



better work, better life

Q4 2007 Results

Zurich, March 04, 2008

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 antitrust proceedings; 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



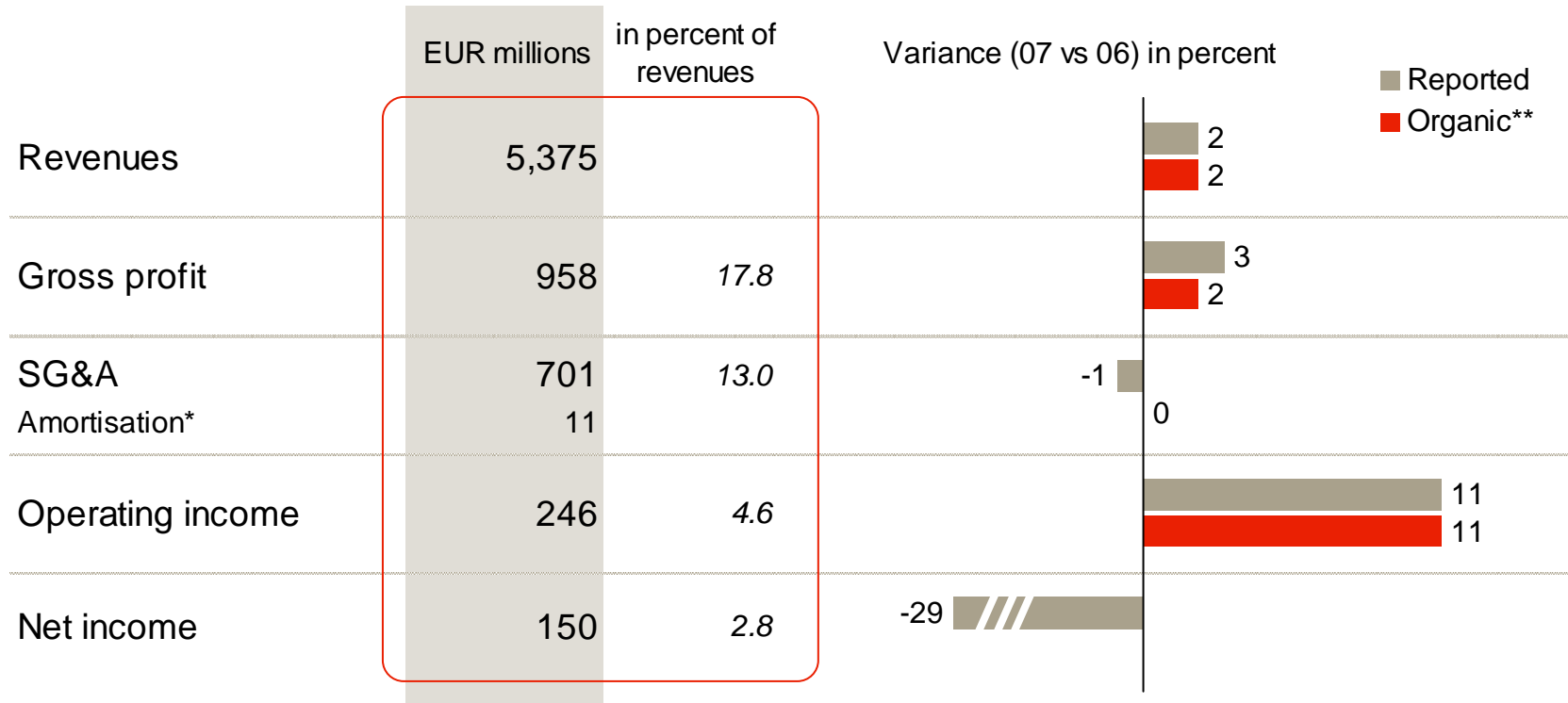
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Q4 2007 results summary



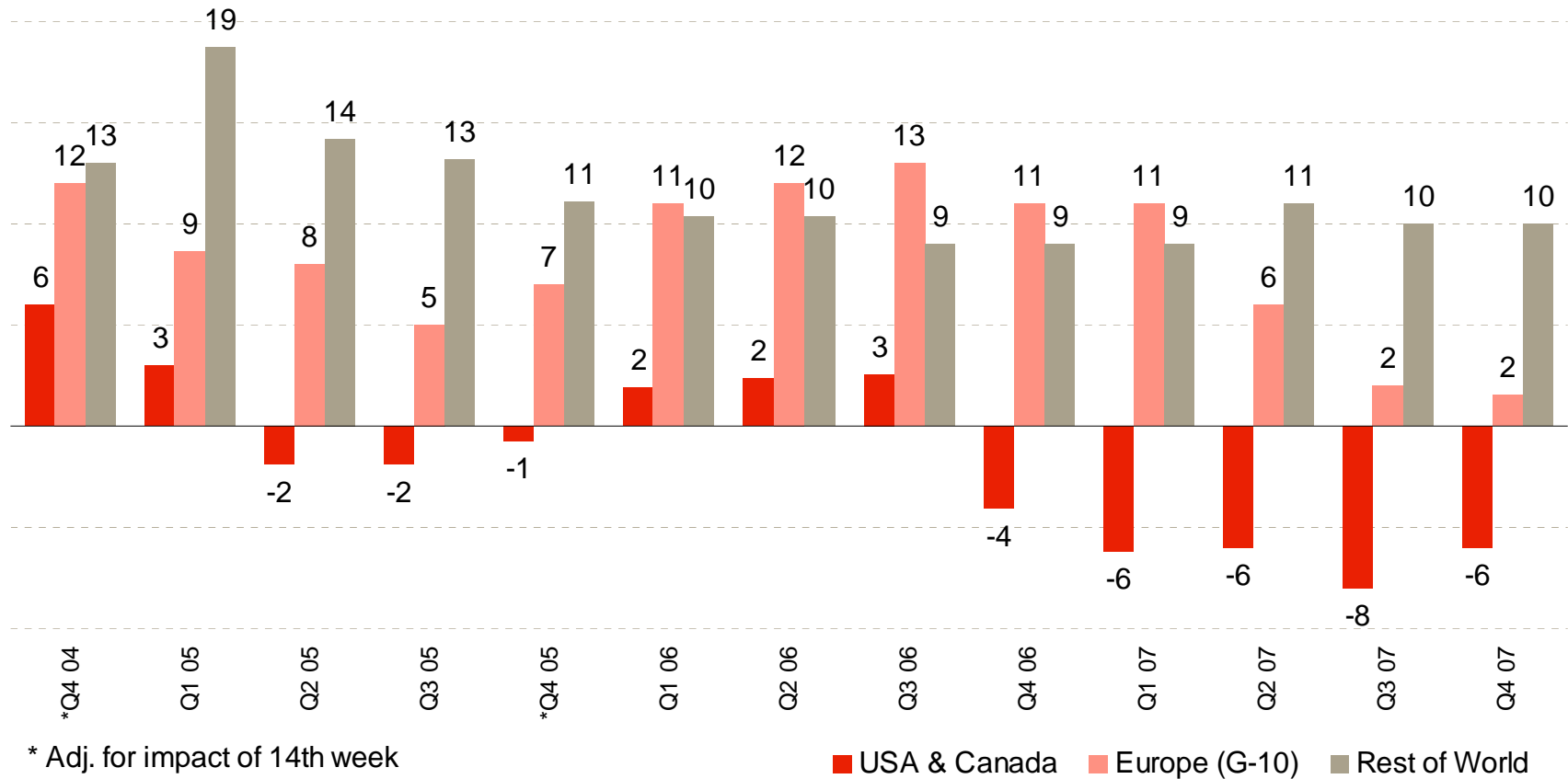
* Amortisation of intangible assets of EUR 11 million for Q4 2007 compares to EUR 4 million in Q4 2006.

