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Q2 2008 Results

Zürich, August 12, 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 procedure; 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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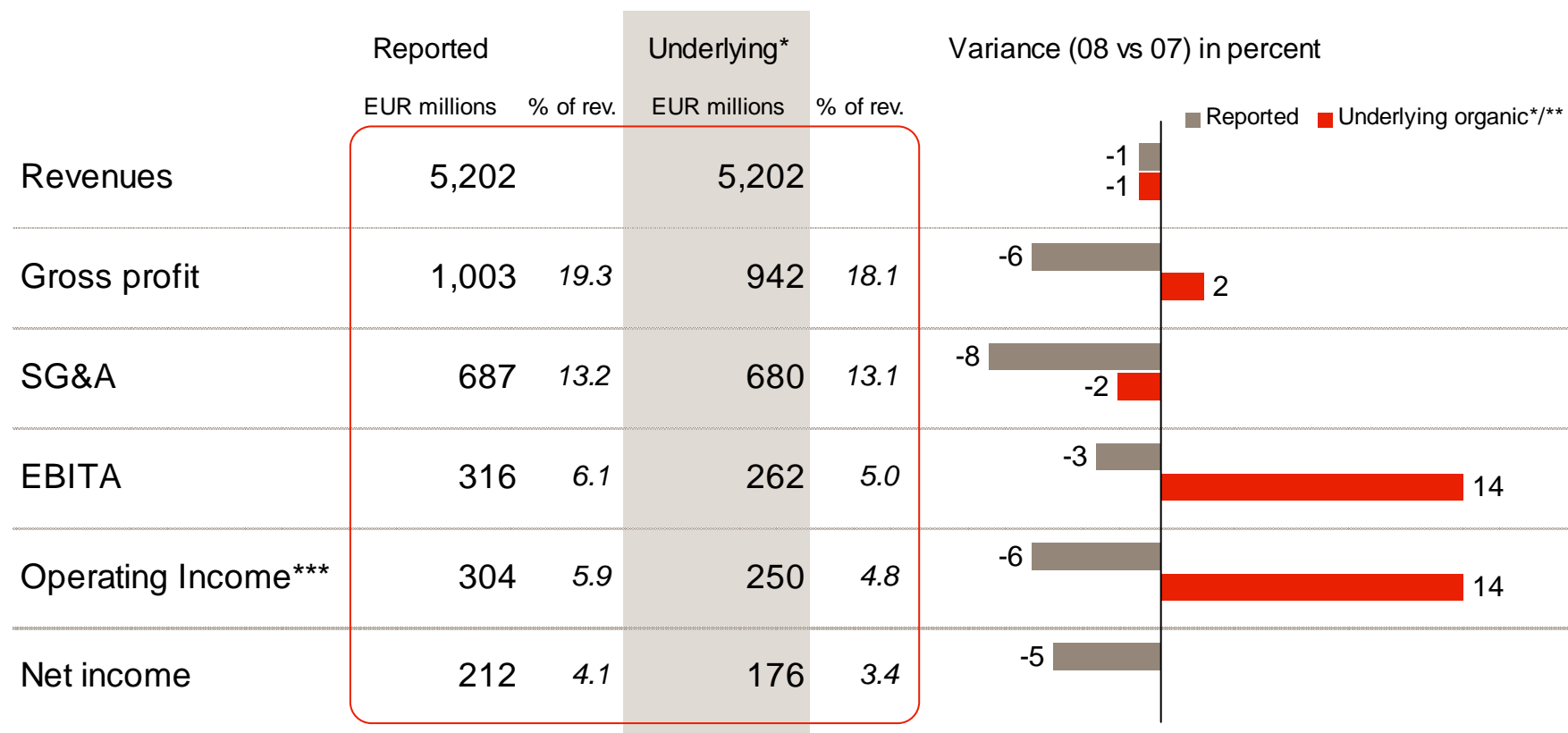
Operational review

Dieter Scheiff, Group CEO



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Q2 2008 results summary



* Underlying is a non US GAAP measure and excludes the impact of the modified calculation of French social charges for 2005, which positively impacted Q2 2008 with EUR 61 million on gross profit, EUR 54 million on operating income and EUR 36 million on net income, and for 2006 and H1 2007, positively impacted Q2 2007 with EUR 144 million on gross profit, EUR 101 million on operating income and EUR 66 million on net income.

** Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestures.

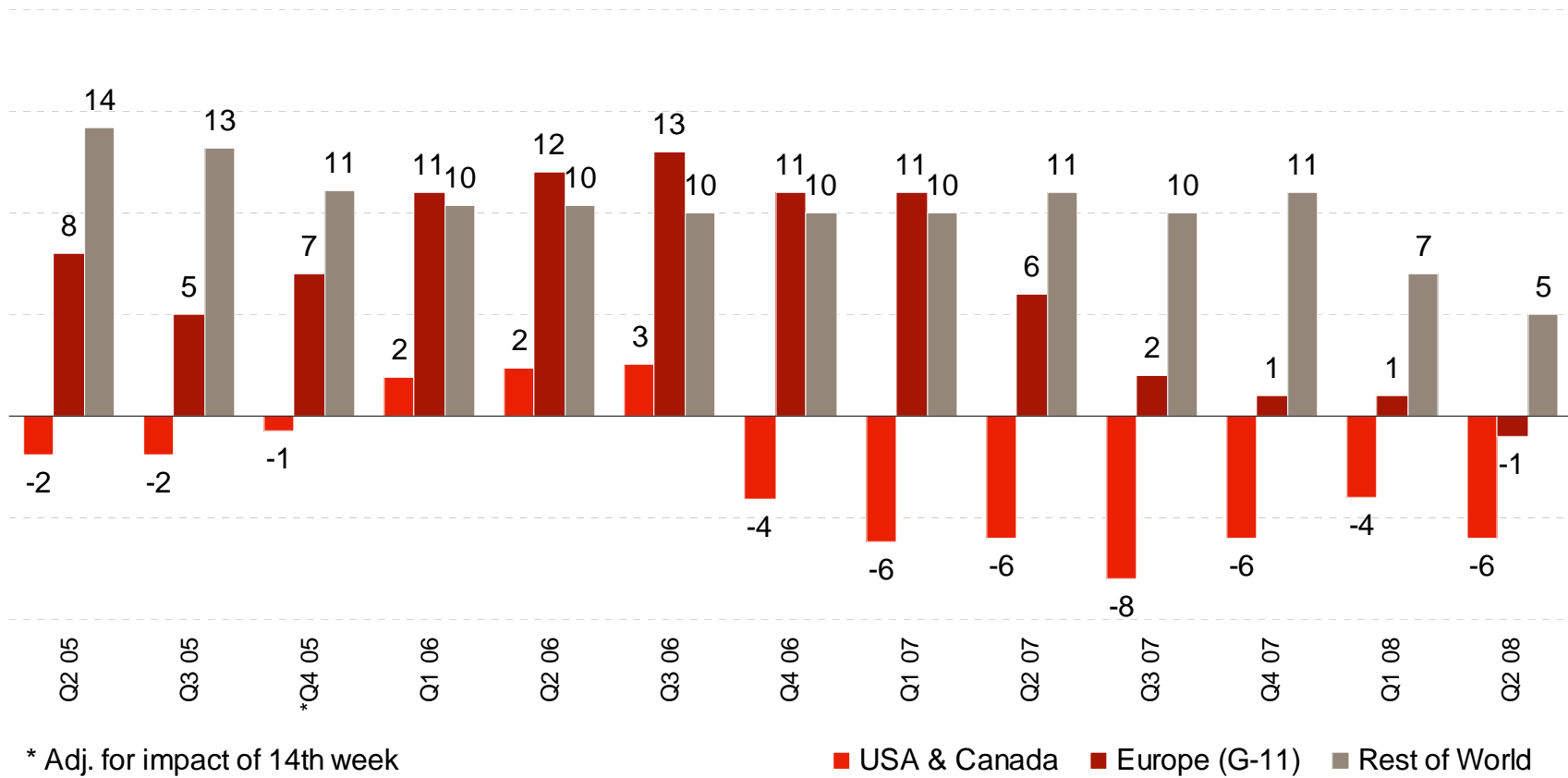
*** Operating income includes amortisation of intangible assets of EUR 12 million for Q2 2008 and EUR 4 million for Q2 2007.



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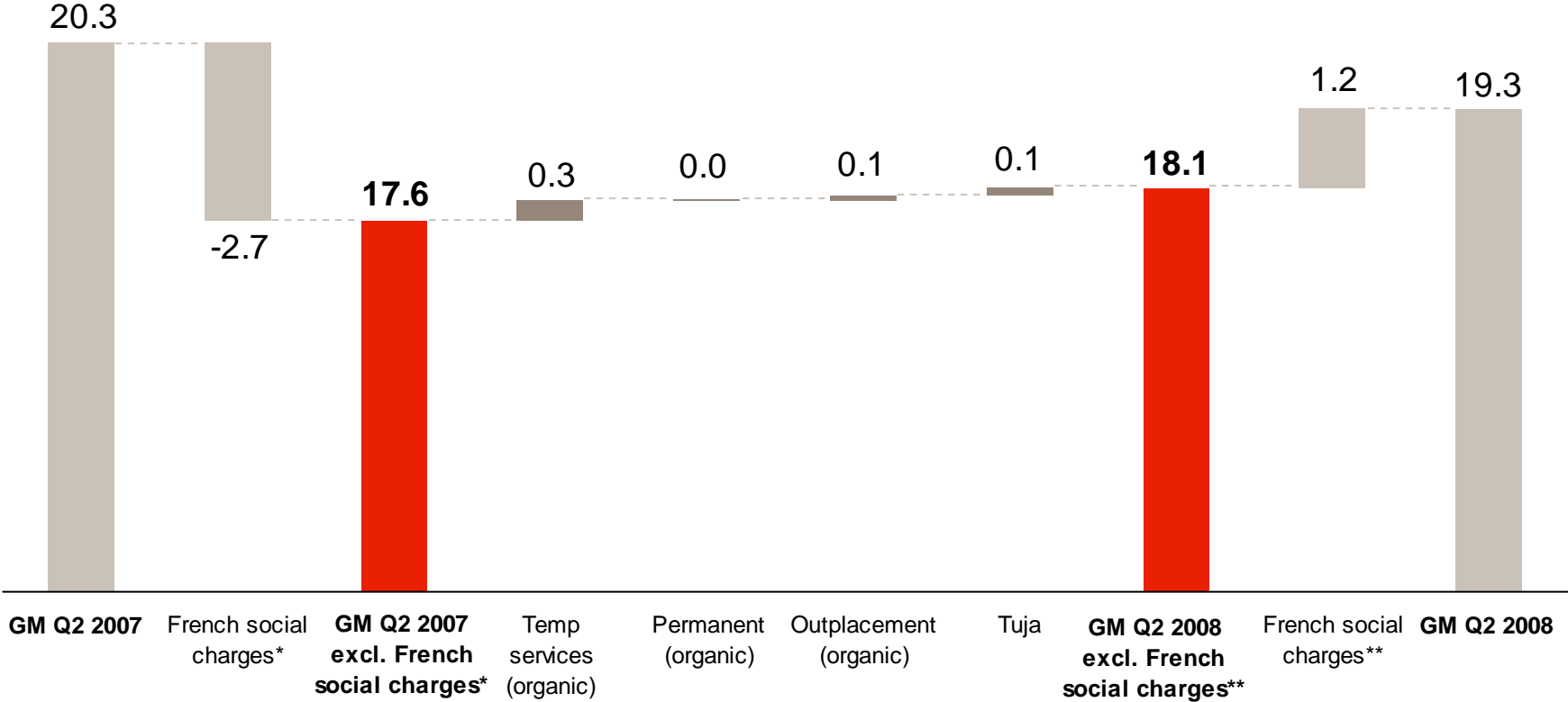
Revenue growth by region

