



Q3 2012 Results

Adecco Group

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 operates; integration of acquired companies; changes in the Company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

Operational review

Financial review

Strategy & Outlook

Appendix

Operational review

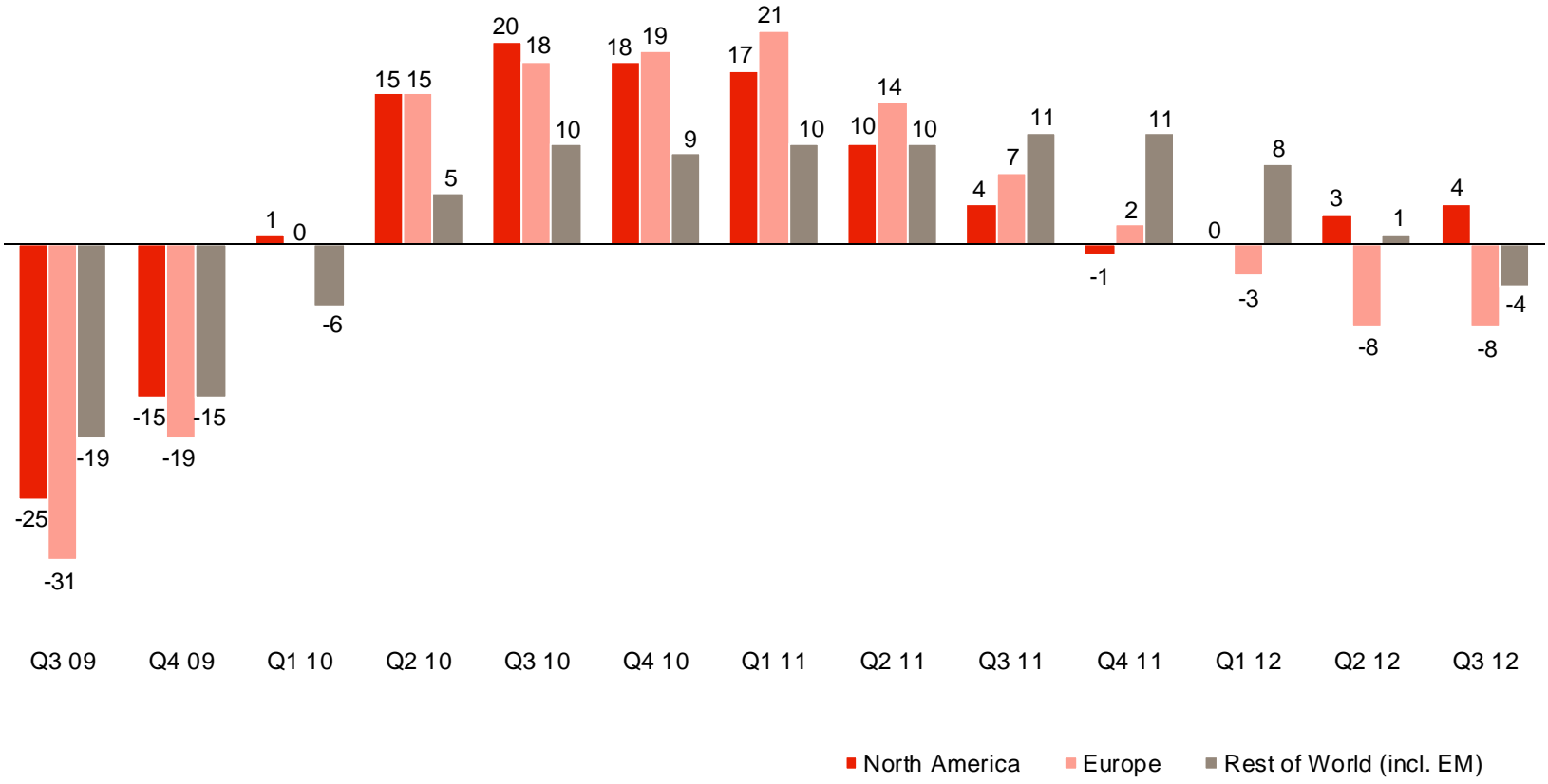
Highlights

Q3 2012 and Outlook

- ▶ Revenues flat yoy at EUR 5.3 billion, or down 5% organically
- ▶ Gross margin up 70 bps yoy to 17.9% (+50 bps organically)
- ▶ SG&A -2% year-on-year and sequentially, organically and before restructuring costs
- ▶ EBITA margin up 10 bps to 4.4%, when excluding restructuring costs
- ▶ Net income of EUR 118 million in Q3 12 and operating cash flow of EUR 284 million in 9M 12
- ▶ Revenues in September down 3% year-on-year, organically and adjusted for trading days

Revenue development by region*

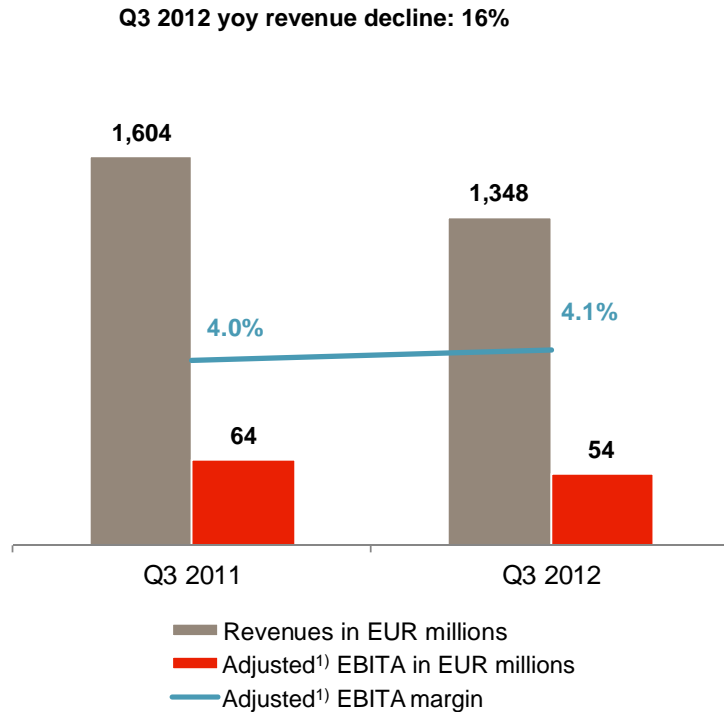
Organic year-on-year change in percent



* Includes LHH within each region

France

26% of group revenues in Q3 2012



Revenues down 16% (down 13% organically in Q2 12)

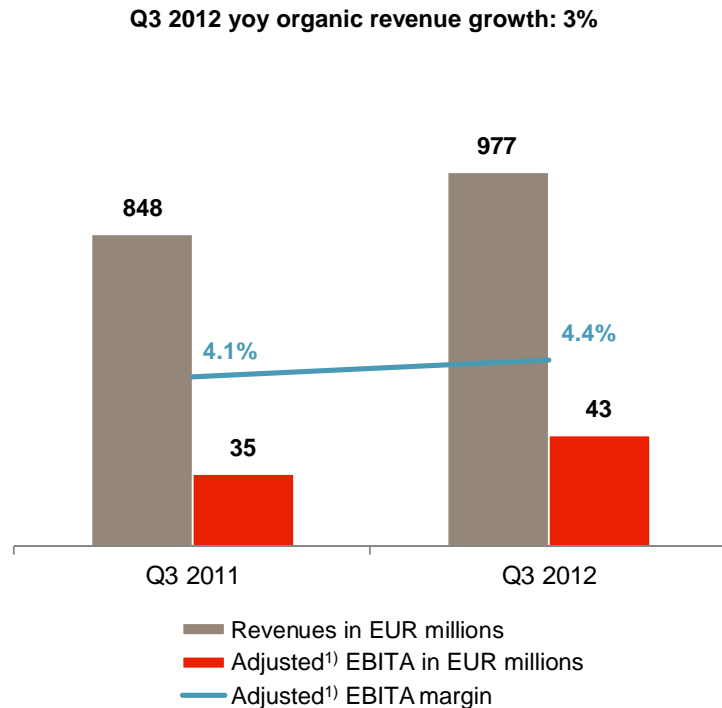
Solid profitability on the back of a higher gross margin and strong cost control. Restructuring plan well on track.

Revenues in September -13%, adjusted for trading days

1) Q3 12 excludes EUR 19 million restructuring costs.

North America

18% of group revenues in Q3 2012



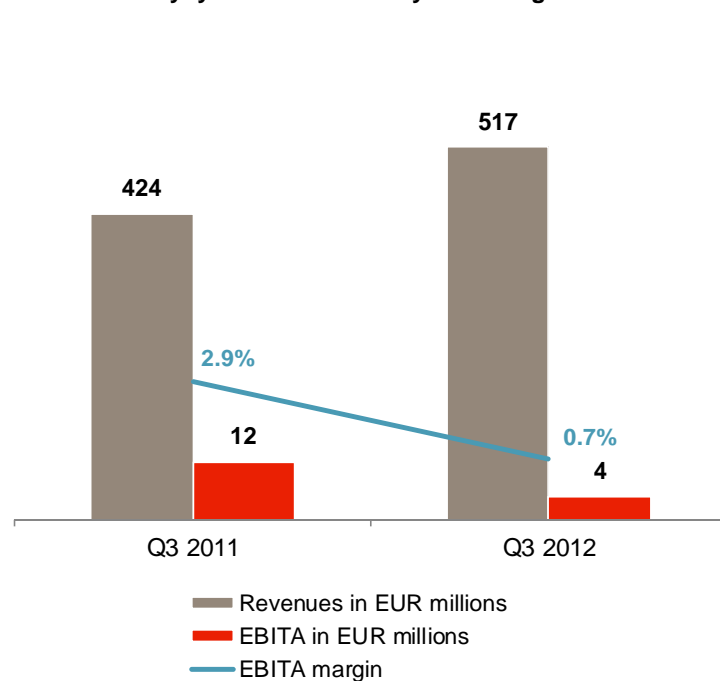
- Revenue growth accelerated to 3% organically (up 2% organically in Q2 12).
- Professional Staffing up 5% and the IT segment up 6%, both on an organic basis
- Revenues in September up 6%, organically and adjusted for trading days

1) Q3 12 excludes EUR 2 million restructuring costs.

UK & Ireland

10% of group revenues in Q3 2012

Q3 2012 yoy constant currency revenue growth: 9%



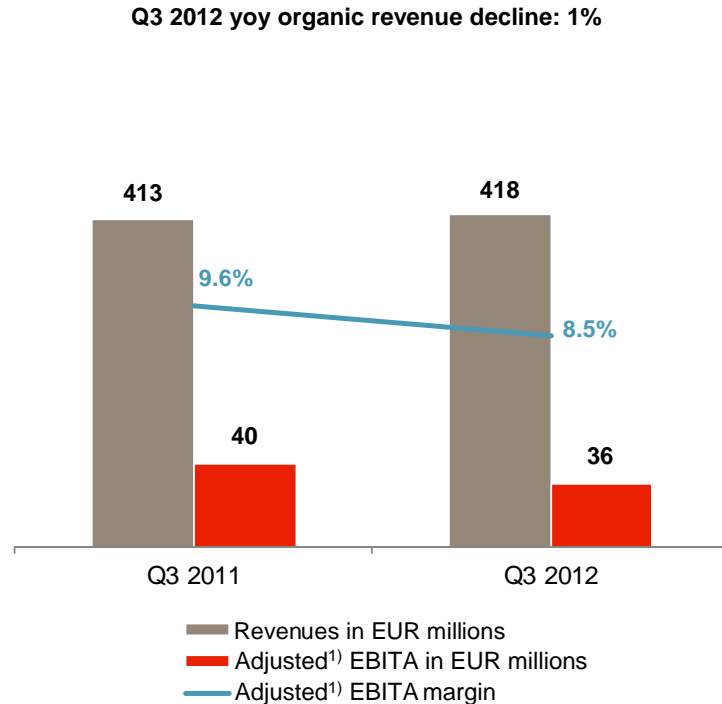
Revenues up 9% in constant currency (+7% in Q2 12), also driven by the Olympics

Permanent placement revenues down 31% in constant currency, compared with a strong Q3 11

The EBITA margin was 0.7%, impacted by the sponsorship costs for the Summer Olympics in London

Germany & Austria

8% of group revenues in Q3 2012



Revenue development ahead of the market, down 1% organically (-1% organically in Q2 12). Demand from automotives still held up well, but the outlook is more challenging.

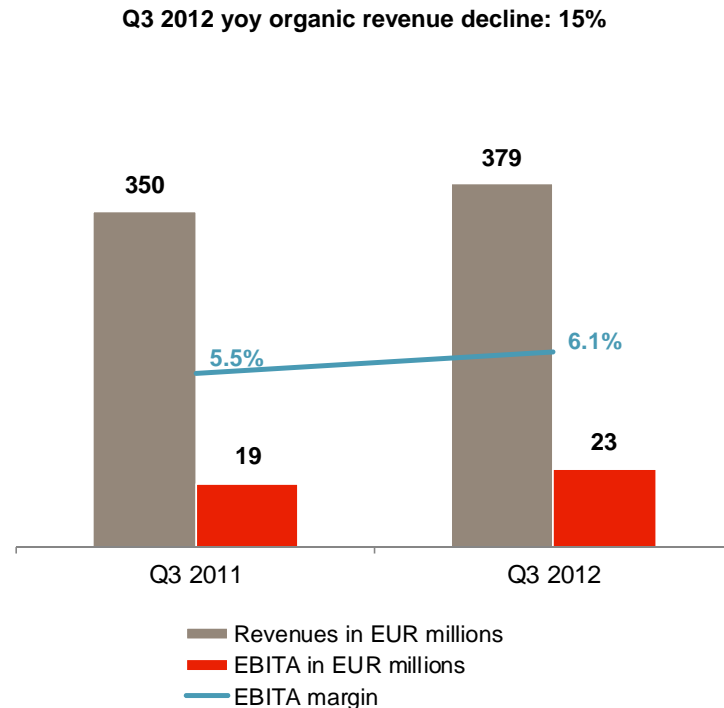
Excluding restructuring costs, the EBITA margin was at 8.5% in Q3 12

Revenues in September up 1%, organically and adjusted for trading days, but October weakened

1) Q3 12 excludes EUR 1 million restructuring costs.

Japan

7% of group revenues in Q3 2012



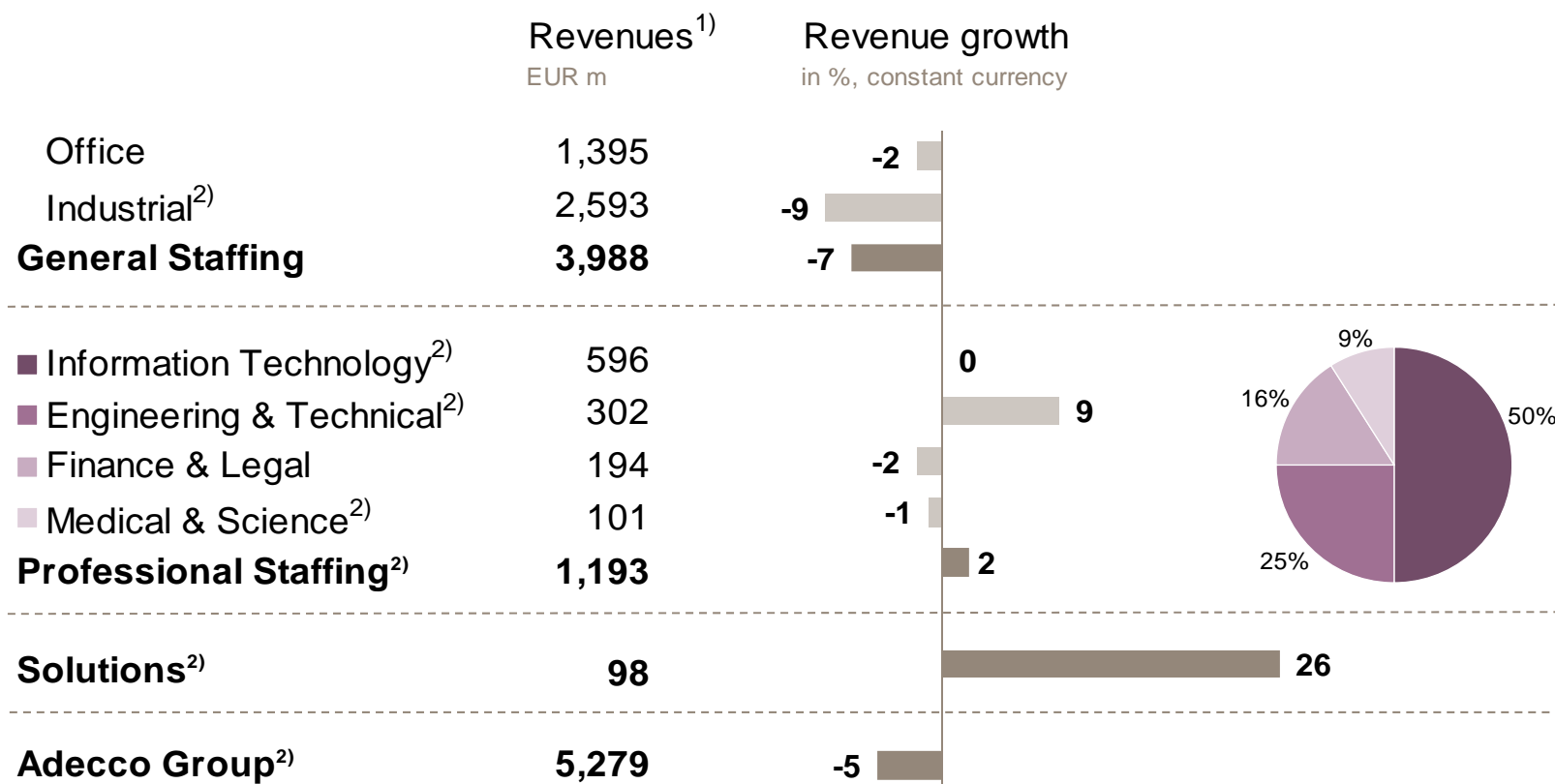
Revenues down 15% organically (-10% organically in Q2 12) as last year's results included a few large projects

Strong profitability maintained. The EBITA margin improved to 6.1%, up 60 bps yoy.

Acquired company VSN Inc. is developing well, adding 20 bps to the EBITA margin in Q3 12

Revenue development by business lines

Q3 2012 vs. Q3 2011



1) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal and Medical & Science is based on dedicated branches. Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management System (VMS).