** Organic is a non US GAAP measure.



Regions revenue growth

Organic year-on-year growth in percent



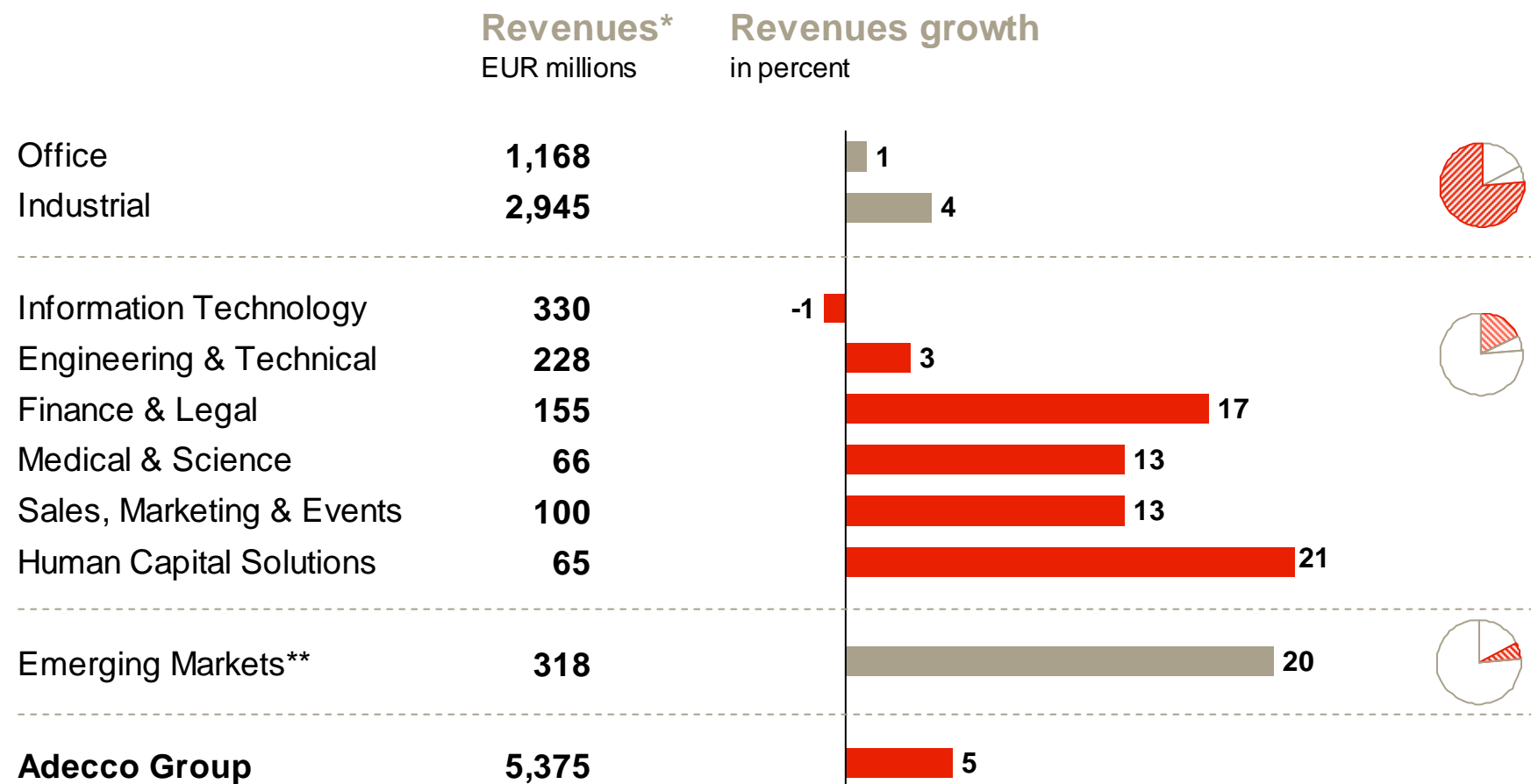
Gross margin drivers

In percent of revenues



Revenues and revenue growth by business lines

Q4 2007 vs. Q4 2006 in constant currencies



* Breakdown of revenues is based on dedicated branches. In Q4, revenues increased organically in Industrial by -1%; Medical & Science by 10%; Emerging Markets by 14% and Adecco Group by 2%.

** Emerging Markets excluding professional business lines.



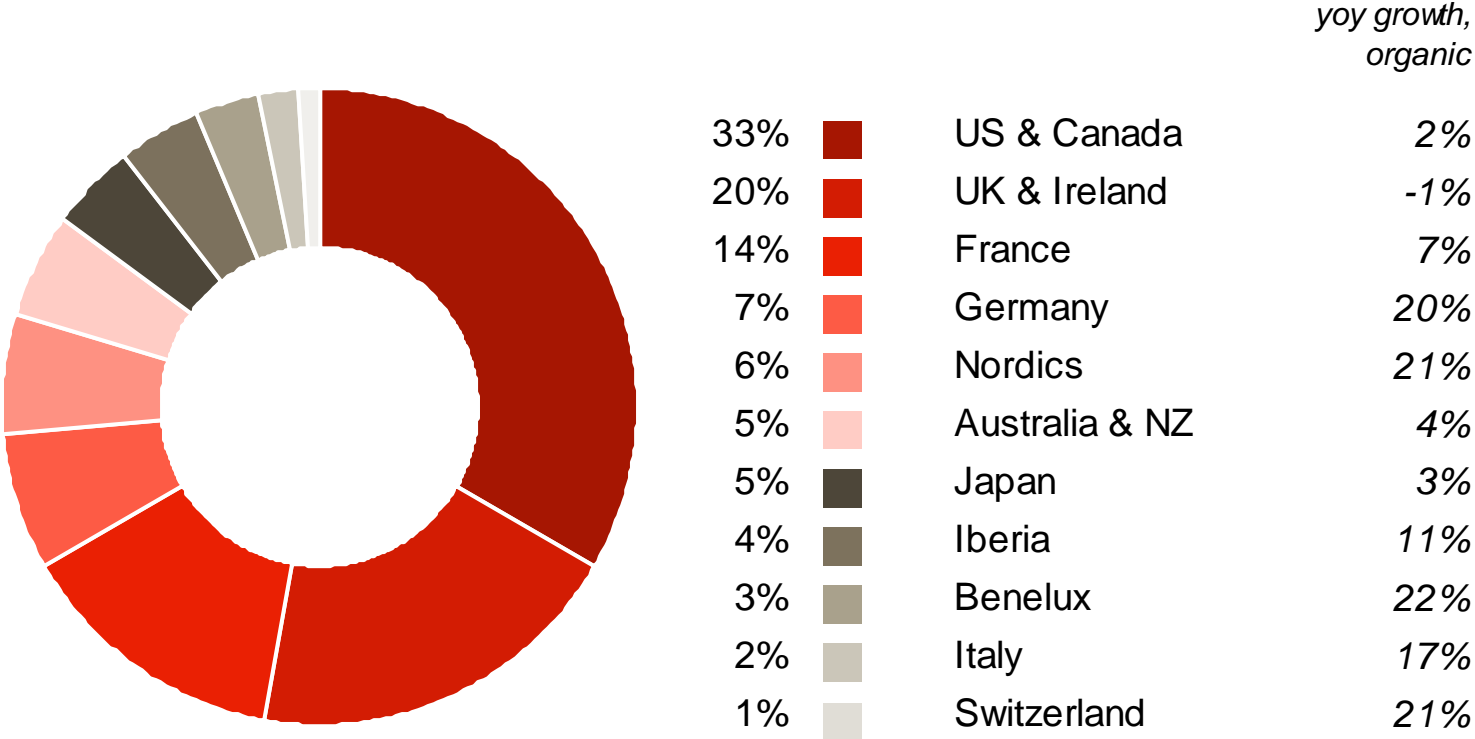
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Q4 2007 professional business lines