Organic year-on-year growth in percent



Gross margin drivers

In percent of revenues



* French social charges in Q2 2007 related to FY 2006 and H1 2007

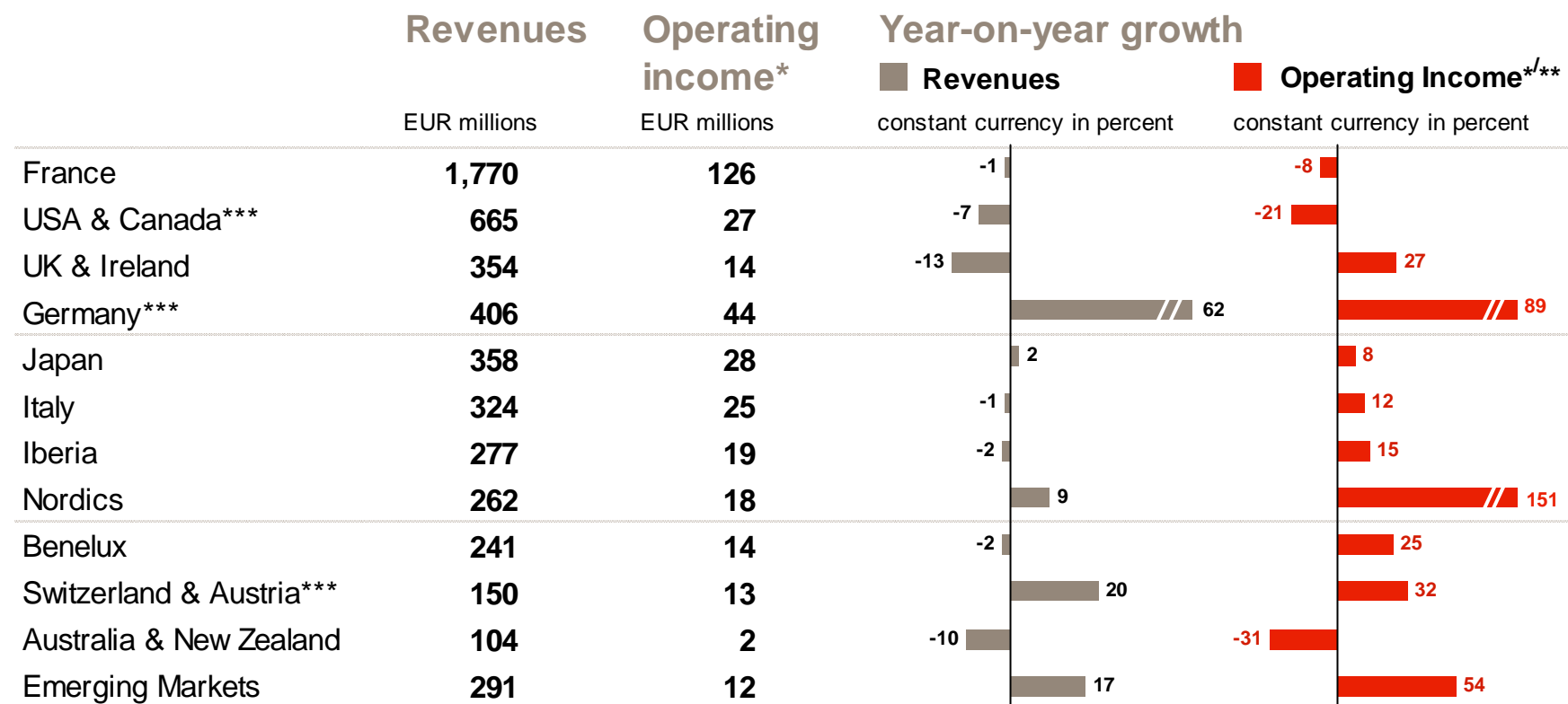
** French social charges in Q2 2008 related to FY 2005



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Revenues and Operating income by geography

Q2 2008 vs. Q2 2007 in constant currencies



* Operating income before amortisation on operating unit level.

** Excluding the impact of the modified calculation of French social charges for France.

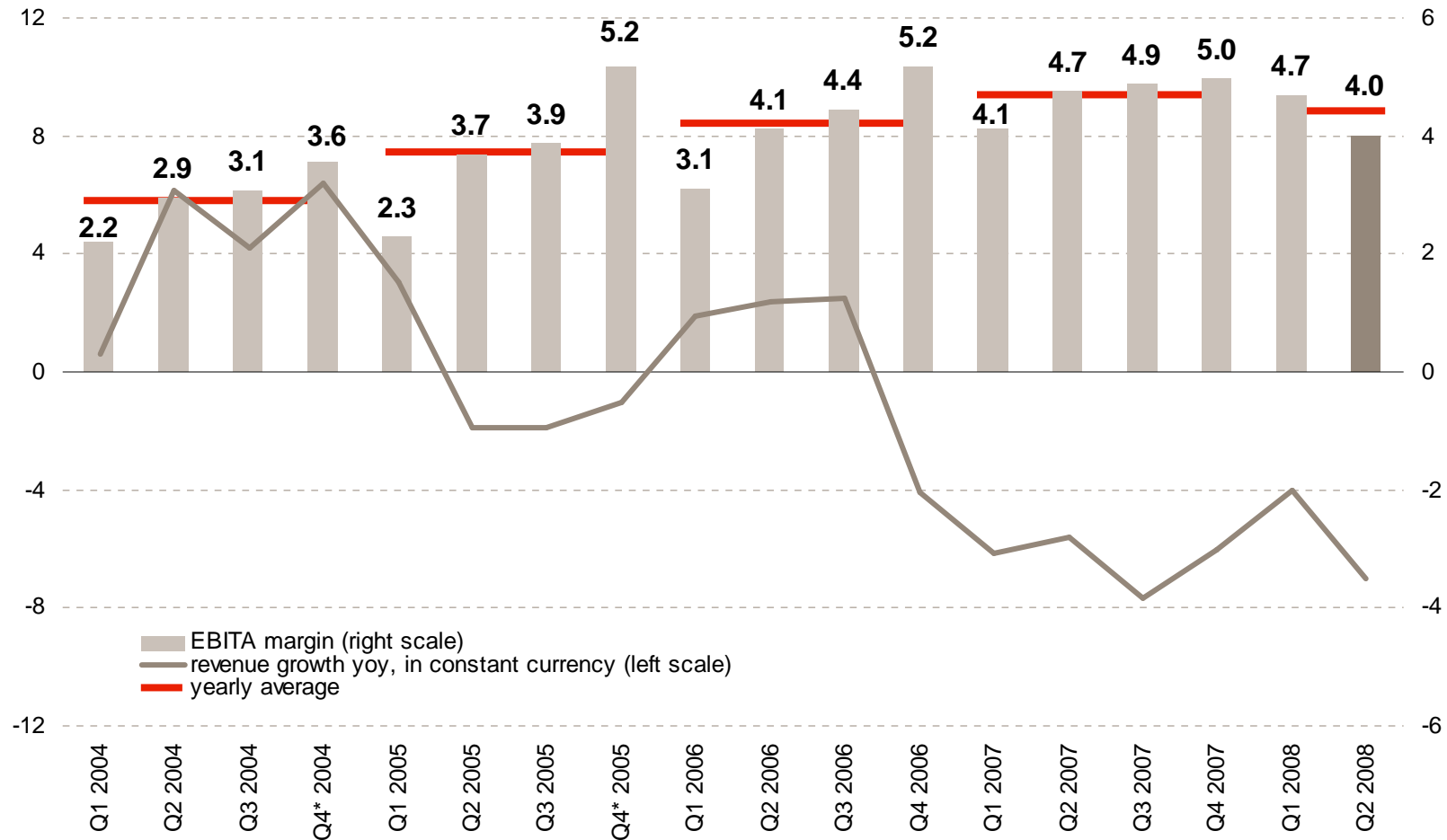
*** Q2 2008 revenue development organically in USA & Canada -6%; Germany 6% and Switzerland & Austria -1%.