2) Q3 revenues changed organically in Industrial by -10%, in Information Technology by 2% , in Engineering & Technical by 3%, in Medical & Science by -3%, in Professional Staffing by 1%, in Solutions by 8% and in Adecco Group by -5%.

Financial review

Q3 2012 Results in detail – P&L

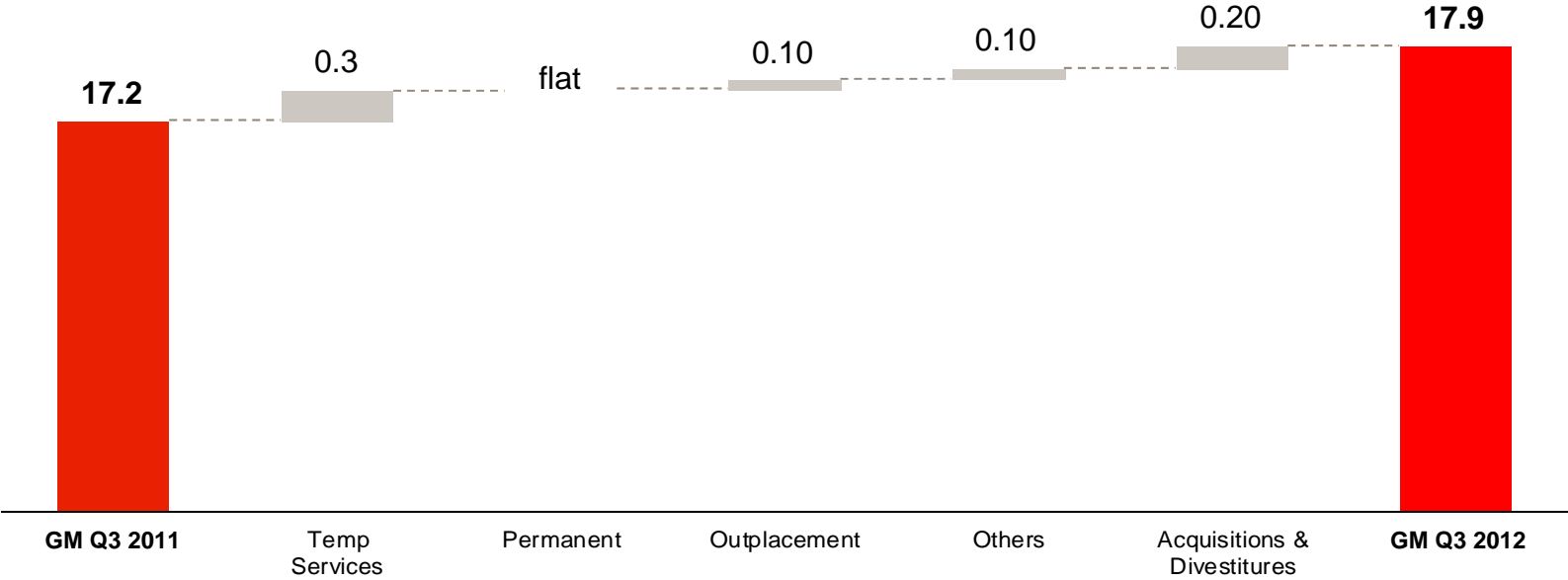
In EUR millions

	Q3 2012	Q3 2011	Variance %		9M 2012	9M 2011	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues	5,279	5,270	0%	-5%	15,509	15,351	1%	-2%
Direct costs of services	(4,332)	(4,364)			(12,729)	(12,715)		
Gross profit	947	906	4%	-1%	2,780	2,636	5%	1%
<i>Gross margin</i>	17.9%	17.2%			17.9%	17.2%		
Selling, general, and administrative expenses	(737)	(680)	8%	2%	(2,203)	(2,039)	8%	4%
<i>As a percentage of revenues</i>	14.0%	12.9%			14.2%	13.3%		
EBITA¹⁾	210	226	-7%	-12%	577	597	-3%	-7%
<i>EBITA¹⁾ margin</i>	4.0%	4.3%			3.7%	3.9%		
Amortisation of intangible assets	(13)	(13)			(40)	(40)		
Operating income	197	213	-8%	-12%	537	557	-4%	-7%
<i>Operating income margin</i>	3.7%	4.1%			3.5%	3.6%		
Interest expense	(19)	(19)			(56)	(51)		
Other income / (expenses), net	(1)	2			(12)	(9)		
Income before income taxes	177	196	-10%		469	497	-6%	
Provision for income taxes	(59)	(51)			(126)	(110)		
Net income	118	145	-18%		343	387	-11%	
Net income attributable to noncontrolling interests					(1)	(1)		
Net income attributable to Adecco shareholders	118	145	-18%		342	386	-11%	
<i>Net income margin attributable to Adecco shareholders</i>	2.2%	2.7%			2.2%	2.5%		

1) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

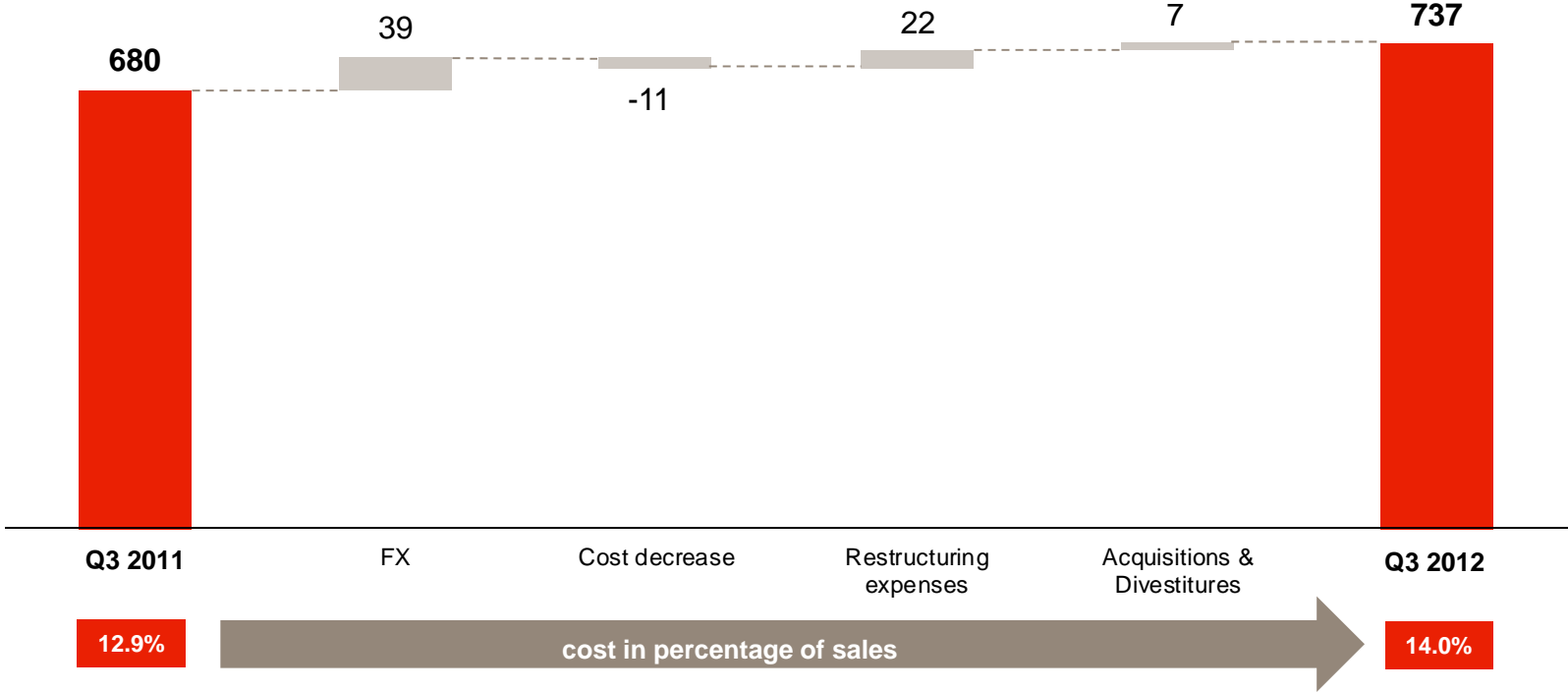
Q3 2012 gross margin drivers

In percent of revenues



Q3 2012 SG&A movements

In EUR millions



Overview of restructuring charges for 2012

Quarterly development in EUR millions

	Q1 2012	Q2 2012	Q3 2012	Sept YTD 2012	OLD expected FY 2012	NEW expected FY 2012
France	3	5	19	27	Total ~ 65	Total ~80
Other countries/regions	5	2	1	8		
Data centre consolidation (North and South America)			2	2		
Total restructuring charges	8	7	22	37	~65	~80

+ ~ 15

Balance sheet

In EUR millions

	Sep 30 2012	Dec 31 2011
Assets		
Cash and cash equivalents	906	532
Short-term Investments	2	2
Trade accounts receivable, net	3,863	3,725
Other current assets	390	424
Property, equipment, and leasehold improvements, net	303	313
Other assets	325	310
Goodwill and intangible assets, net	4,156	4,048
Total assets	9,945	9,354
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,543	3,545
Short- and long-term debt	2,009	1,426
Other liabilities	515	572
Total Adecco shareholders' equity	3,875	3,808
Noncontrolling interests	3	3
Total liabilities and shareholders' equity	9,945	9,354
Net Debt*	1,101	892

* 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.

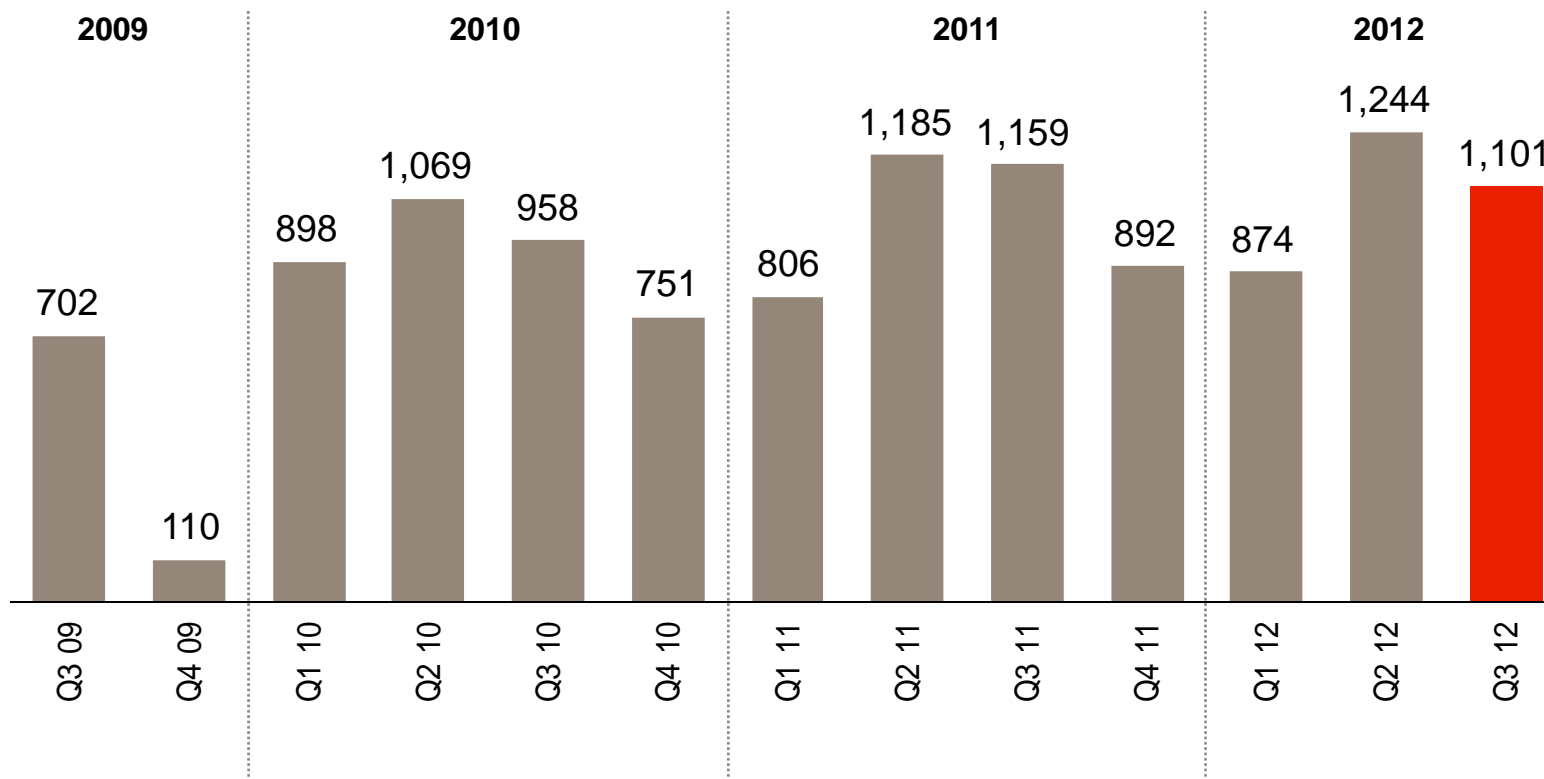
Cash flow statement

In EUR millions

	Q3		9M	
	2012	2011	2012	2011
Net income	118	145	343	387
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	38	37	119	110
– Other charges	43	19	56	22
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	48	46	(107)	(354)
– Accounts payable and accrued expenses	(24)	14	(51)	99
– Other assets and liabilities	(20)	(14)	(76)	(47)
Cash flows from operating activities	203	247	284	217
Cash flows from investing activities	10	(184)	(164)	(281)
Cash flows from financing activities	279	(89)	268	(110)
Effect of exchange rate changes on cash	(33)	8	(14)	(10)
Net increase/(decrease) in cash and cash equivalents	459	(18)	374	(184)

Net debt* development since Q3 2009

In EUR millions



* 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.

Debt and cash & short term investments

As of September 30, 2012

	Principal at maturity	Maturity	Fixed interest rate	Total in EUR million
7-year guaranteed Euro medium term notes	EUR 500	2018	4.75%	492
5-year guaranteed Euro medium term notes	EUR 356	2014	7.625%	359
7-year fixed rate guaranteed notes	EUR 333	2013	4.5%	337
4-year Swiss Franc fixed notes	CHF 350	2016	2.125%	289
5-year Swiss Franc fixed notes	CHF 250 ¹⁾	2017	1.875%	207
8-year Swiss Franc fixed notes	CHF 125	2020	2.625%	104
Committed multicurrency revolving credit facility	EUR 600	2017	Variable rate	0 ²⁾
Medium term loan				28
French Commercial Paper program				182
Uncommitted lines & others				11
Short & long term debt				2,009
Cash & short term investments				908
Net Debt				1,101

1) Additional CHF 100 million issued with re-opening in September and settlement date on October 19, 2012.

2) EUR 71 million used for letters of credit.

Financial Guidance

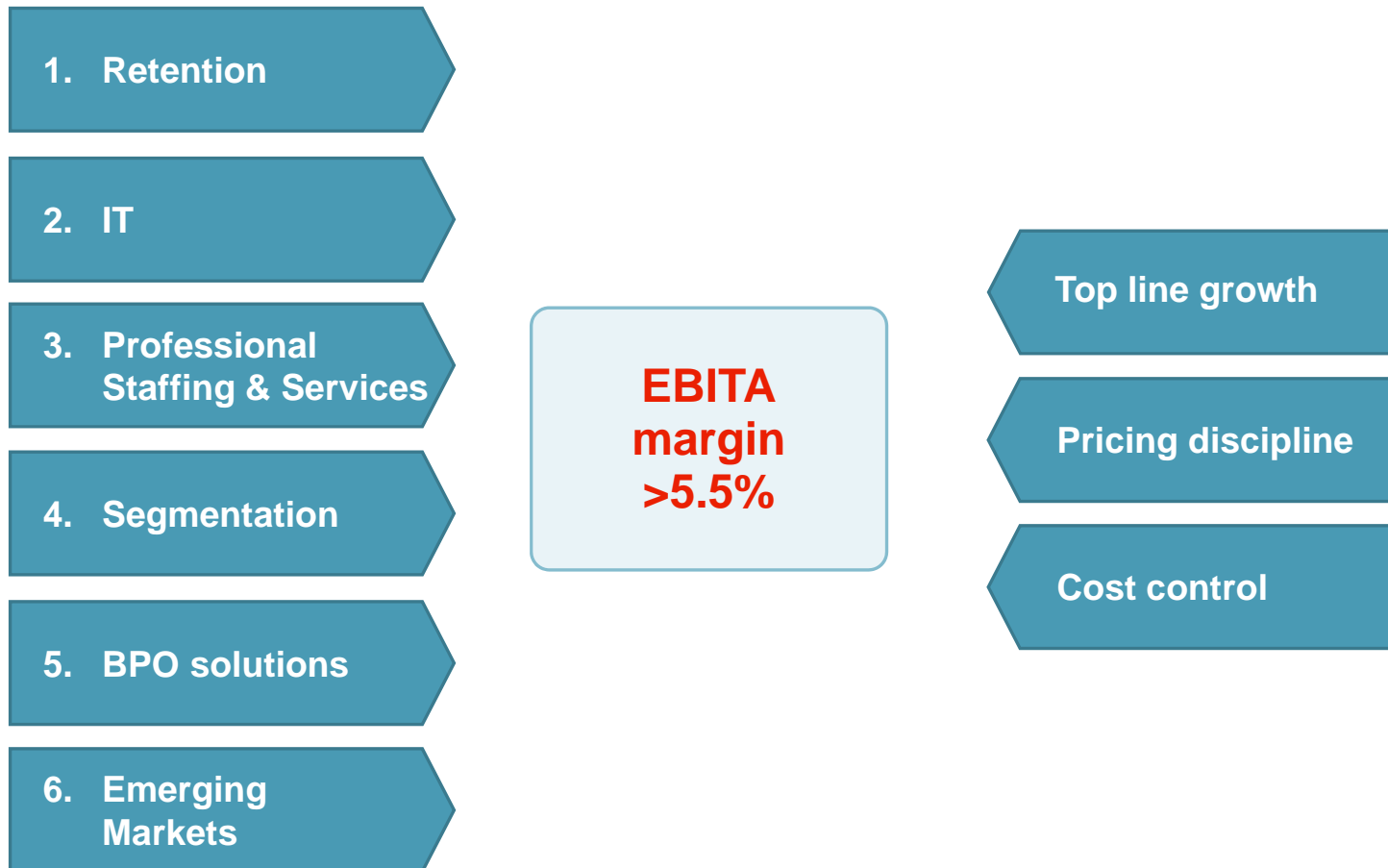
Full year 2012

Capex	Approximately EUR 100 million
Interest expense	Approximately EUR 80 million
Corporate costs	Approximately EUR 100 million
Amortisation	Approximately EUR 50 million