Based on dedicated branches

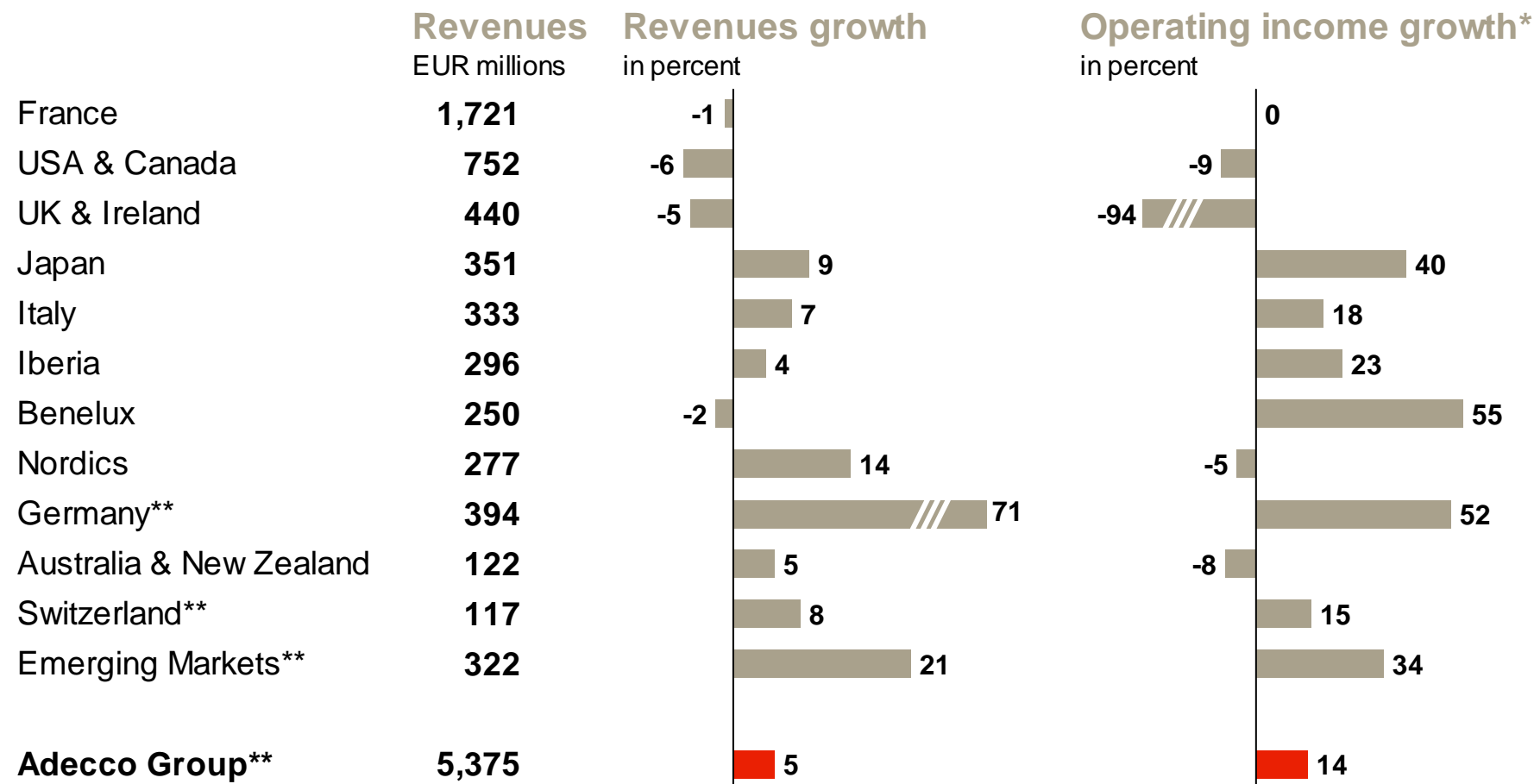


Total professional business lines revenues by geographies



Revenues and operating income growth in geographies

Q4 2007 vs. Q4 2006 in constant currencies



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

** In Q4 2007 revenues increased organically in Germany by 12%, Switzerland 1%; EM by 15% and Adecco Group by 2%.



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France

Financial performance since Q1 2006, organically

	Q1 06	Q2 06	Q3 06	Q4 06*	Q1 07*	Q2 07*	Q3 07*	Q4 07*
Sales growth (adj. for business days)	2%	10%	9%	7%	9%	3%	-3%	-2%
Market growth (Turnover, adj. for business days, PRISME)	5%	8%	8%	7%	10%	8%	6%	3%
Gross margin Δ	-20 bps	-60 bps	-30 bps	-10 bps	0 bps	+70 bps	+60 bps	+20 bps
SG&A % Δ	30 bps	-30 bps	-30 bps	-30 bps	-30 bps	-10 bps	+20 bps	-20 bps
Operating margin Δ	-50 bps	-30 bps	-0 bps	+20 bps	+30 bps	+80 bps	+40 bps	+40 bps
DSO Δ	0 days	0 days	0 days	0 days	-1 days	-2 days	-3 days	-4 days

Development since Q1 2006

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

* adjusted for changes in social charges



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Financial review

Dominik de Daniel, Group CFO



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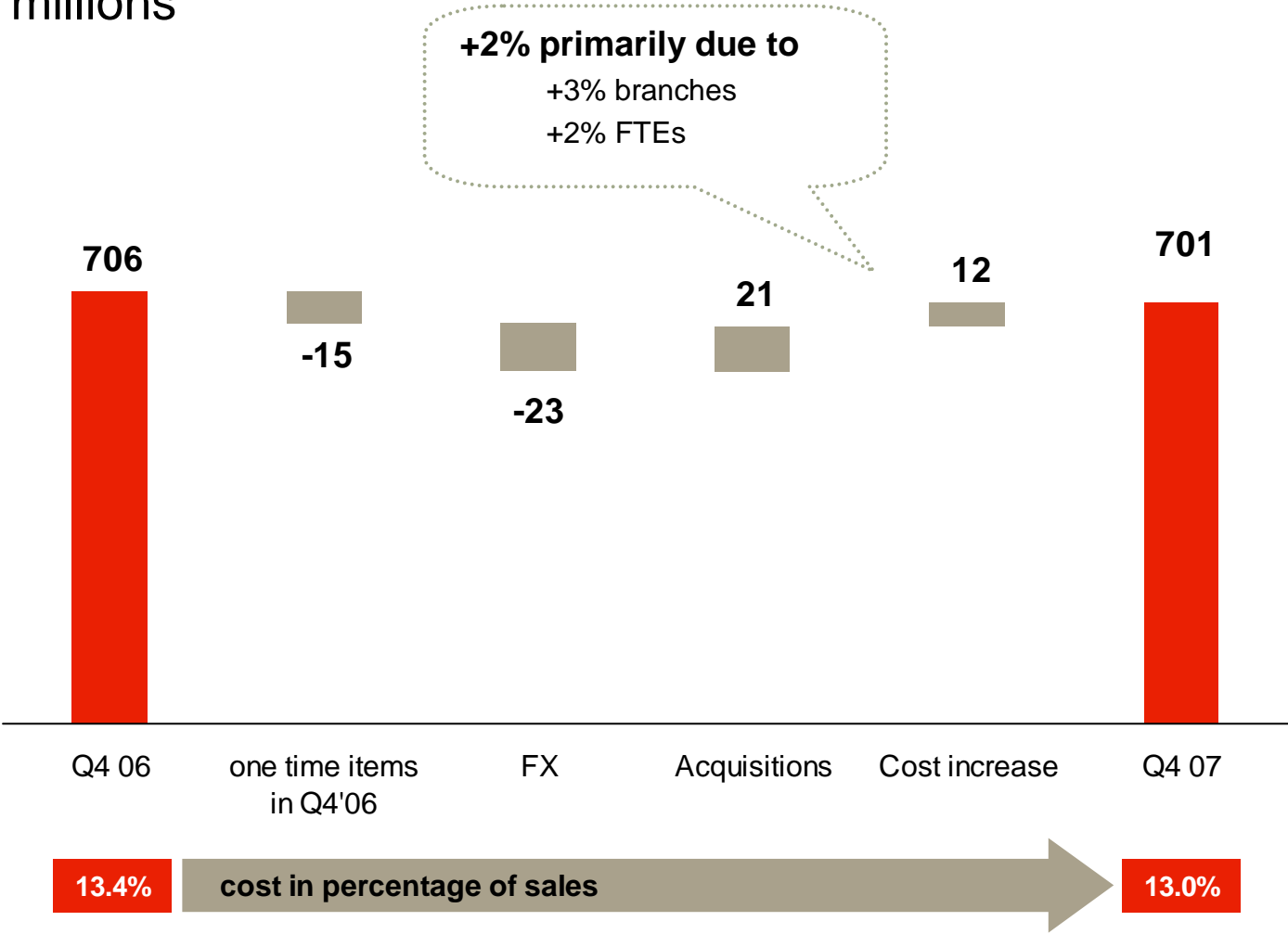
Results in detail