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USA & Canada revenue and EBITA margin

Development Q1 2004 – Q2 2008 in percent



* Adjusted for impact of 14th week in revenues

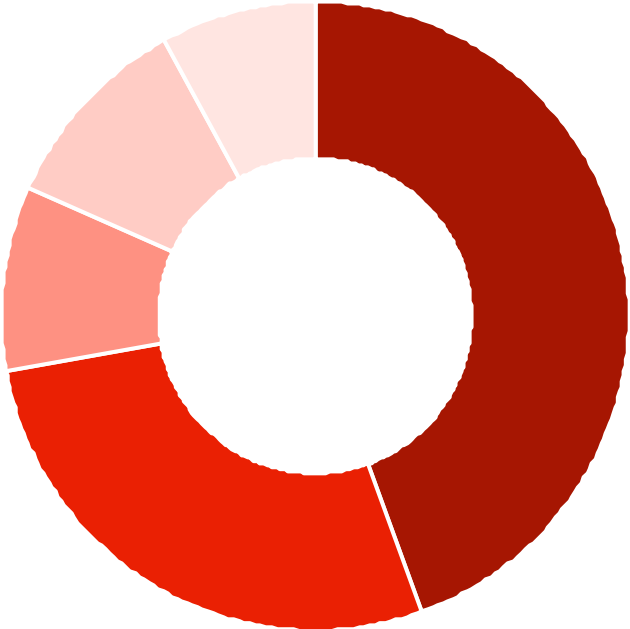


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Emerging Markets

Q2 2008 Revenues by geography

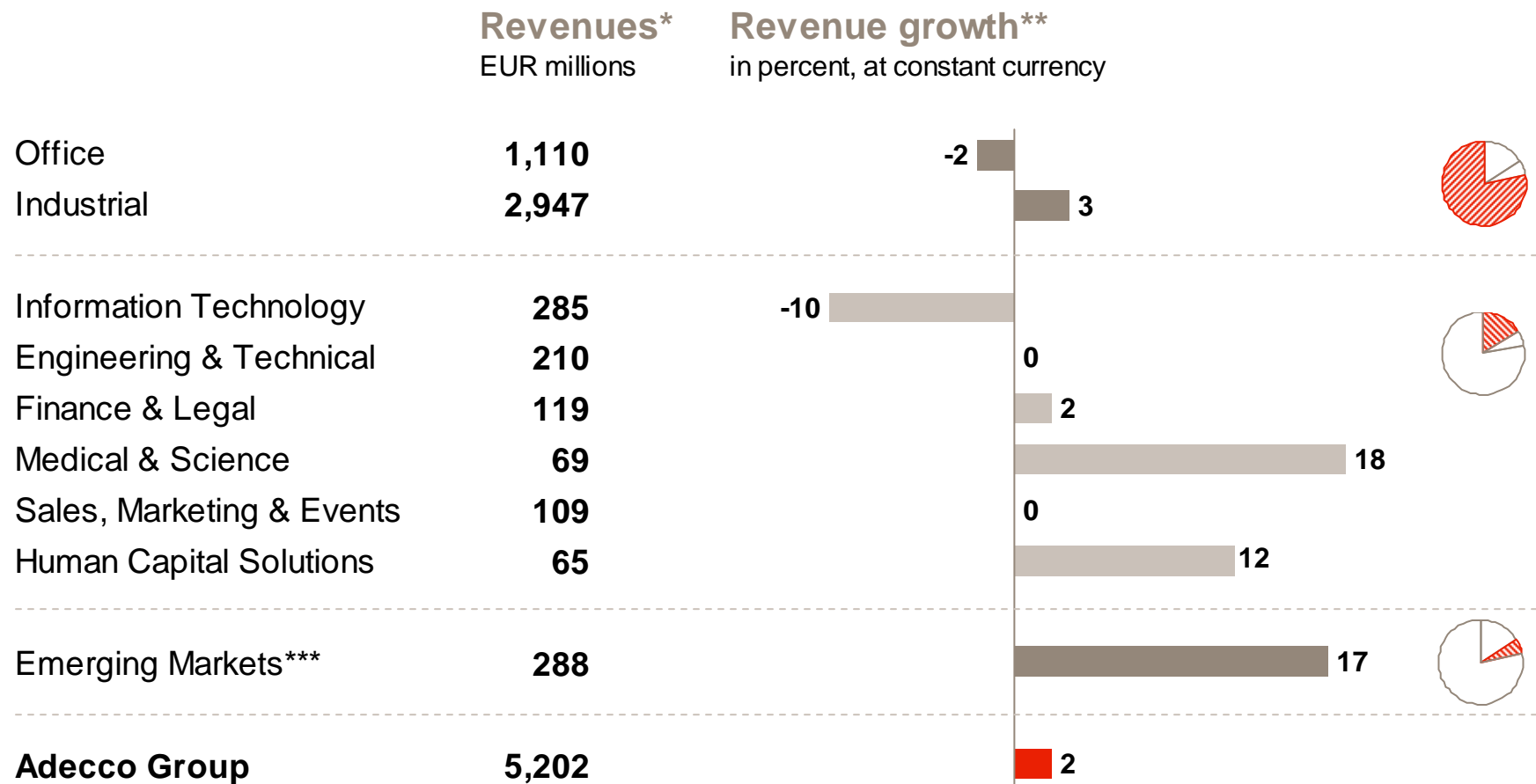
yoy growth, at constant currency



44%	■	Latin & Central America	16%
28%	■	Eastern Europe & Balkans	17%
10%	■	Greater China	21%
10%	■	South East Asia	15%
8%	■	India & South Africa	28%

Revenue development by business lines

Q2 2008 vs. Q2 2007 in constant currencies



* Breakdown of revenues is based on dedicated branches.

** In Q2, revenues increased organically in Office -1%; Industrial -2% and Adecco Group -1%.

*** Emerging Markets excluding professional business lines.



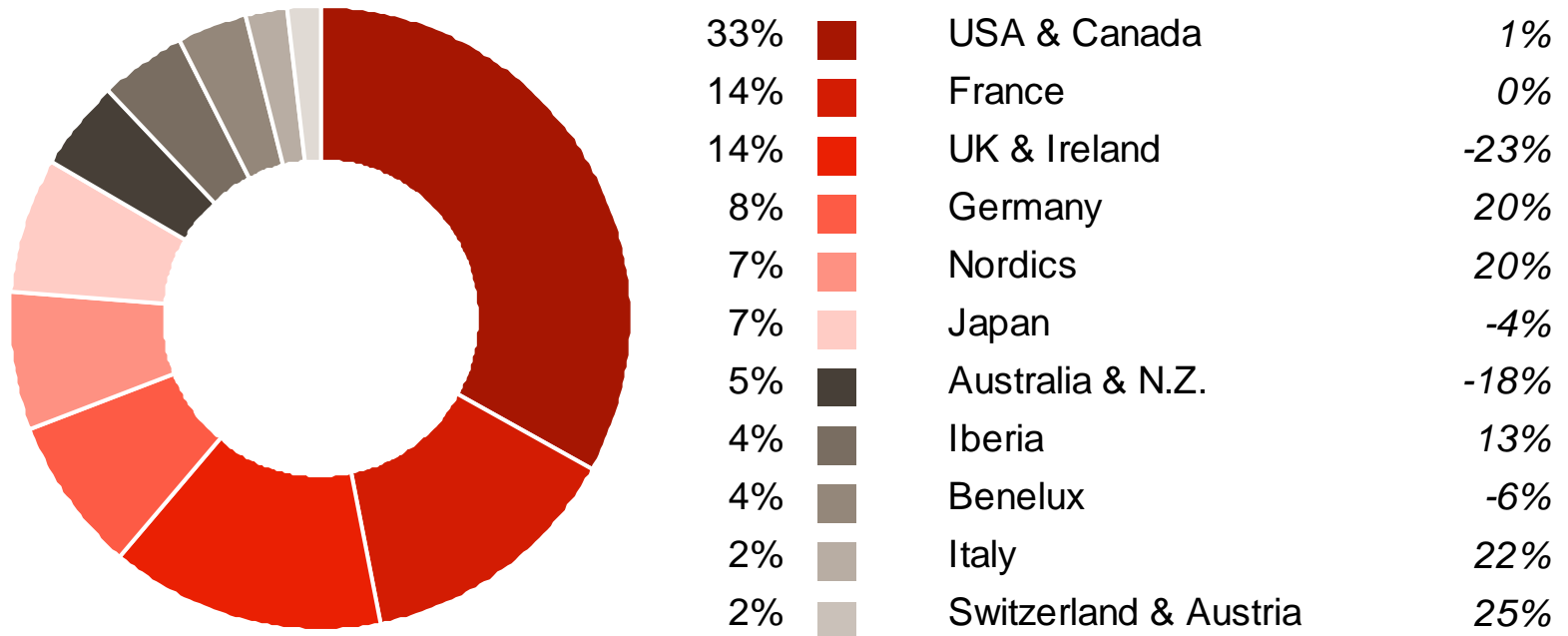
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Q2 2008 professional business lines*

Revenues by geography



yoy growth, at constant currency



* Based on dedicated branches



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Financial review

Dominik de Daniel, Group CFO



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Q2 2008 Results in detail – Reconciliation of P&L

In EUR millions

	Q2 2008			Q2 2007			Variance*** %	
	Reported	French social charges impact*	Underlying	Reported	French social charges impact**	Underlying	EUR	organic
Revenues	5,202		5,202	5,282		5,282	-1%	-1%
Direct costs of services	(4,199)	61	(4,260)	(4,210)	144	(4,354)		
Gross profit	1,003	61	942	1,072	144	928	1%	2%
<i>Gross margin</i>	19.3%		18.1%	20.3%		17.6%		
Selling, general and administrative expenses	(687)	(7)	(680)	(746)	(43)	(703)	-3%	-2%
<i>As a percentage of revenues</i>	13.2%		13.1%	14.1%		13.3%		
EBITA	316	54	262	326	101	225	16%	14%
<i>EBITA margin</i>	6.1%		5.0%	6.2%		4.3%		
Amortisation of intangible assets	(12)		(12)	(4)		(4)		
Operating income	304	54	250	322	101	221	13%	14%
<i>Operating income margin</i>	5.9%		4.8%	6.1%		4.2%		
Interest expense	(16)		(16)	(13)		(13)		
Other income/(expenses), net	7		7	10		10		
Income before taxes and minority interests	295	54	241	319	101	218	11%	
Provision for income taxes	(81)	(18)	(63)	(94)	(35)	(59)		
Income applicable to minority interests	(2)		(2)	(3)		(3)		
Net income	212	36	176	222	66	156	13%	
<i>Net income margin</i>	4.1%		3.4%	4.2%		3.0%		

