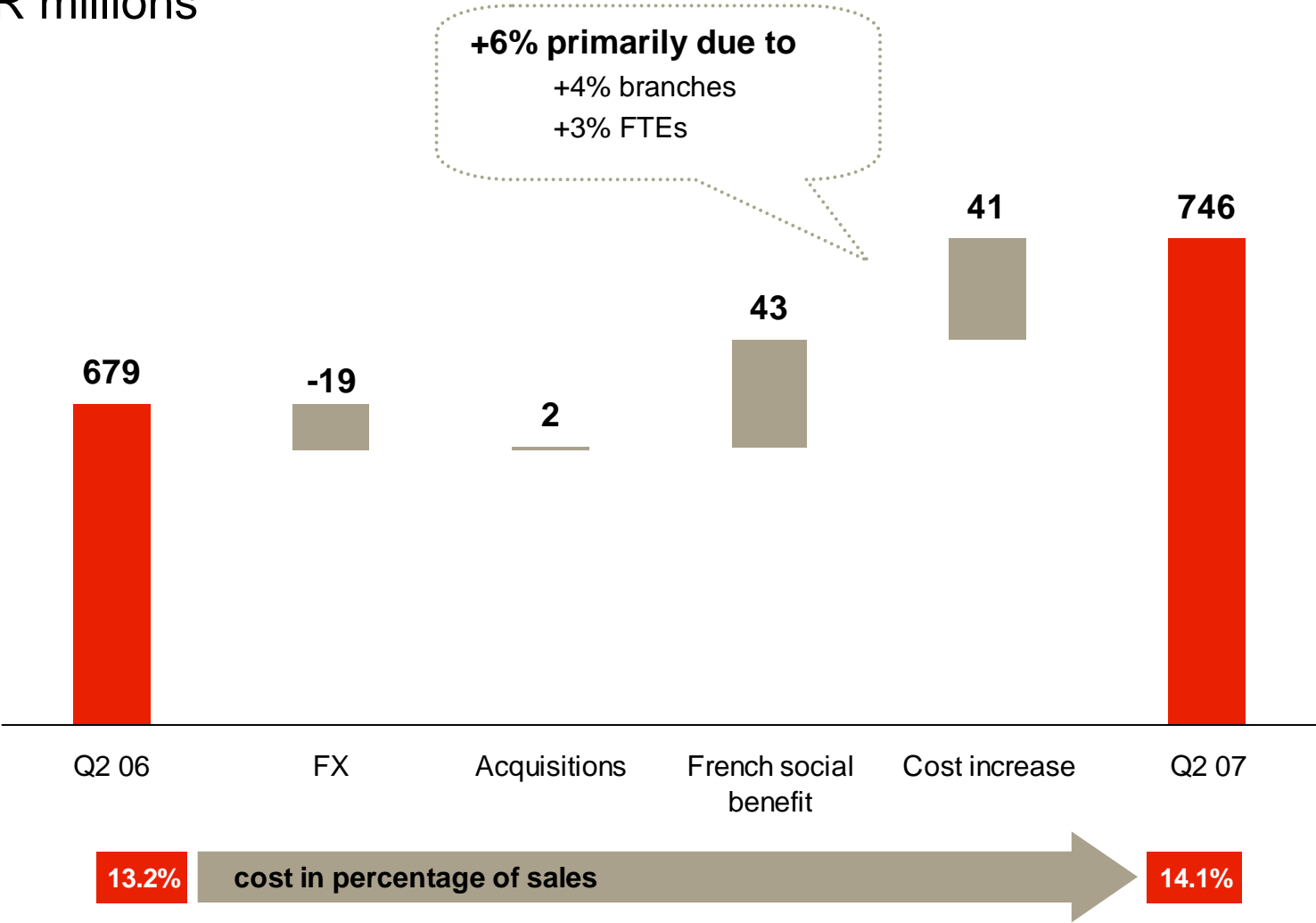
Q2 2007 reconciliation of profit & loss statement