Strategy & Outlook

We strive to reach an EBITA margin above 5.5%

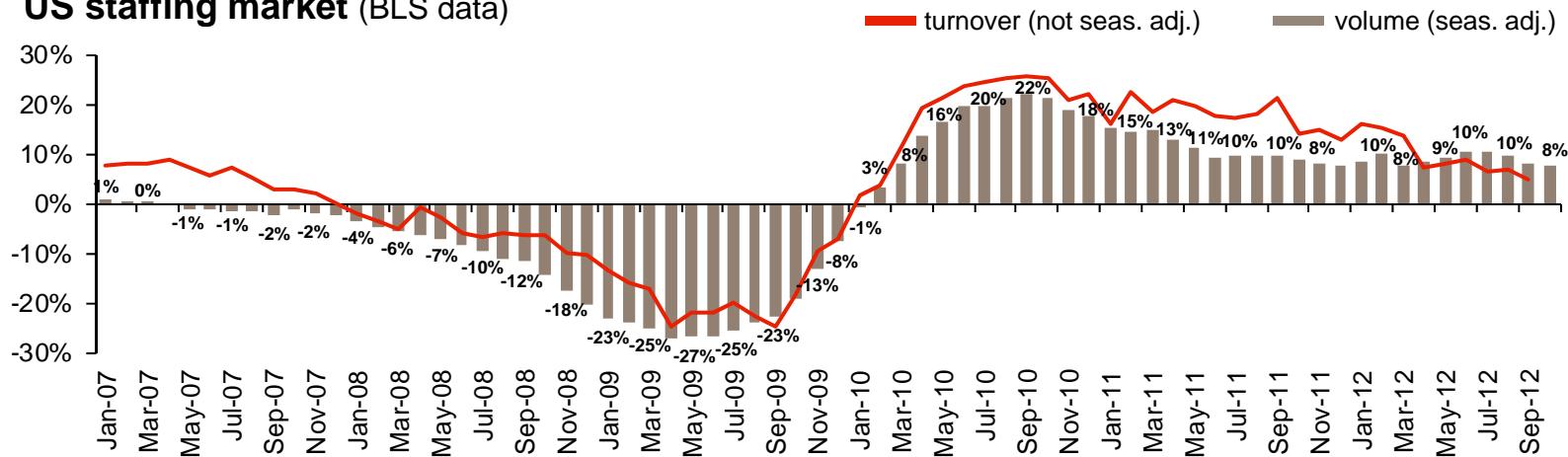
In the mid-term



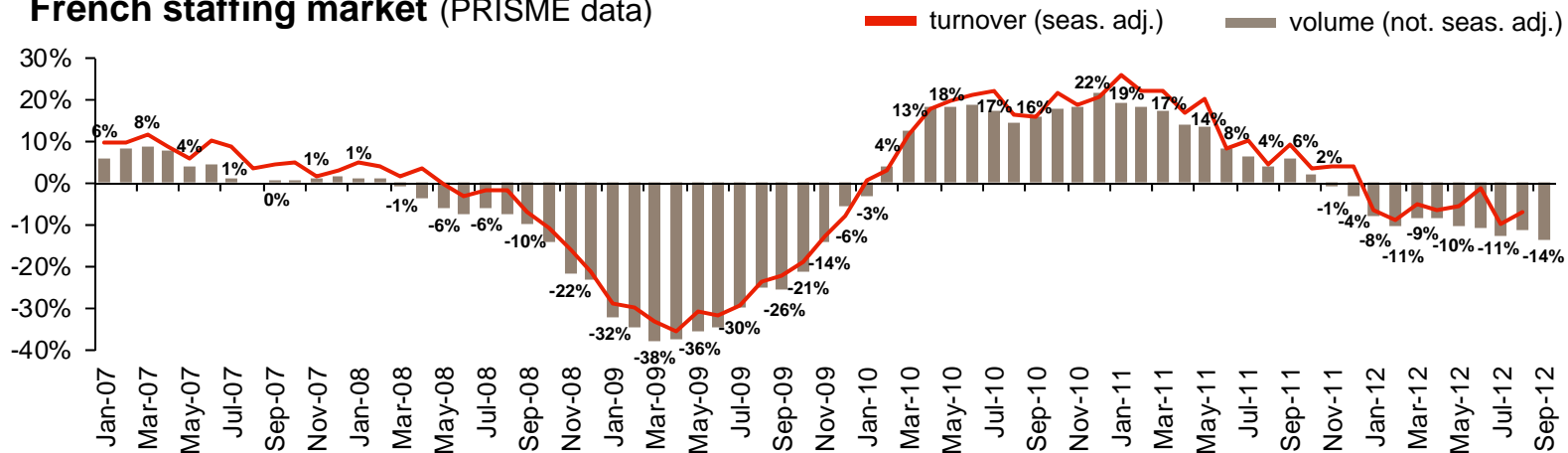
Development of US and French staffing market

Year-on-year growth

US staffing market (BLS data)

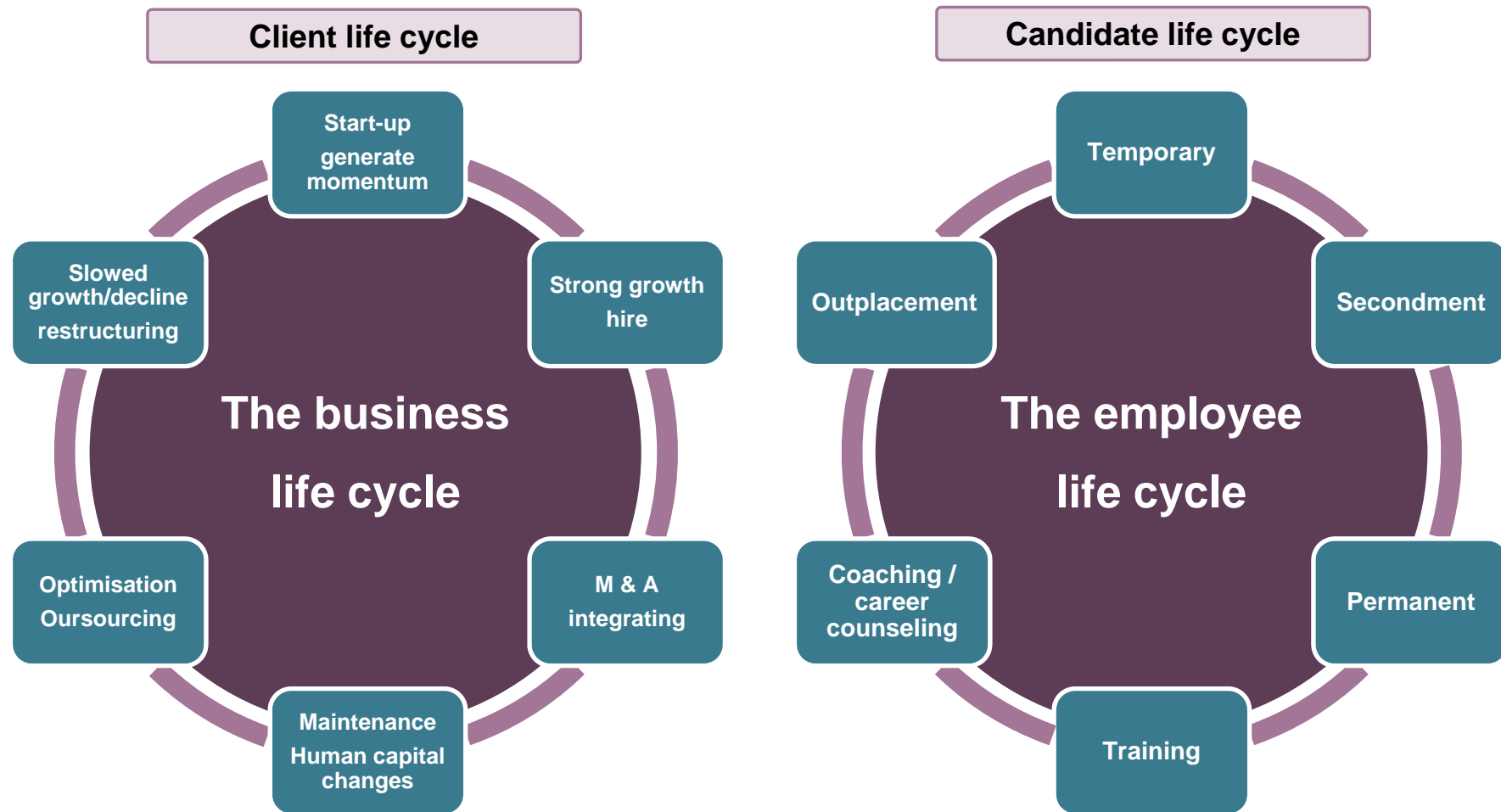


French staffing market (PRISME data)



Customer needs along their life cycle

End-to-end services for candidates / associates and clients



Our six strategic priorities

For the mid-term

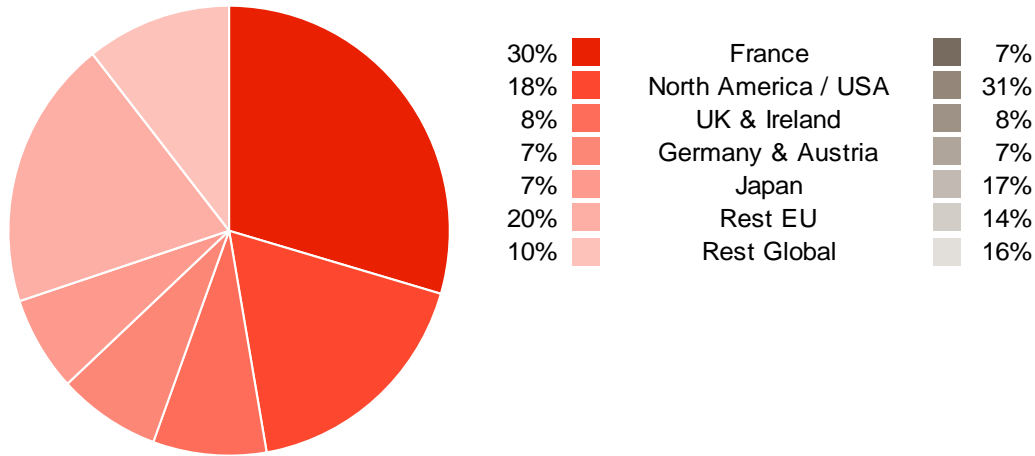


Appendix

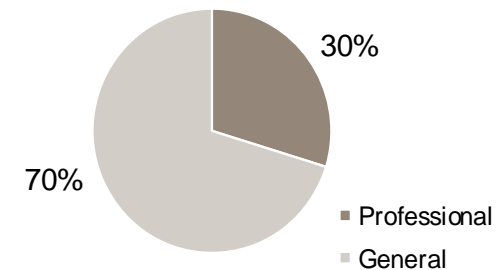
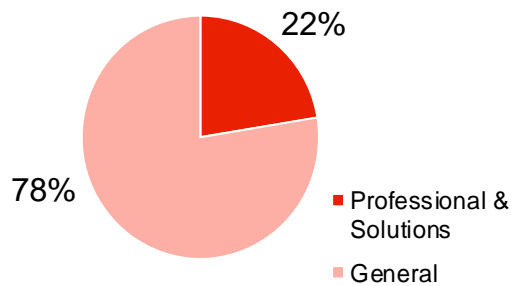
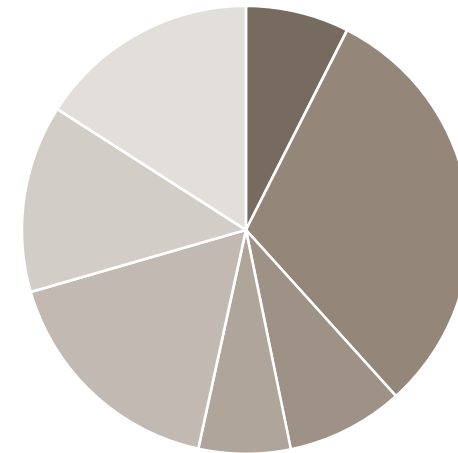
Market potential for Professional and General staffing

Market size and FY 2011 revenues of Adecco

Adecco FY 2011 revenues: EUR 20.5bn



Global market 2011: Approx. EUR 265bn



Source: National statistics and Adecco estimates

Adecco's market position in FY 2011

Based on revenues

	percent of Adecco revenues	Market share ¹⁾ in percent	Market position ¹⁾
France	30%	31%	1
North America	18%	4%	2
UK & Ireland	8%	8%	1
Japan	7%	3%	4
Germany & Austria	7%	9%	2
Benelux	5%	5%	3
Italy	5%	18%	1
Nordics	4%	13%	2
Iberia	4%	25%	2
Australia & New Zealand	2%	4%	4
Switzerland	2%	16%	1
Emerging Markets	7%	5%	1
LHH	1%	18%	1

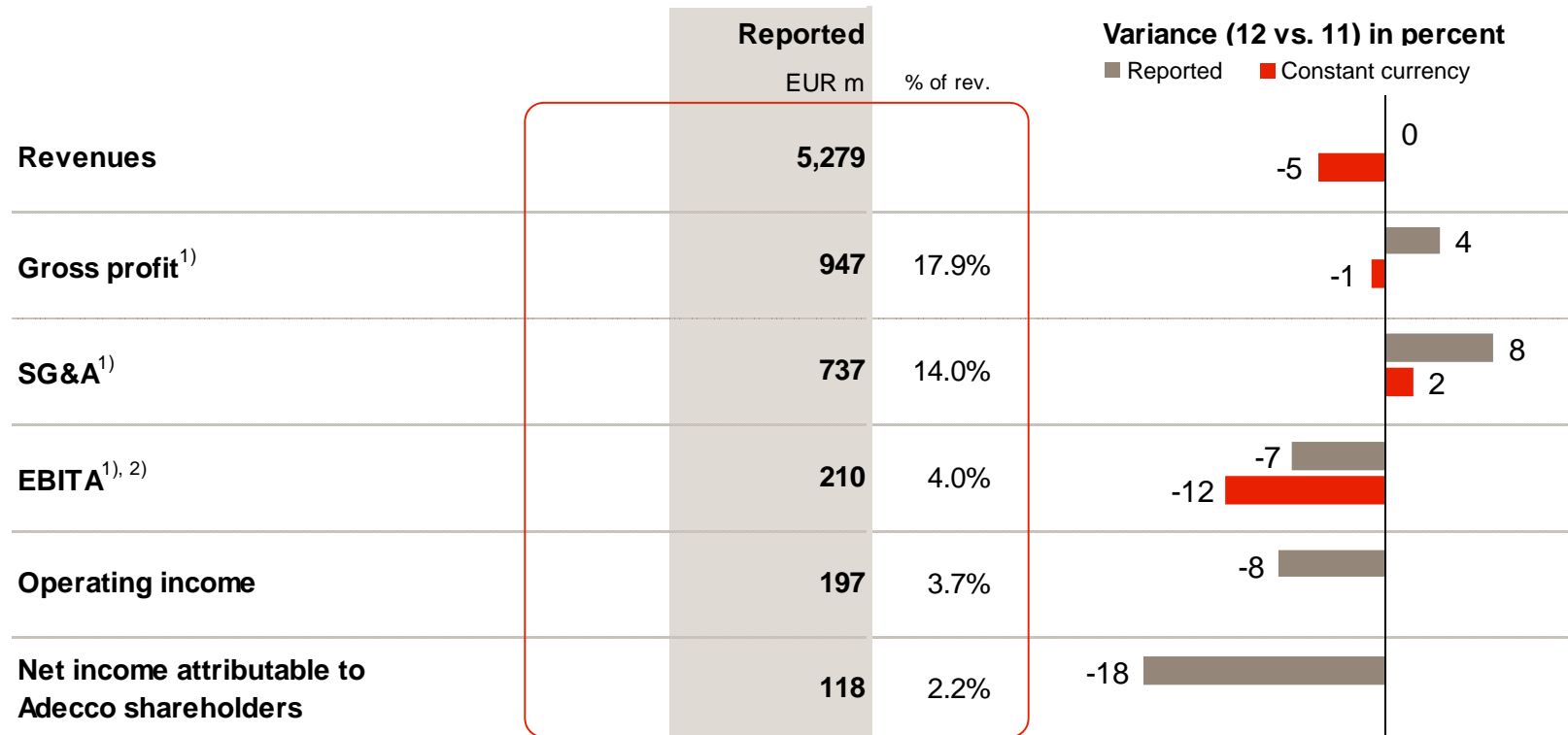
1) Adecco estimate.