* French social charges impact in Q2 2008 includes benefits for the year 2005

** French social charges impact in Q2 2007 includes benefits for the year 2006 and H1 2007

*** Variance of underlying figures Q2 2008 vs. Q2 2007

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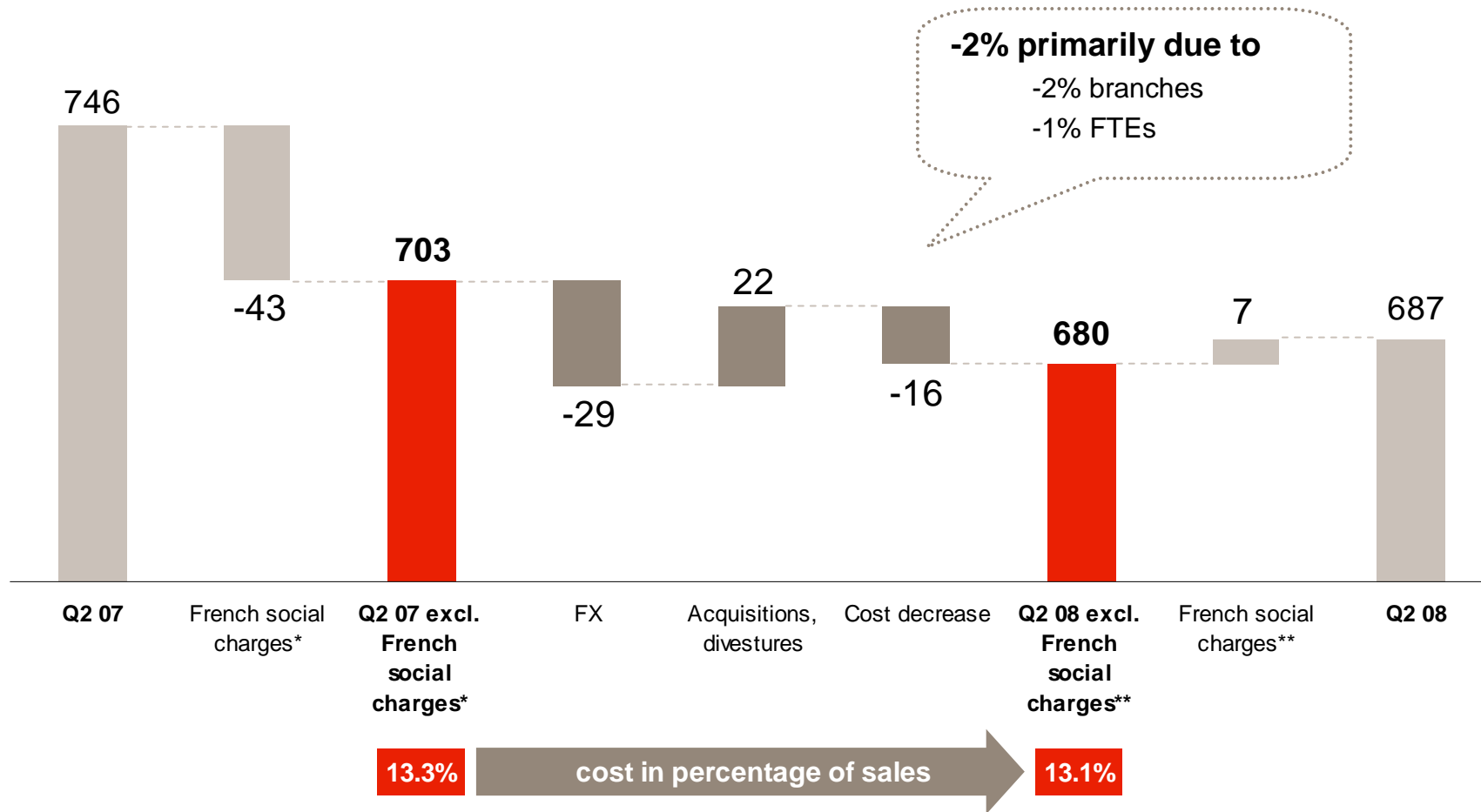
Q2 2008 Results

August 12, 2008

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Q2 2008 SG&A movements

In EUR millions



* French social charges in Q2 2007 related to FY 2006 and H1 2007

** French social charges in Q2 2008 related to FY 2005

Balance sheet

In EUR millions

	Jun 30 2008	Dec 31 2007
Assets		
Cash and short-term investments	351	563
Trade accounts receivable, net	3,815	3,773
Other current assets	309	324
Property, equipment, and leasehold improvements, net	222	223
Other assets	256	277
Goodwill and intangible assets, net	3,039	3,094
Total assets	7,992	8,254
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,320	3,476
Short- and long-term debt	1,541	1,429
Other liabilities	463	469
Minority interests	5	7
Shareholders' equity	2,663	2,873
Total liabilities and shareholders' equity	7,992	8,254
Net Debt*	1,190	866

* 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.

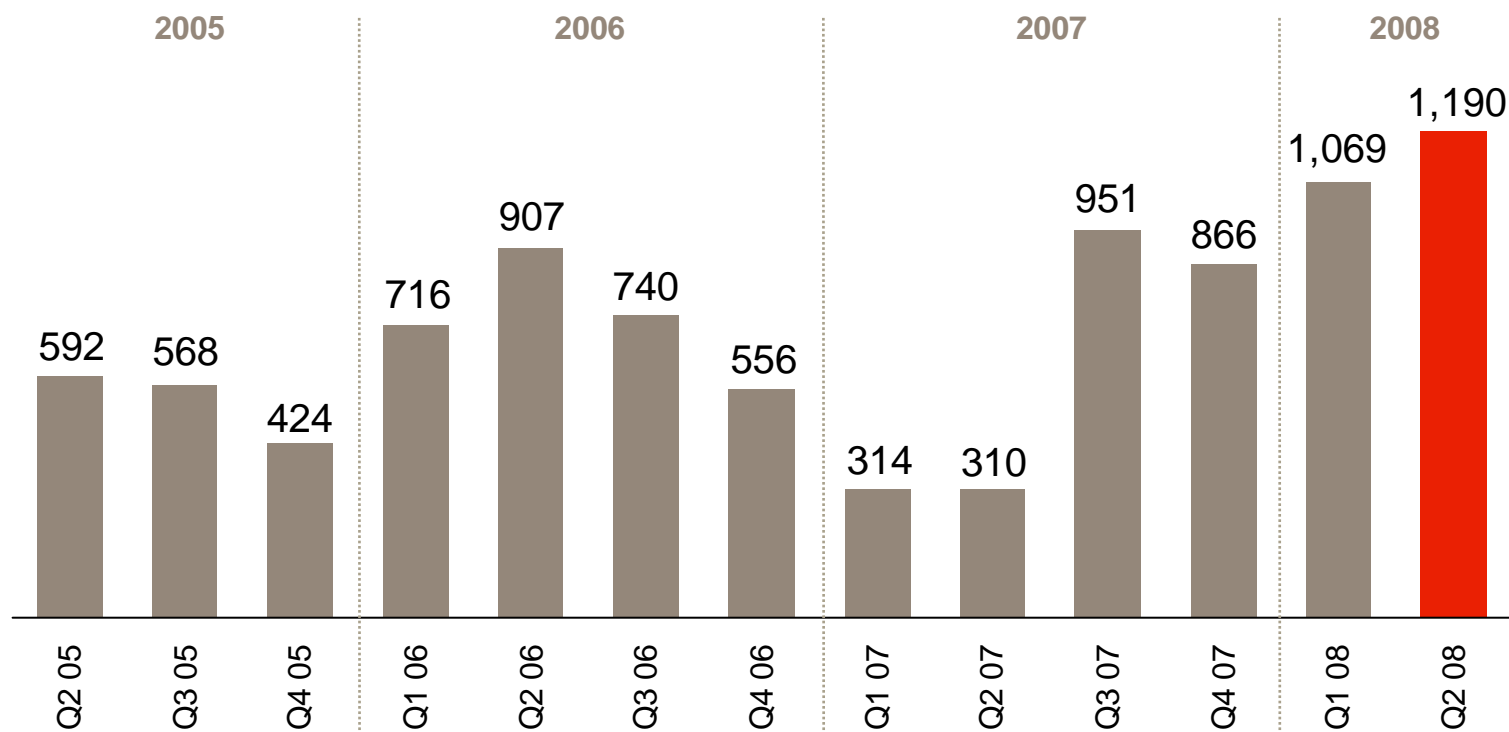
Cash-flow statement

In EUR millions

	H1 2008	H1 2007
Consolidated statements of cash flows (year-to-date)		
Net income	349	355
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	62	52
– Other charges	18	18
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(105)	(209)
– Accounts payable and accrued expenses	(110)	178
– Other assets and liabilities	24	-
Cash flows from operating activities	238	394
Cash flows from/(used in) investing activities	(91)	(56)
Cash flows from/(used in) financing activities	(343)	(78)
Effect of exchange rate changes on cash	(15)	(11)
Net increase/(decrease) in cash and cash equivalents	(211)	249

Net debt development since Q2 2005

In EUR millions



Outlook

Dieter Scheiff, Group CEO



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Two approaches



Thank you
Question and answer session



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Appendix



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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*	Q1 08	Q2 08*
Sales growth (adj. for business days)	2%	10%	9%	7%	9%	3%	-3%	-2%	3%	-4%
Market growth (Turnover, adj. for business days, PRISME, Q2 08 Adecco estimate)	5%	8%	8%	7%	10%	8%	6%	3%	3%	-5%
Gross margin Δ	-20 bps	-60 bps	-30 bps	-10 bps	0 bps	+70 bps	+60 bps	+20 bps	+10 bps	0 bps
SG&A % Δ	+30 bps	-30 bps	-30 bps	-30 bps	-30 bps	-10 bps	+20 bps	-20 bps	0 bps	+30 bps
Operating margin Δ	-50 bps	-30 bps	-0 bps	+20 bps	+30 bps	+80 bps	+40 bps	+40 bps	+10 bps	-30 bps
DSO Δ	0 days	0 days	0 days	0 days	-1 days	-2 days	-3 days	-4 days	-3 days	-2 days