In EUR millions

	Q4 2007	Q4 2006	Variance %		FY 2007	FY 2006	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues	5,375	5,278	2%	5%	21,090	20,417	3%	6%
Direct costs of services	(4,417)	(4,346)			(17,163)	(16,871)		
Gross profit	958	932	3%	6%	3,927	3,546	11%	14%
<i>Gross margin</i>	17.8%	17.7%			18.6%	17.4%		
Selling, general and administrative expenses	(701)	(706)	-1%	3%	(2,846)	(2,718)	5%	8%
<i>As a percentage of revenues</i>	13.0%	13.4%			13.5%	13.3%		
Amortisation of intangible assets	(11)	(4)			(27)	(12)		
Operating income	246	222	11%	14%	1,054	816	29%	32%
<i>Operating income margin</i>	4.6%	4.2%			5.0%	4.0%		
Interest expense	(15)	(13)			(56)	(51)		
Other income/(expenses), net	7	8			30	20		
Income before taxes and minority interests	238	217	10%		1,028	785	31%	
Provision for income taxes	(87)	(3)			(285)	(168)		
Income applicable to minority interests	(1)	(2)			(8)	(6)		
Net income	150	212	-29%		735	611	20%	
<i>Net income margin</i>	2.8%	4.0%			3.5%	3.0%		

Q4 2007 SG&A movement

In EUR millions



Balance sheets

In EUR millions

	Dec 31 2007	Dec 31 2006
Assets		
Cash and short-term investments	563	888
Trade accounts receivable, net	3,773	3,846
Other current assets	324	311
Property, equipment, and leasehold improvements, net	223	229
Other assets*	277	357
Goodwill and intangible assets, net	3,094	2,051
Total assets	8,254	7,682
Liabilities and shareholders' equity		
Accounts payable and accrued expenses*	3,476	3,544
Short- and long-term debt	1,429	1,444
Other liabilities*	469	187
Minority interests	7	41
Shareholders' equity	2,873	2,466
Total liabilities and shareholders' equity	8,254	7,682
Net Debt**	866	556

* As a result of the adoption of FIN 48 on January 1, 2007, an amount of EUR 164 and EUR 67 of unrecognised income tax benefits, previously reported in "accounts payable and accrued expenses", have been reclassified to "other liabilities" and "other 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.

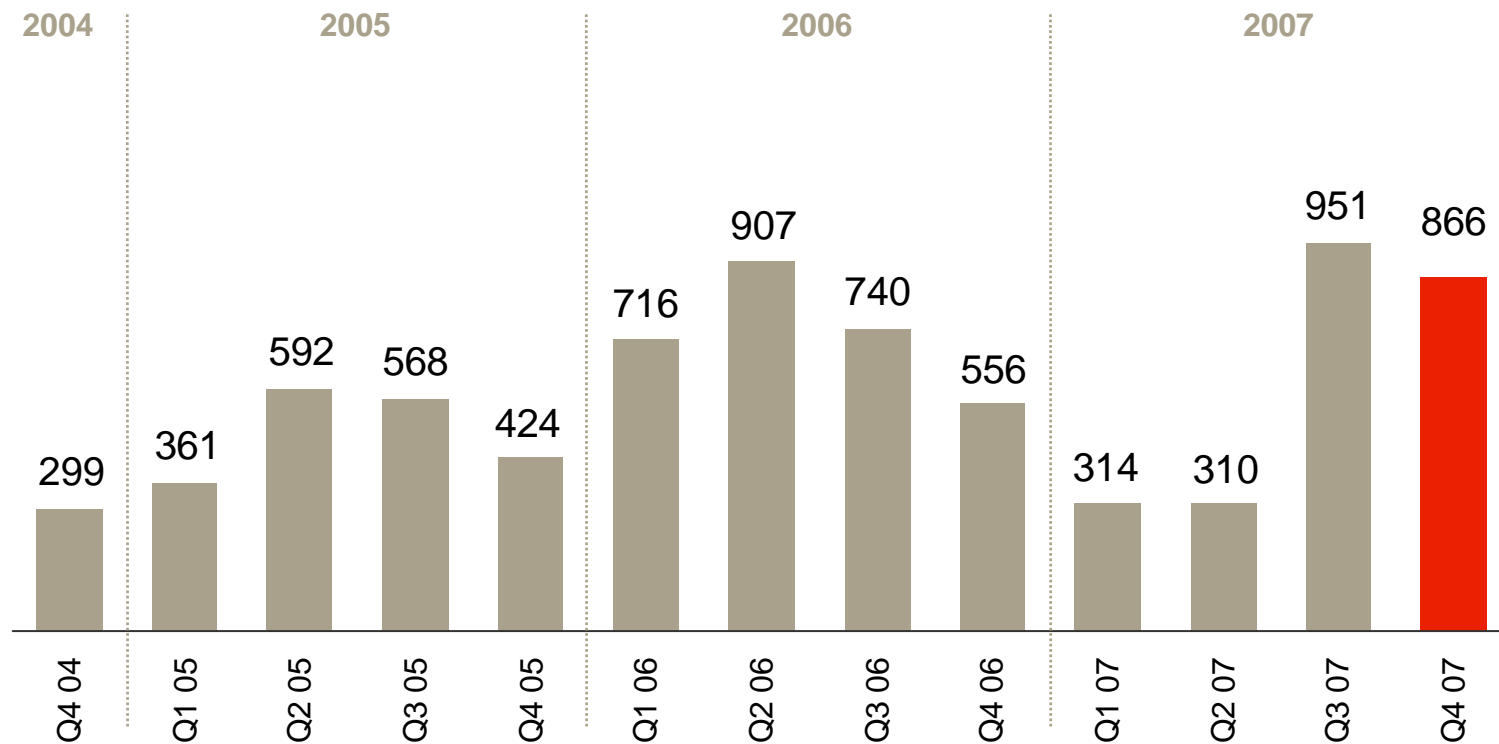
Cash-flow statements

In EUR millions

	FY 2007	FY 2006
Consolidated statements of cash flows		
Net income	735	611
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	116	106
– Other charges	8	(30)
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	61	(209)
– Accounts payable and accrued expenses	90	266
– Other assets and liabilities	52	3
Cash flows from operating activities	1,062	747
Cash flows from/(used in) investing activities	(929)	(308)
Cash flows from/(used in) financing activities	(424)	(13)
Effect of exchange rate changes on cash	(29)	(19)
Net increase/(decrease) in cash and cash equivalents	(320)	407

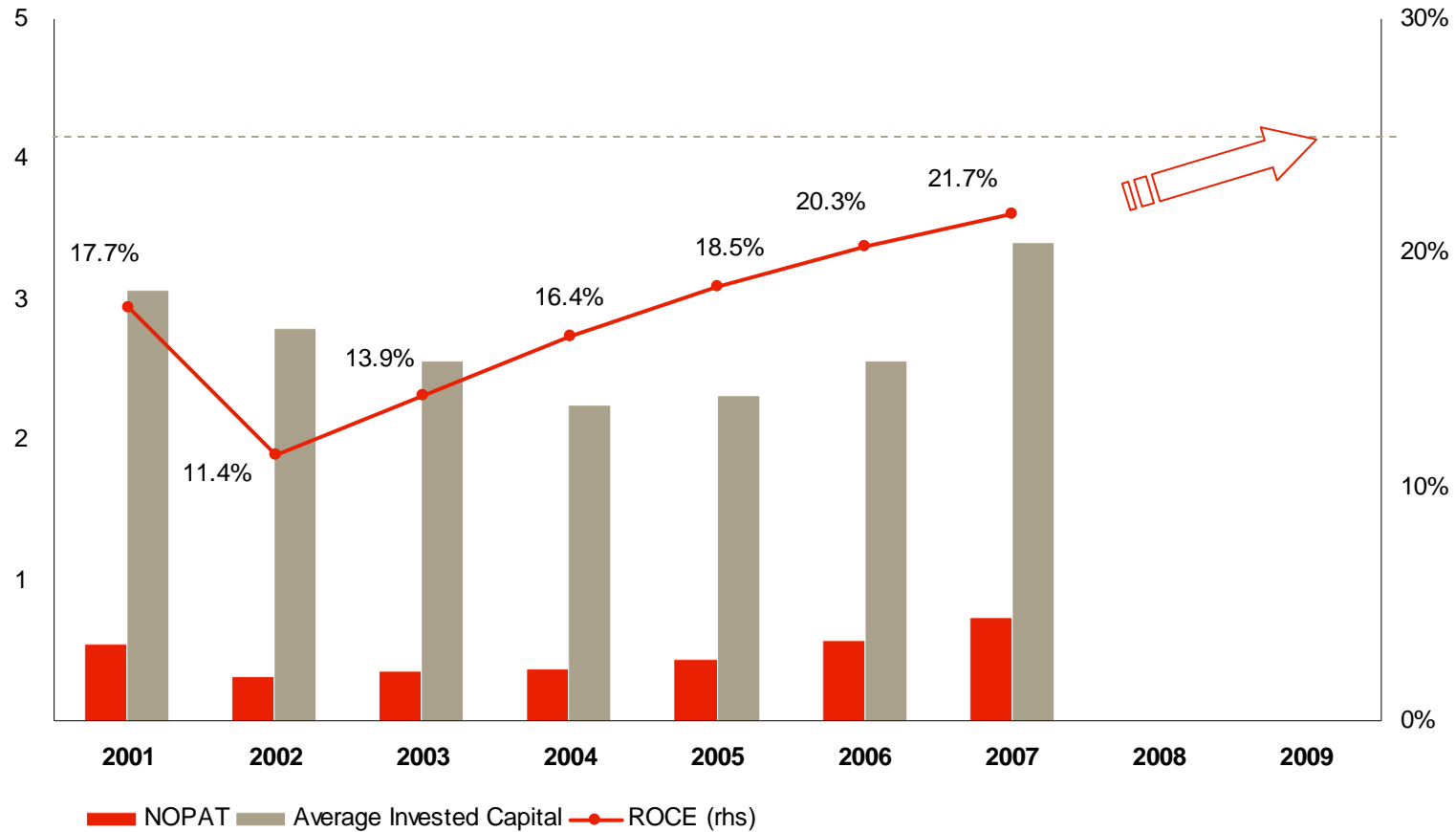
Financial strength - net debt development since Q4 2004