Market position and profitability in H1 2012

Consistent leading profitability across most regions

	Adecco's market position	Adecco's EBITA margin	Highest peer EBITA margin	Lowest peer EBITA margin
France	1	2.8% ✓	2.4%	1.5%
North America	3	4.4% ✓	4.0%	2.0%
UK & Ireland	1	1.5% ✗	5.9%	0.5%
Germany & Austria	2	6.0% ✓	4.4%	-0.5%
Japan	4	5.9% ✓	3.9%	1.4%
Italy	1	5.4% ✓	5.0%	3.4%
Benelux	3	3.6% ✗	6.9%	n.a.
Nordics	2	3.2% ✗	3.8%	0.6%
Iberia	2	3.3% ✓	1.2%	0.4%

Q3 2012 results summary

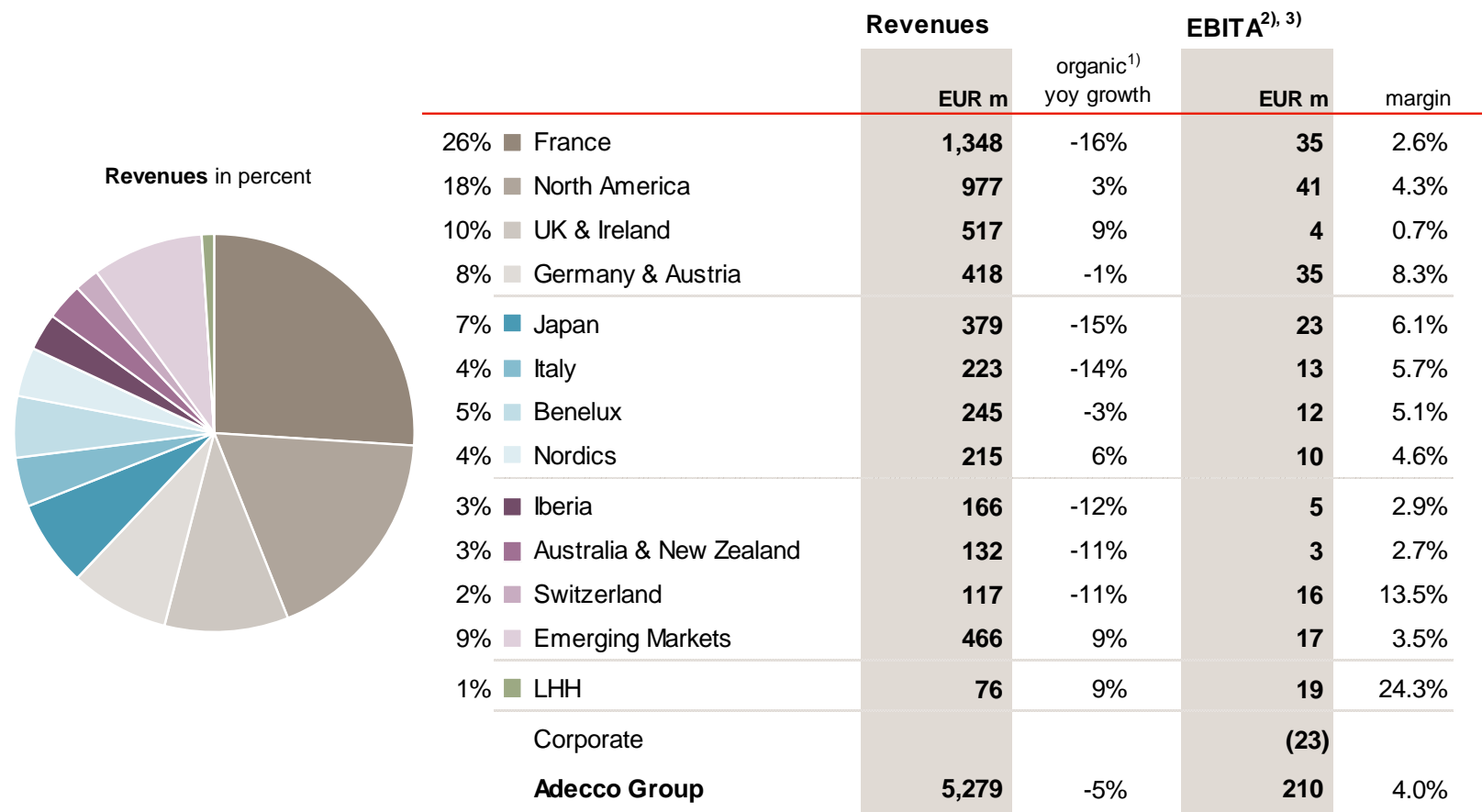


1) In Q3, organically, Gross Profit changed by -3%, SG&A by 1% and EBITA by -15%.

2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

Revenues and EBITA by segment

Q3 2012 vs. Q3 2011



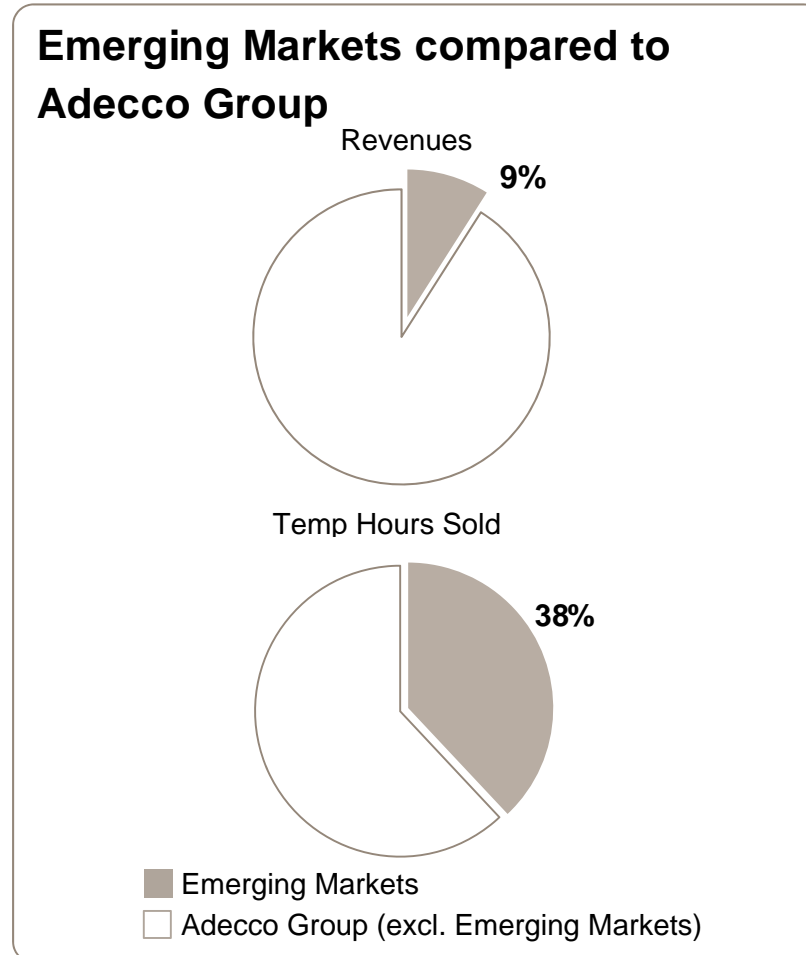
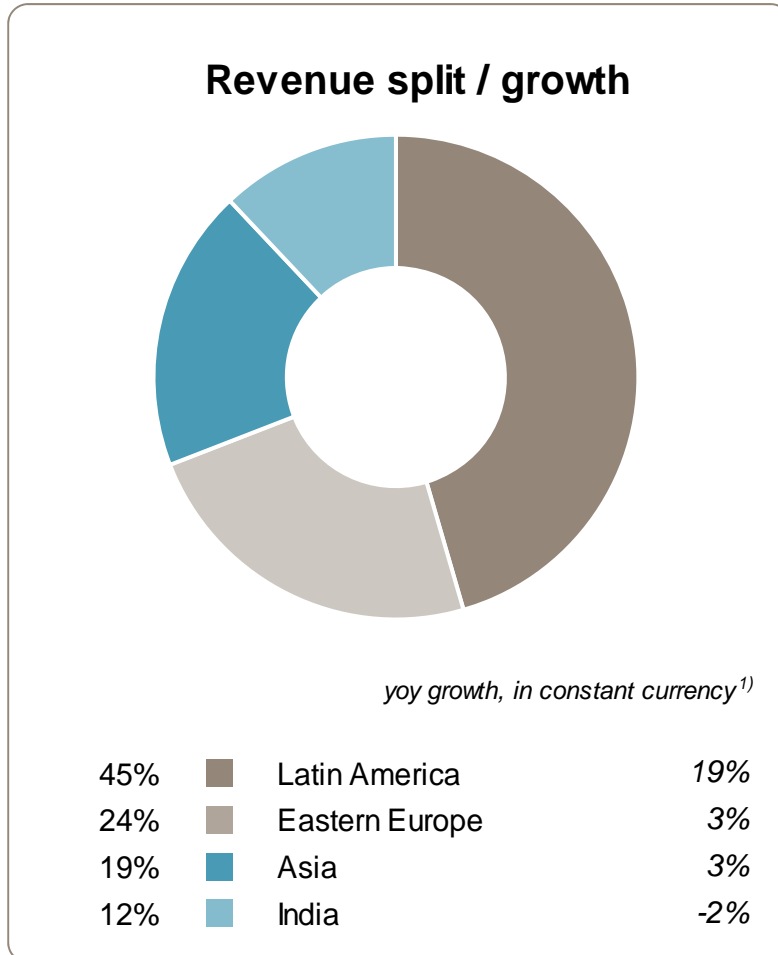
1) Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestitures.

2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

3) Including restructuring costs of EUR 19 million for France, EUR 2 million for North America and EUR 1 million for Germany.

Developments in the Emerging Markets

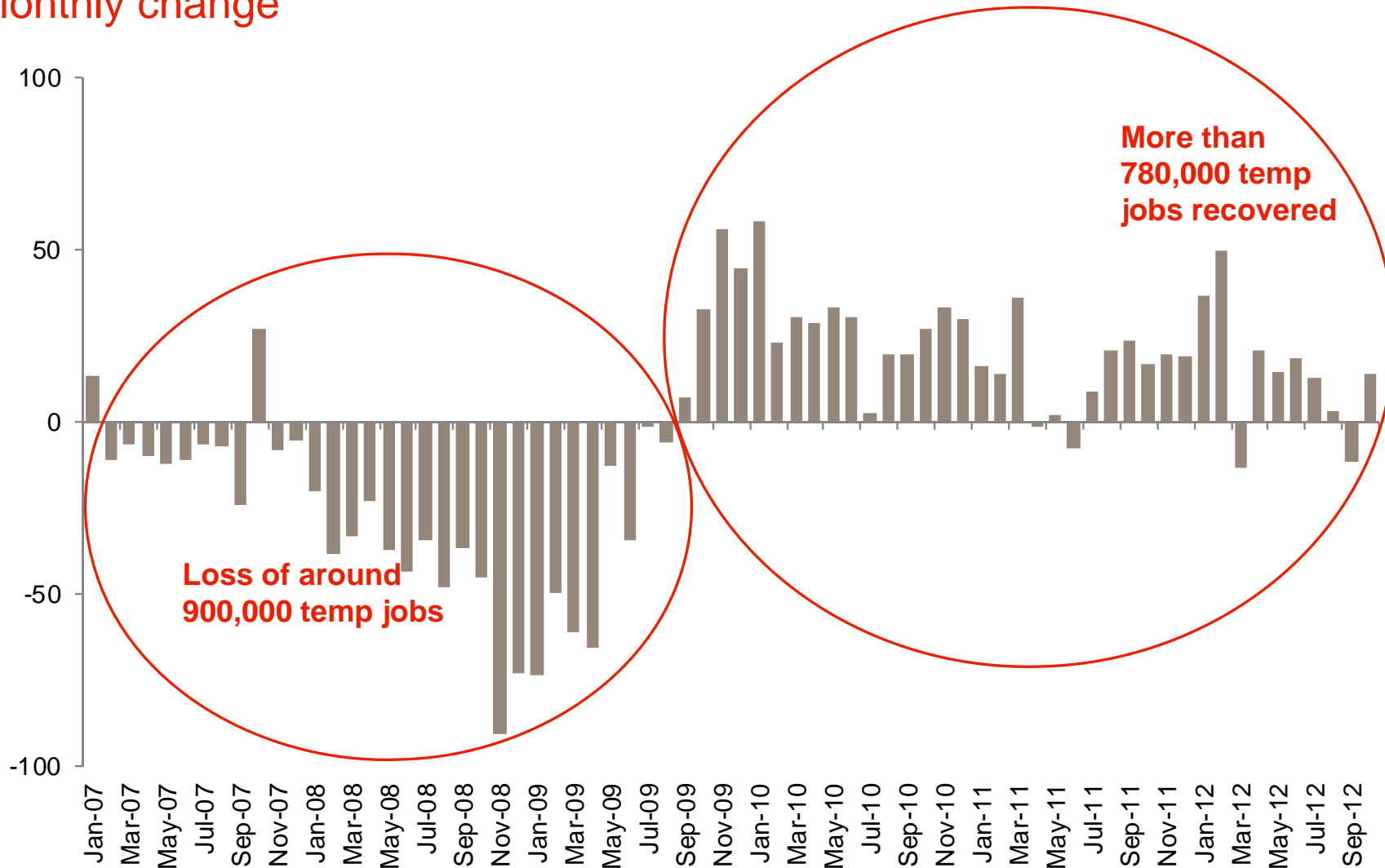
Q3 2012 revenues by geography



1) Mexico, previously reported together with North America, is since Q2 2012 reported under Emerging Markets. The 2011 data has been restated to conform to the current year presentation.

US temporary job market

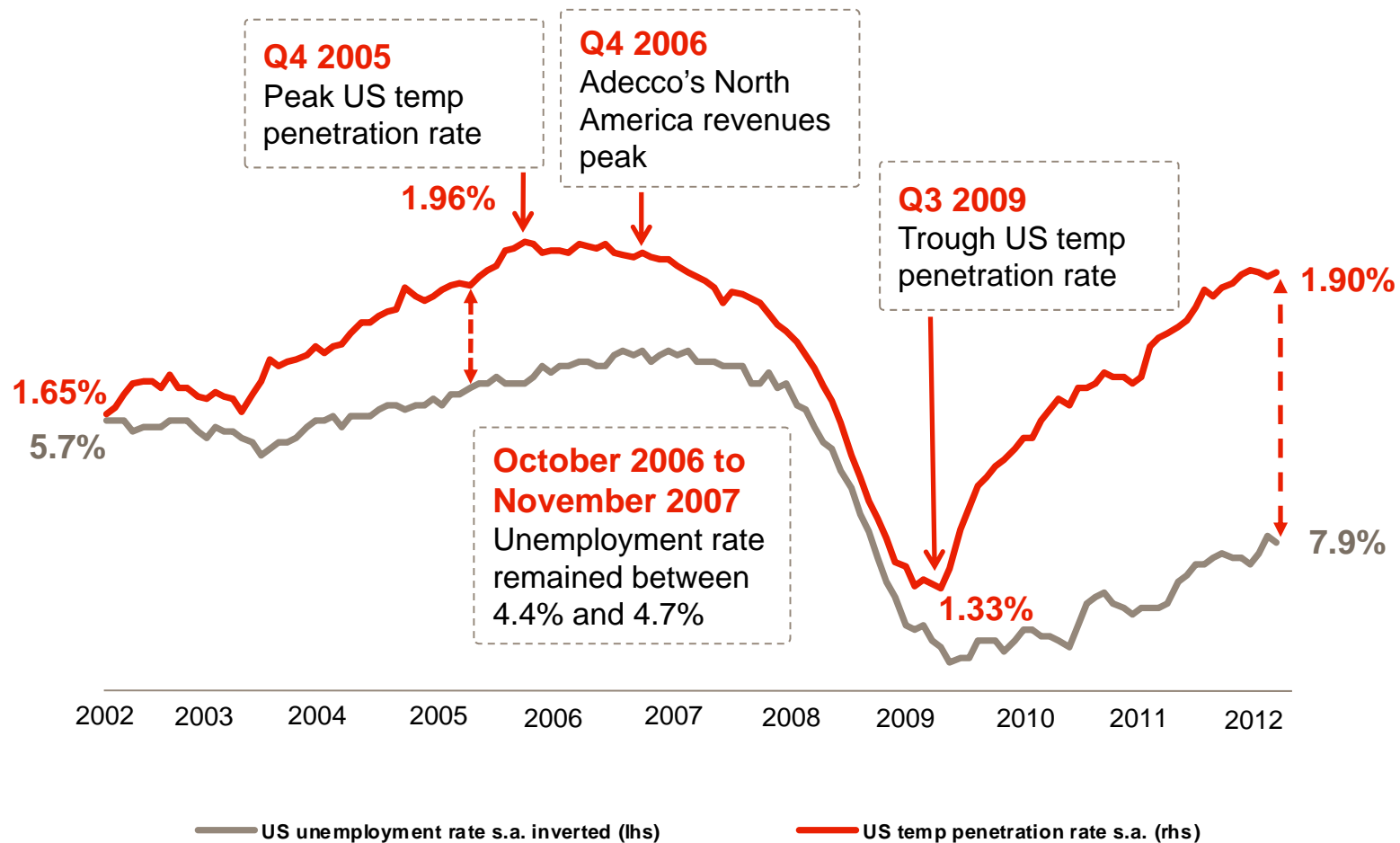
Monthly change



Source: Bureau of Labor Statistics (BLS)

Structural shift to temporary staffing in current upturn

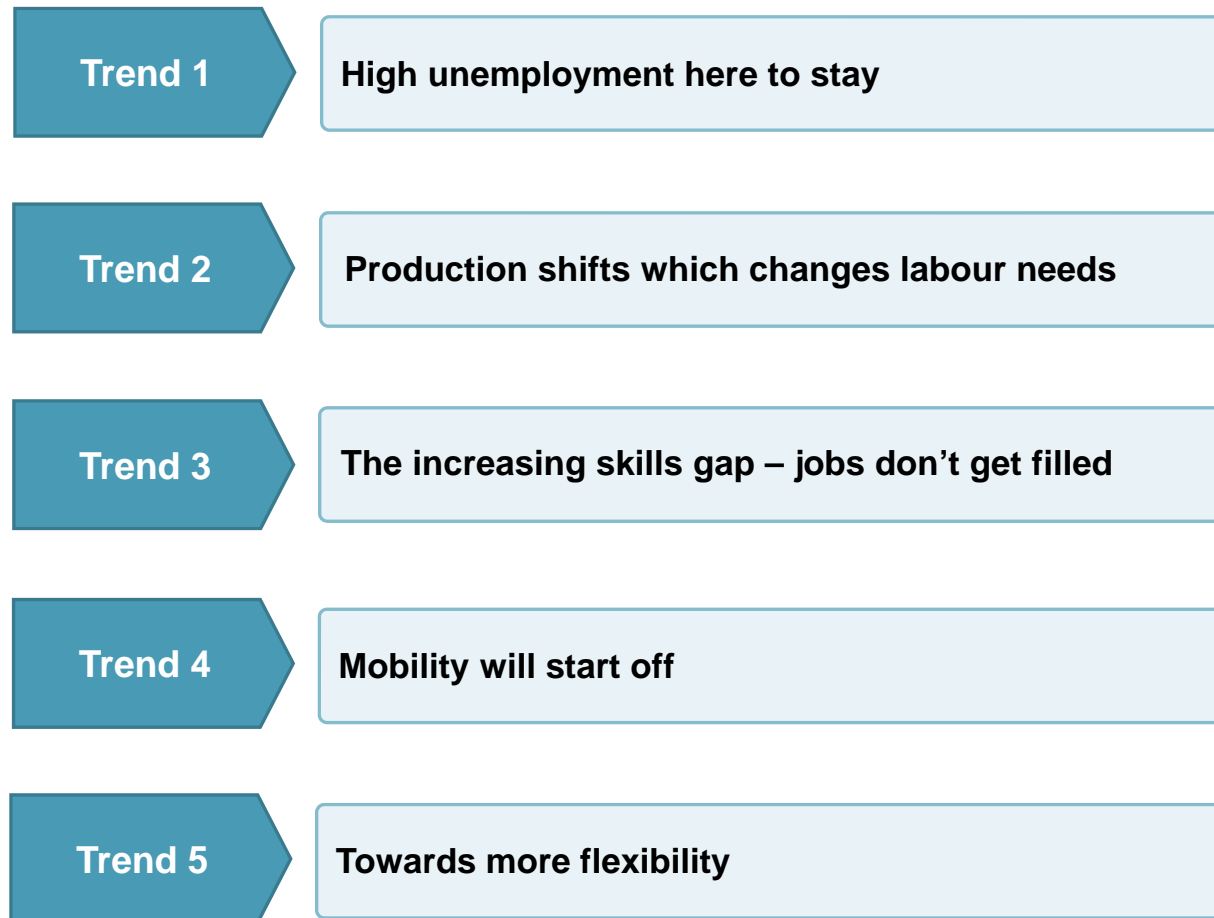
US temporary penetration rate vs. unemployment rate