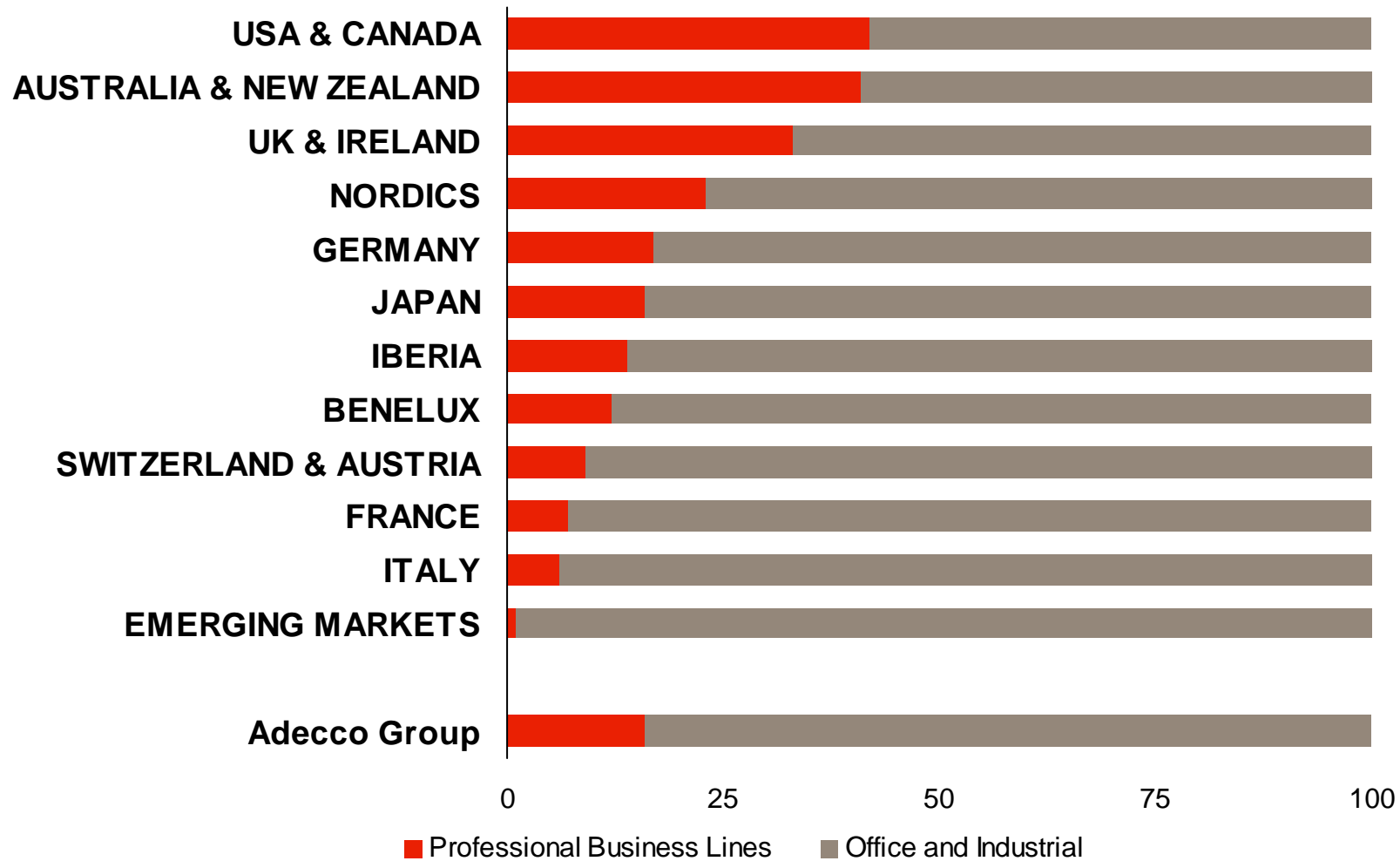
* adjusted for changes in social charges



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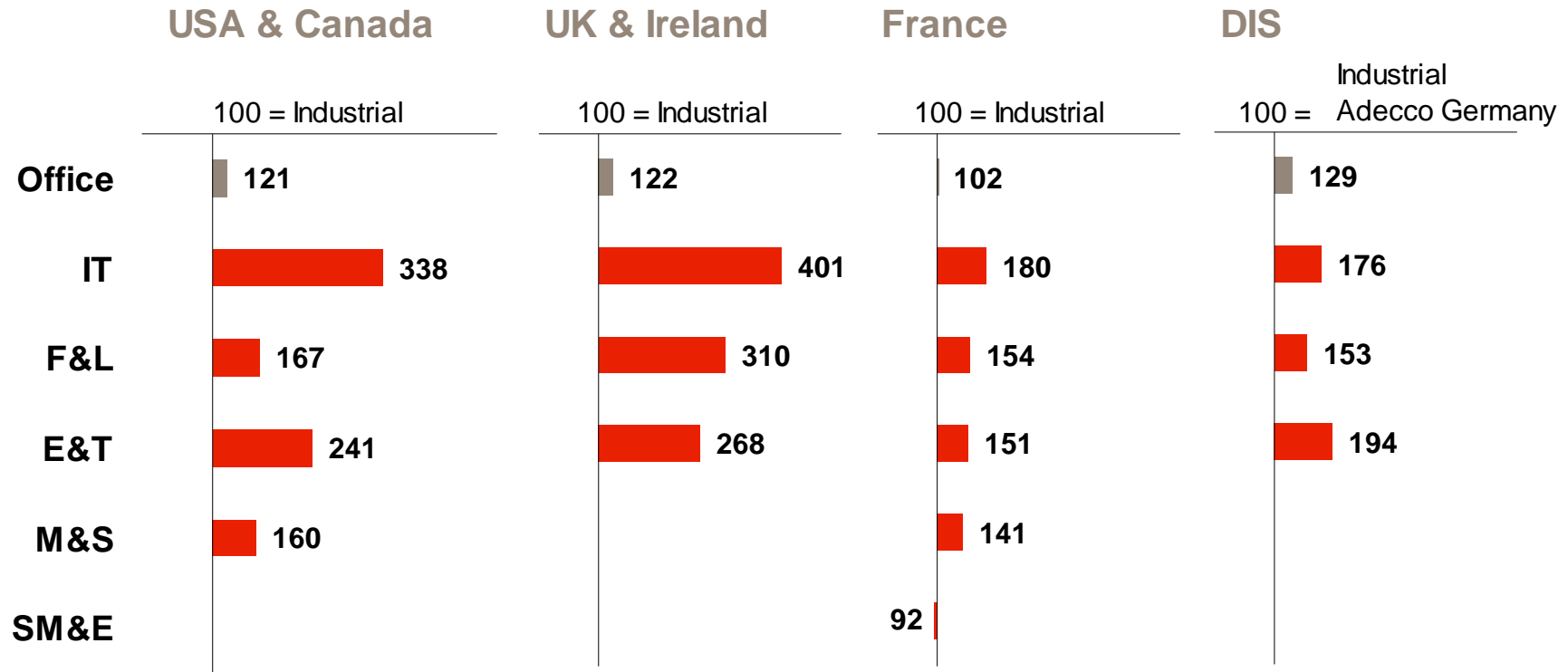
Revenues – Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in Q2 2008



Pay rates of Office vs. Professional business lines

Based on Q2 2008, Industrial = 100



IT Information Technology
 F&L Finance & Legal

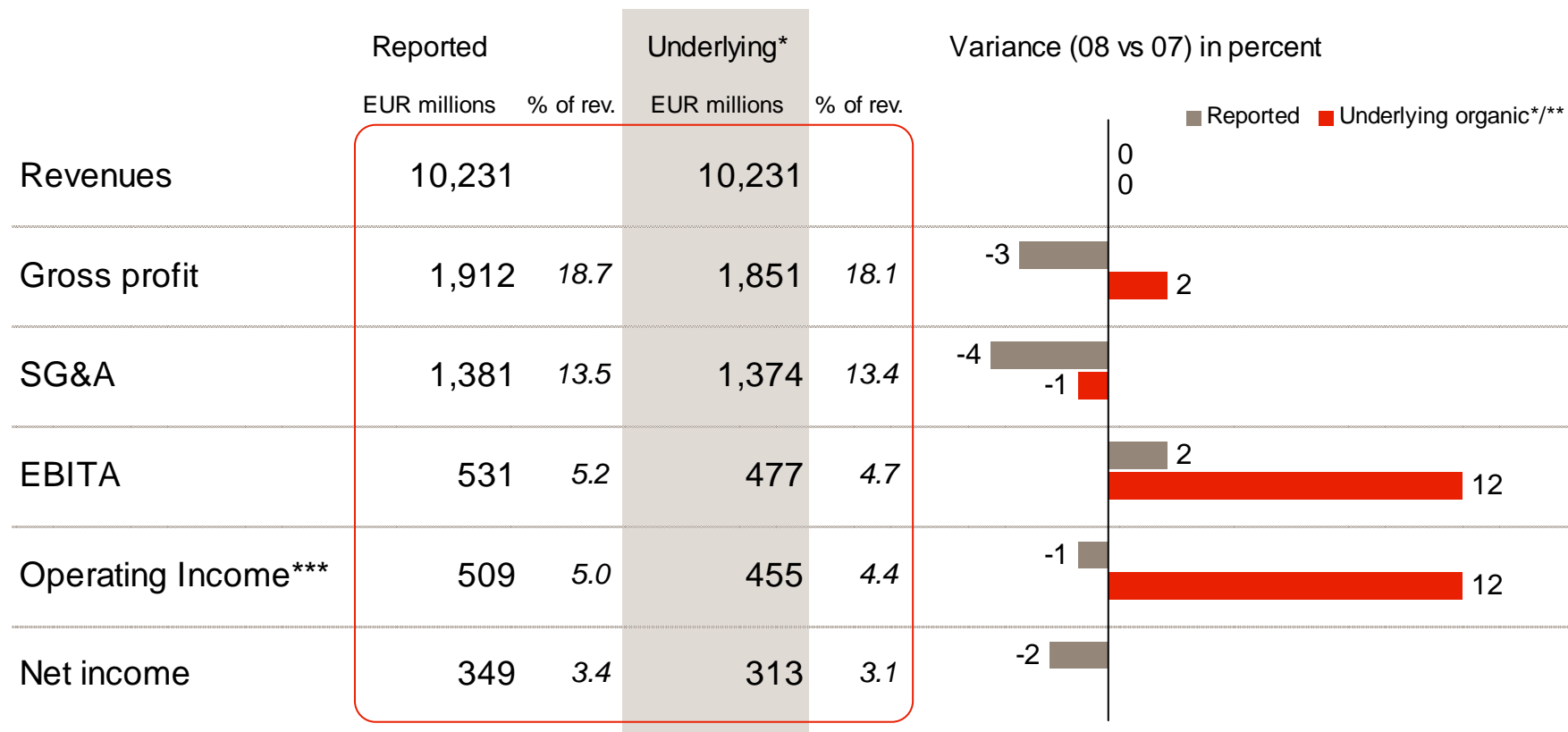
E&T Engineering & Technical
 M&S Medical & Science

SM&E Sales, Marketing & Events



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H1 2008 results summary



* Underlying is a non US GAAP measure and excludes the impact of the modified calculation of French social charges for 2005, which positively impacted H1 2008 with EUR 61 million on gross profit, EUR 54 million on operating income and EUR 36 million on net income, and for 2006 and H1 2007, positively impacted H1 2007 with EUR 144 million on gross profit, EUR 101 million on operating income and EUR 66 million on net income.

