

keeping up the pace

Investor Days, 25 - 26 September 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.



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## **Innovation, efficiencies and improving the customer experience**

Tig Gilliam, Country Manager North America

Investor Days: New York, September 25-26, 2008

# Agenda

- Adecco North America overview
- Current environment
- Market potential
- Our strategy
- Our future state



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# Adecco North America



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# About us

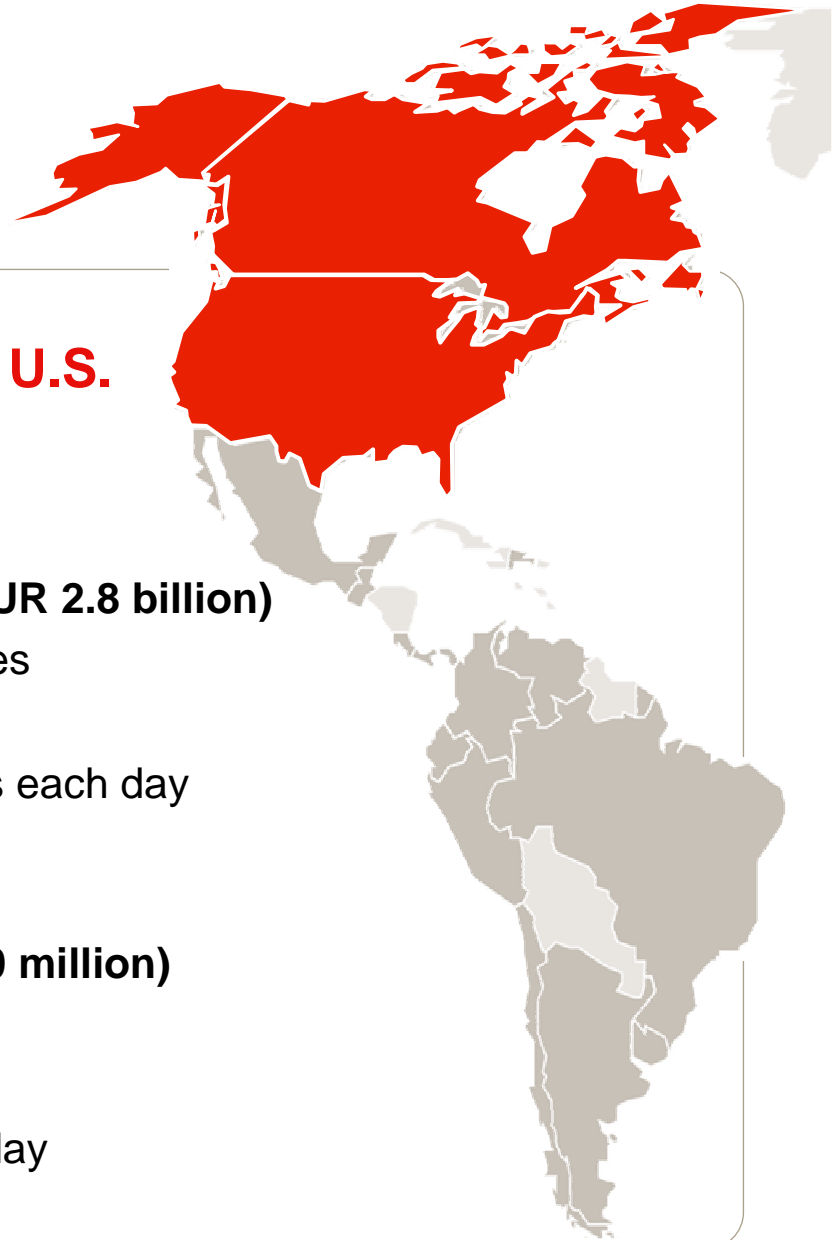
## #1 workforce solutions provider in the U.S.

### US

- Annual revenues in 2007 of **USD \$3.9 billion (EUR 2.8 billion)**
- More than **1,000 locations** in virtually all 50 states
- **5,200 colleagues**
- **Nearly 90,000 associates** on client assignments each day

### Canada

- Annual revenues of **CAN \$500 million (EUR 350 million)**
- More than **80 locations** across the country
- **700 colleagues**
- **9,000+ associates** on client assignments each day



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# Adecco North America's portfolio of solutions



- Contingent workforce management solutions (MSP)
- Recruiting and staffing for broad range of general, industrial and engineering/technical skills
- Permanent recruitment including RPO



Professional Staffing

- Recruitment and staffing of specialty temporary/contract talent
- Permanent recruitment for talent across professional skill sets
- Staff augmentation for finance consulting projects



Consulting

- Recruitment and staffing of specialty IT skills
- Global Solutions Centers
- Staff augmentation for finance consulting projects

**LEE HECHT  
HARRISON**

- Career transition/outplacement
- Leadership consulting/executive coaching



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# Our impact

**425,000 people** found meaningful job opportunities through us

**14,800 permanent positions** were filled with top notch talent

**100,000 people supported** with their career transitions

Over **20,000 clients** choose our services every week



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# Our impact



- Best Employer for Workers Over 50
- Renaissance Program



- Member of Board of Directors



- Global Partners Program Award
- Lead Partner at 2008 WDLS at UN



- Military Veterans & Career Connections



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## Current environment



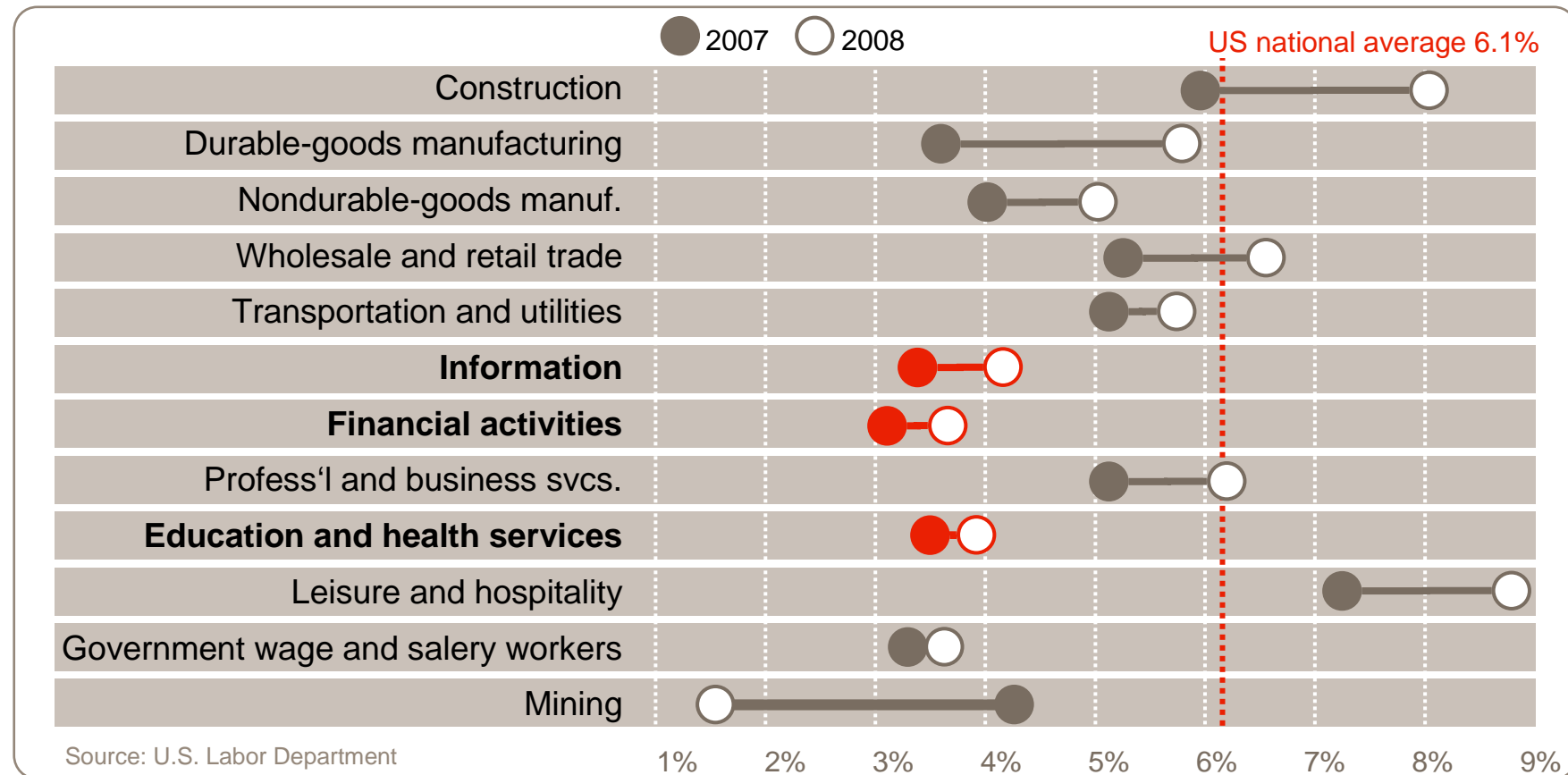
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# Near term view

## Strength in professional skills

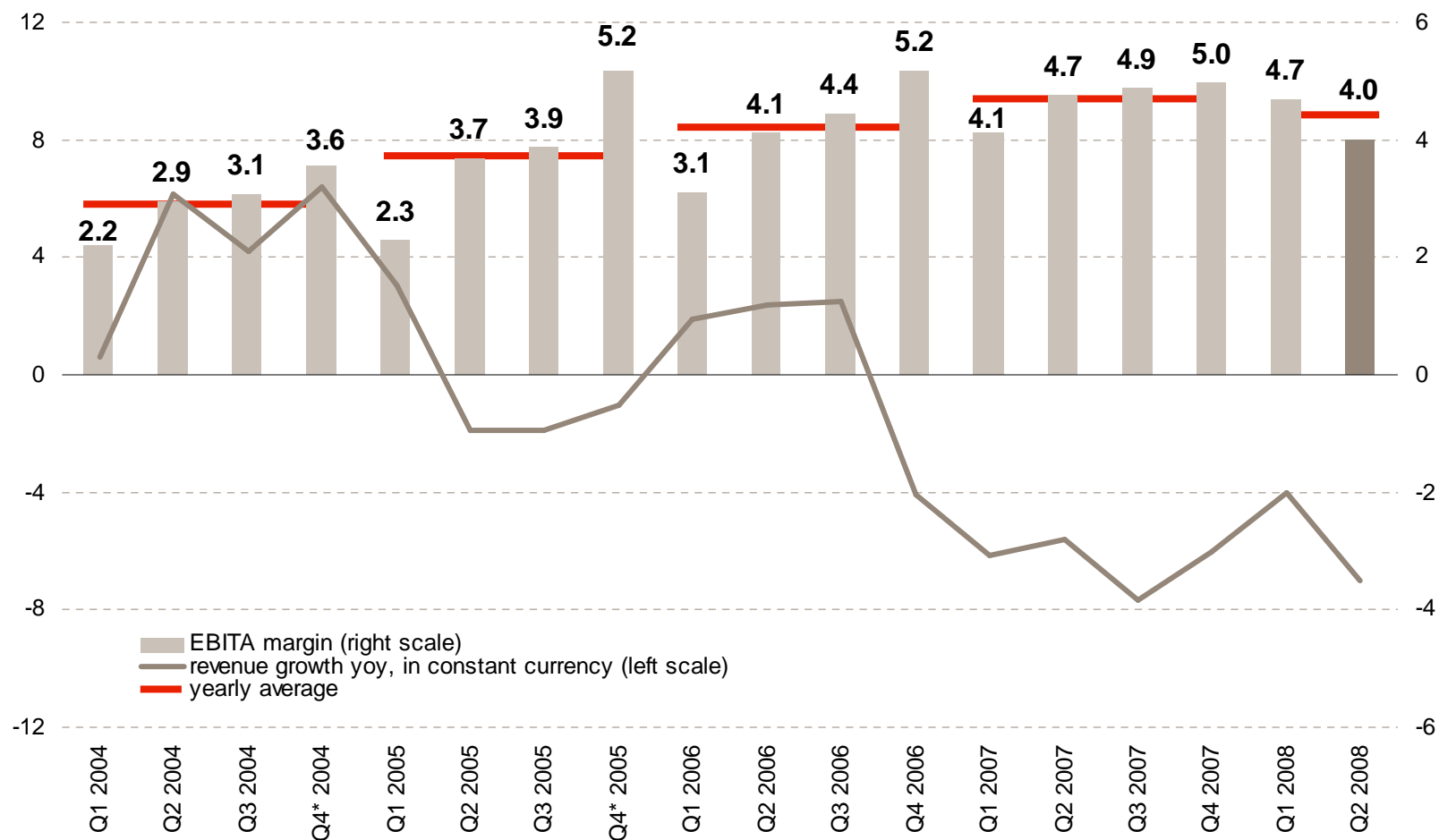
### Unemployment rates in July by industry