Source: Bureau of Labor Statistics (BLS)

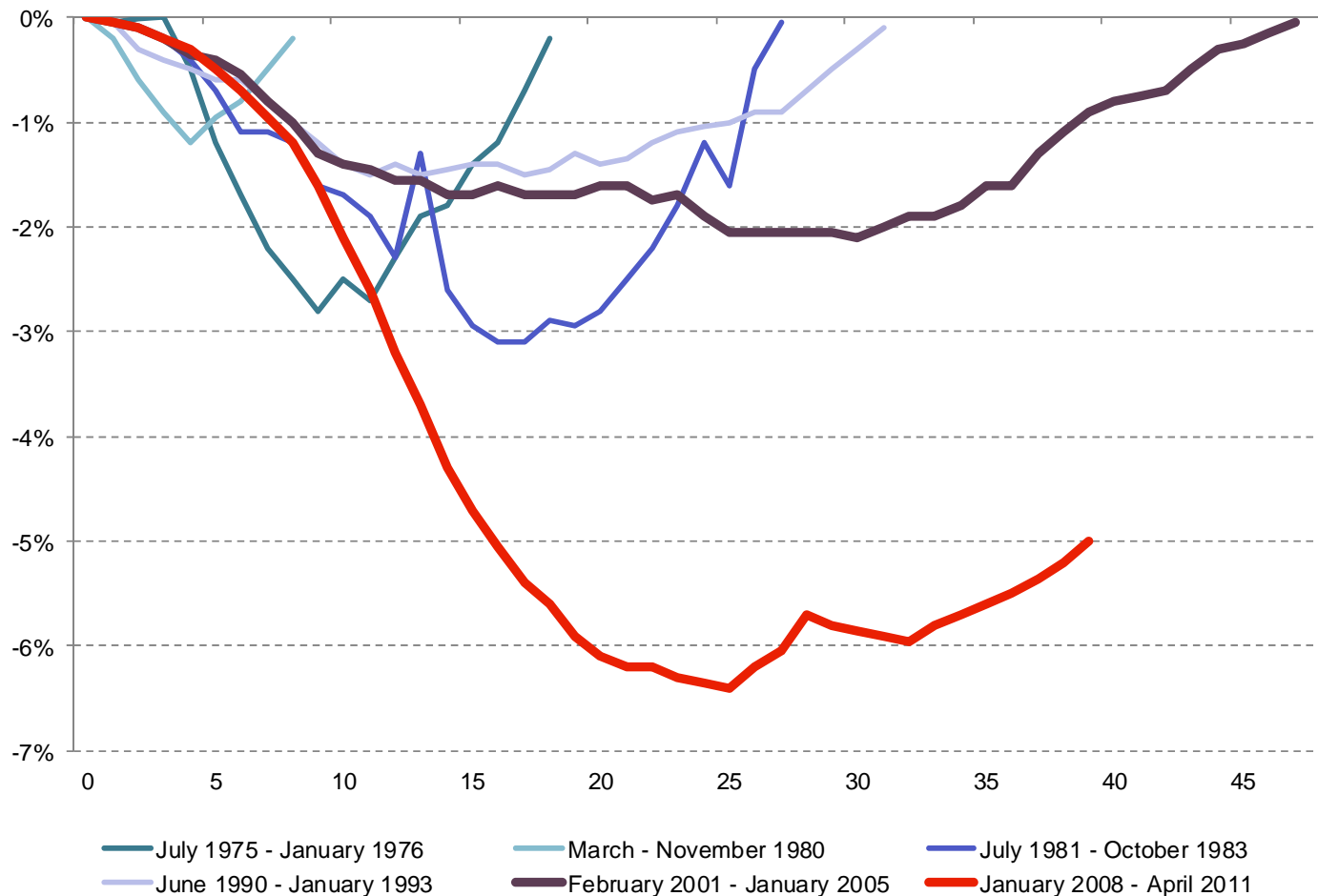
Key market trends

The environment we live in and the potential for our industry



US is in a slow recovery mode

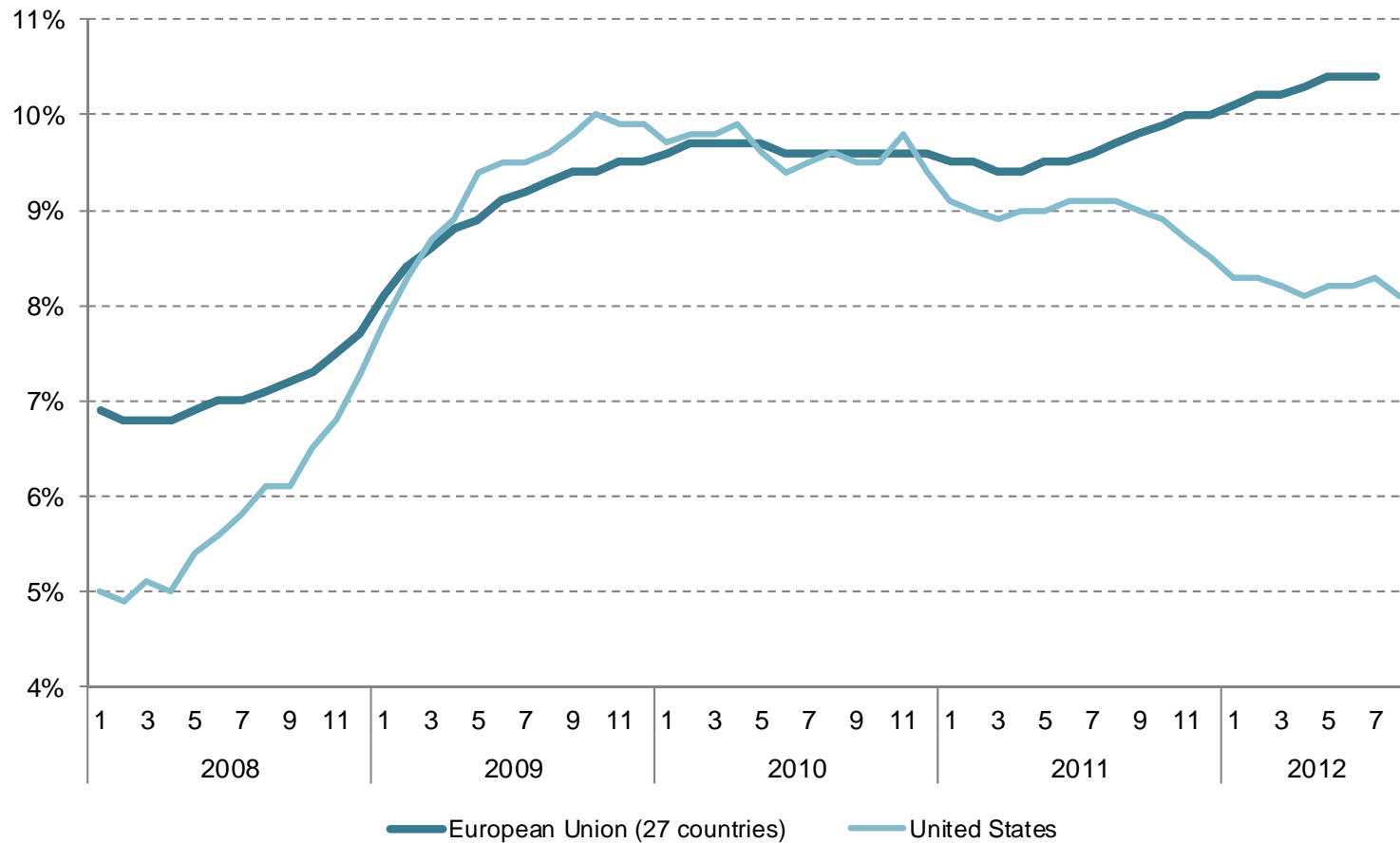
40 months after the pick up, we are still 5% below pre-crisis employment



(Source: US Bureau of Labor Statistics; McKinsey Global Institute analysis)

Diverging unemployment trends between the US and Europe

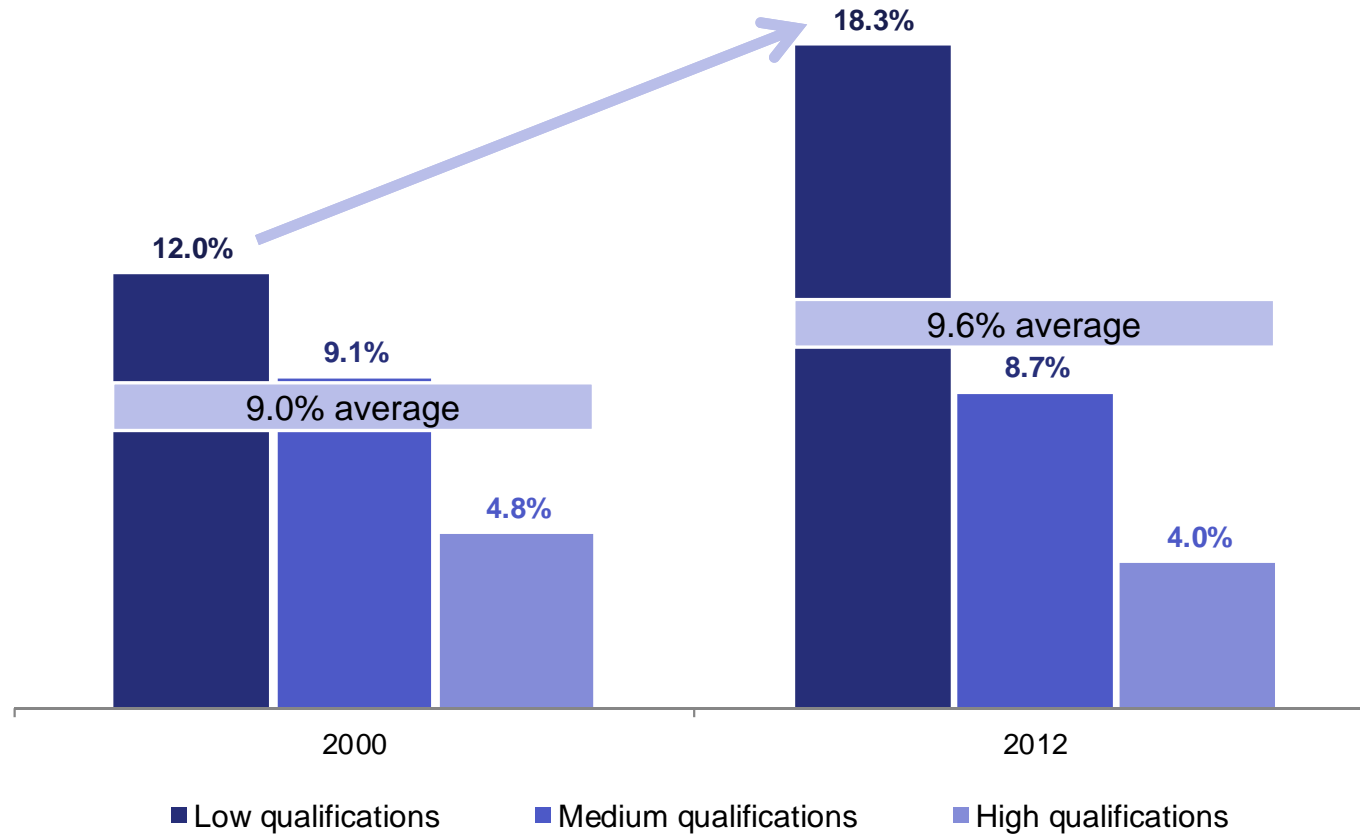
In Europe unemployment still increasing



(Source: US Bureau of Labor Statistics; Eurostat)

Production shifts change labour needs

Strong increase in unemployment among low qualifications in the EU



(Source: European Centre for the Development of Vocational Training, 2010)

The increasing skills gap – 7 Mio. jobs don't get filled

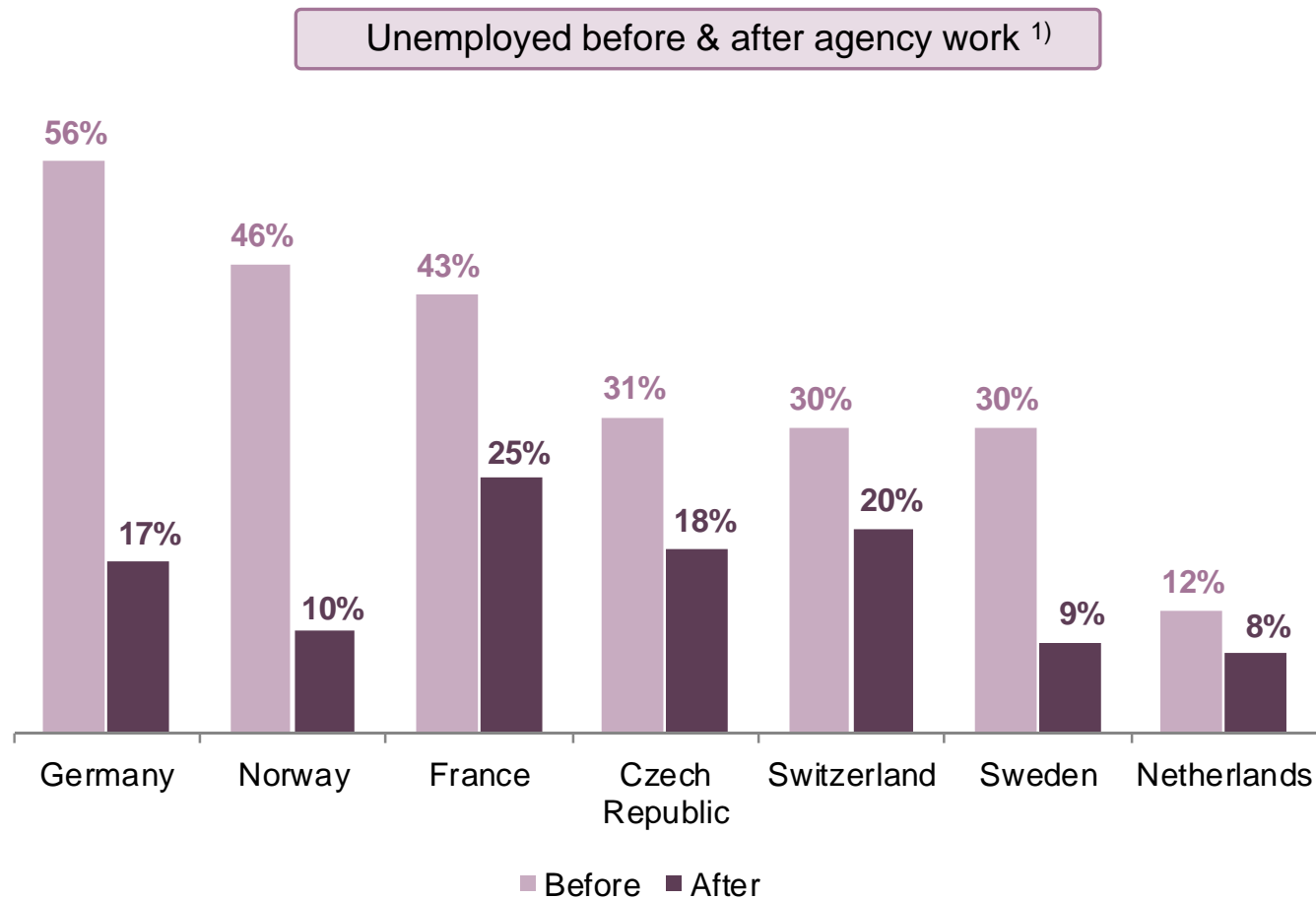
Due to the skills mismatch, due to the geographical mismatch

USA	EU
Civilian workforce: 155 million	Civilian workforce: 241 million
Unemployment rate: 13 million	Unemployment rate: 25 million
Vacancies not filled: 3.8 million	Vacancies not filled: >3 million

(Sources: BLS, European Commission/Eurostat)