In EUR millions

	Q2 2007	French social benefit 2006 and Q1 2007	French social benefit Q2 2007	Q2 2007	Q2 2006	Variance %	
	Reported			Underlying	EUR	Constant Currency	
Revenues	5,282			5,282	5,133	3%	5%
Direct costs of services	(4,210)	121	23	(4,354)	(4,249)		
Gross profit	1,072	121	23	928	884	5%	8%
<i>Gross margin</i>	20.3%			17.6%	17.2%		
Selling, general and administrative expenses	(746)	(36)	(7)	(703)	(679)	4%	7%
<i>As a percentage of revenues</i>	14.1%			13.3%	13.2%		
Amortisation of intangible assets	(4)			(4)	(3)		
Operating income	322	85	16	221	202	9%	12%
<i>Operating income margin</i>	6.1%			4.2%	3.9%		
Interest expense	(13)			(13)	(12)		
Other income/(expenses), net	10			10	3		
Income before income taxes and minority interests	319	85	16	218	193	13%	
Provision for income taxes	(94)	(30)	(5)	(59)	(56)		
Income applicable to minority interests	(3)			(3)	(2)		
Net income	222	55	11	156	135	15%	
<i>Net income margin</i>	4.2%			3.0%	2.6%		

Q2 2007 SG&A movement

In EUR millions



Balance sheets

In EUR millions

	June 30 2007	Dec 31 2006
Assets		
Cash and short-term investments	1,134	888
Trade accounts receivable, net	4,035	3,846
Other current assets*	335	311
Property, equipment, and leasehold improvements, net	223	229
Other assets*	324	357
Goodwill and intangibles, net	2,054	2,051
Total assets	8,105	7,682
Liabilities and shareholders' equity		
Accounts payable and accrued expenses*	3,518	3,544
Short- and long-term debt	1,444	1,444
Other liabilities*	375	187
Minority interests	27	41
Shareholders' equity	2,741	2,466
Total liabilities and shareholders' equity	8,105	7,682
Net Debt**	310	556

* As a result of the adoption of FIN 48 on January 1, 2007, an amount of EUR 164 and EUR 73, and EUR (6) of unrecognised income tax benefits, previously reported in "accounts payable and accrued expenses", have been reclassified to "other liabilities" and "other assets" and "other current assets" respectively.