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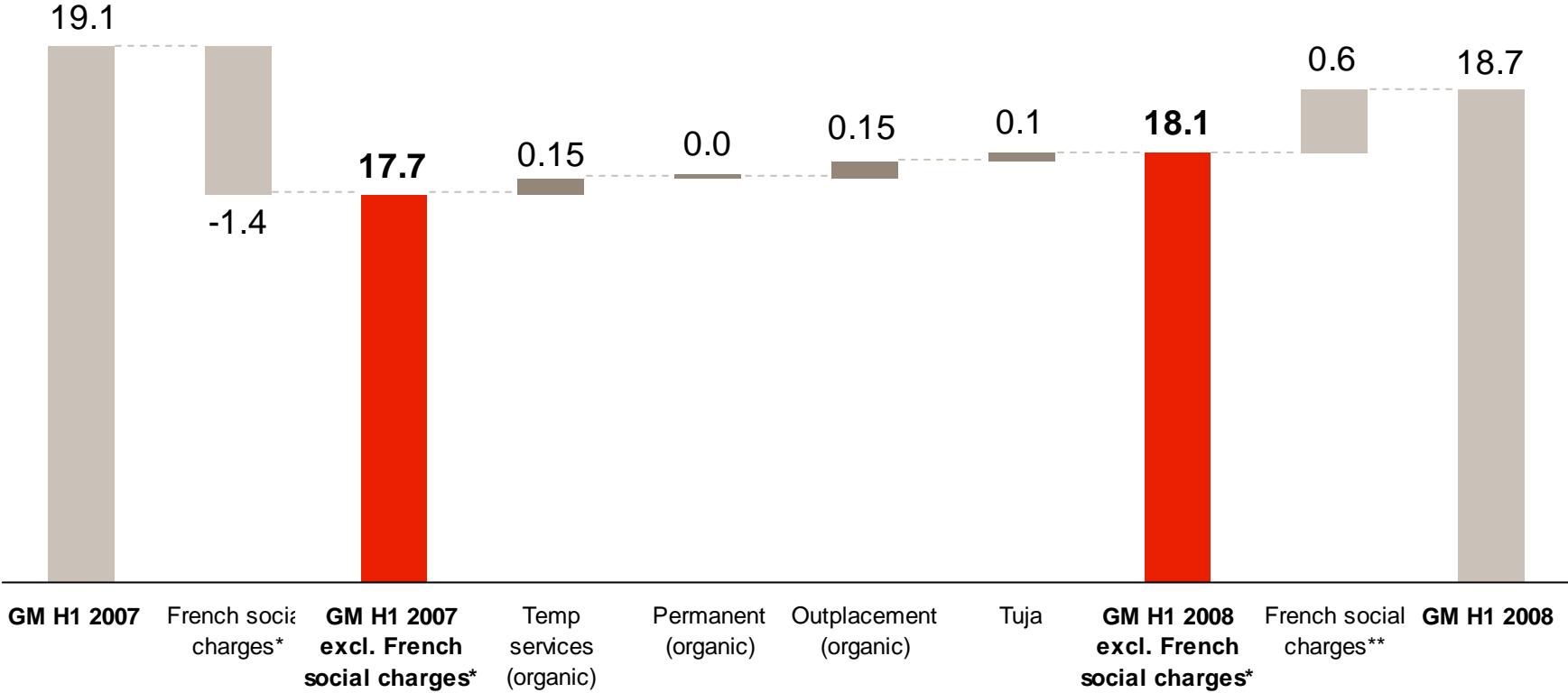
*** Operating income includes amortisation of intangible assets of EUR 22 million for H1 2008 and EUR 8 million for H1 2007.



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Gross margin drivers

In percent of revenues



* French social charges in H1 2007 related to FY 2006 and H1 2007

** French social charges in H1 2008 related to FY 2005



Revenues and Operating income by geography

H1 2008 vs. H1 2007 in constant currencies

	Revenues	Operating income*	Year-on-year growth	
	EUR millions	EUR millions	Revenues constant currency in percent	Operating Income ^{*/**} constant currency in percent
France	3,393	181	0	-3
USA & Canada***	1,368	60	-6	-7
UK & Ireland	748	26	-11	8
Germany***	792	81	60	58
Japan	710	52	4	14
Italy	636	47	3	14
Iberia	549	35	-1	7
Nordics	507	25	9	48
Benelux	473	25	-1	14
Switzerland & Austria***	273	20	16	13
Australia & New Zealand	210	5	-7	-2
Emerging Markets	572	21	16	41

* Operating income before amortisation on operating unit level.

** Excluding the impact of the modified calculation of French social charges for France.

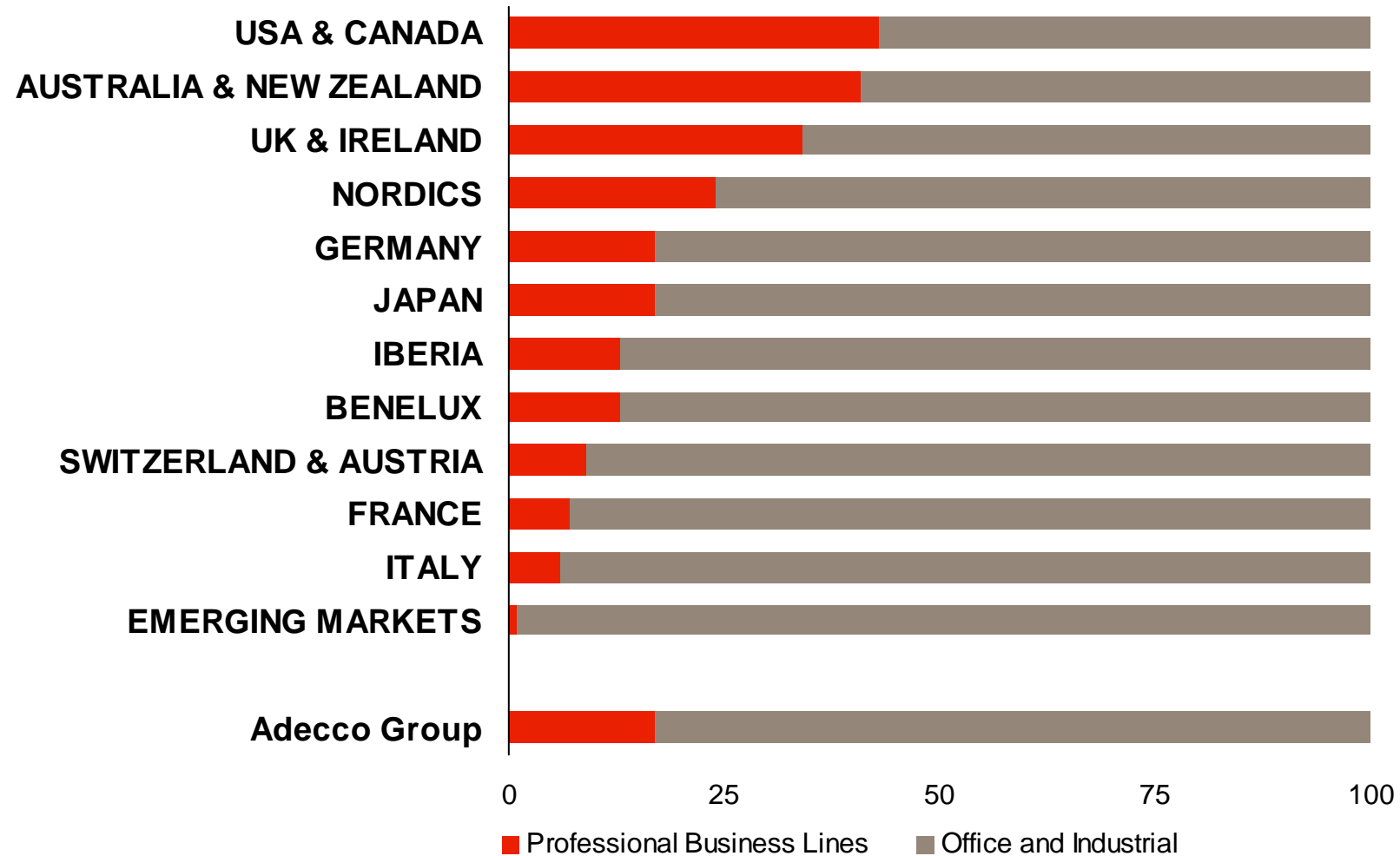
*** In H1 2008 revenues changed organically in USA & Canada by -5%; Germany by 6% and Switzerland & Austria by -2%.