Net debt in EUR millions



Return on capital employed

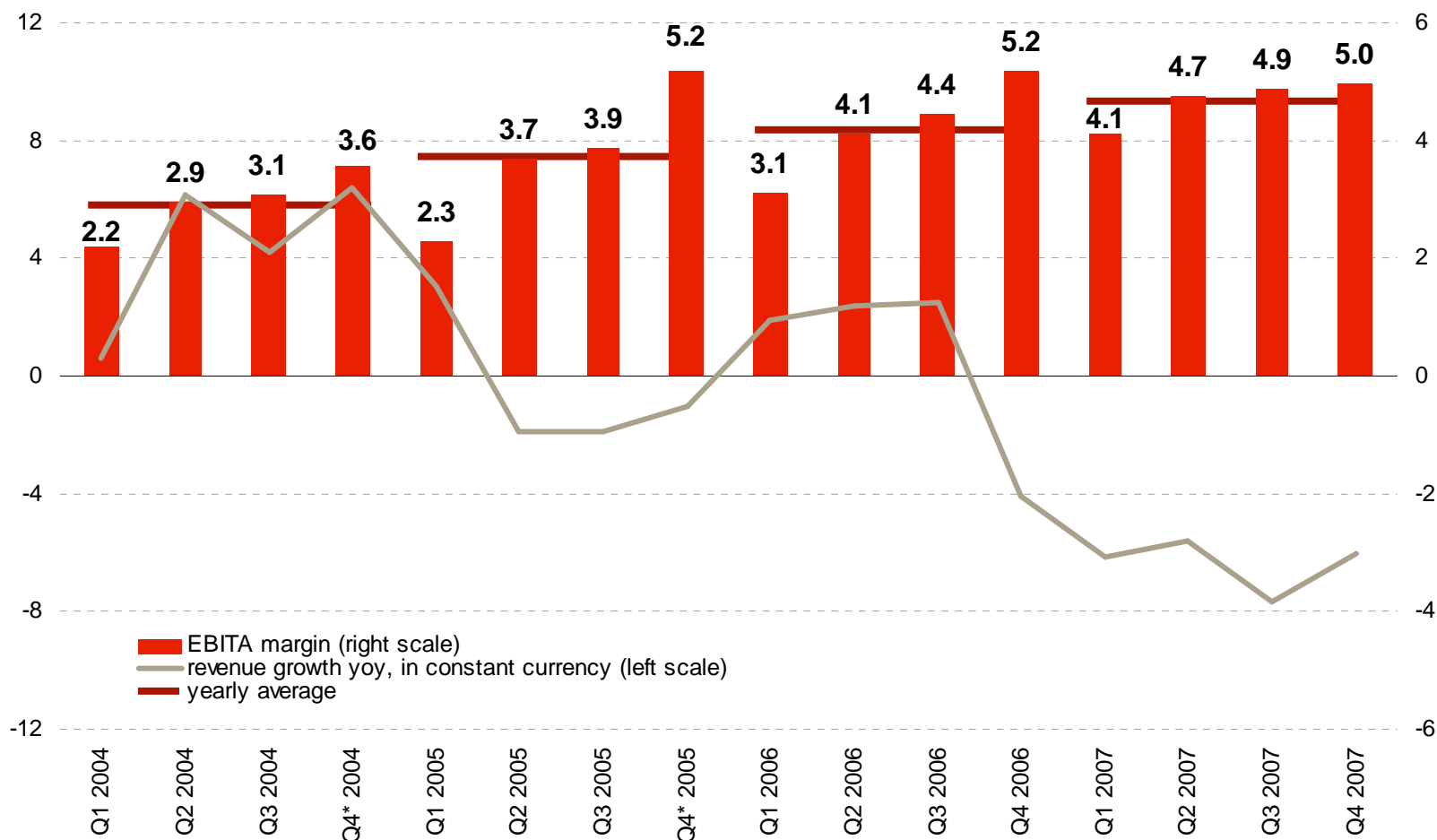
ROCE* in % and NOPAT and invested capital in EUR billions



* ROCE = NOPAT / Average Invested Capital = Operating profit – (30% income tax) / average invested capital
 Invested Capital = Asset – liabilities excluding cash and interest bearing liabilities
 2001 NOPAT and average invested capital adjusted for goodwill amortisation.

USA & Canada revenue and EBITA margin

Development 2004-2007 in percent



* Adjusted for impact of 14th week in revenues



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Outlook

Dieter Scheiff, Group CEO



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Two approaches



Targets

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

*Provided economic conditions are favorable

ROCE: (Operating profit – 30% income tax) / average invested capital

Invested capital = Assets – liabilities, excluding cash and interest-bearing liabilities



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Thank you

Question and answer session



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Appendix



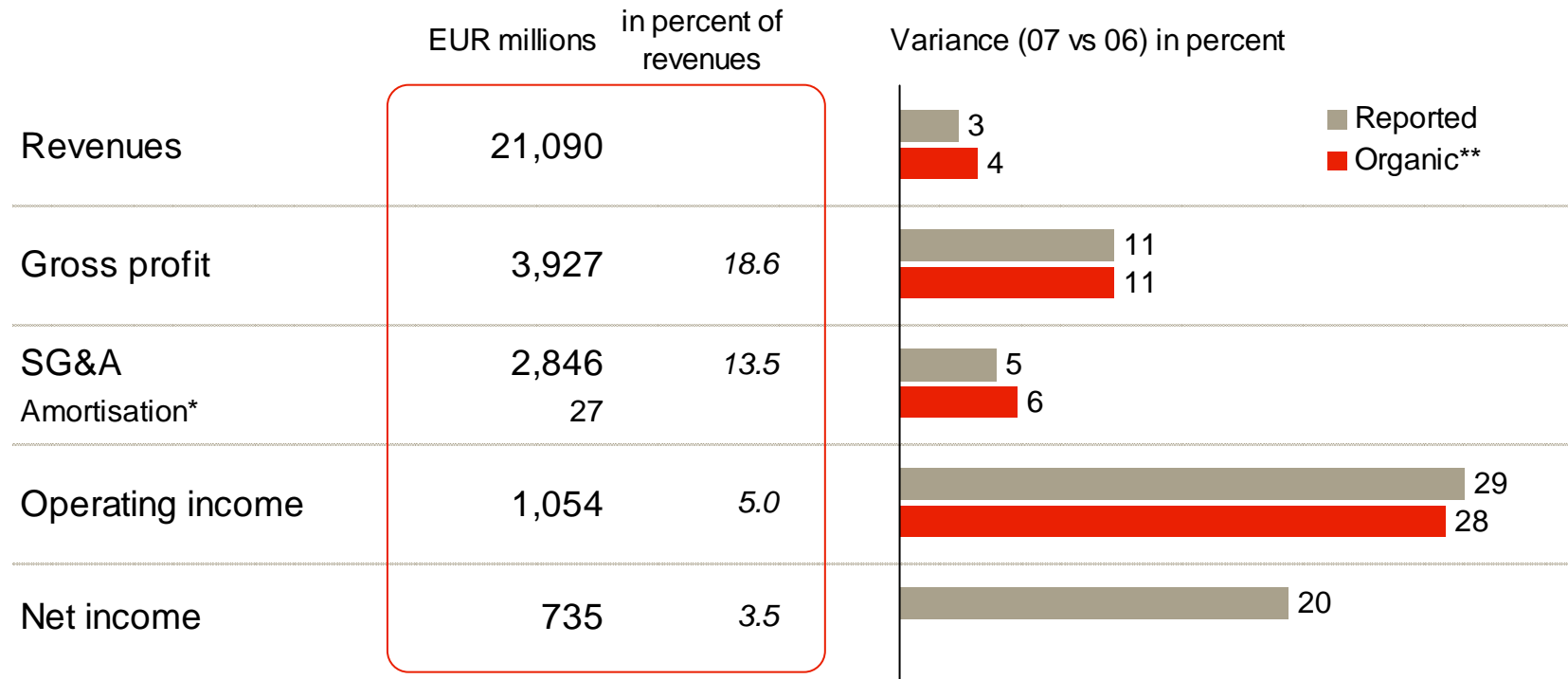
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Revenues – Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in Q4 2007