** Net debt is a non-US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

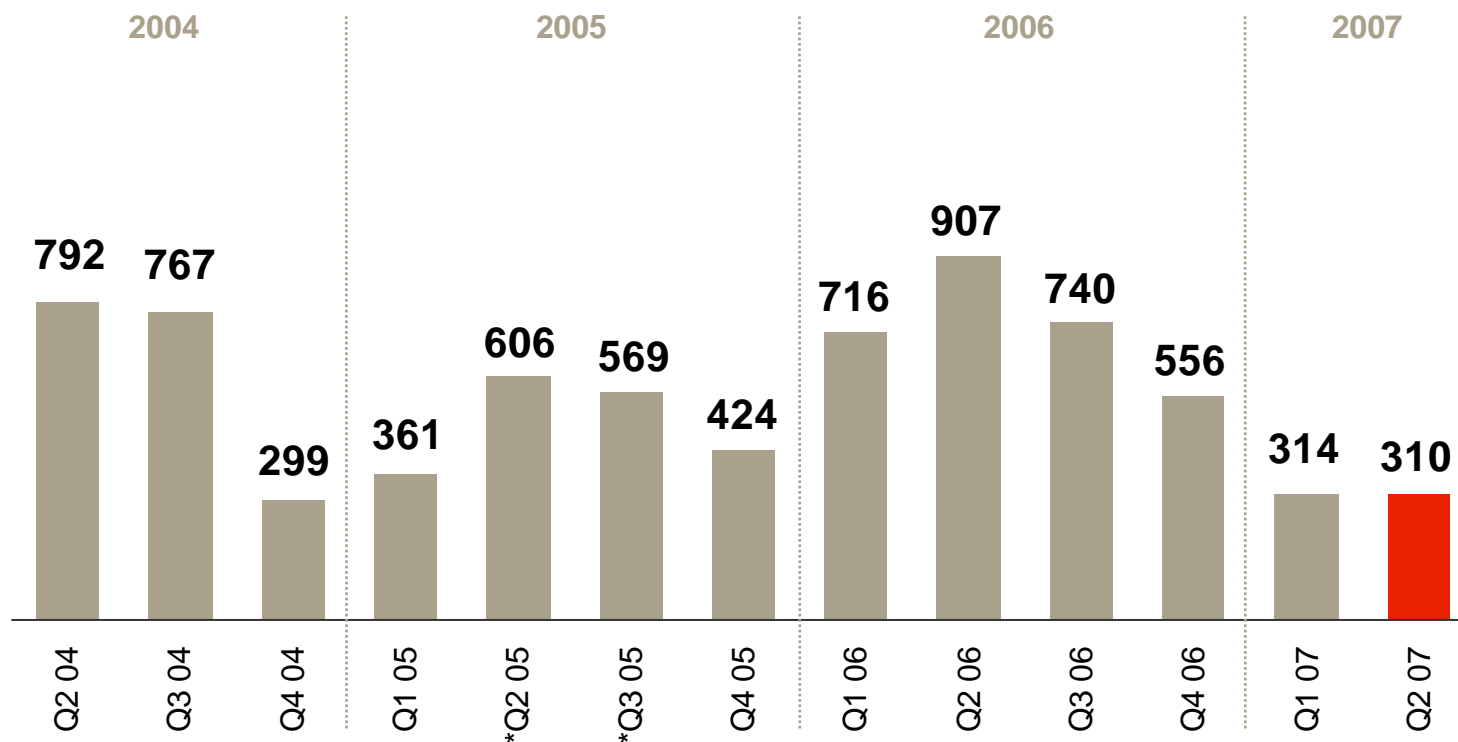
Cash-flow statements

In EUR millions

	H1 2007	H1 2006
Consolidated statements of cash flows		
Net income	355	235
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	52	51
– Other charges	18	28
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(209)	(250)
– Accounts payable and accrued expenses	178	168
– Other assets and liabilities		9
Cash flows from operating activities	394	241
Cash flows from/(used in) investing activities	(56)	(256)
Cash flows from/(used in) financing activities	(78)	97
Effect of exchange rate changes on cash	(11)	(7)
Net increase in cash and cash equivalents	249	75

Financial strength - net debt development since Q2 2004

Net debt in EUR millions



* Includes off balance sheet debt (Q2 2005 EUR 14m; Q3 2005 EUR 1m - both relating to Humangroup sale of receivables).



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Outlook

Dieter Scheiff, Group CEO



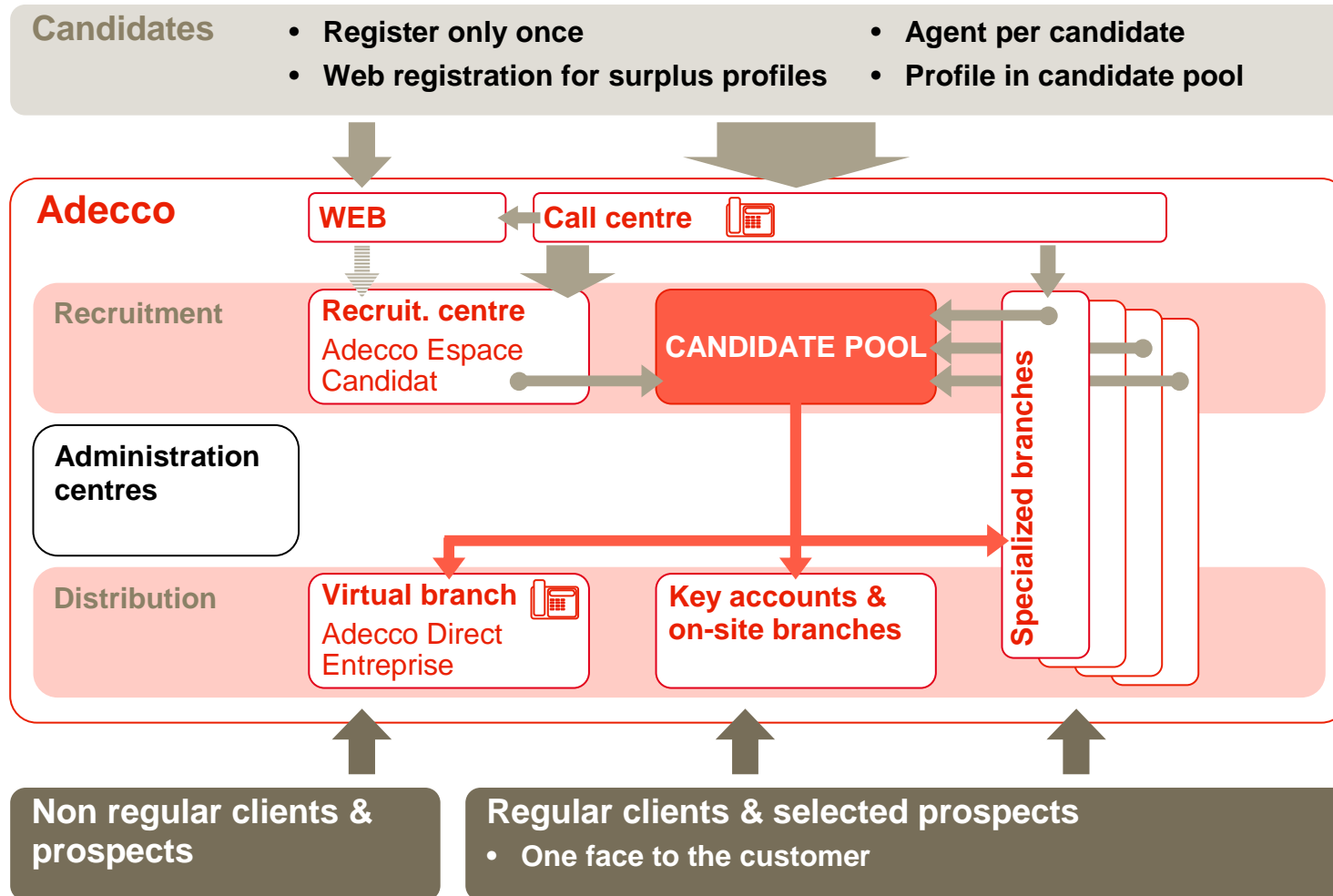
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Two approaches