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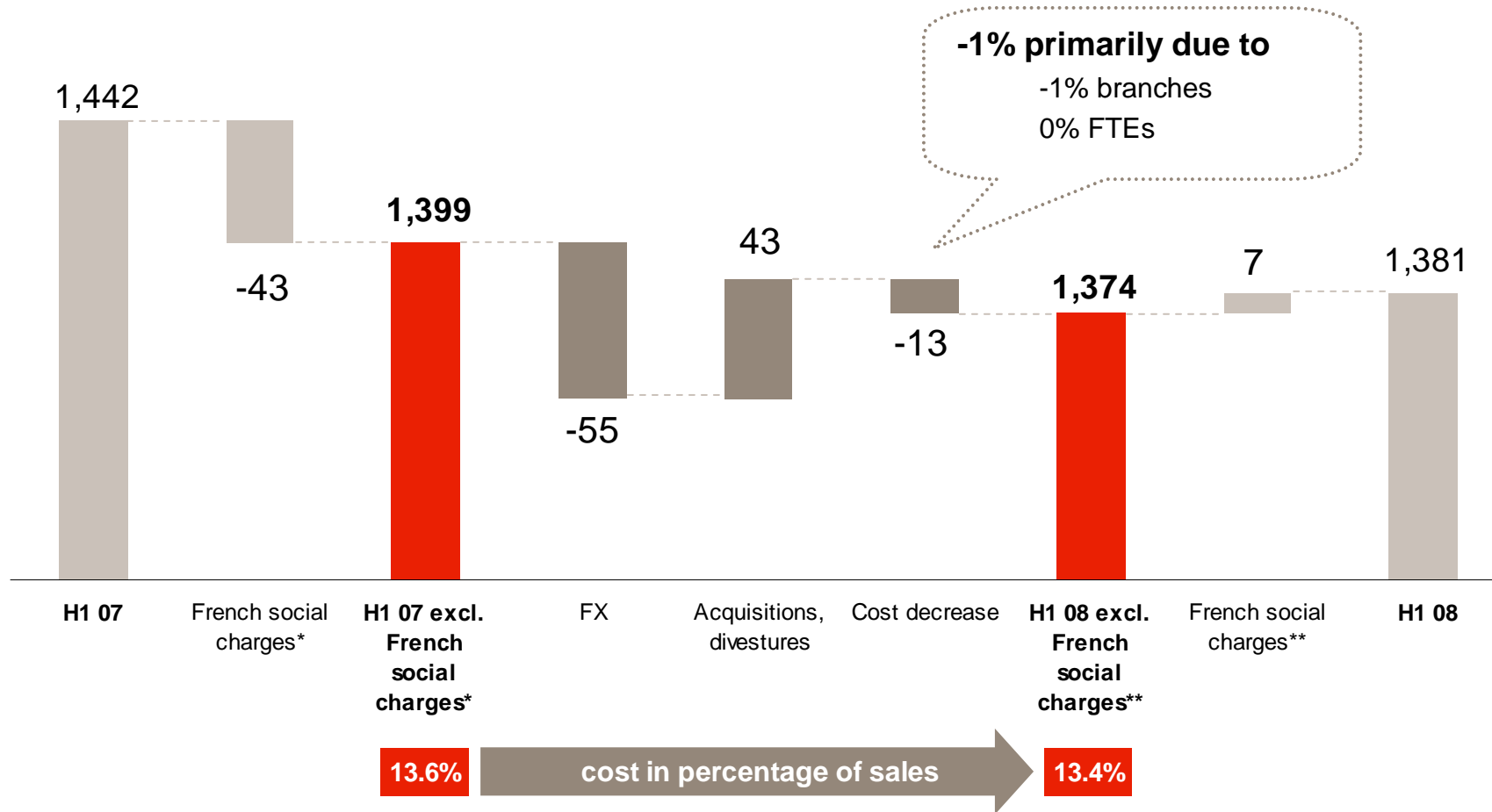
Revenues – Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in H1 2008



H1 2008 SG&A movements

In EUR millions



* French social charges in H1 2007 related to FY 2006 and H1 2007

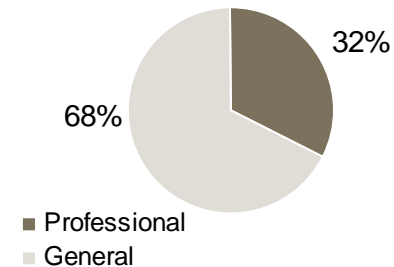
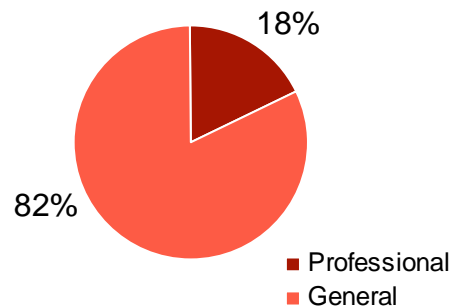
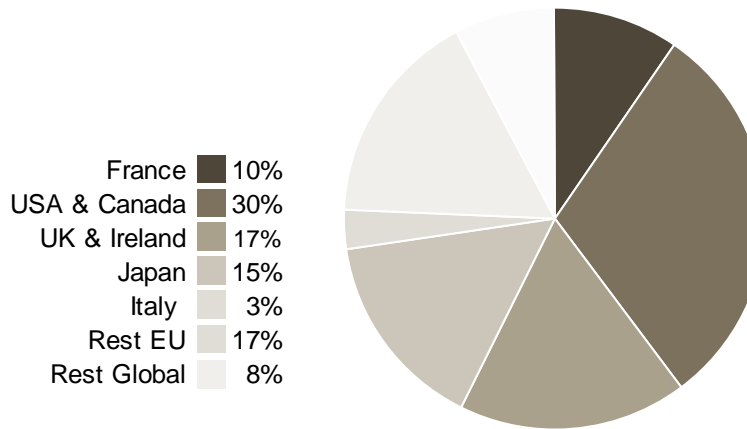
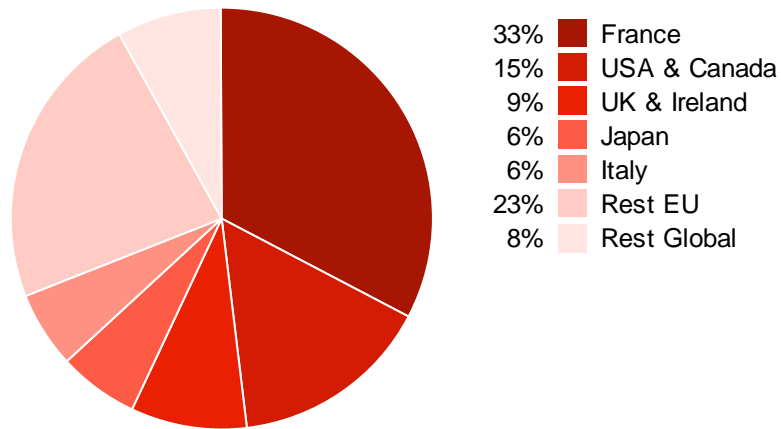
** French social charges in H1 2008 related to FY 2005

Our view of the Professional and General staffing 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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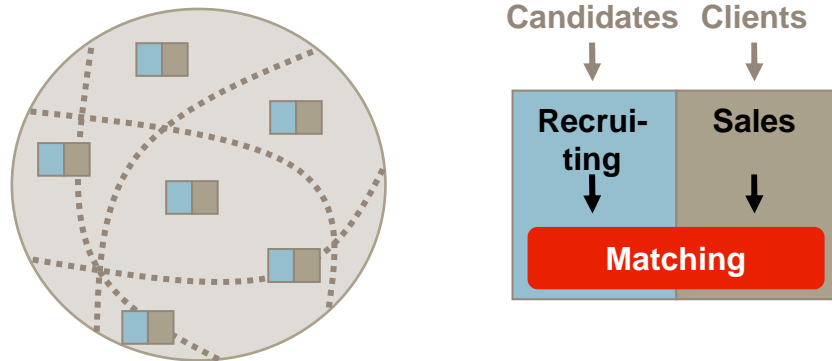
“Industrialization” of recruiting and client serving

Example Tokyo

Traditional branch model



Old ,classic‘ matching process



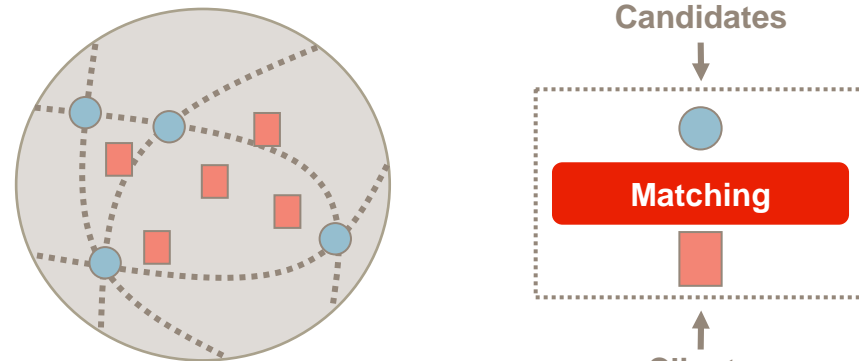
Greater city area

- Branch
- Public transport

“Industrialized” branch model



New ,industrialized‘ matching process

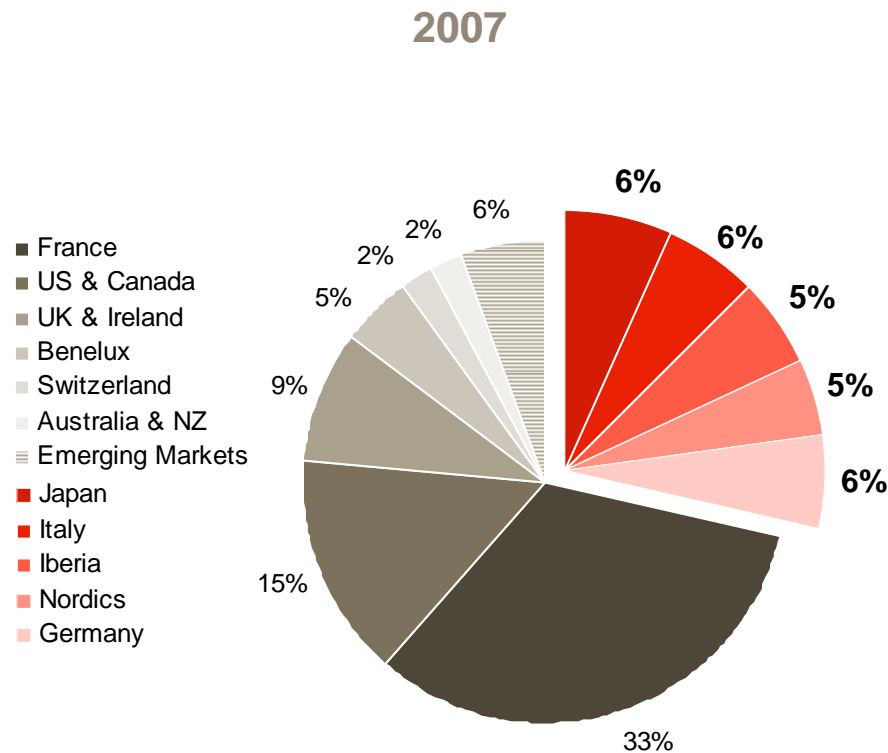


Greater city area

- Job center at public transport junctions
- Client serving branches with focus on city area
- Public transport