FY 2007 results summary

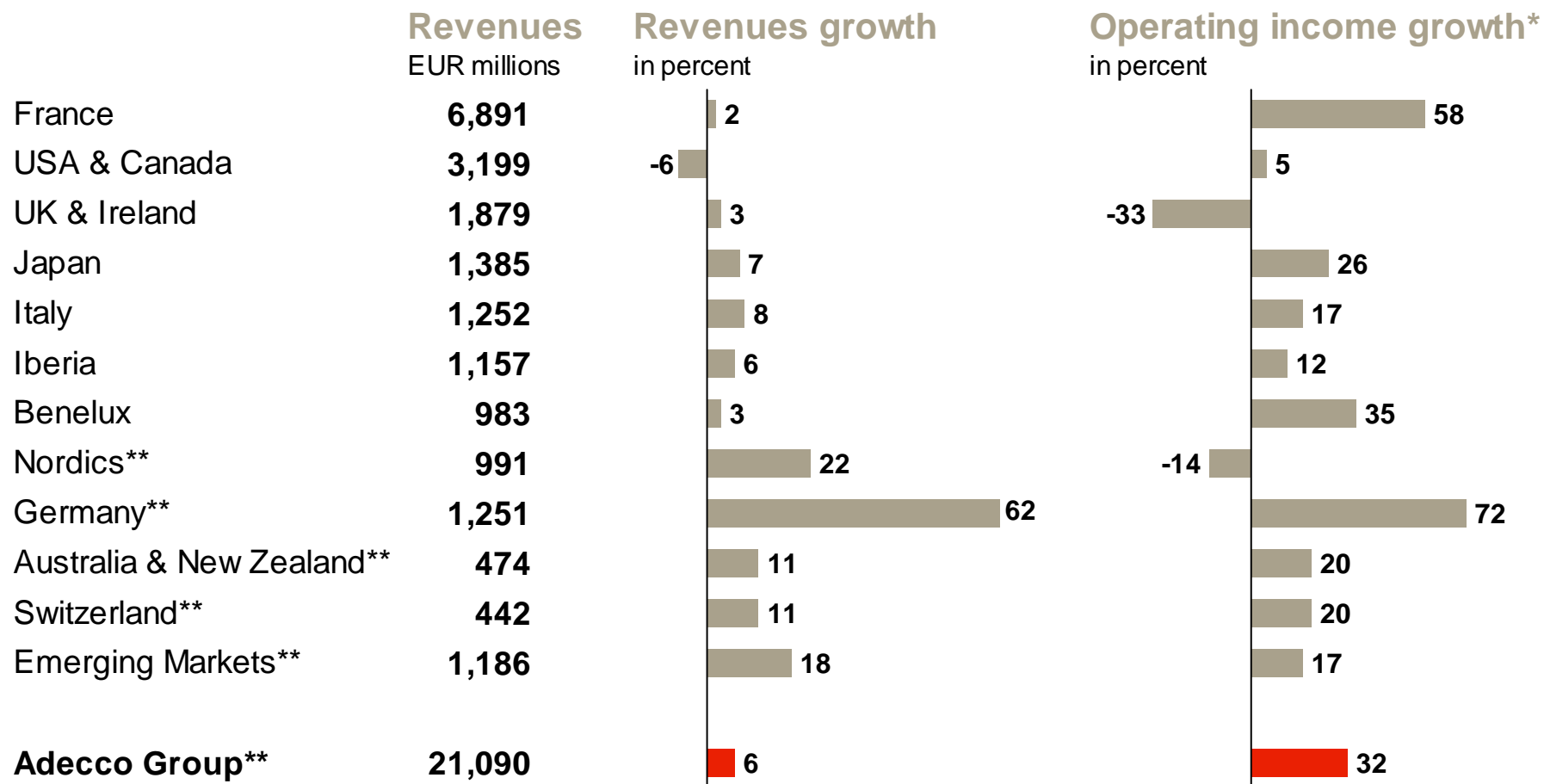


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Revenues and operating income growth in geographies

FY 2007 vs. FY 2006 in constant currencies



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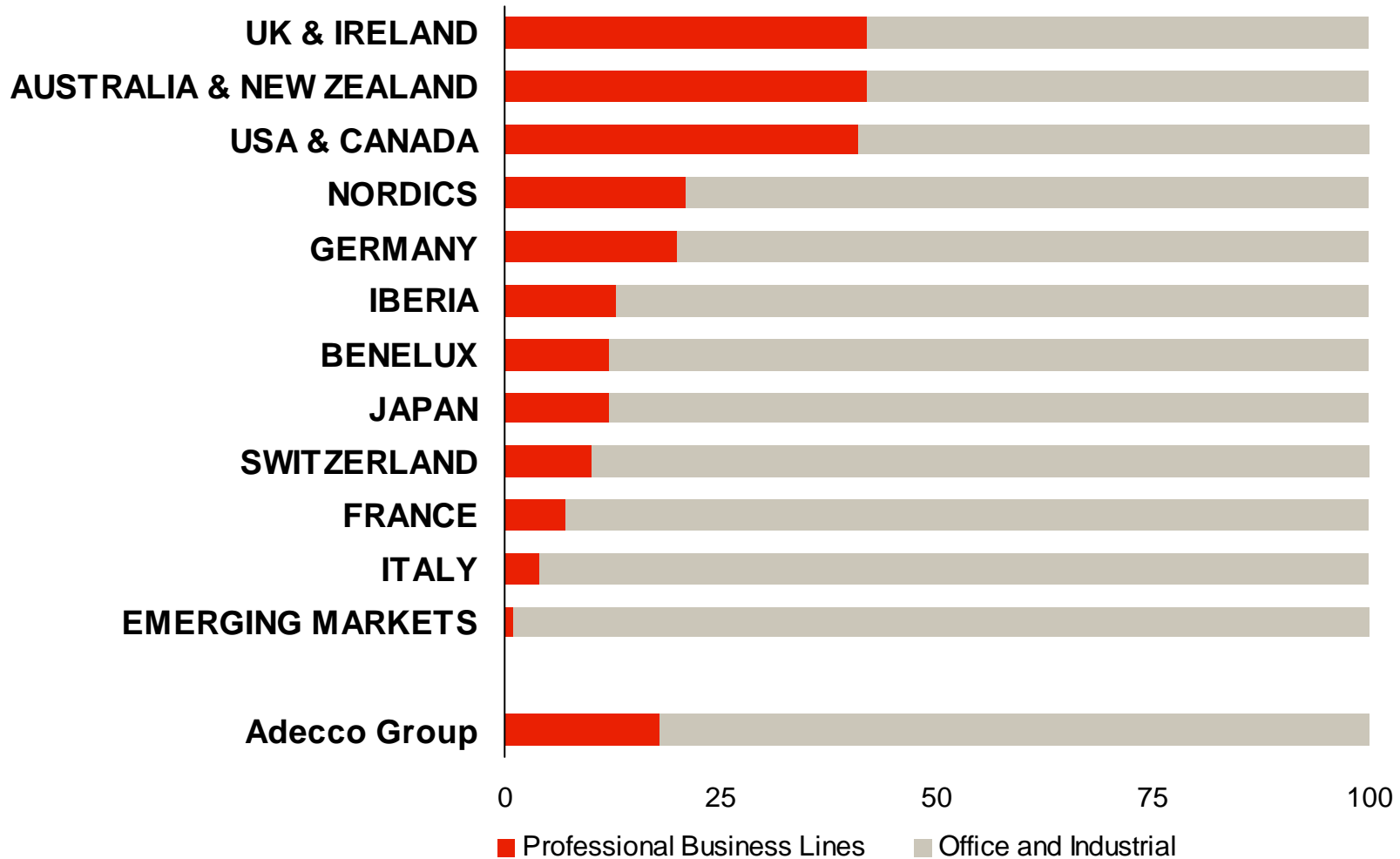
** In FY 2007, revenues increased organically in Nordics by 20%; Germany by 18%; AUS & NZ by 6%; Switzerland by 7%; EM by 14% and Adecco Group by 4%.