How to further improve profitability

Recruitment & distribution pilot in France



Targets

	Until 2009 in percent
Revenue growth	7 - 9 p.a.
EBITA margin	> 5
ROCE	> 25

ROCE: (Operating profit – 30% income tax) / average invested capital
Invested capital = Assets – liabilities, excluding cash and interest-bearing liabilities



Thank you

Question and answer session



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Q2 2007 Results

August 10, 2007

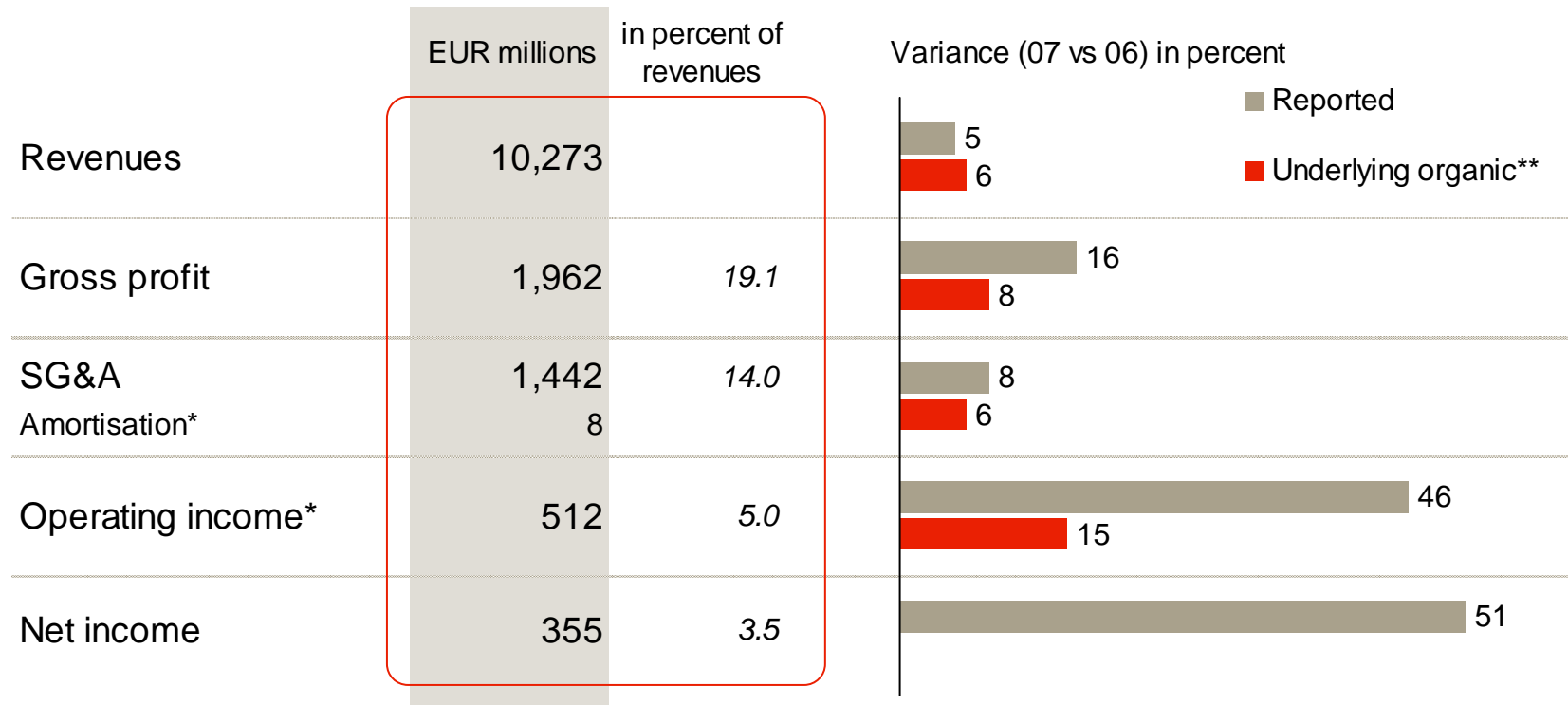
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Appendix