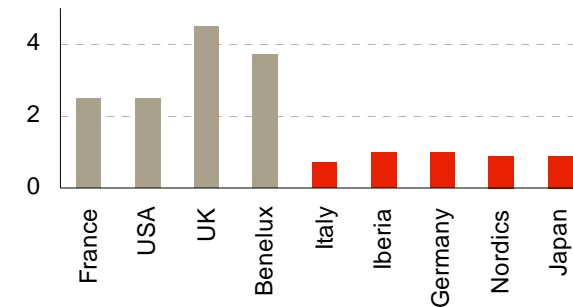
Driving revenue growth

Revenue split by country 2007

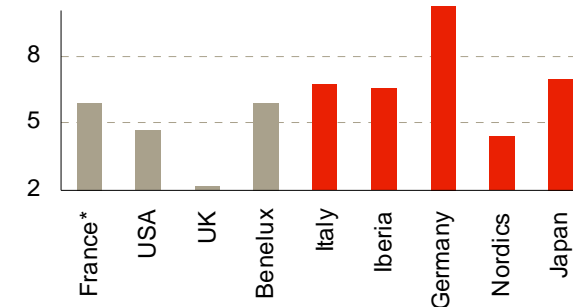


▶ **28% of our business has higher growth potential and higher profitability**

Market penetration rate
2006, in percent



Adecco operating margin
2007 in percent



*Not adjusted for changes in social charges



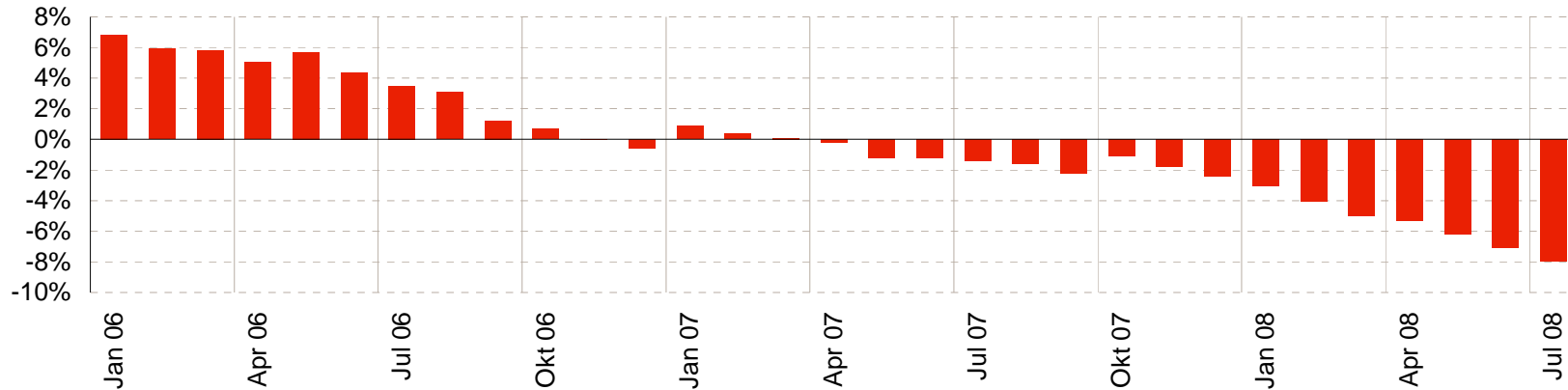
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Development of US and French staffing market

Year-on-year growth

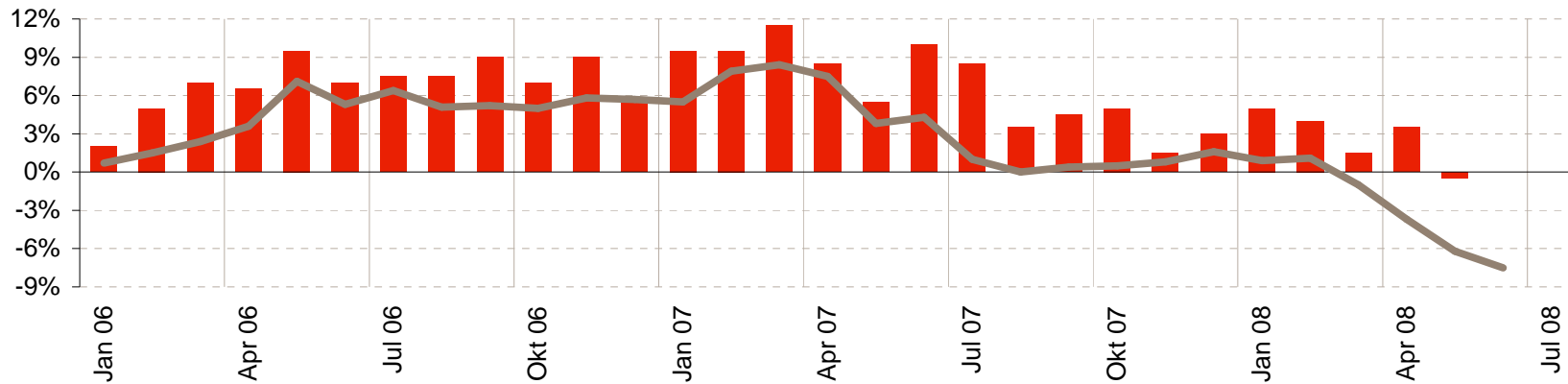
US staffing market (BLS data)

■ volume (seas. adj.)



French staffing market (PRISME data)

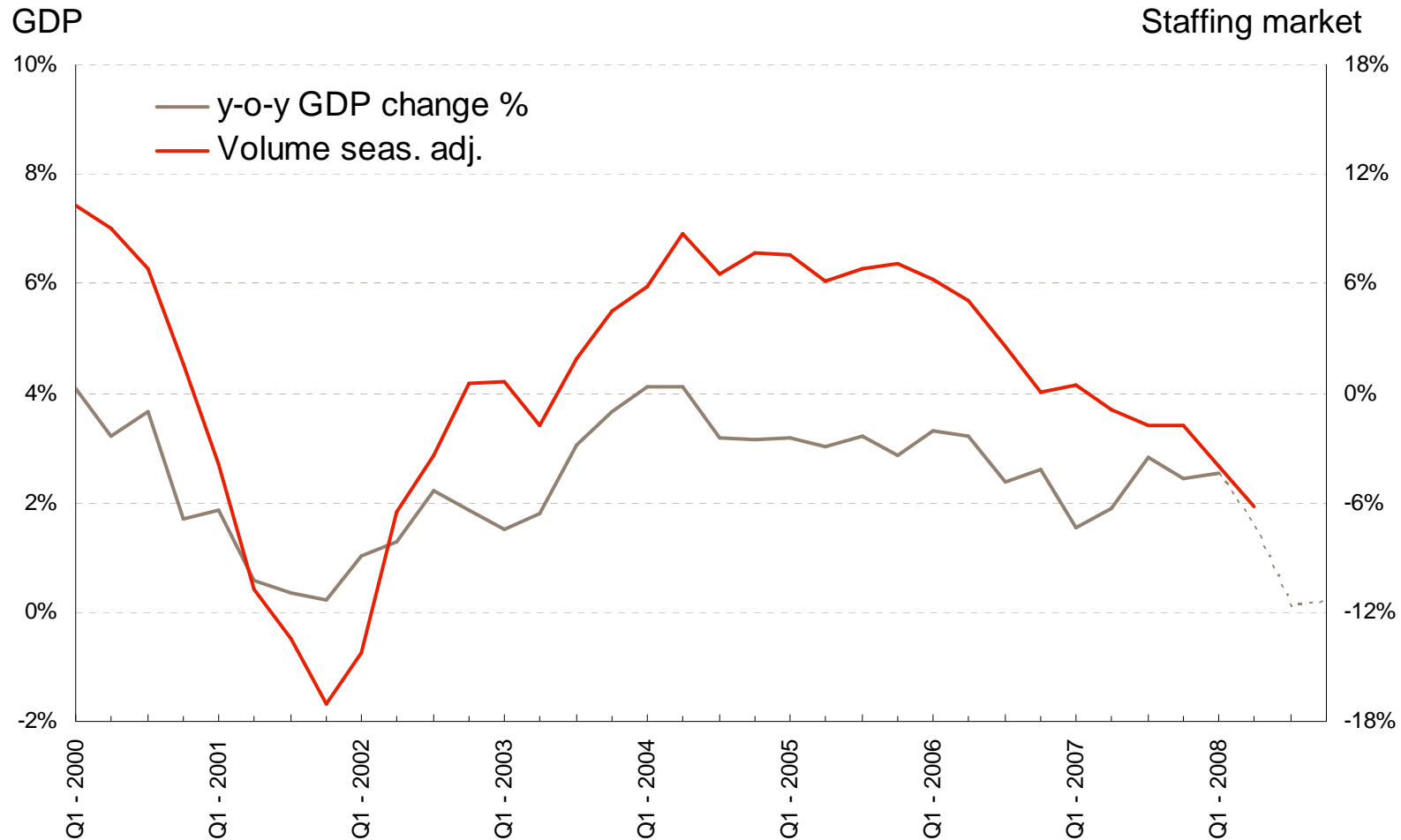
— volume (not seas. adj.) ■ turnover (seas. adj.)



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Cyclicalty of staffing markets requires cost flexibility

US staffing volume vs. GDP growth 2000 – 2008



Source: OECD; BLS; GDP est. UBS



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