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Revenues – Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in FY 2007

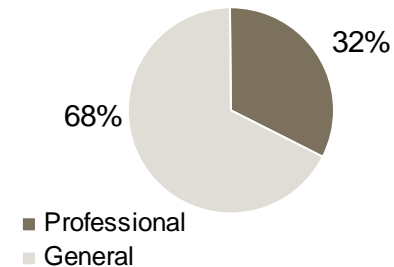
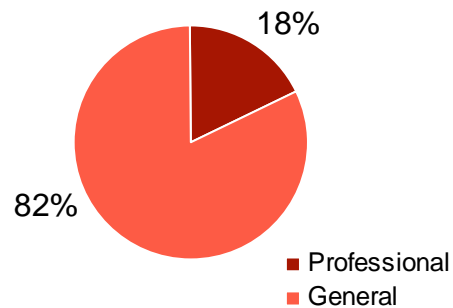
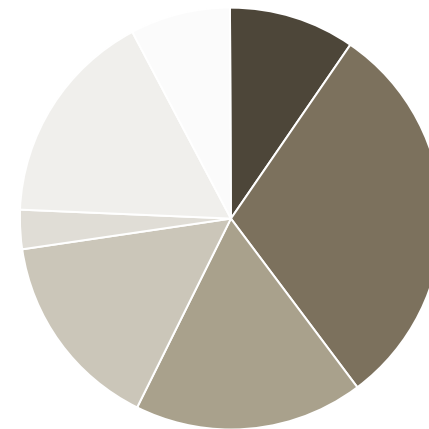
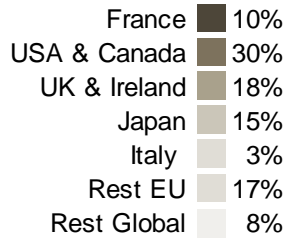
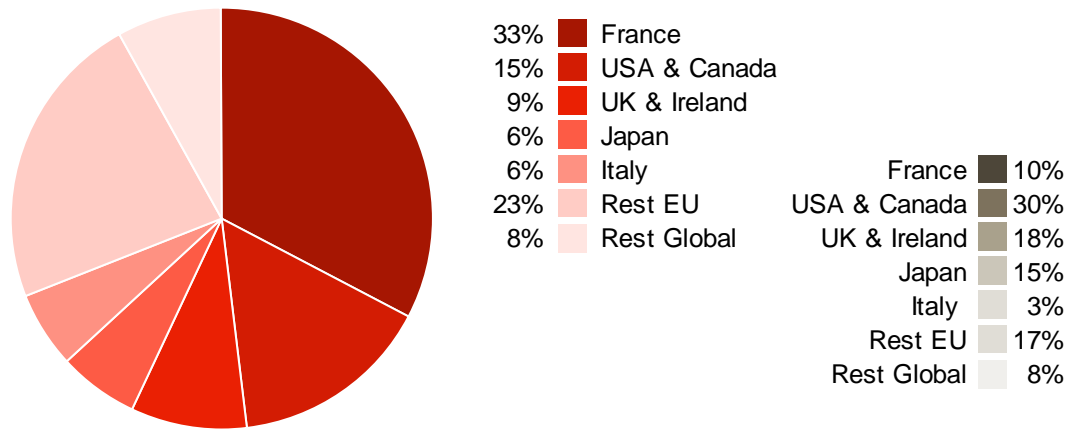


Our view of the Professional and Office and Industrial business

Market size and FY 2007 revenues of Adecco

Adecco FY 2007 revenues: EUR 21.1 bn

Global market 2007: Approx. EUR 220 bn



Source: National statistics and Adecco estimates

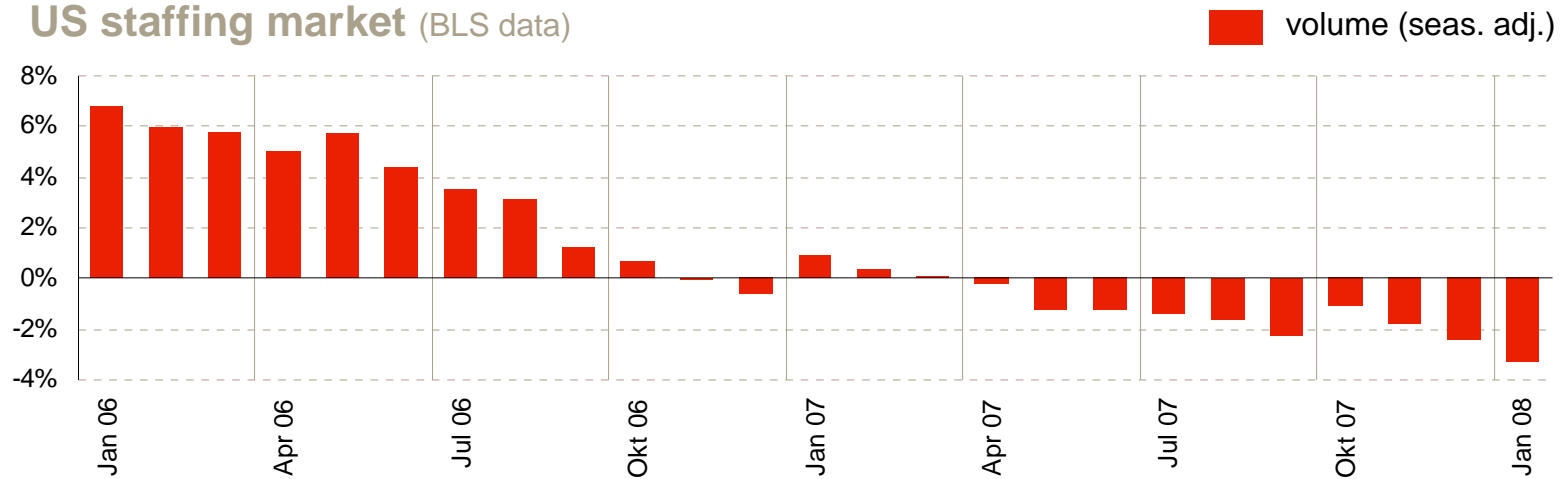


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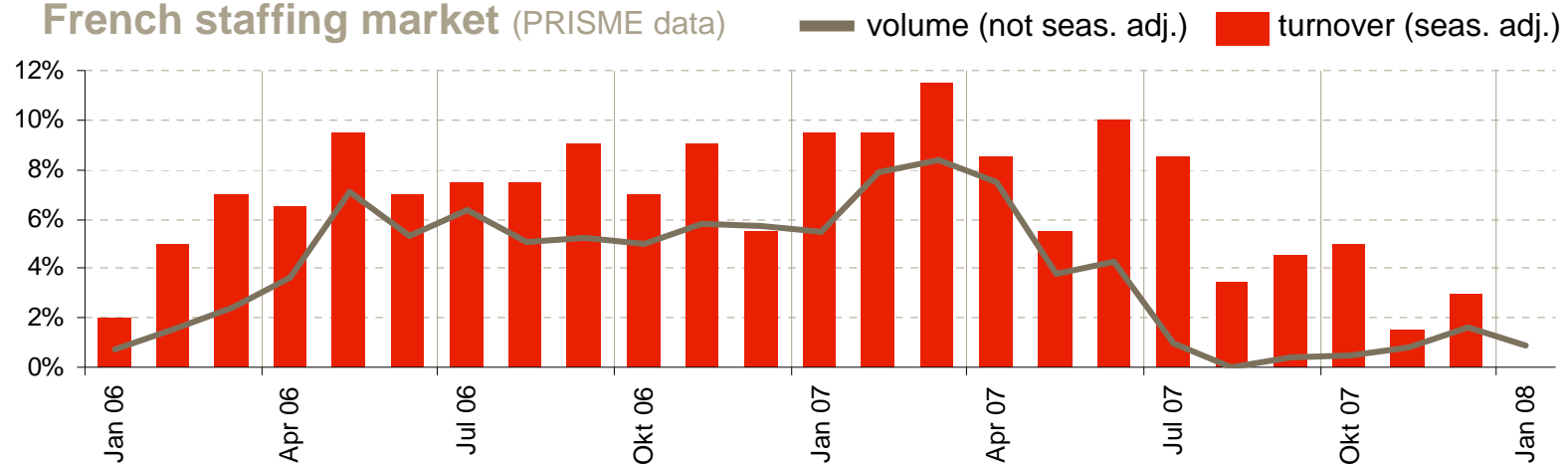
Development of US and French staffing market