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H1 2007 results summary



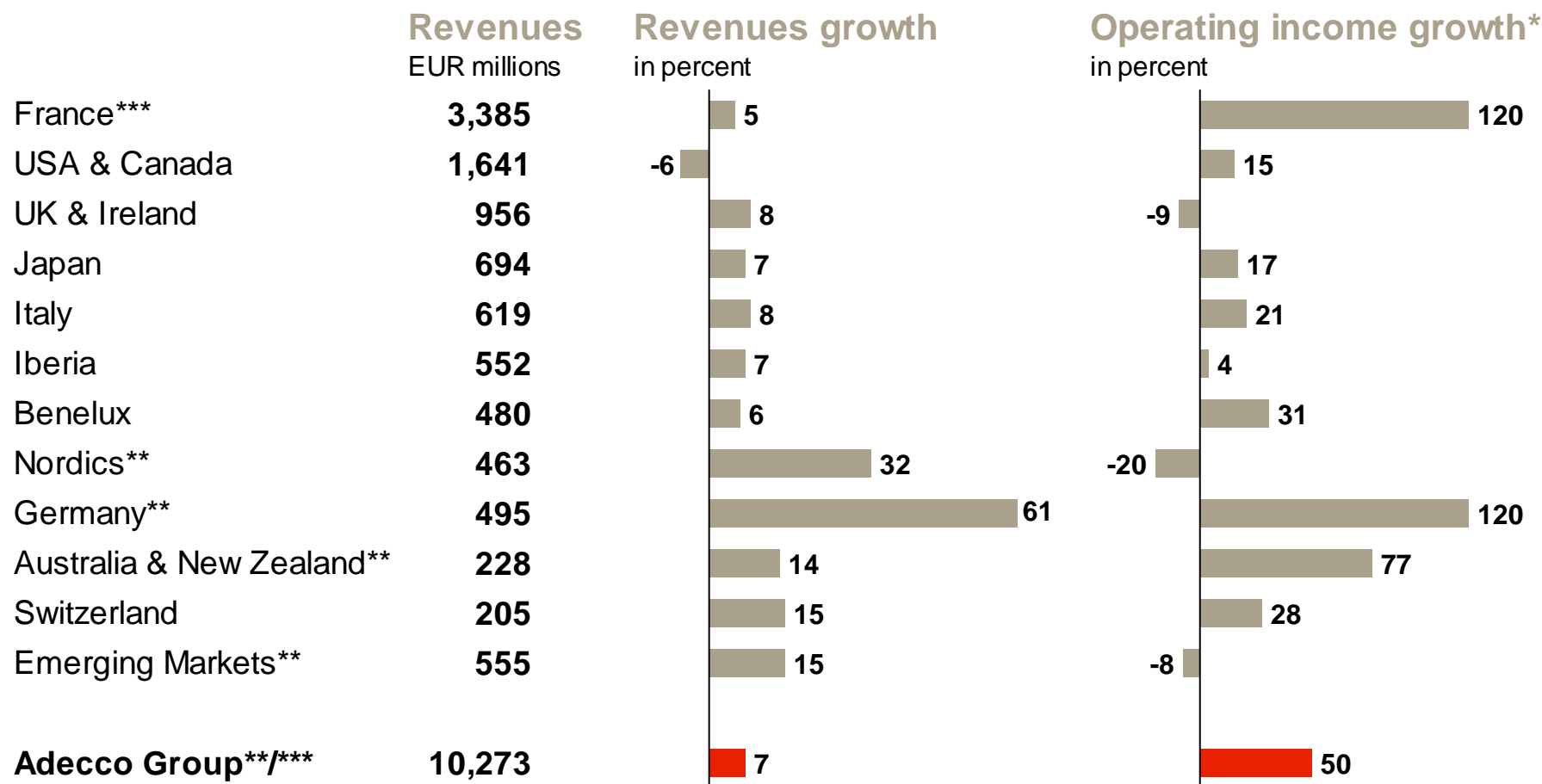
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Revenues and operating income growth in geographies