Not seasonally adjusted



# USA & Canada revenue and EBITA margin

## EBITA margin development



\* Adjusted for impact of 14th week in revenues / as reported



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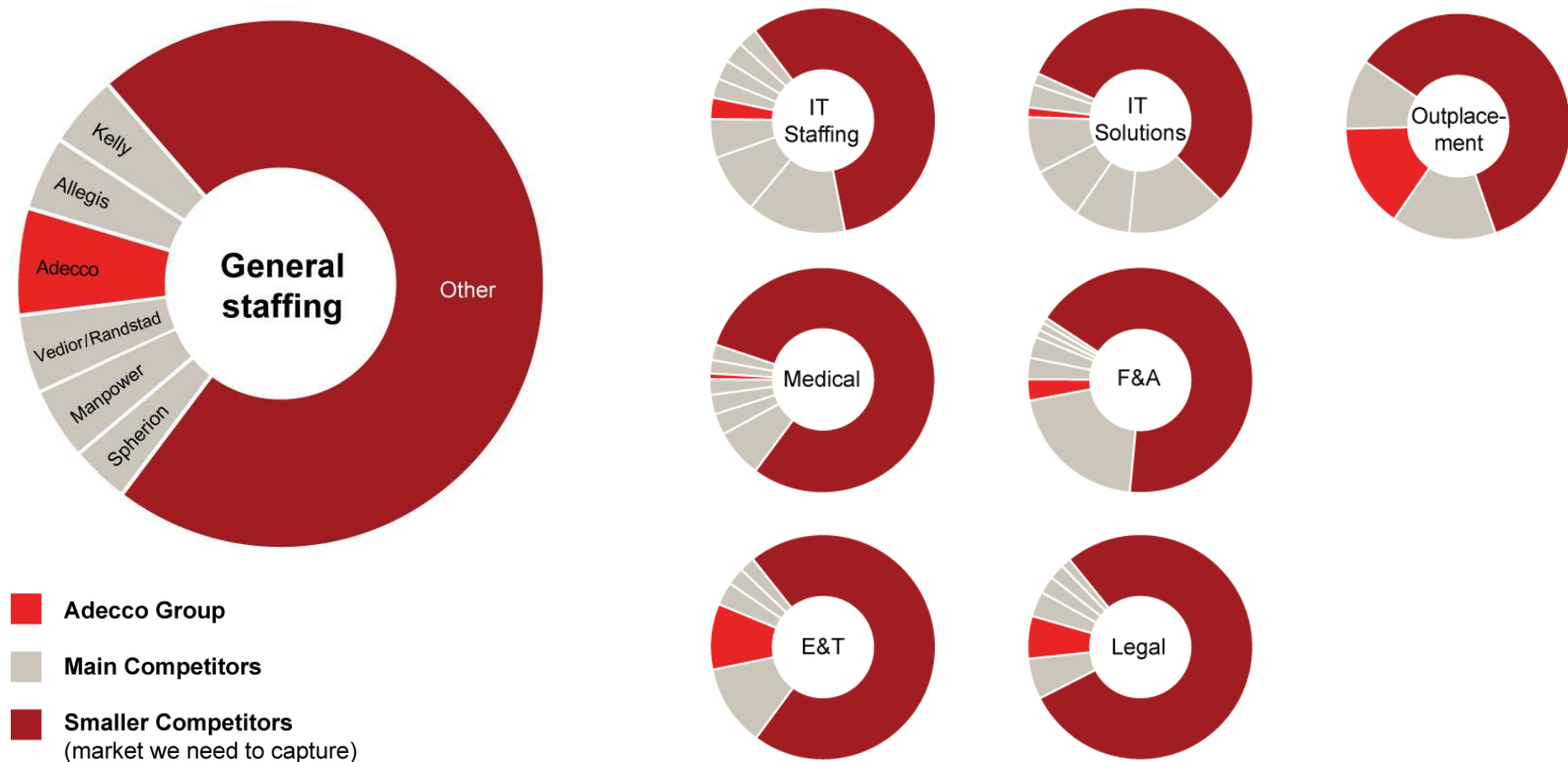
# Market potential



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# Fragmented markets

Capture more of the **60-70%** of the market that is being serviced by much smaller competitors

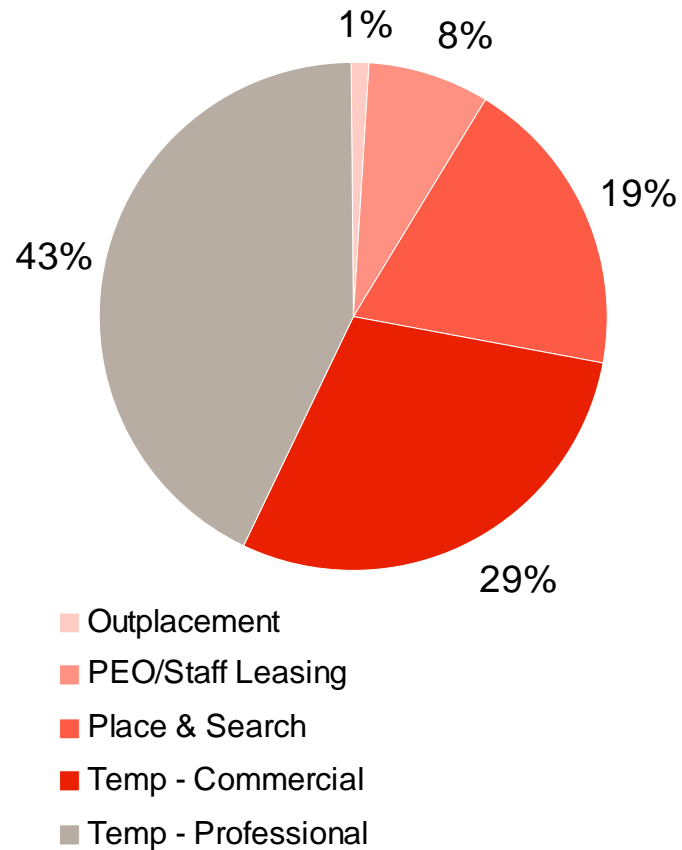


# Market analysis

## US Staffing Industry Revenue

### 2008 US Staffing Industry Projection

USD 135 billion



### Annual Growth Rates

in percent

#### Industry Segments

2006/07

#### Outplacement

2%

#### Place & Search

- Direct Hire 8%
- Temp-to-hire 3%

#### Temporary

- Industrial -5%
- Office/Clerical -2%
- Healthcare 6%
- IT Staffing 8%
- Engineering/Design 10%
- Legal 7%
- Accounting 5%

Source: Staffing Industry Report, February 2008



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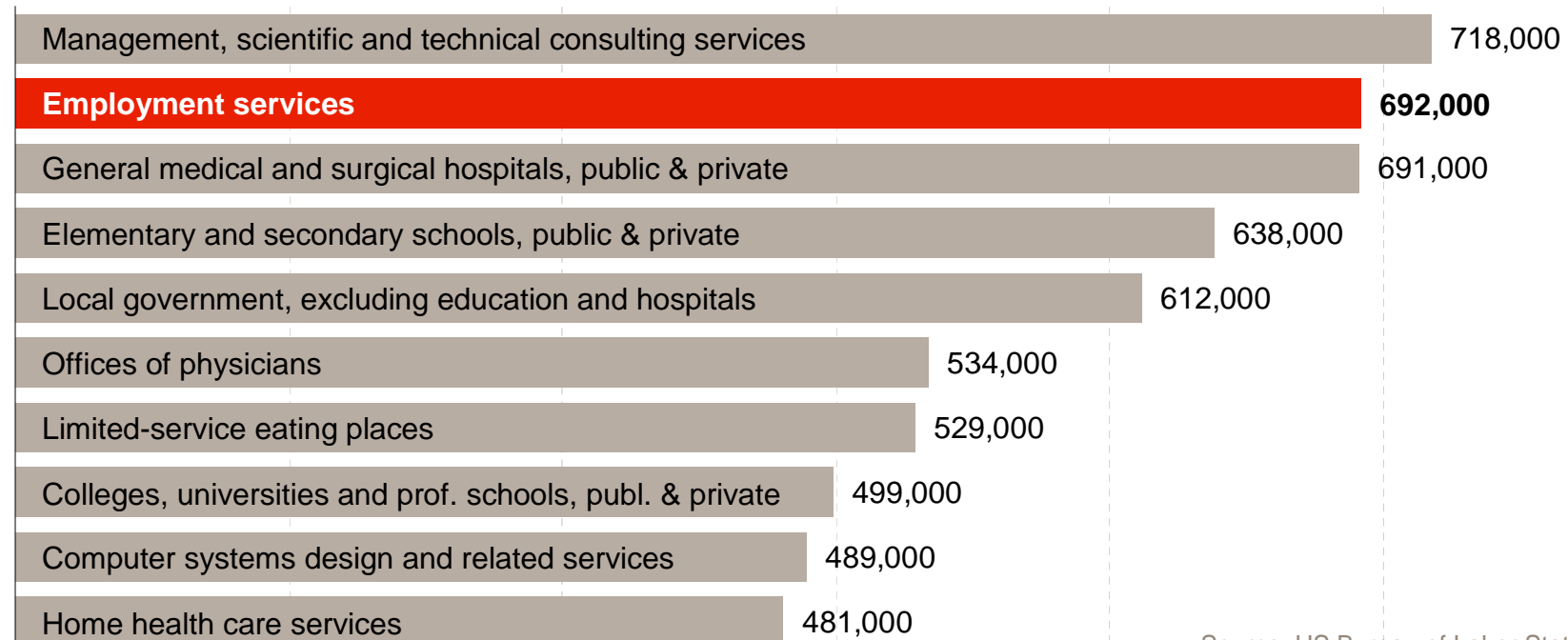
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# Long term view

## Staffing industry growth

- ▶ The employment services industry—which is primarily staffing—will gain nearly 700,000 jobs between 2006-2016.

### Number of New Jobs in the top 10 industries with the largest employment growth through 2016



Source: US Bureau of Labor Statistics



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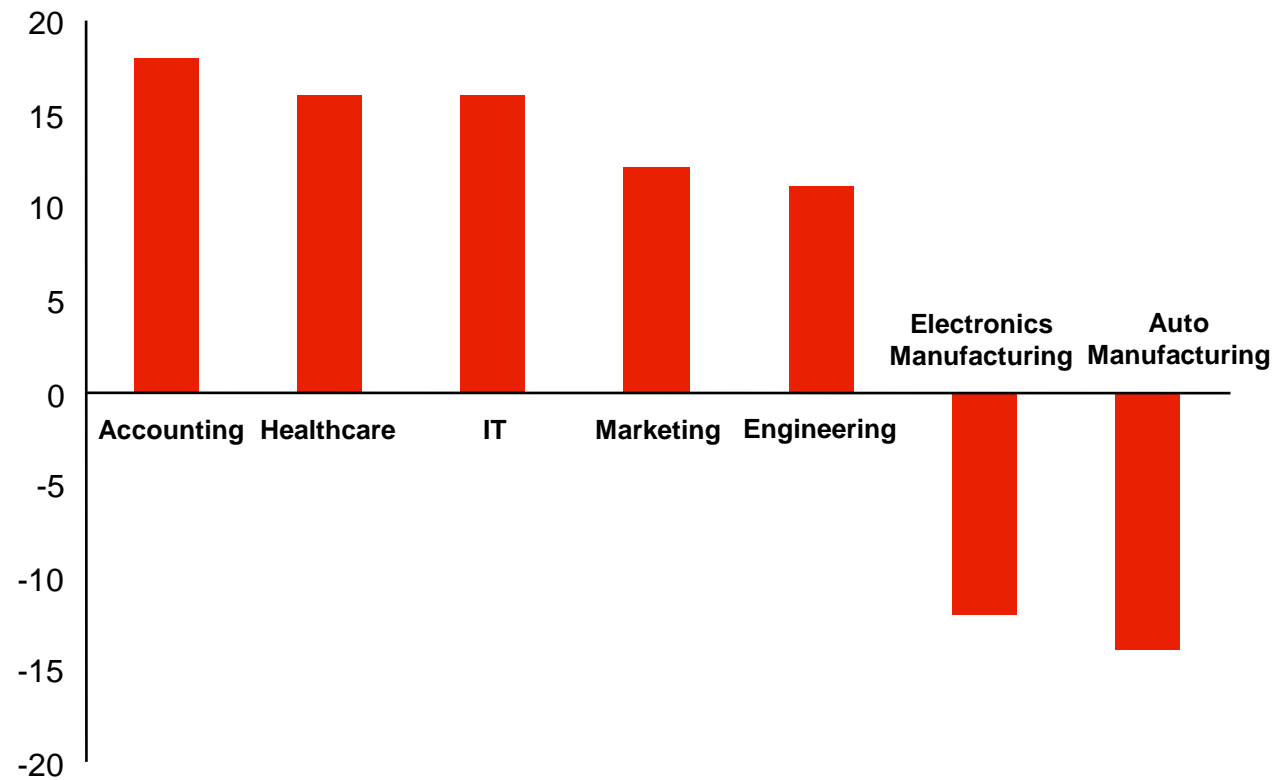