Year-on-year growth

US staffing market (BLS data)

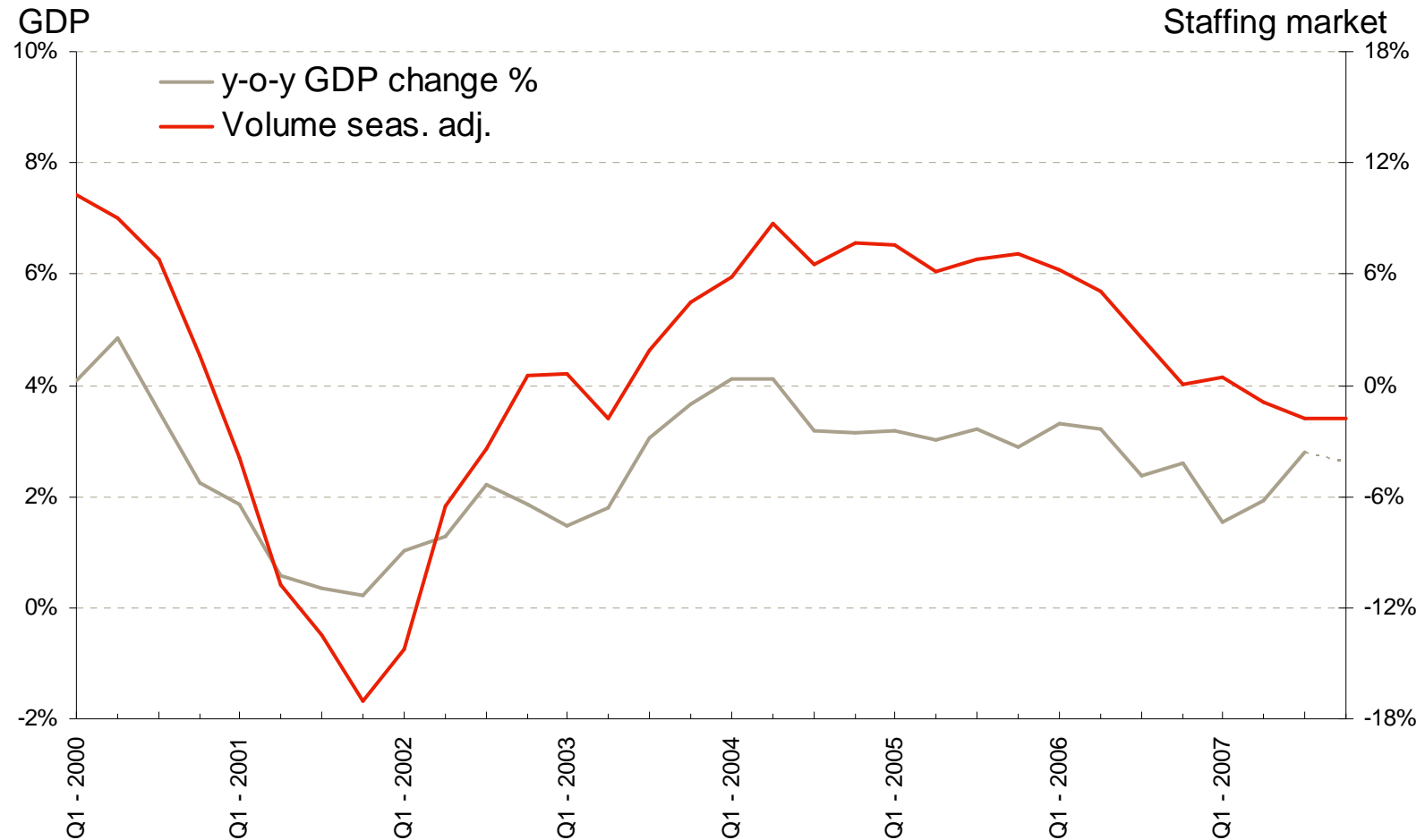


French staffing market (PRISME data)



Cyclical nature of staffing markets requires cost flexibility

US staffing volume vs. GDP growth 2000 – 2007



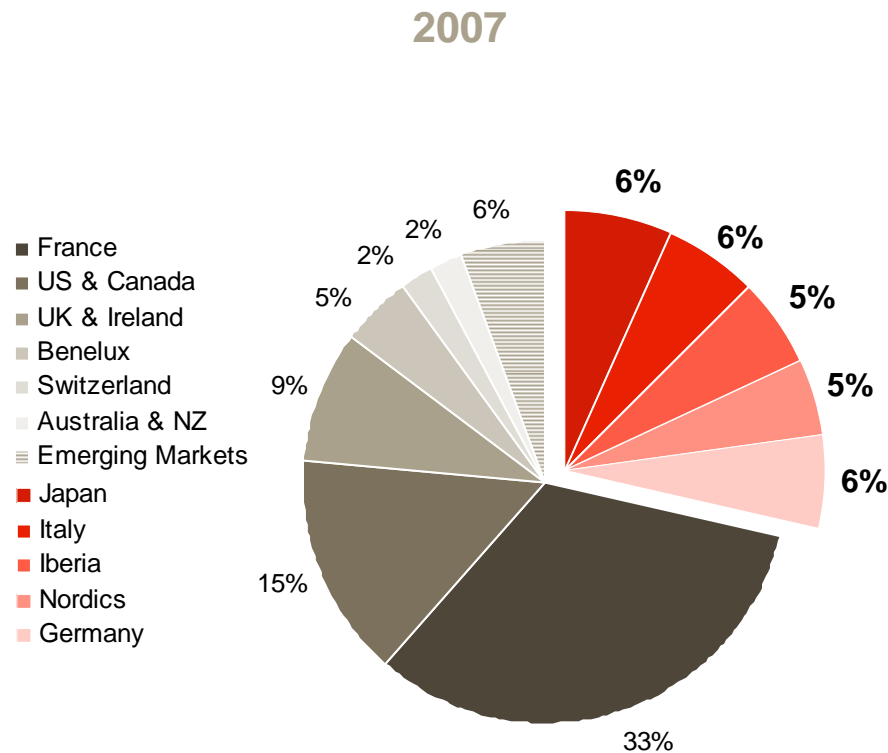
Source: OECD; BLS; GDP est. UBS



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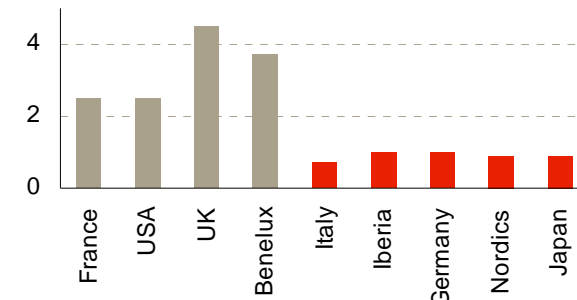
Driving revenue growth

Revenue split by countries 2007

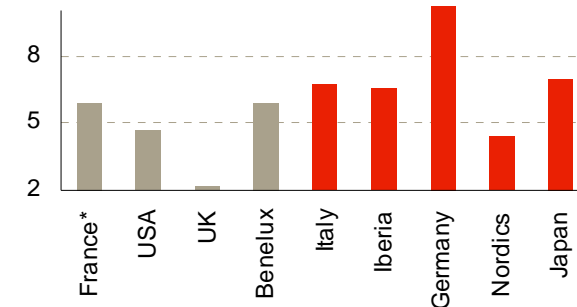


► **29% of our business has higher growth potential and higher profitability**

Market penetration rate
2006, in percent



Adecco operating margin
2007 in percent



*Not adjusted for changes in social charges