H1 2007 vs. H1 2006 in constant currencies



* Contribution (Operating income before amortisation) on operating unit level

** In H1 2007 revenues increased organically in Nordics by 27%; Germany by 25%; Australia & NZ by 8%; EM by 14% and Adecco Group by 6%.

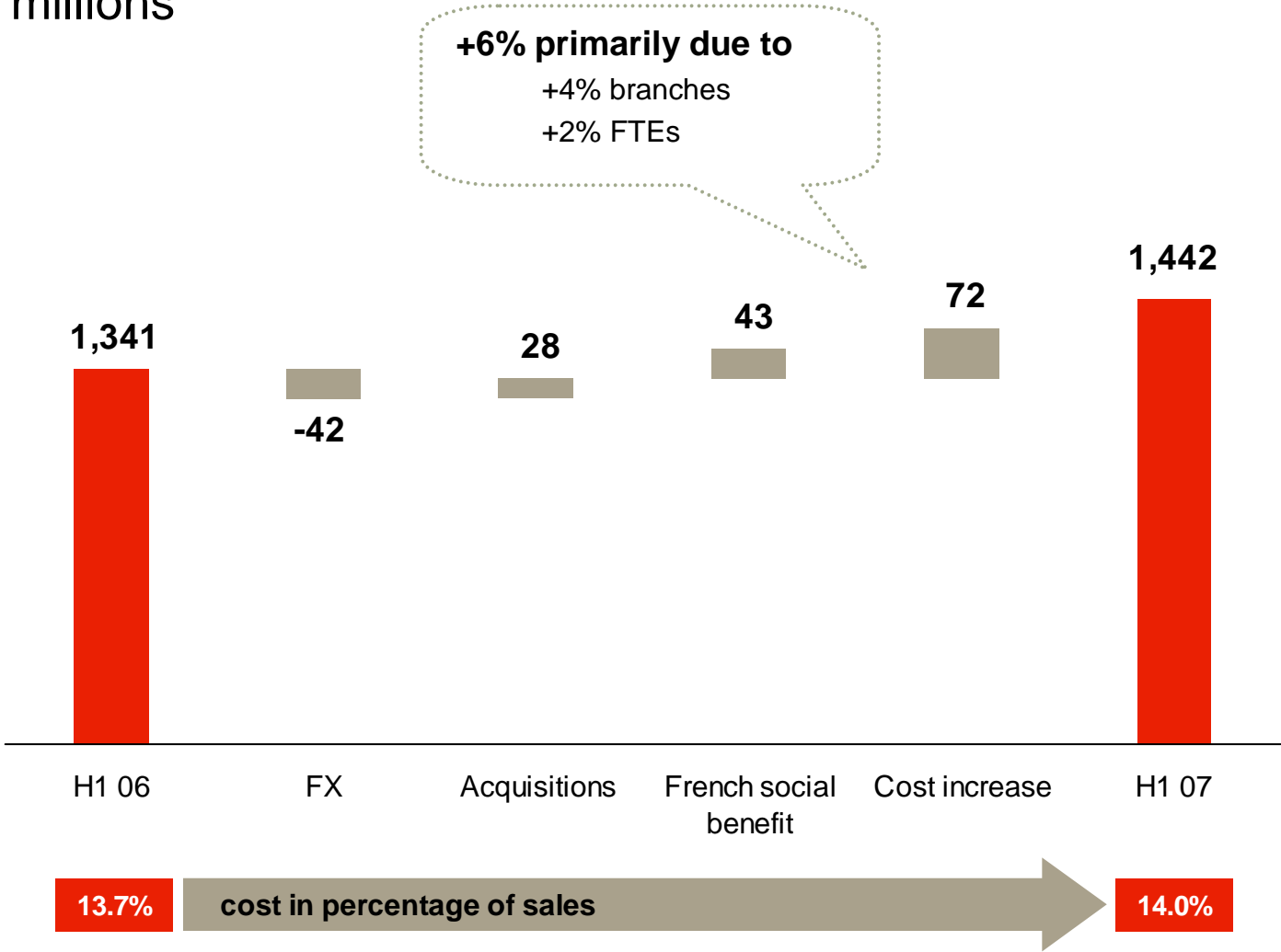
*** Underlying operating income increase in France 24% and in the Adecco Group 15% organically