# Long term view

Change in demand patterns

## Forecasted Job Growth by 2016

(in percent)



Source: Bureau of Labor Statistics



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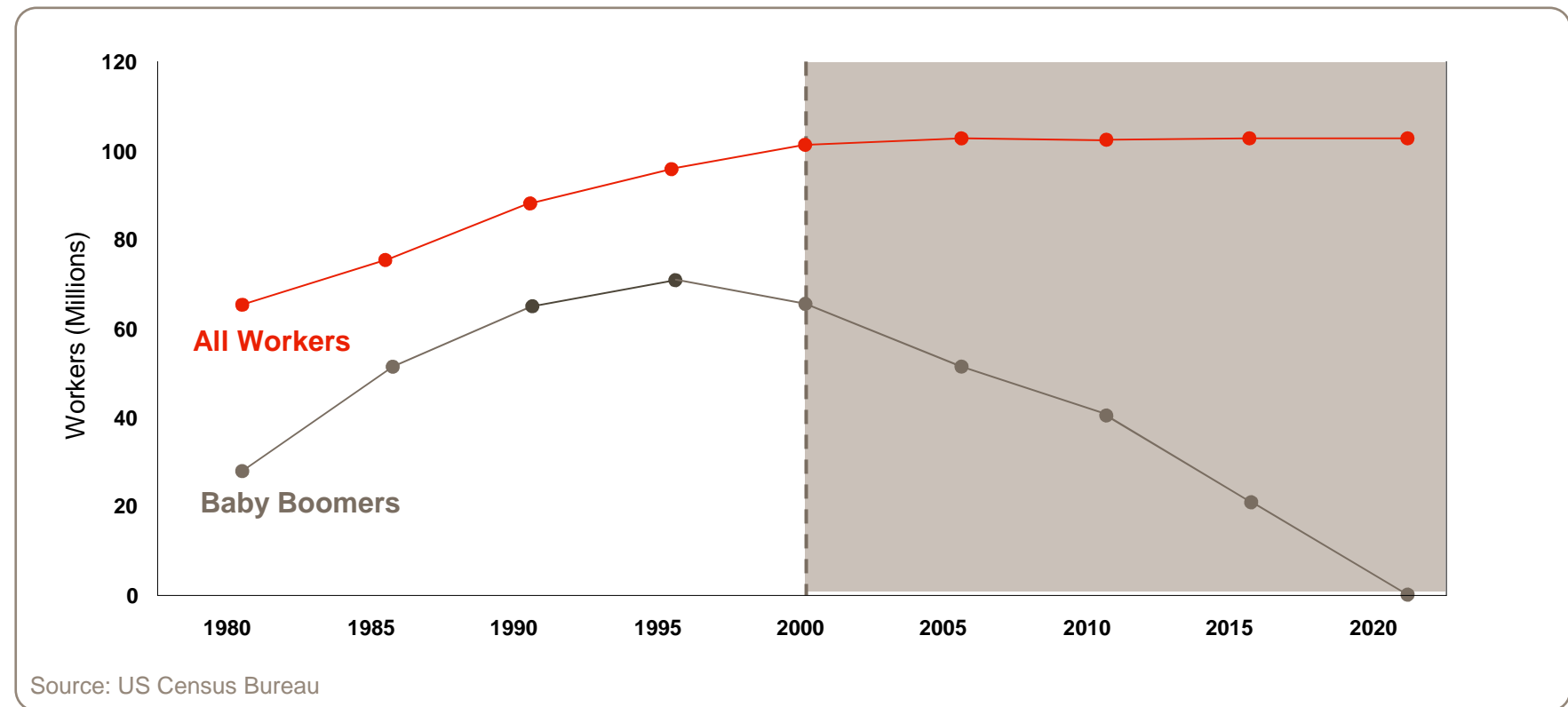
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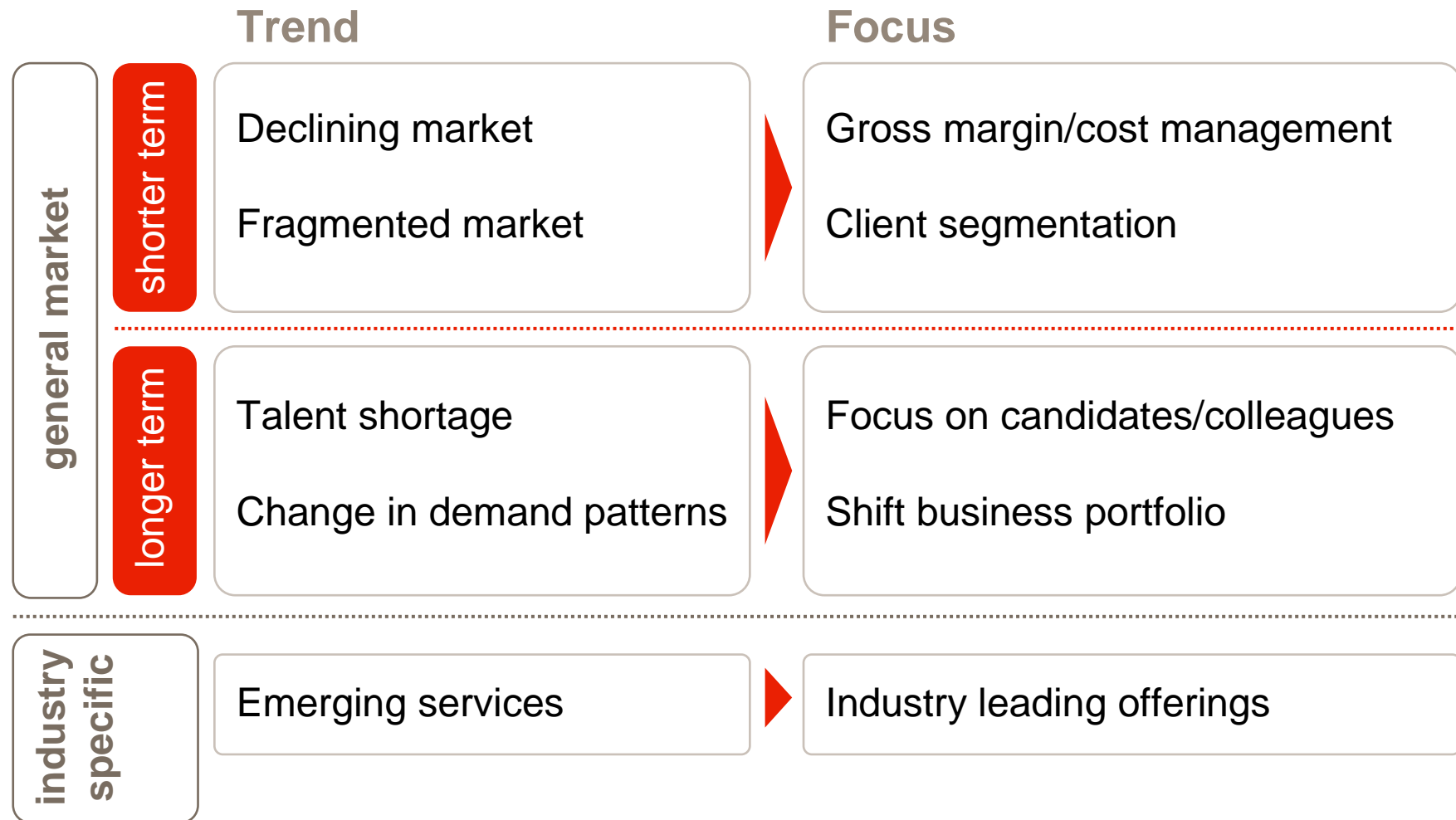
# Long term view

## Talent war

- ▶ By 2010 the U.S. will face a shortage of 10 million+ workers.



# Focus



## Our strategy



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# Innovation strategy

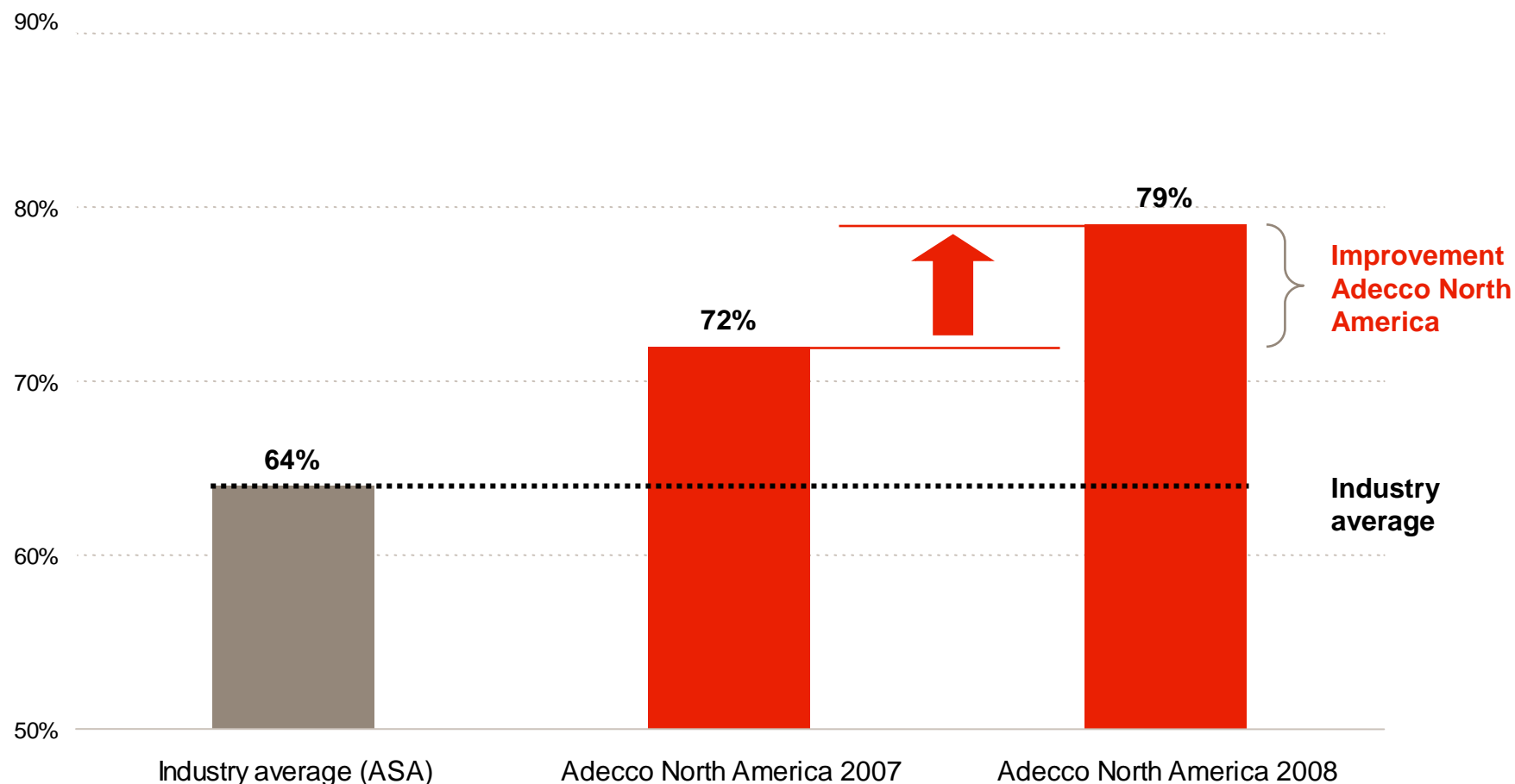
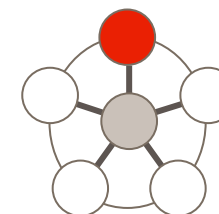
Five core principles to improve our business



1. Be the **employer of choice** by improving associate/consultant and colleague acquisition and retention by delivering an improved experience and enhancing satisfaction.
2. Drive client satisfaction and penetration through improved client segmentation and **cross BU team collaboration**.
3. Build more efficient operating and support processes to create the **industry standard for delivery**.
4. Create a **more balanced business mix** between enterprise solutions, specialized staffing and consulting.
5. **Invest in future market opportunity areas** (geography & product), expanding solutions, and build a targeted consulting practice.