Flexibility helps the unemployed

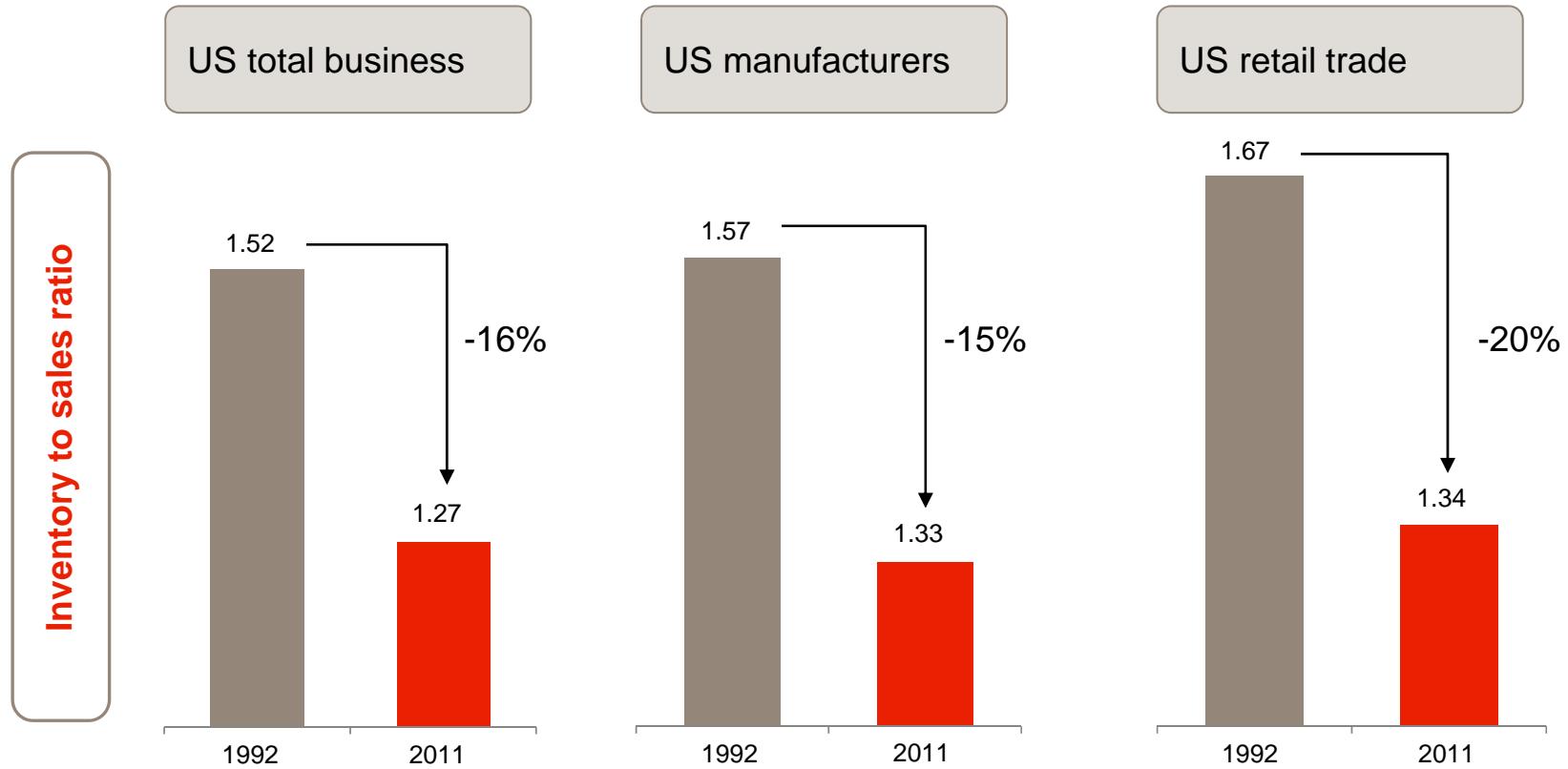
Less people are unemployed after working as an agency worker



(Source: CiETT Economic Report 2011) 1) % of agency workers that are officially registered as unemployed before and 12 months after temp

More made to order

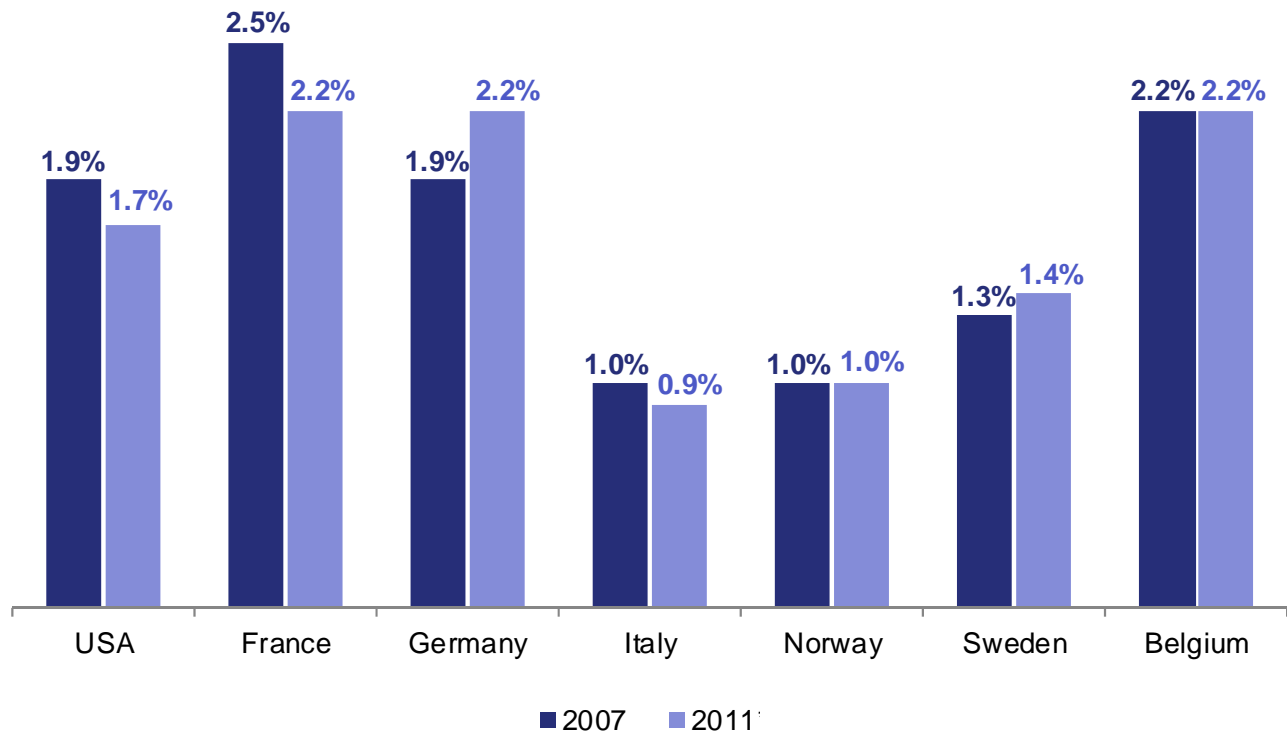
US example: Inventory to sales ratio declining 1992 – 2011



Source: US Inventory to Sales ratio; US Manufacturing and Trade Inventories and Sales report

Exceeding peak penetration rates

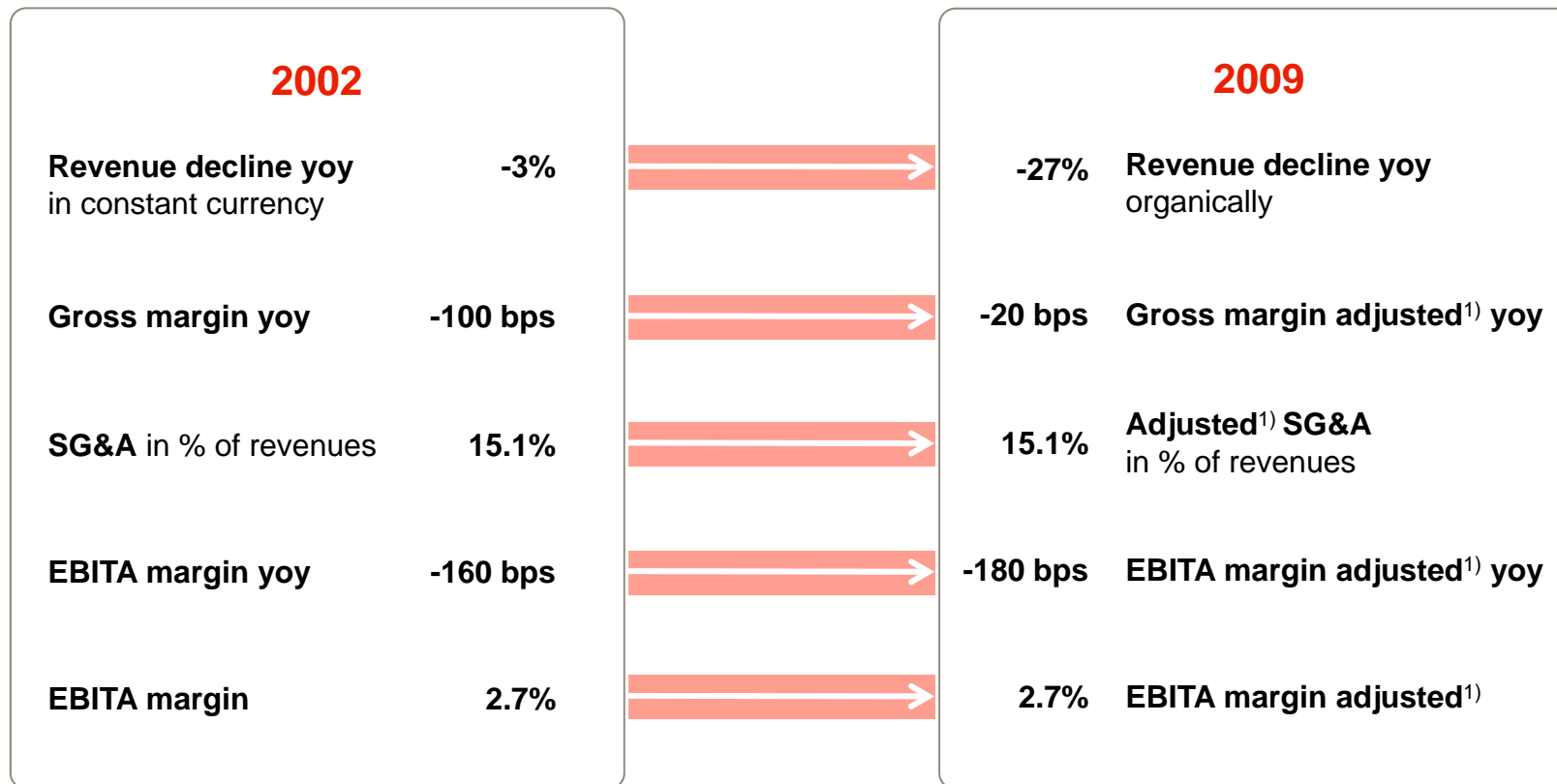
Penetration rates in many countries at or above peak



(Source: Eurociett, Bureau of Labor Statistics and Adecco estimate.)

The success of EVA

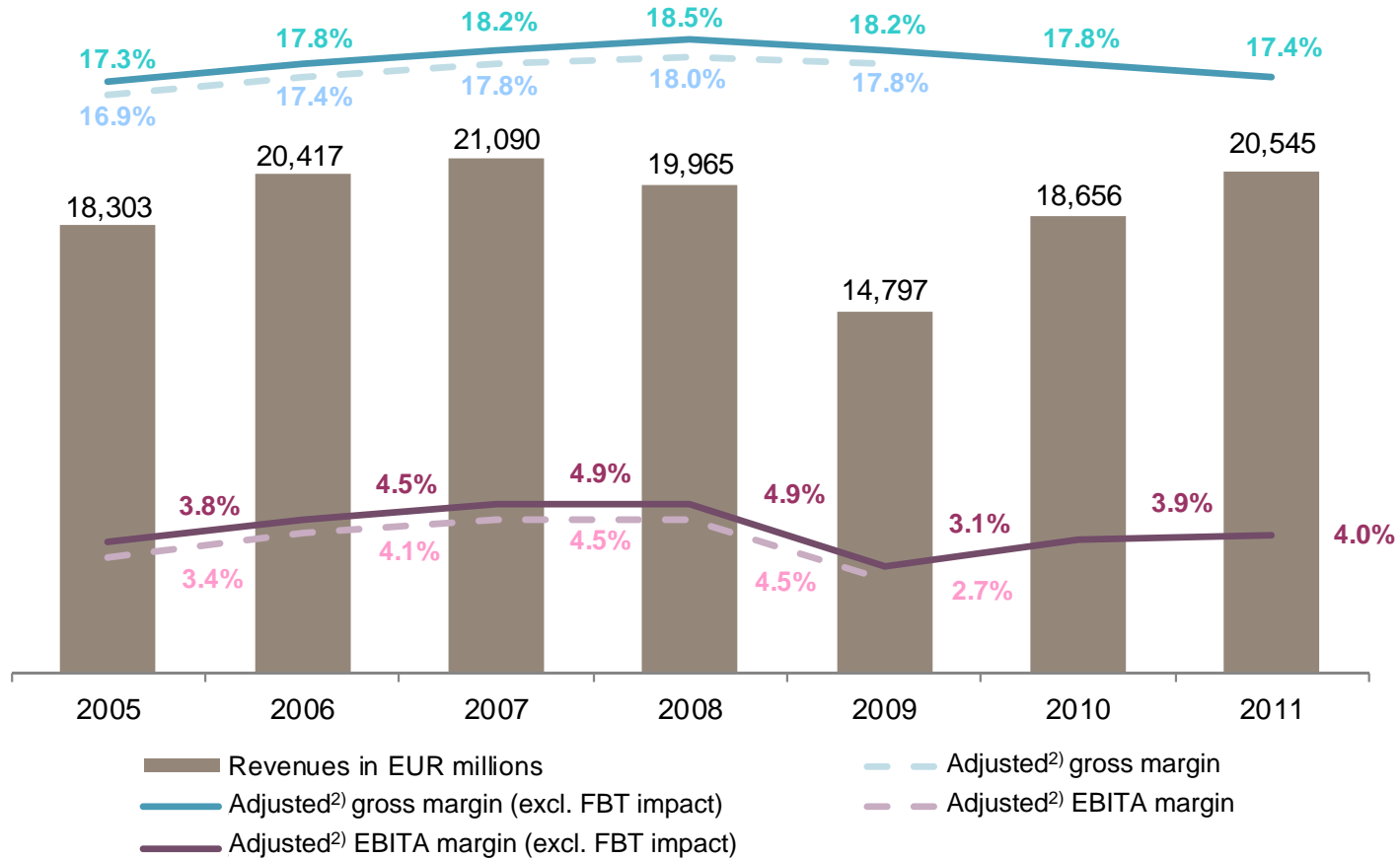
A major achievement - comparison of KPIs during the last two downturns



1) Please refer to slide 60.

What we have achieved

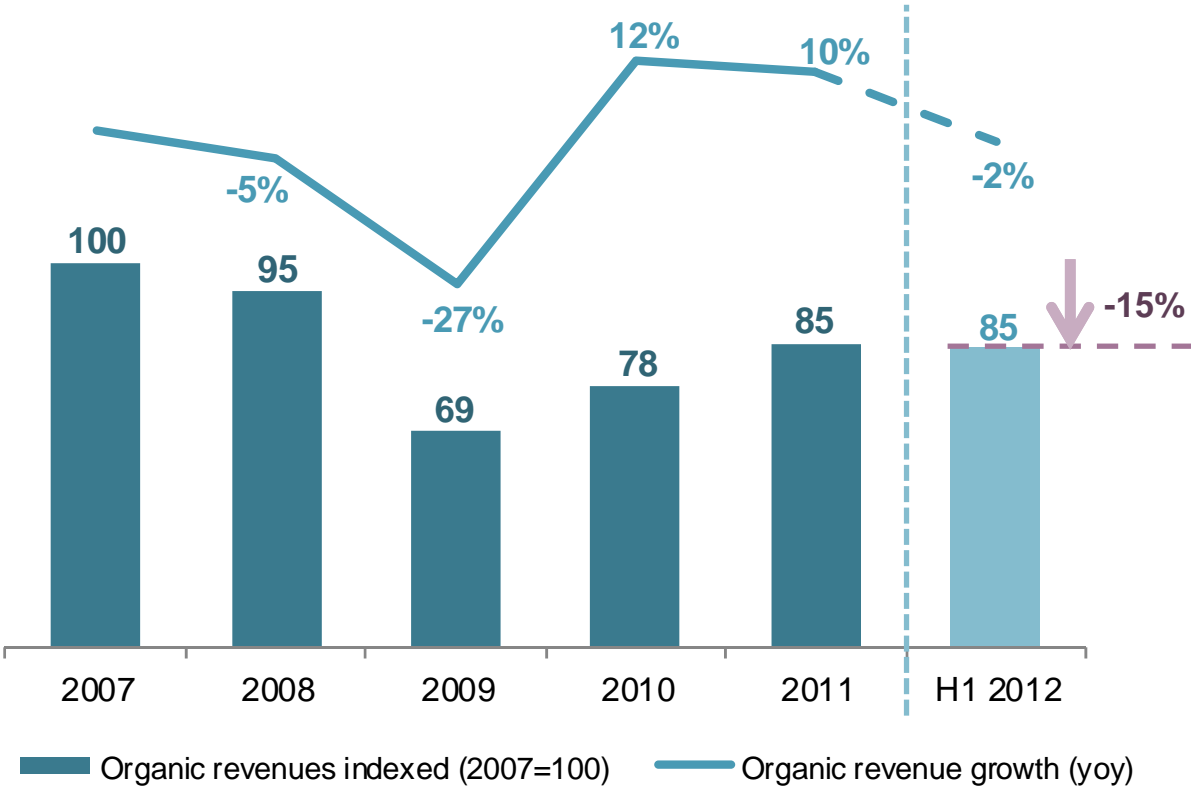
Financial performance since 2005



2) Please refer to slide 60.