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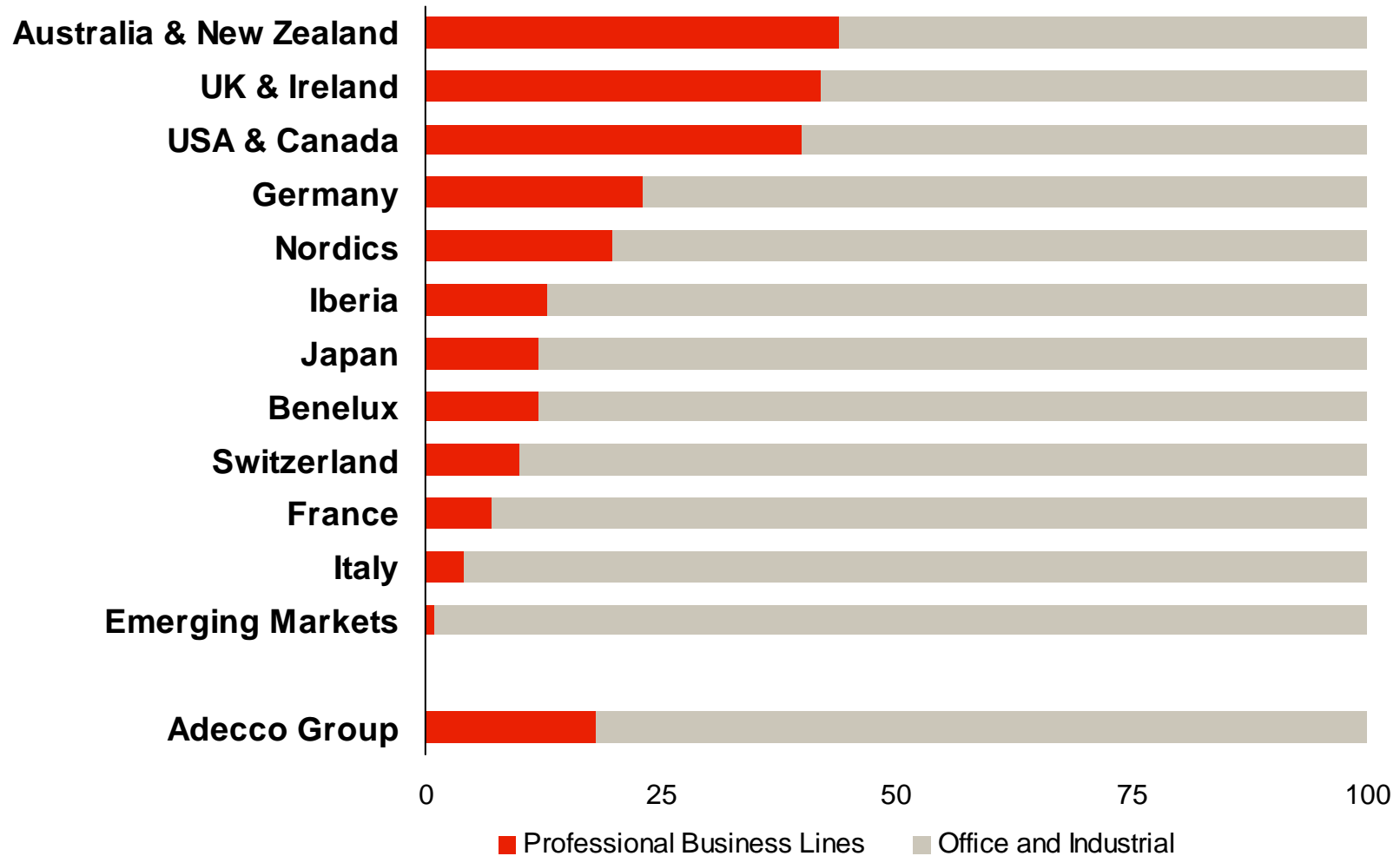
H1 2007 SG&A movement