# Principle 1: Employer of choice

Retention rate industry average vs. Adecco North America



*\*Adecco NA retention rates exclude management initiated separations*

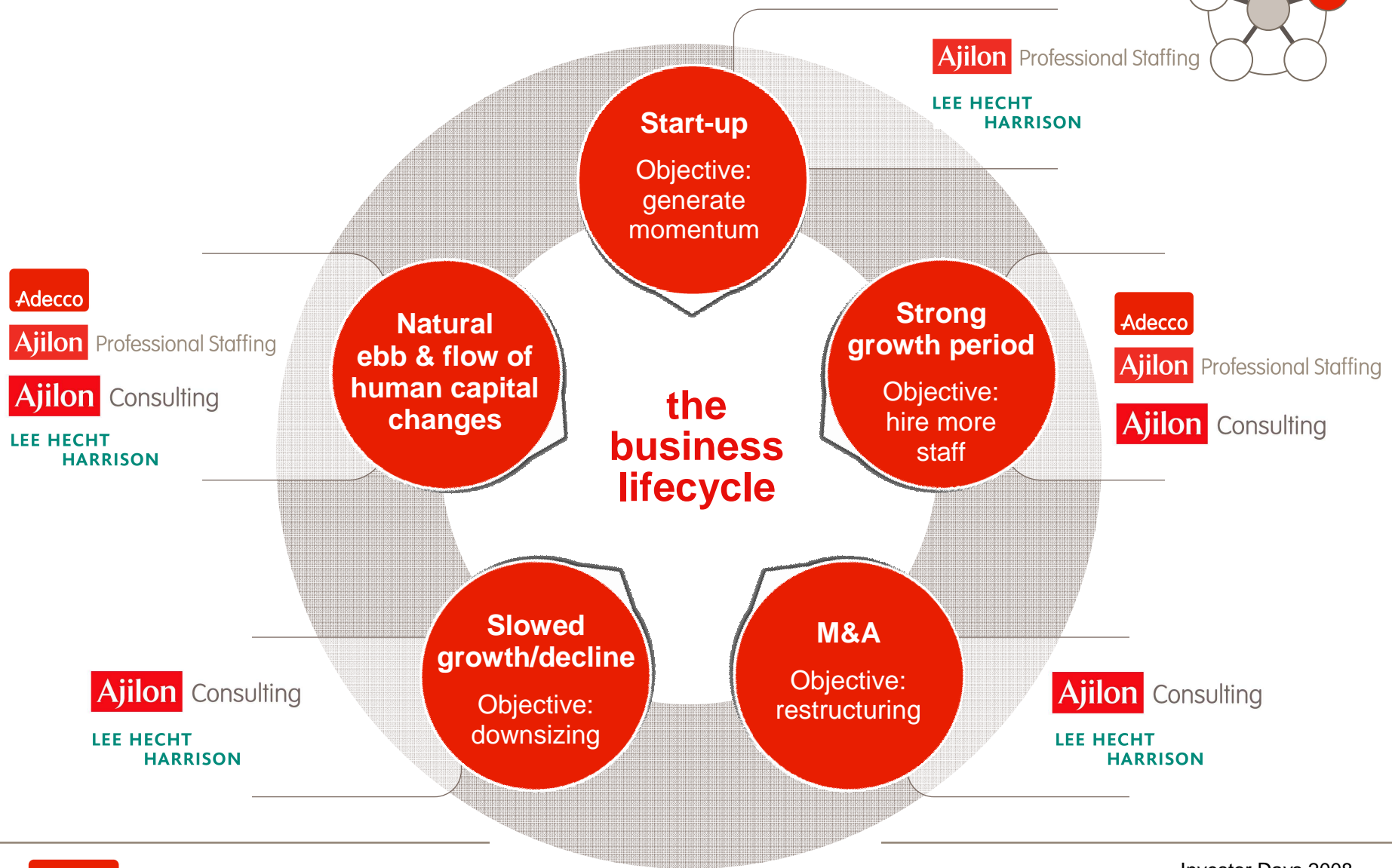
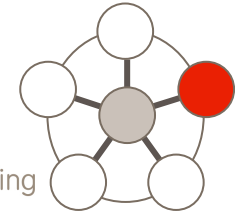


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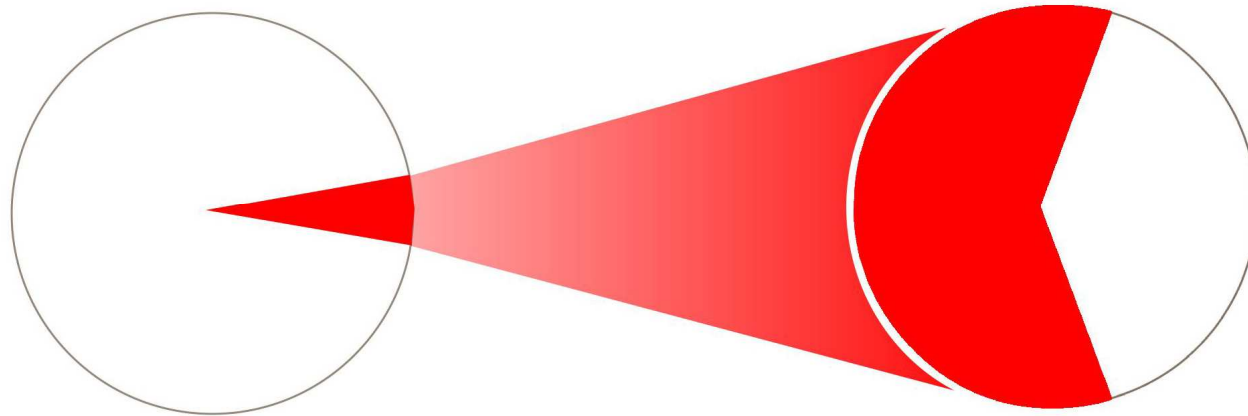
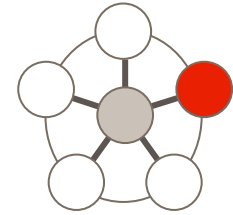
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## Principle 2: Collaborate & cross-sell



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## Principle 2: Collaborate & cross-sell

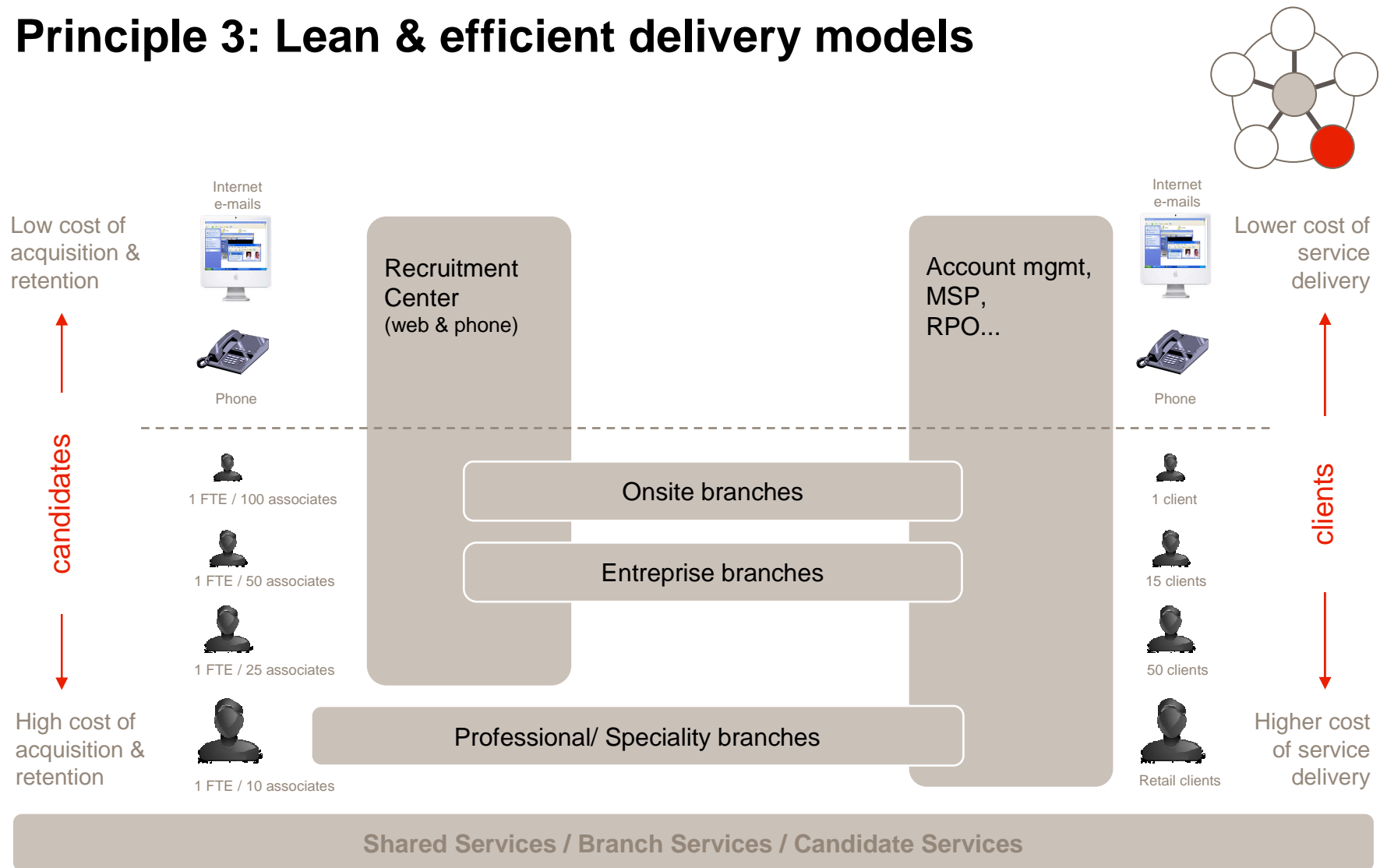


Approx. 5% of clients currently served across BUs

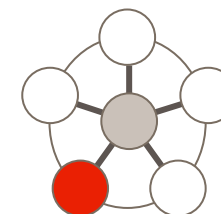
Approx. 65% of Group revenue is from clients that work across BUs