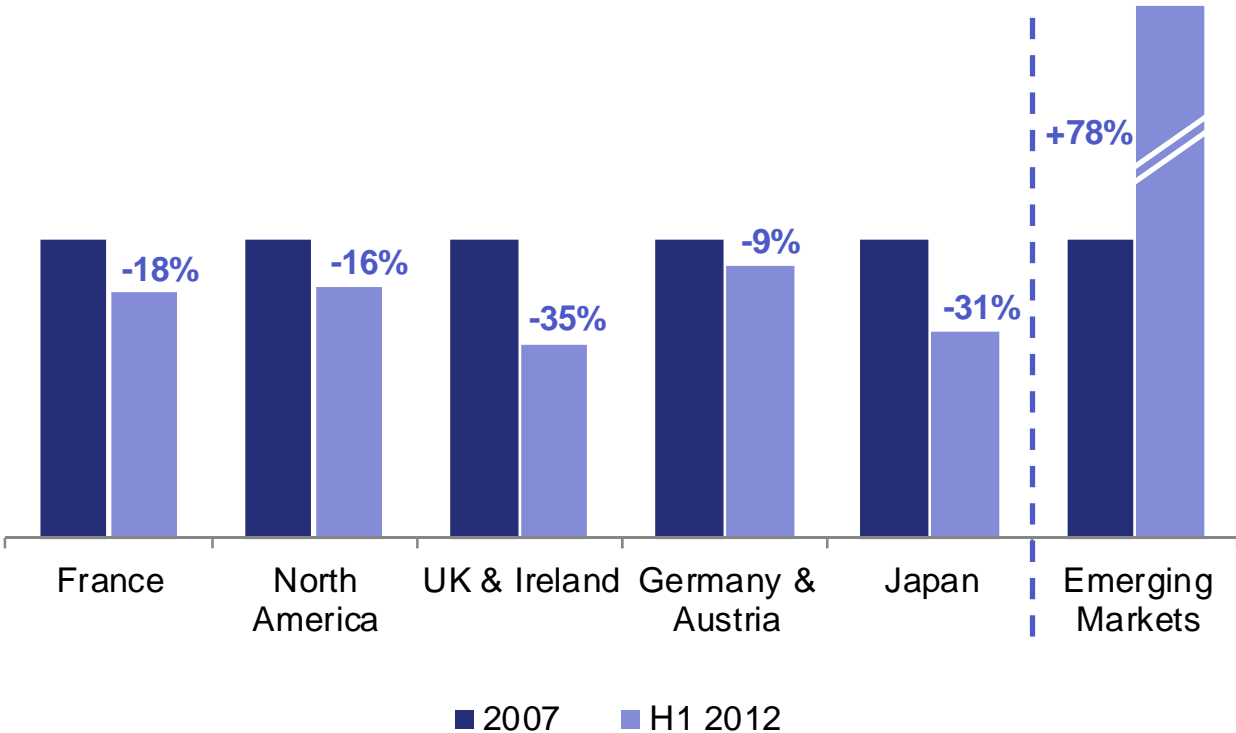
Revenue development since the peak in 2007

We are still 15% below the peak organically



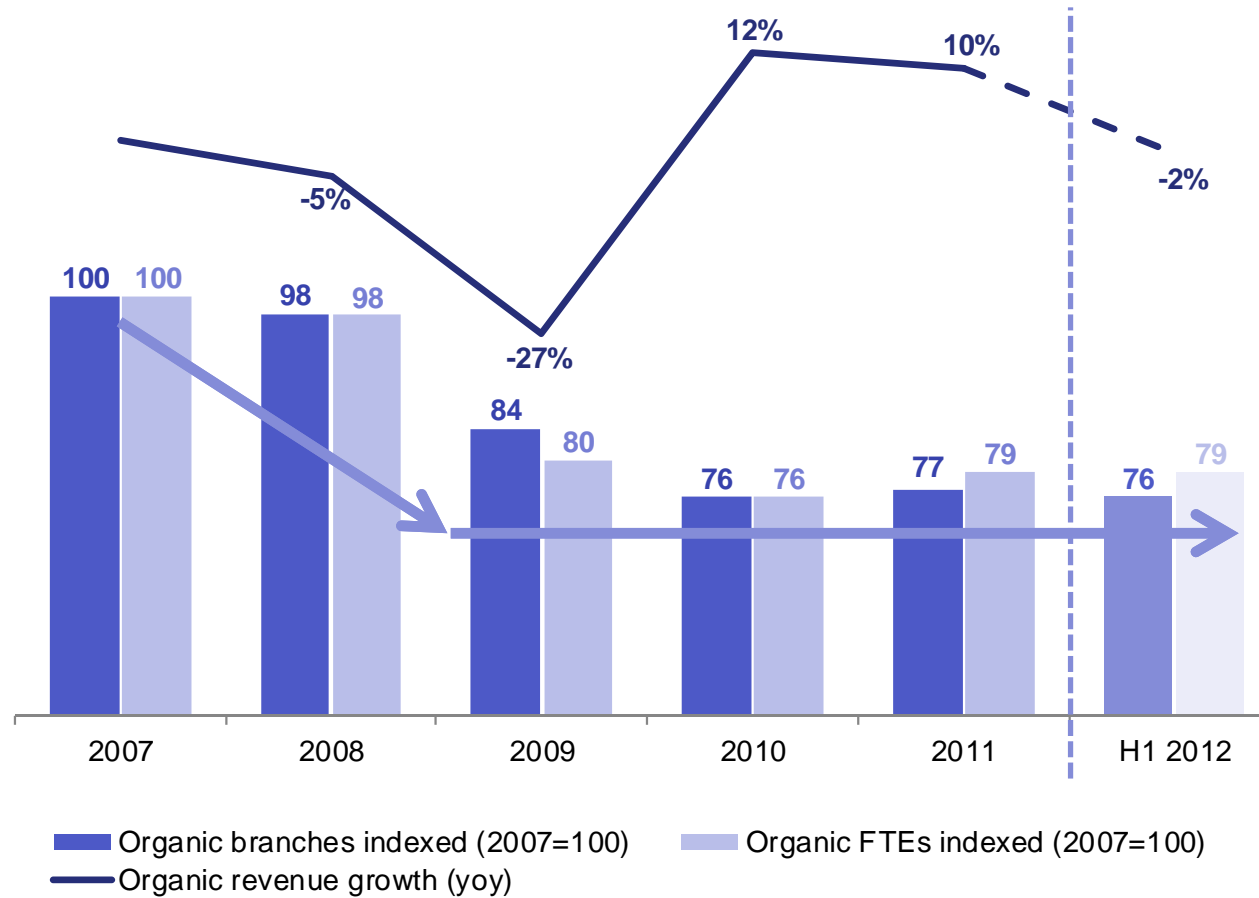
Revenue development since the Group's peak in 2007

A look at the main markets – gap against the peak on an organic basis



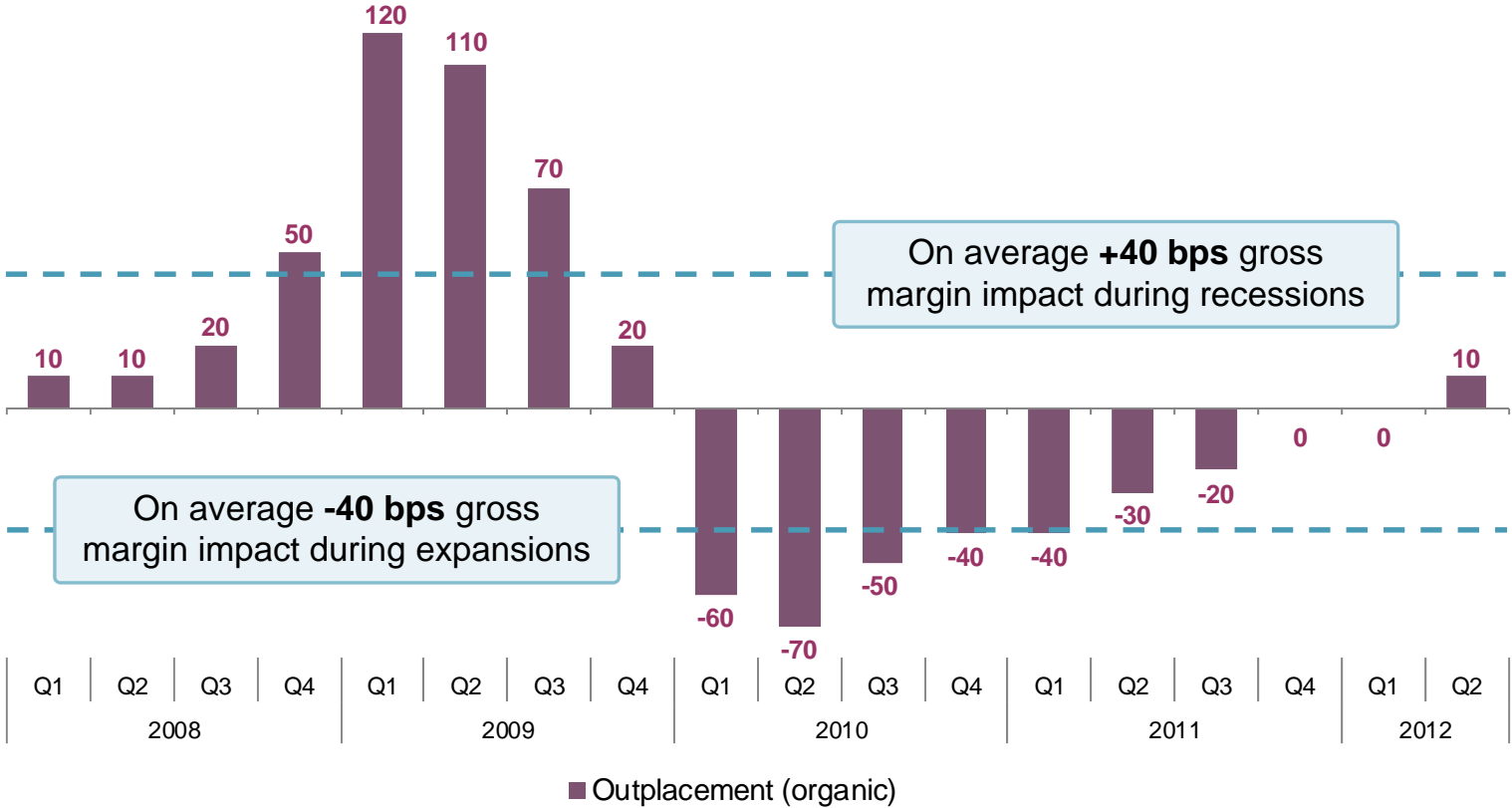
Revenues, branches and FTEs

Organic development (indexed)



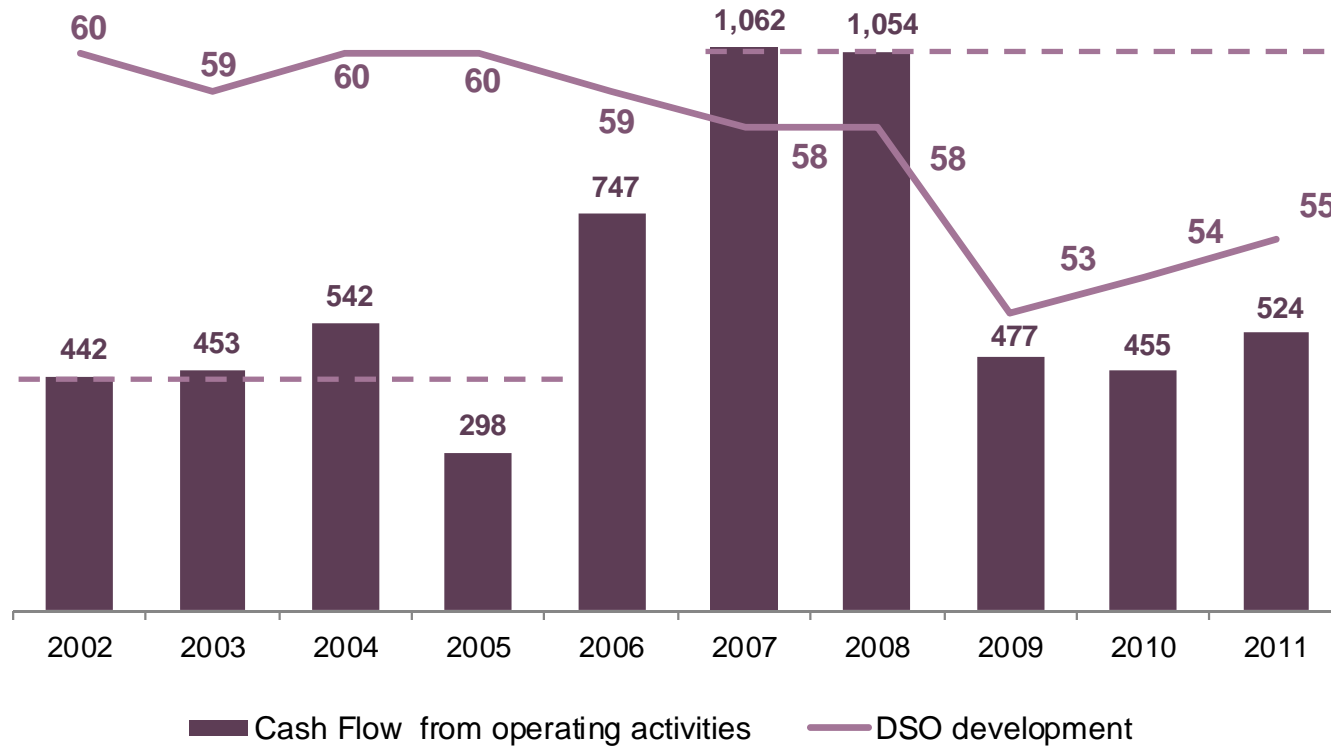
The outplacement business – a good hedge in bad times

Organic outplacement impact on Group gross margin since Q1 2008



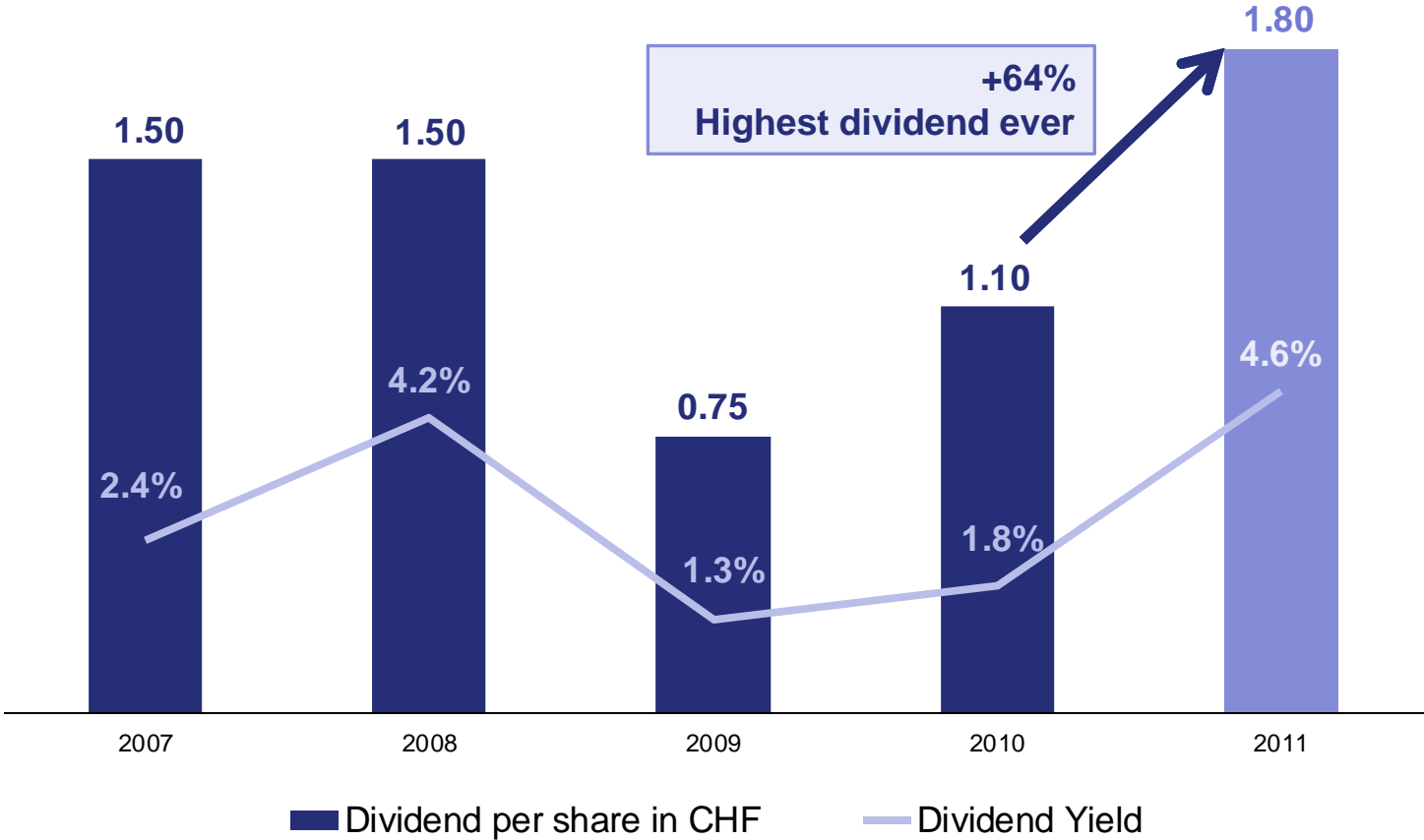
Cash flow and DSO development

Consistent operating cash flow generation throughout the cycle



A sustainable increase in the pay-out to shareholders

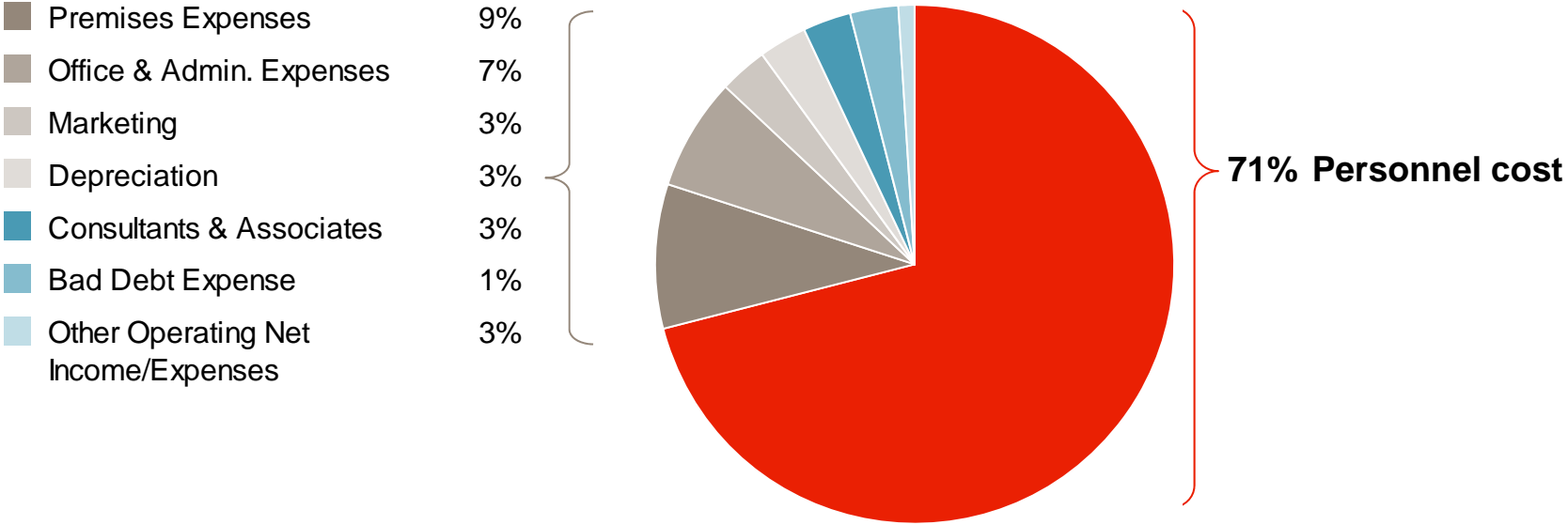
Dividend payments since 2007



From 2011, the target pay-out range has been increased to 40-50% from historically 25-30%