In EUR millions



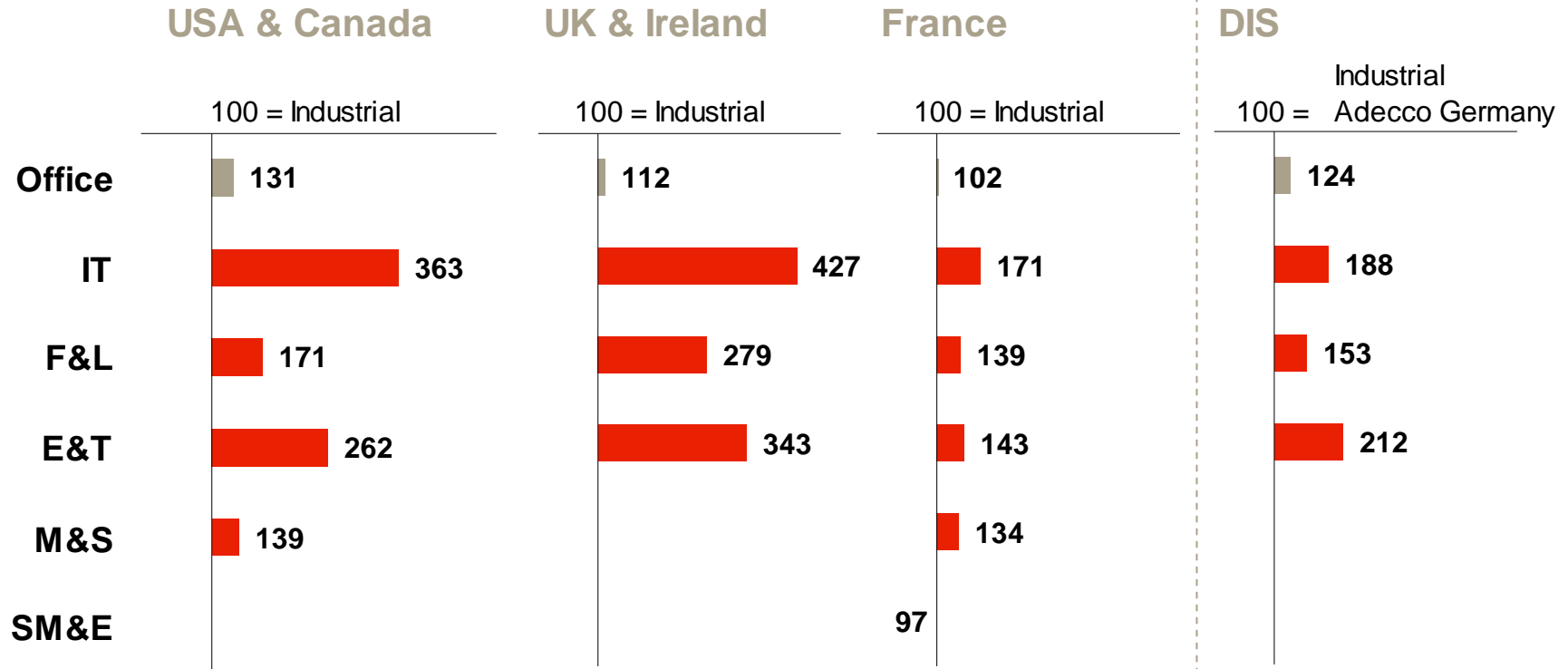
Revenues - Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in Q2 2007



Pay rates of Office, IT F&L and E&T vs. Industrial

FY 2006 numbers, Industrial = 100



IT Information Technology
 F&L Finance & Legal

E&T Engineering & Technical
 M&S Medical & Science

SM&E Sales, Marketing & Events



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