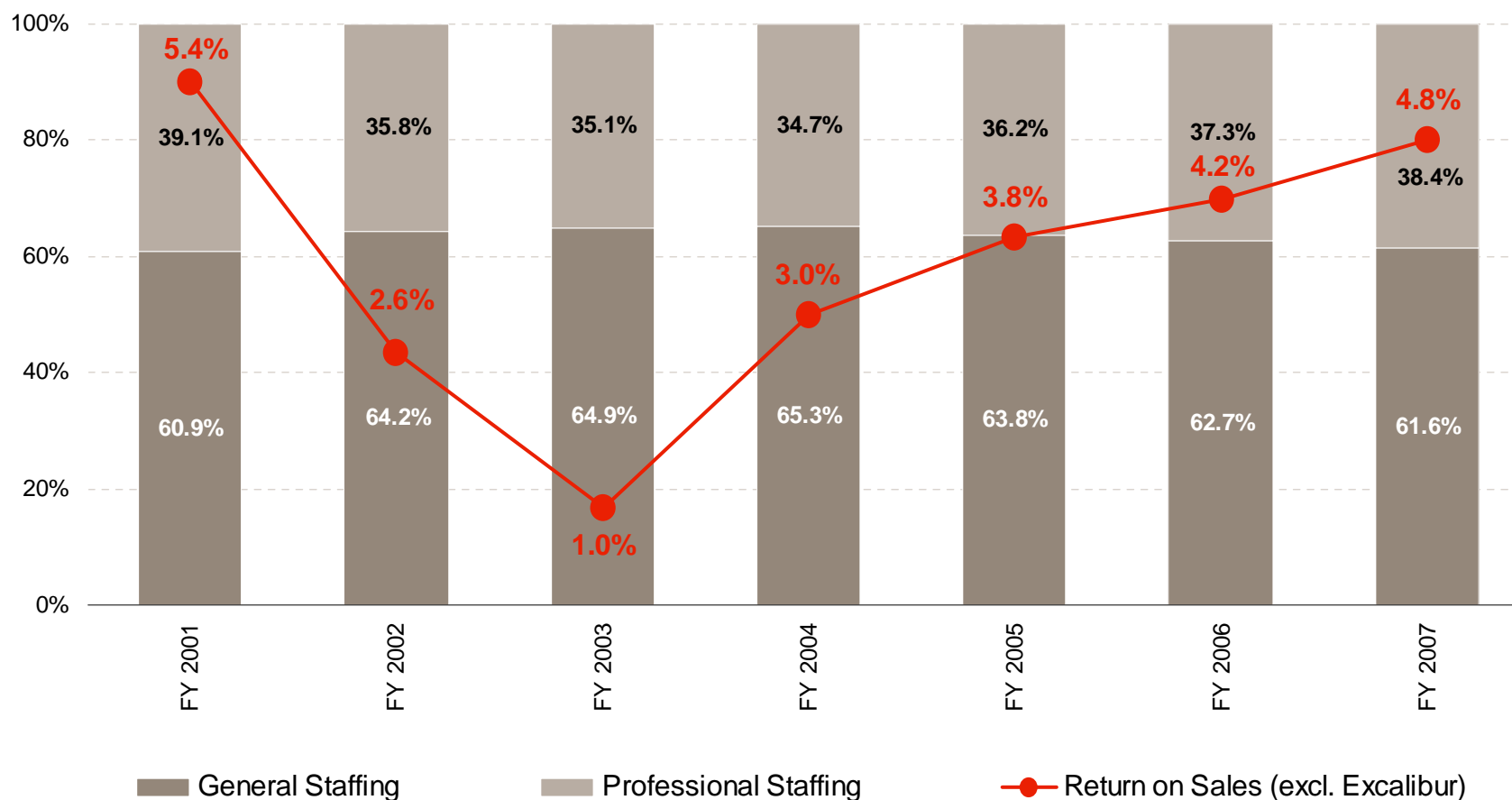
# Principle 3: Lean & efficient delivery models



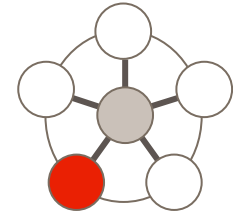
# Principle 4: Balance business portfolio



## Sales Mix and Return on Sales – North America Zone

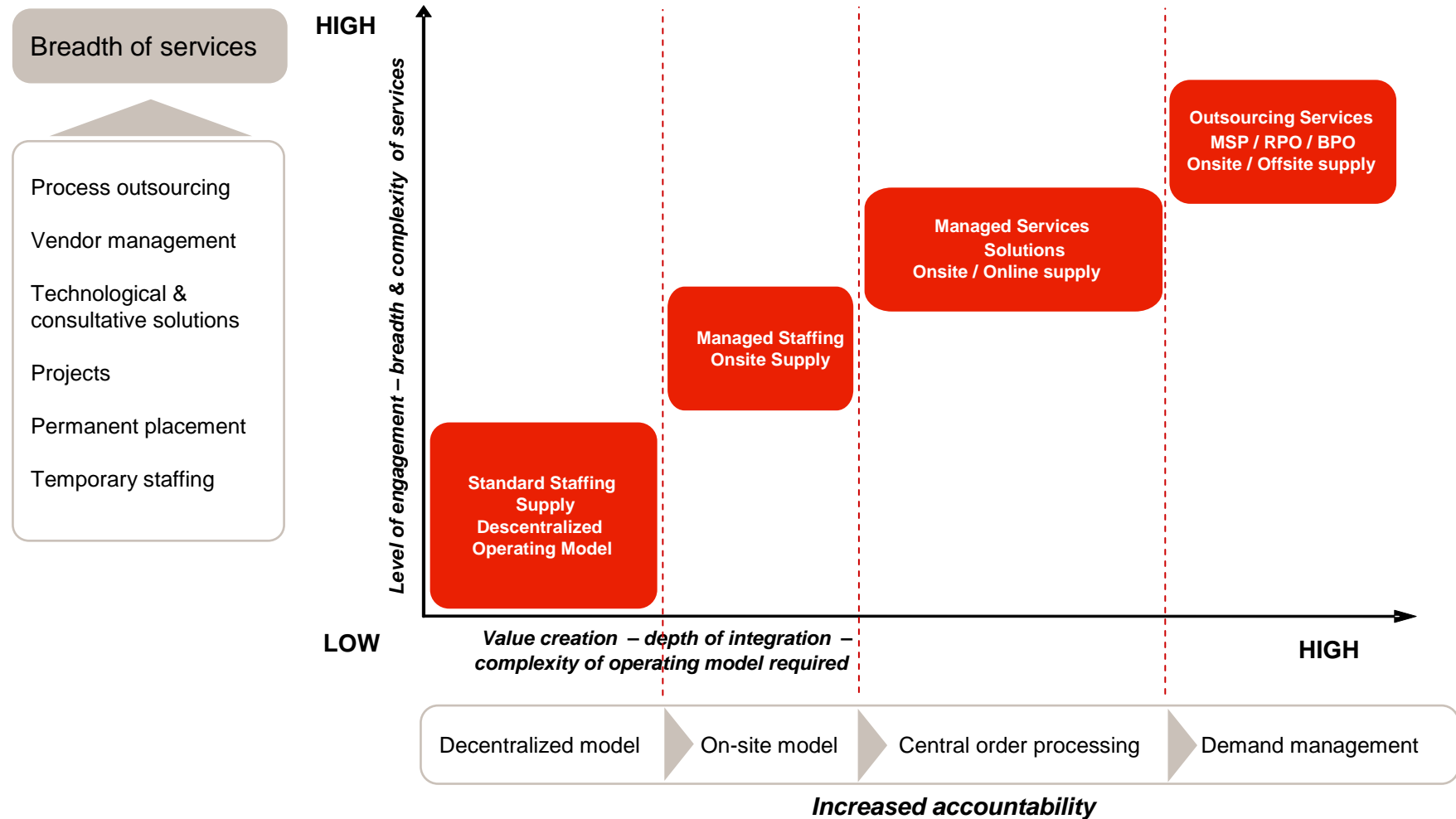


# Principle 4: Balance business portfolio



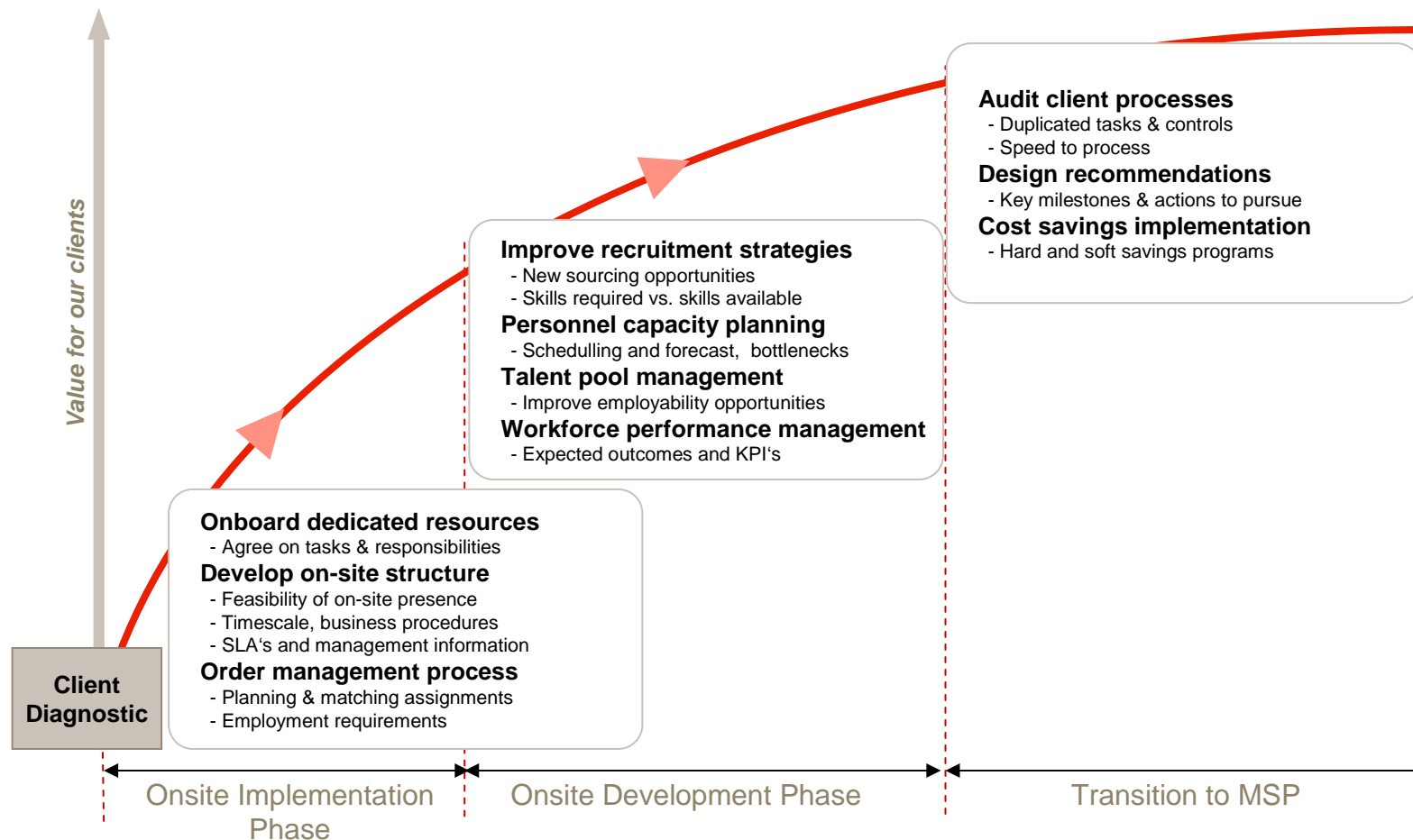
# Principle 5: Capitalize on market opportunities

## The evolution of staffing services models



# Principle 5: Capitalize on market opportunities

Our MSP process ensures lifelong value creation for our clients



## Our future state



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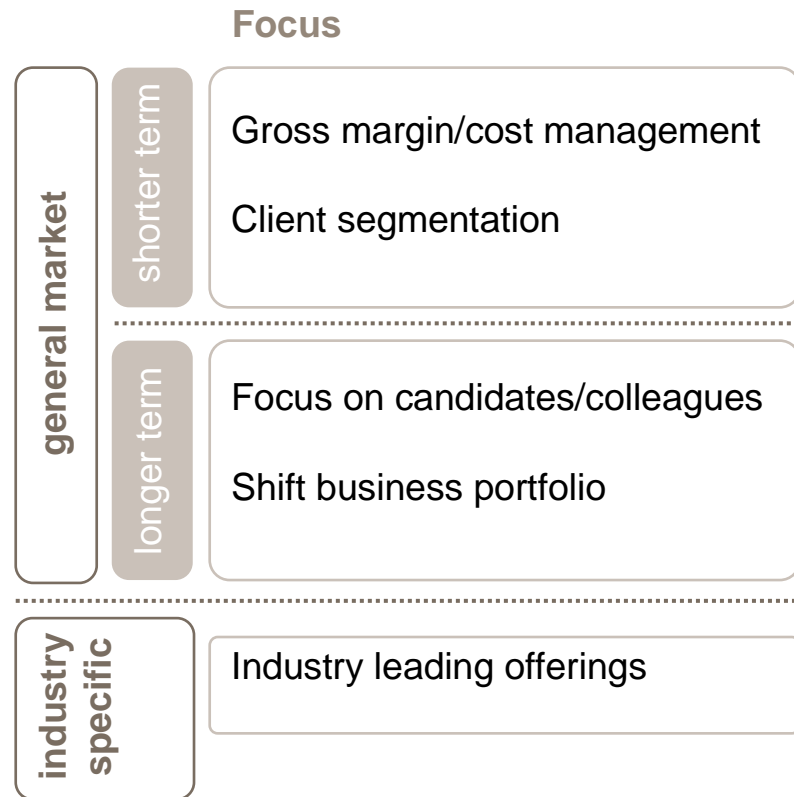
# Our investment in 2008