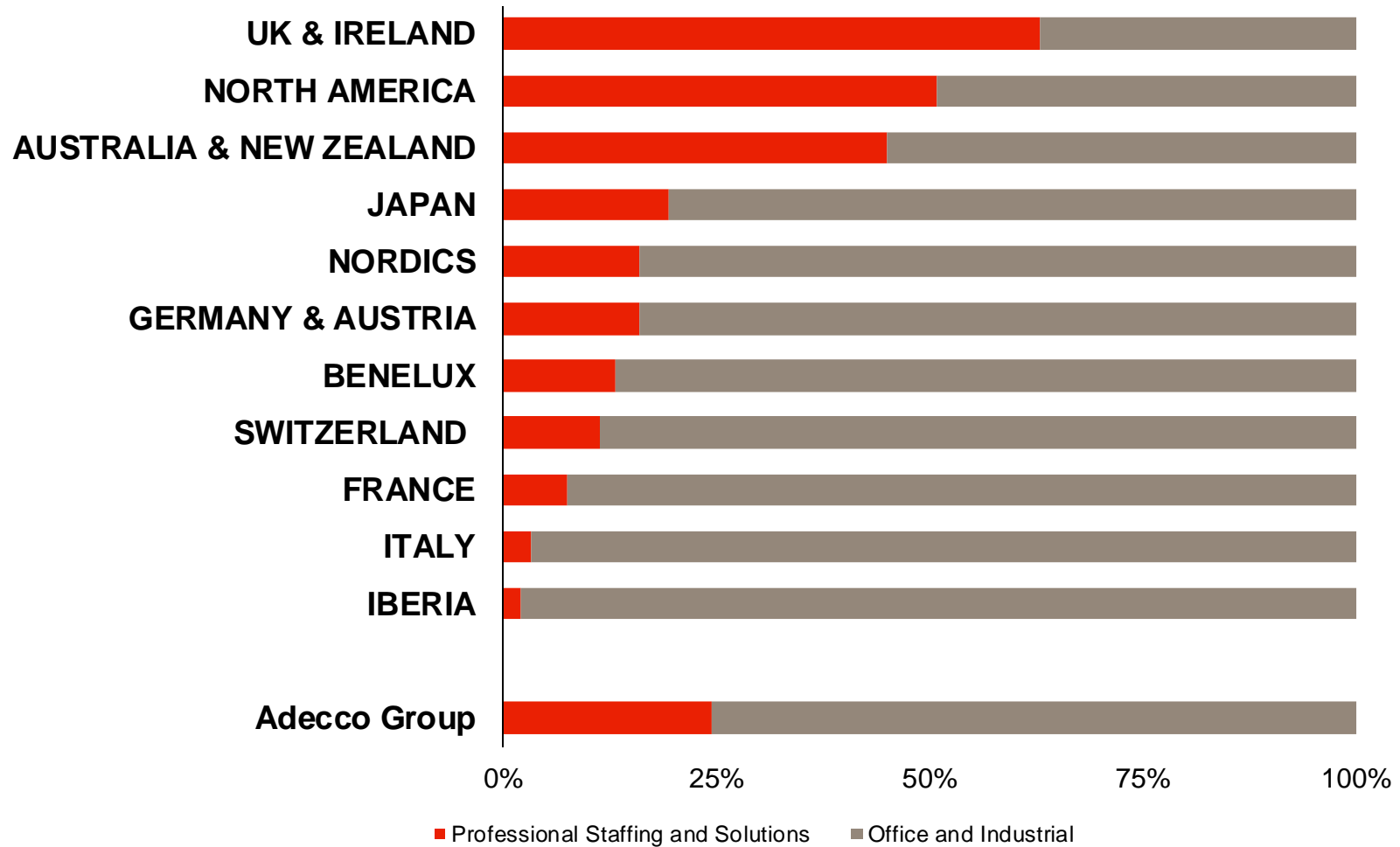
SG&A breakdown

FY 2011



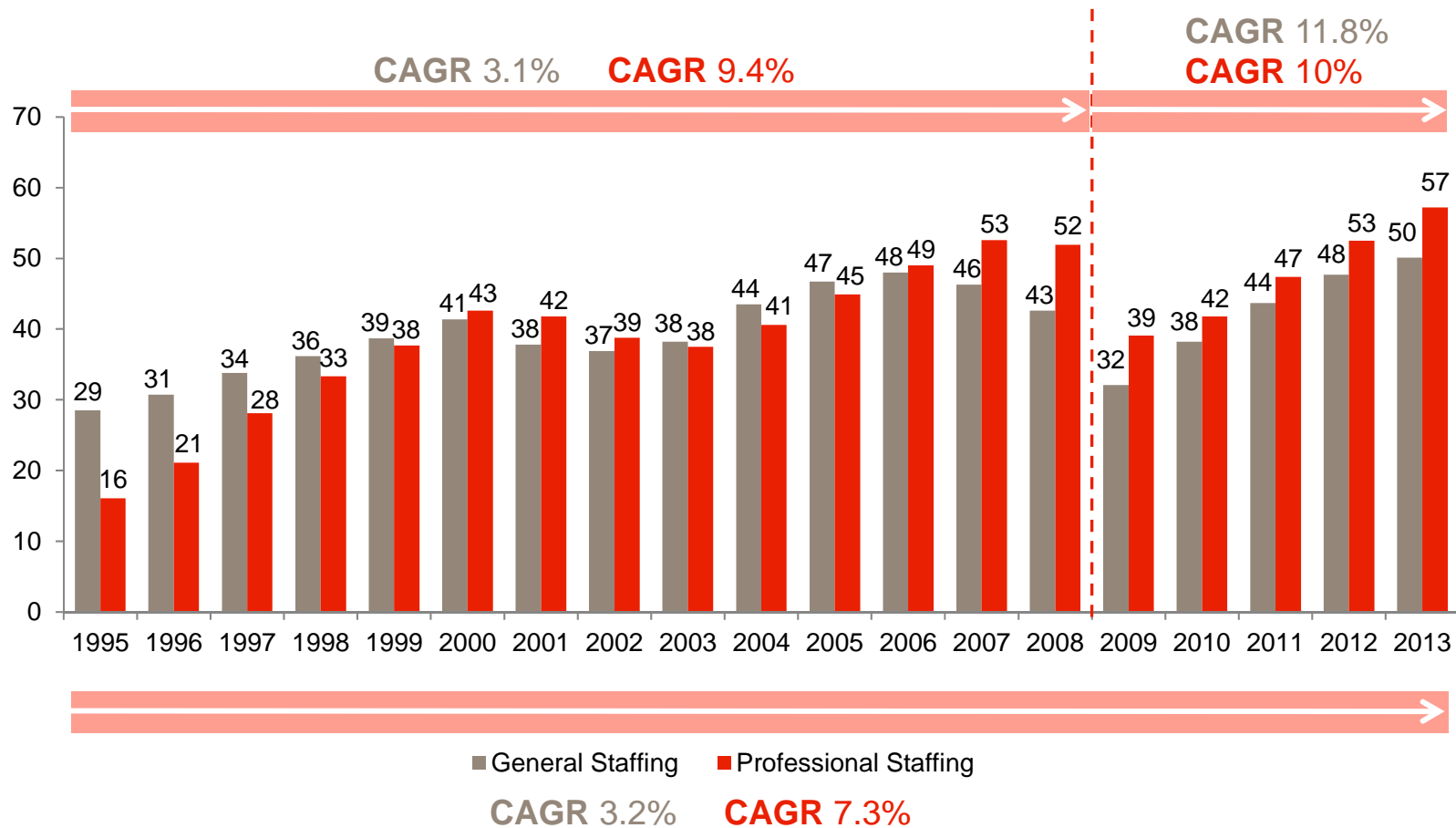
Revenues – General vs. Professional Staffing and Solutions

Based on dedicated branches in Q3 2012



Professional staffing outgrowing general staffing







US temporary staffing market, based on revenues in USD billion



Source: Staffing Industry Analysts Inc., U.S. Census Bureau, Bureau of Labor Statistics, public company results

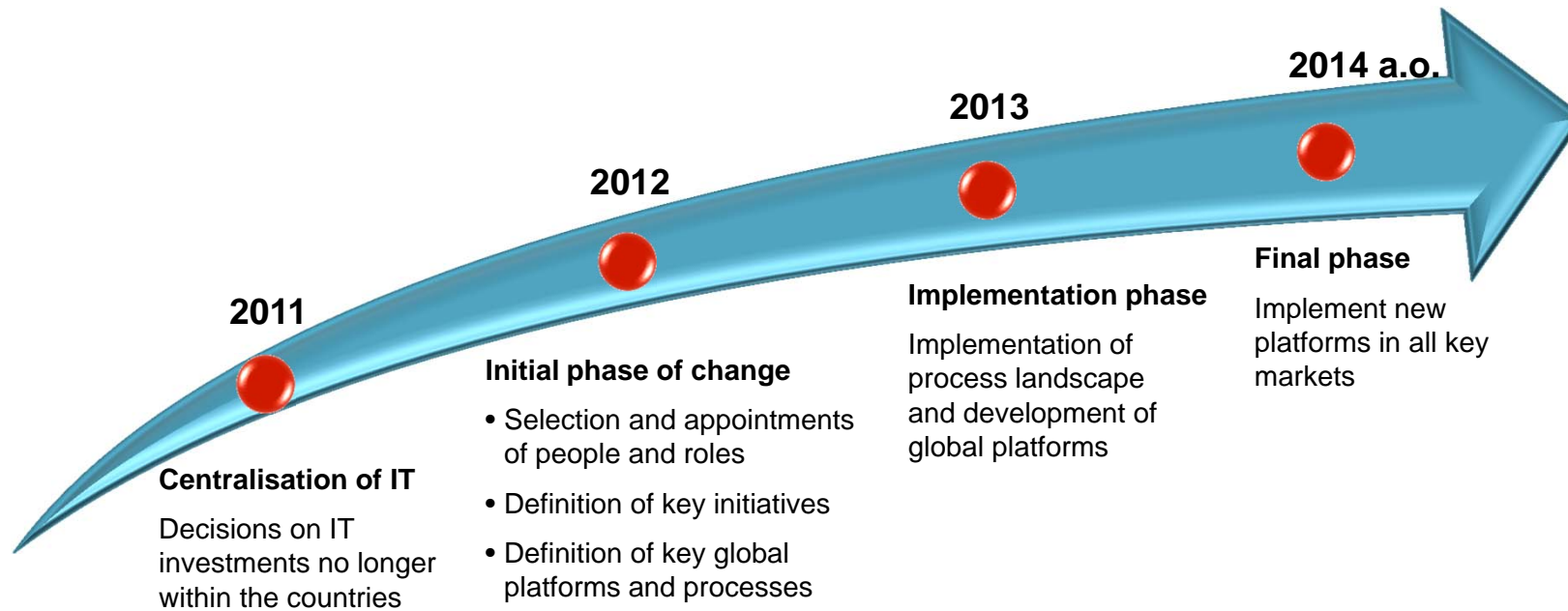
Centralisation of our IT division

Six key focus areas, from local to global

	Key focus areas	Targeted outcome
	Client management	<ul style="list-style-type: none"> • Consistent CRM practice • Better tailored client service
	Candidate management	<ul style="list-style-type: none"> • A consistent and personalised experience • Access to all jobs globally
	Search & Match	<ul style="list-style-type: none"> • Optimise matching through better use of hard and soft factors • Integration with social networks
	Finance & Reporting	<ul style="list-style-type: none"> • Common platforms • High quality business intelligence
	Colleague management	<ul style="list-style-type: none"> • Leverage talents • Increase retention
	Infrastructure & Operations	<ul style="list-style-type: none"> • Consolidation of data centers • Standardisation of IT services

Our plan for the coming years

First roll outs foreseen next year



MSP, RPO, VMS...

Can someone help with the definitions please!

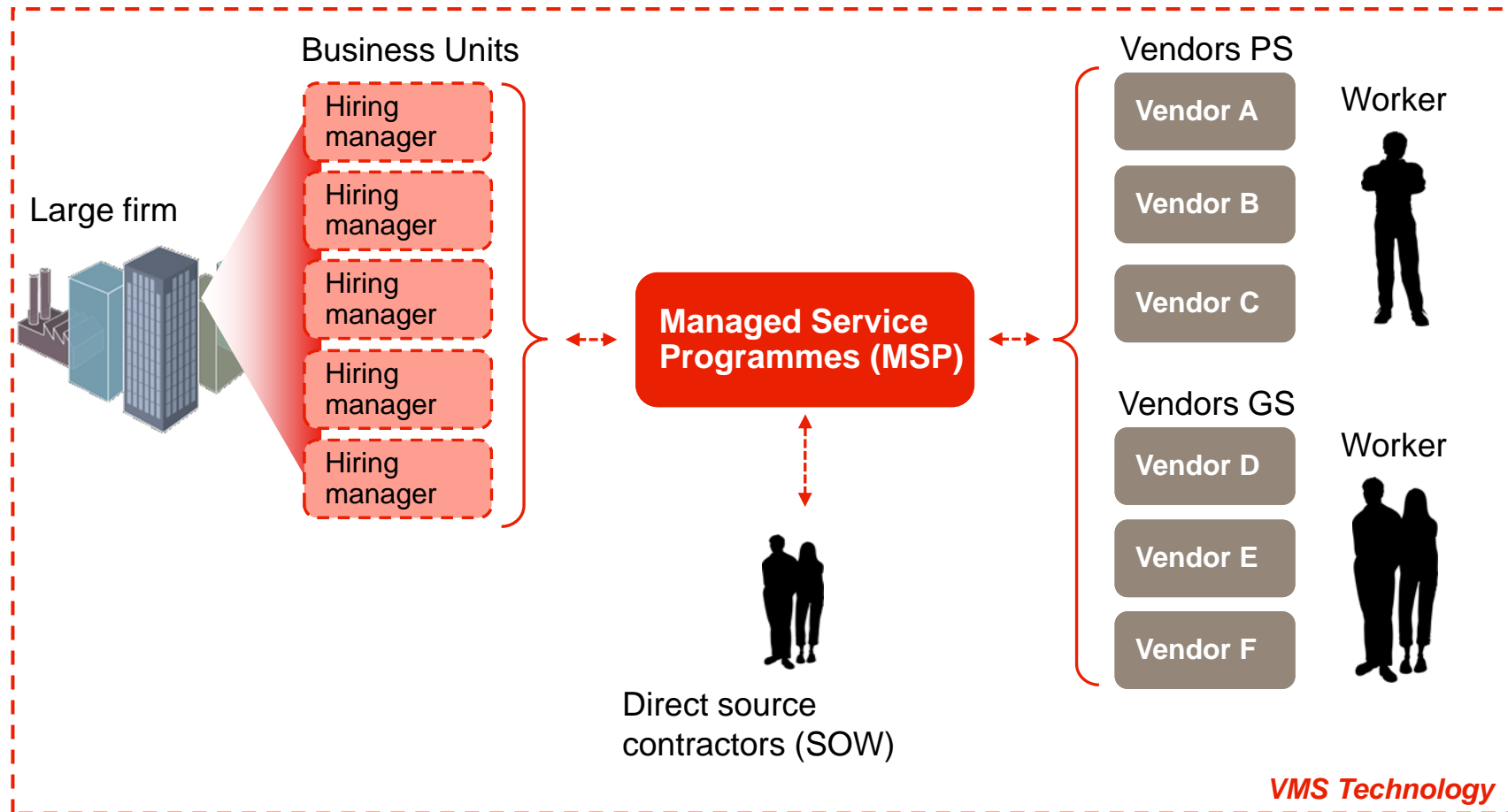
Managed Service Programmes (MSP)
 Clients outsource the management of **contingent workforce** to MSPs

▶ Outsourced procurement function, distinct from Master Vendor model
 ▶ MSP manages contingent workforce/staffing vendors
 ▶ Mostly works in conjunction with a VMS tool
 ▶ A VMS automates the processes of procuring people from staffing vendors, provides transparency into vendor costs and performance

Recruitment Process Outsourcing (RPO)
 Clients outsource the **permanent** recruiting process to RPOs

▶ Outsourced HR function, distinct from executive search and traditional permanent staffing
 ▶ RPO provides any or all in-house/corporate recruiting department services
 ▶ Mostly works in conjunction with a ATS tool
 ▶ An ATS collects and tracks candidate data, interview scheduling, reporting, provides transparency into candidate pipelining, hiring effectiveness

MSP Programmes manage the staffing supply chain



Notes to the slides

Details on sources, estimates, adjustments and other

- 1) 2009 figures exclude on gross profit the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years. 2009 figures exclude on EBITA the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals, the negative impact of EUR 7 million due to a sales tax accrual in the UK relating to prior years and the negative impact of EUR 121 million associated with restructuring costs. 2008 figures exclude on gross profit the positive impact of the modified calculation of the French social charges of EUR 63 million and from restructuring charges of EUR 8 million. 2008 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 63 million and the negative impact associated with headcount reductions and branch optimisation in France and other European countries of EUR 32 million and the provision of the French antitrust procedure of EUR 19 million.
- 2) For better comparison, figures for 2005, 2006, 2007, 2008 and 2009 are excluding the impact of the French business tax (FBT), which as of January 1, 2010 was reclassified as income tax under US GAAP.
2005 figures exclude on gross profit the negative impact of the French business tax of EUR 80 million and on EBITA the negative impact of the French business tax of EUR 84 million.
2006 figures exclude on gross profit the negative impact of the French business tax of EUR 86 million and on EBITA the negative impact of the French business tax of EUR 91 million.
2007 figures exclude on gross profit the positive impact of the modified calculation of the French social charges of EUR 172 million and exclude the negative impact of the French business tax of EUR 88 million. 2007 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 156 million and the negative impact of expenses related to the French antitrust proceedings of EUR 15 million and of the French business tax of EUR 93 million.
2008 figures exclude on gross profit the positive impact of the modified calculation of French social charges of EUR 63 million and from restructuring charges of EUR 8 million as well as the negative impact of the French business tax of EUR 84 million. 2008 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 63 million, the negative impact associated with headcount reductions and branch optimisation in France and other European countries of EUR 32 million and of the provision for the French antitrust procedure of EUR 19 million and of the French business tax of EUR 89 million.
2009 figures exclude on gross profit the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years and of the French business tax of EUR 61 million. 2009 figures exclude on EBITA the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals, the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years, the negative impact of EUR 121 million associated with restructuring costs and of the French business tax of EUR 65 million.