EUR 20  
million



- Associate experience
- Colleague journey
- MSP/RPO
- Branch footprint
- IT architecture: network, CRM, desktop, web, front office upgrades
- Efficient delivery:
  - Shared Services Center
  - Recruitment Center

# Focus







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## **Trends and opportunities in Emerging Markets**

Federico Vione, Head of Eastern Europe

Investor Days: New York, September 25-26, 2008

# Agenda

- Performance of Adecco in Emerging Markets
- View on Eastern Europe
- Client needs in Emerging Markets
- Potential and strategy



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# Performance of Adecco in Emerging Markets

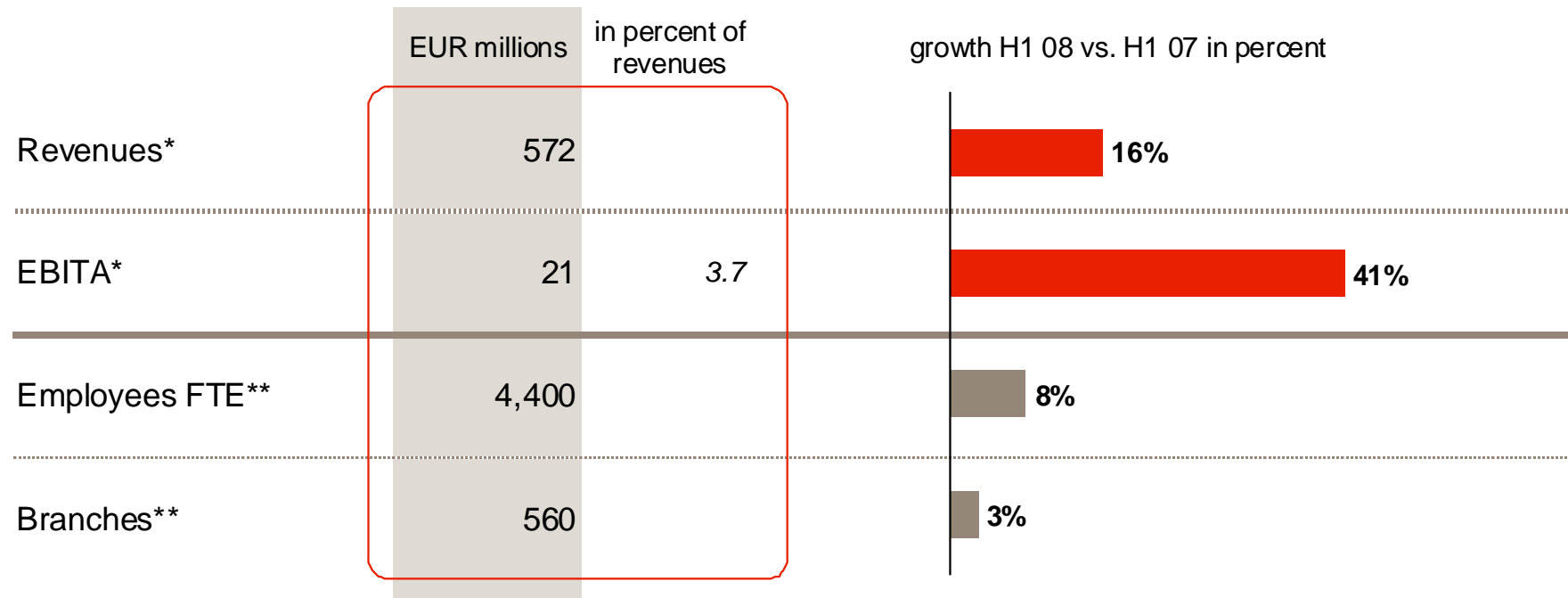


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Trends and Opportunities in Emerging Markets  
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# Developments in Emerging Markets

H1 2008 compared to H1 2007



\*In constant currency

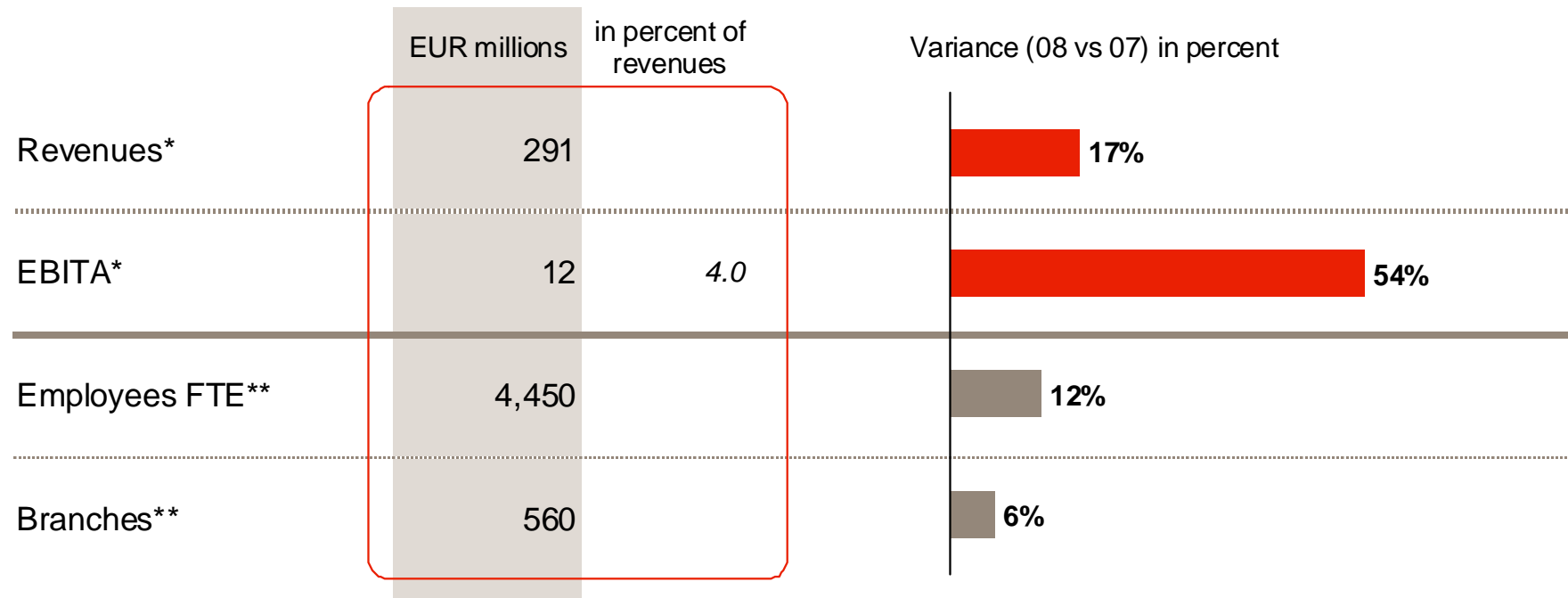
\*\* Average



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# Developments in Emerging Markets

Q2 2008 compared to Q2 2007



\*In constant currency

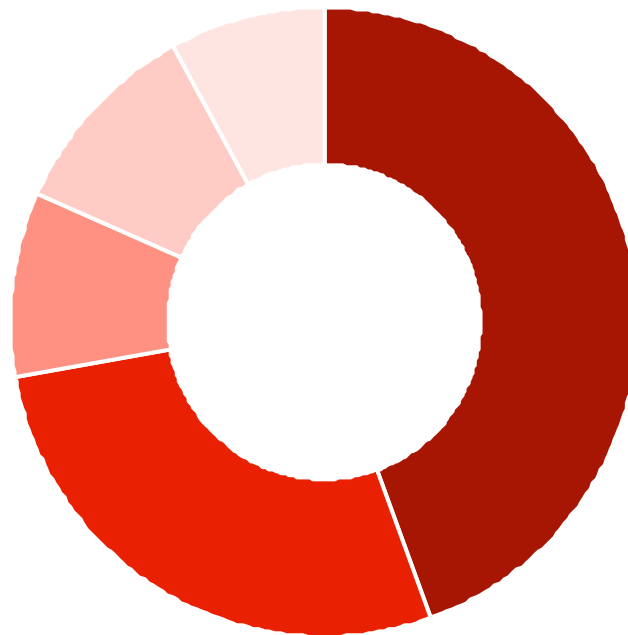
\*\* Average



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# Emerging Markets

## Q2 2008 Revenues by geography



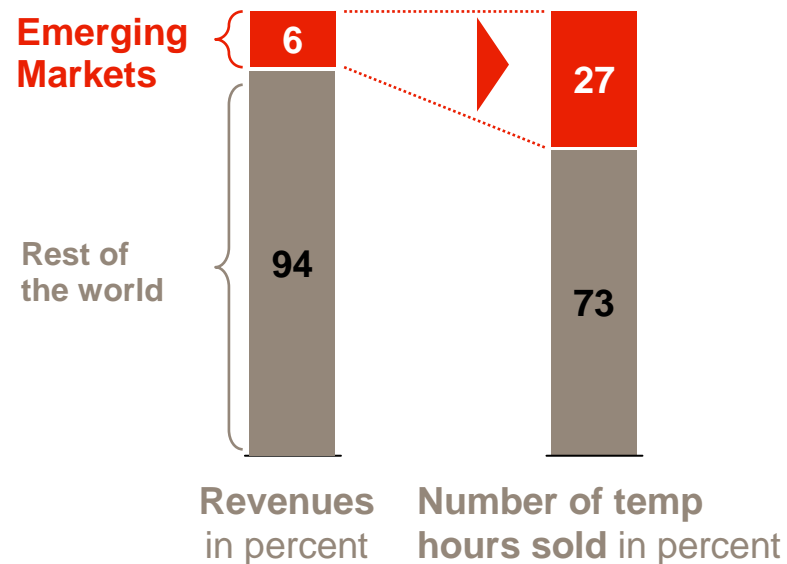
*yoy growth, at constant currency*

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

# High growth potential

Emerging Markets compared to Adecco Group

► Today, every 4th temp is employed in emerging markets (Q2 2008)



► Emerging Markets are growing at a higher rate on topline and margin

## Revenue drivers

- High GDP growth
- Low penetration rate
- Wage inflation
- Deregulation
- Increasing working population

## Margin drivers

- Wage inflation
- High perm growth
- Specialization

**Huge leverage potential in the long run**



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## View on Eastern Europe

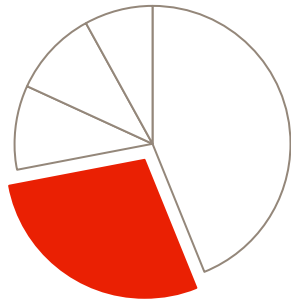


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# Eastern Europe

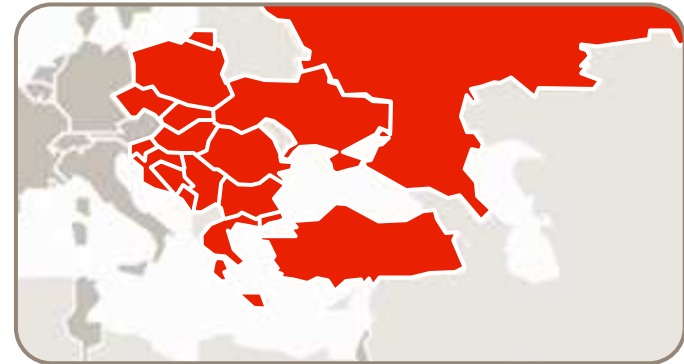
## Overview



### 28% of total Emerging Markets

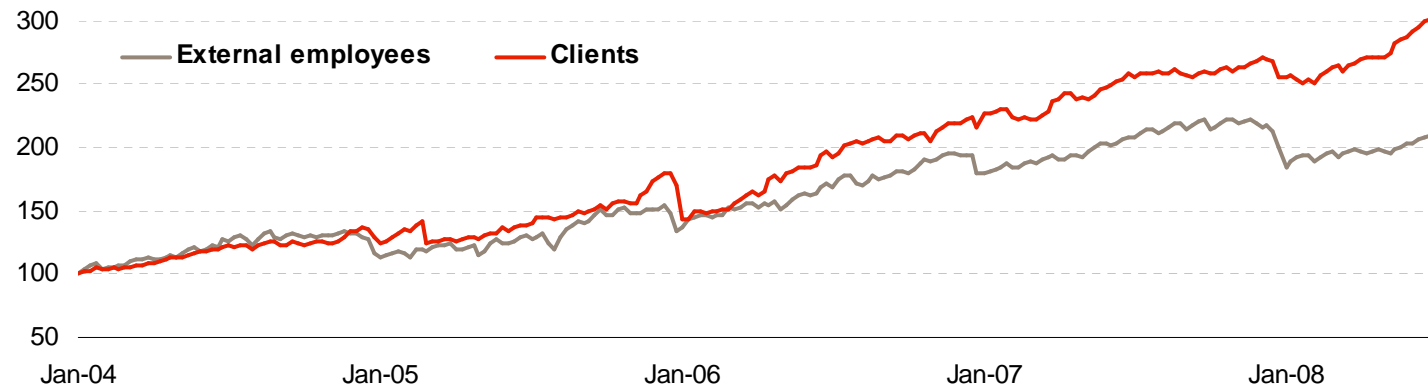
based on revenues Q2 2008

- Poland
- Hungary
- Turkey
- Greece
- Romania
- Slovenia
- Czech Republic
- Russia
- Slovakia
- Serbia
- Bulgaria
- Croatia
- Ukraine



### Development of external employees and clients

2004 – H1 2008; Indexed: Jan 1, 2004 = 100

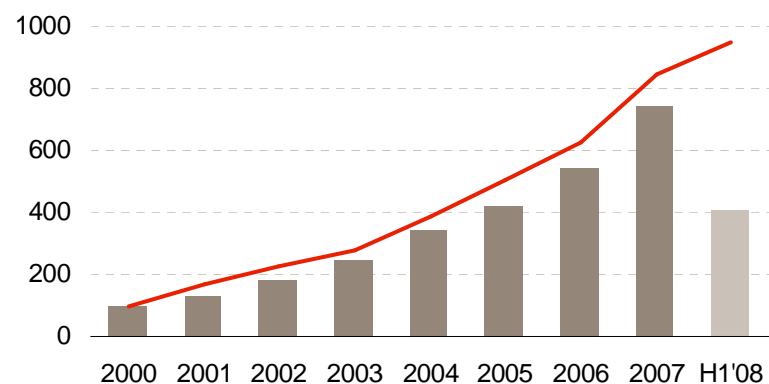


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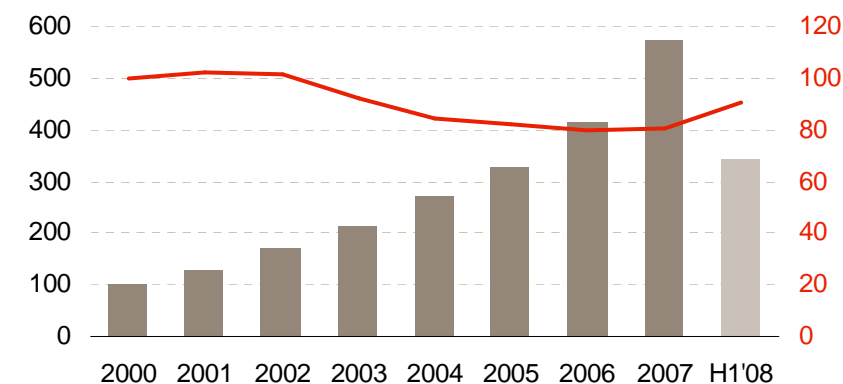
# Performance in Eastern Europe

FY 2000 – H1 2008

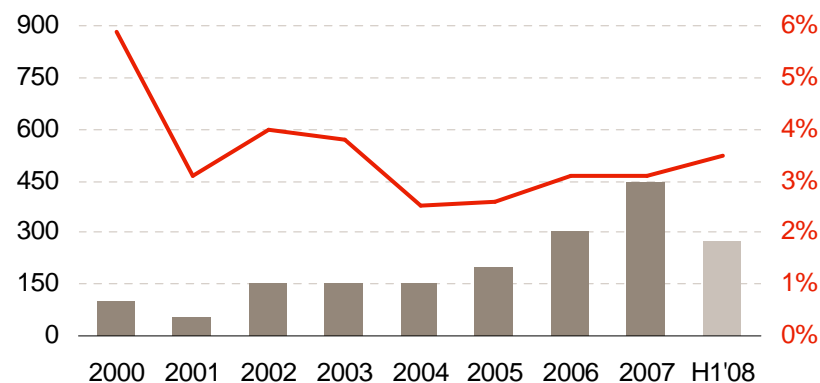
**Sales & FTEs** (FY 2000 = 100)



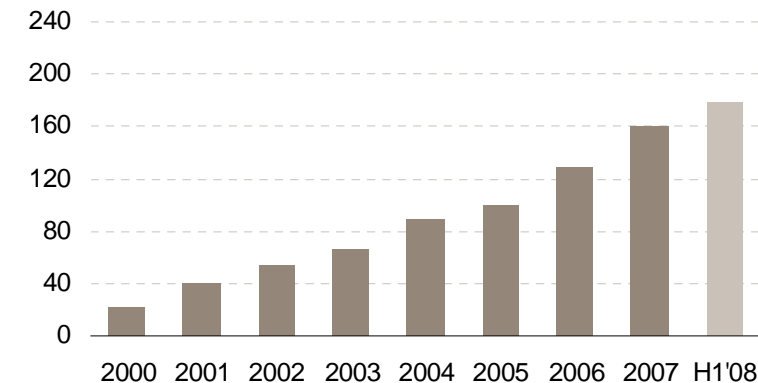
**Gross Profit & % of sales** (FY 2000 = 100)



**EBITA** (FY 2000 = 100) & **% of sales**



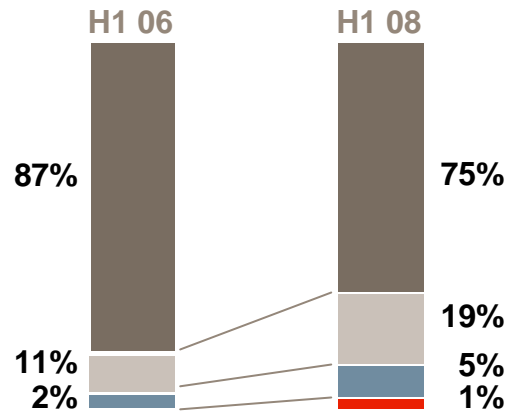
**Number of Branches**



# Initiatives in Eastern Europe

Our areas of focus since 2006

Revenue split (by service)



Temp

- Expanding branch network
- Increased efficiency through IT leadership
- Training to offer top quality service consistency, specialization by sector

On Site

- Organization set up
- Process design, training, performance review through technology
- Cost leadership

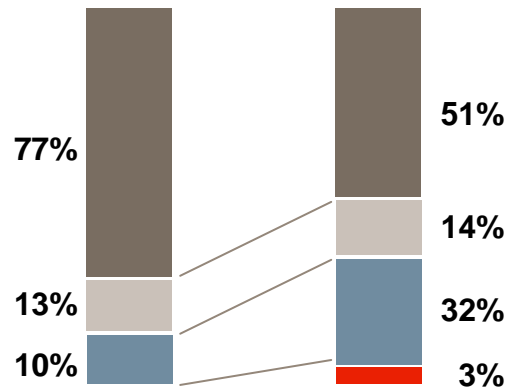
Perm

- Significant investments as of 2005
- Development: Increase fill rate, consultant target and fees
- Specialization (sales, finance, IT, engineering)

CIM

- CIM Candidate International Mobility
- Setting up dedicated recruitment team
- Specific testing and language courses
- Housing, welcome pack










Gross Profit split (by service)



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# How we rank in Eastern Europe

Market position in key countries FY 2007

	Market Size EUR millions	Growth* Market 07 vs. 06	Growth* Adecco 07 vs. 06	Leading (#1 / #2)	Top Group (#3 / #4)	Market share Adecco
Poland	250	15%	37%	x		
Hungary	210	15%	13%	x		
Turkey	110	13%	22%	x		
Greece	100	5%	38%	x		
Slovenia	100	0%	13%	x		
Czech Republic	175	10%	- 6%		x	
Romania	100	20%	56%	x		
Russia	200	20%	61%		x	
Slovakia	80	35%	100%		x	

\*In constant currency

Source: Local temp associations and Adecco estimates



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# Client needs in Emerging Markets



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# Client needs in Emerging Markets

Near / Off shore

Reasons

Wage rate disparity

People / skill availability

Access to domestic demand

What we do

Strategic decision  
,Where to locate‘

Plant ramp-up

Processes management,  
HR services

- Information at country level
- Labor market general info
- Temporary staffing legislation
- Investment conditions
- Transport situation
- Foreign language capability
- Adecco service offering
- Information at regional level
- Salary costs
- Main employers in region

- Dedicated recruitment team
- Media plan, candidate attraction plan
- Mass recruitment
- Testing
- Assessment center
- Employment
- Training
- Pay rolling
- Try and hire

- Strategic management of flex workers (pool management, etc.)
- Additional resources agreed & provided (24h, equipments etc.)
- KPI management on a regular basis (absenteeism, staff turnover, etc.)
- Local salary survey
- Process management for cost saving program

# Client needs in Emerging Markets

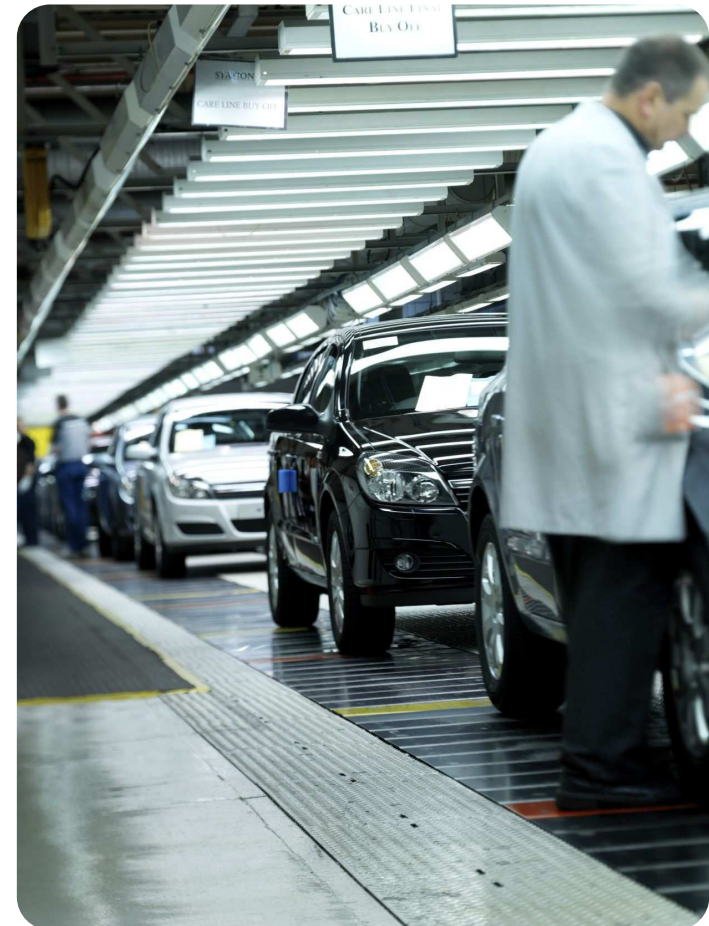
Near / Off shore

## Example

A world wide leader in the automotive industry was looking for entering in the fast growing Russian market

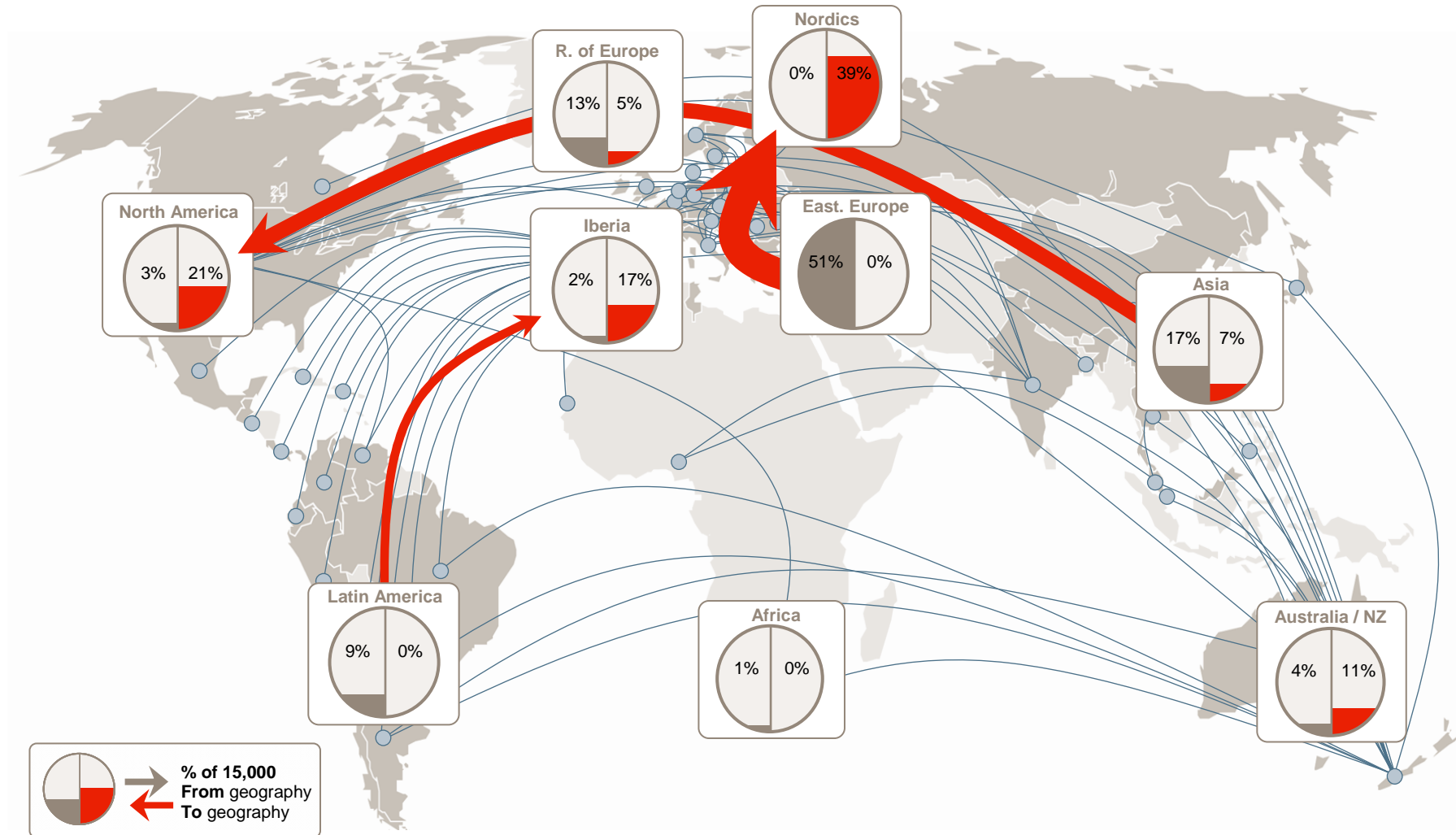
Adecco provided an analysis of the cities considered as option about:

- Labour legislation support, salary survey and trends, availabilities of the professional skills needed (universities, schools, companies already in place), direct contact with local authorities
- Opened two dedicated branches (white and blue collars)
- Training centre in cooperation with the client and local authorities
- Recruited and hired more than 1,200 people between blue collars and professionals
- Try and hire
- HR process management



# Adecco Candidates International Mobility Program - CIM

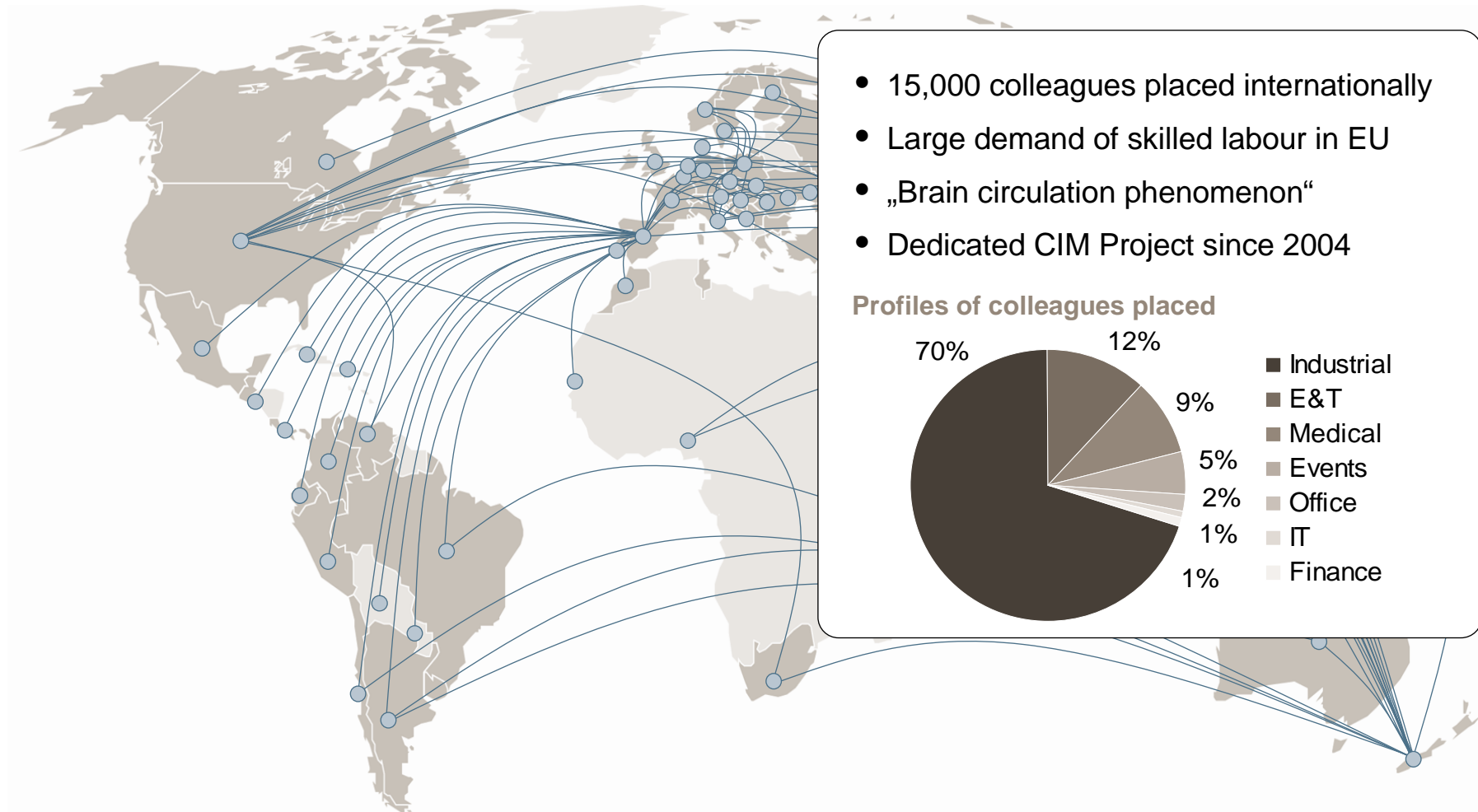
We have provided 15,000 people with work across borders





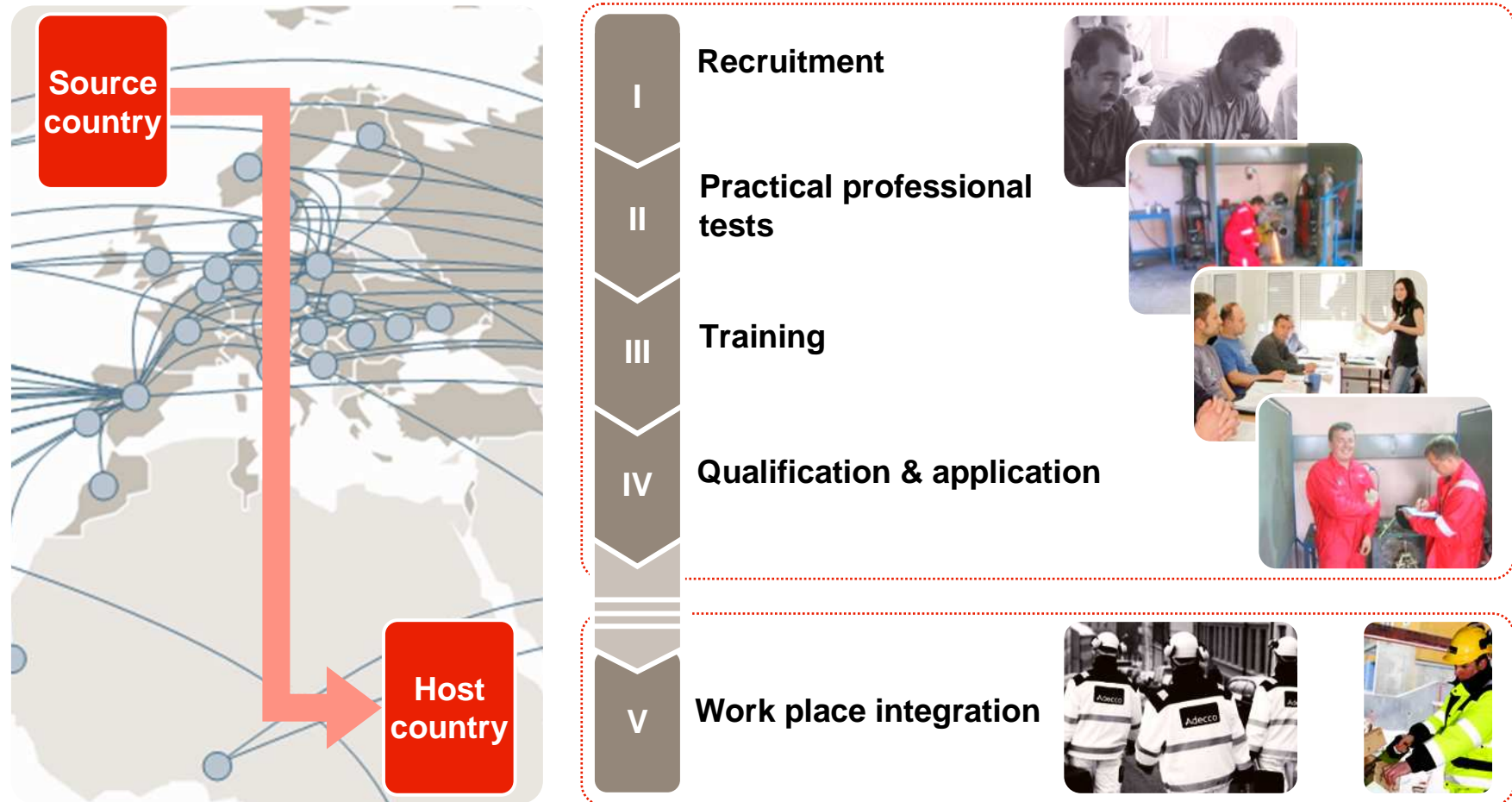
# Delivery Model – Skills Mobility

## Adecco Candidates International Mobility Program



# CIM Delivery Model – tests and trainings before starting a job

Adecco Candidates International Mobility Program



# Potential and Strategy in Emerging Markets

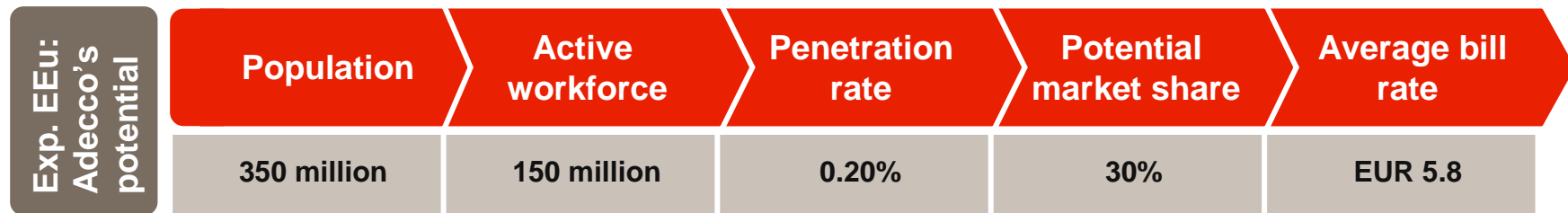


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# Potential in Emerging Markets

How we see the future



## Growth trend based on these pillars

- **Strategy:** Market Share ,Specialization & Acquisitions, cost leadership, new business models
- **Tactical:** Candidate attraction & retention
- **People & Organization:** Near/off-shoring, strengthening local management
- **Finance:** Back office consolidation & EVA

# Our strategy in Eastern Europe

Profitably growing our business both organically and via acquisitions

Business Mix split

