



**Patrick De Maeseneire**

CEO

Bank am Bellevue Conference

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# 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.

# Today's agenda

**Market overview**

**The growth potential of our industry**

**Our strategic priorities**

**Q3 2011 highlights**

**Outlook**

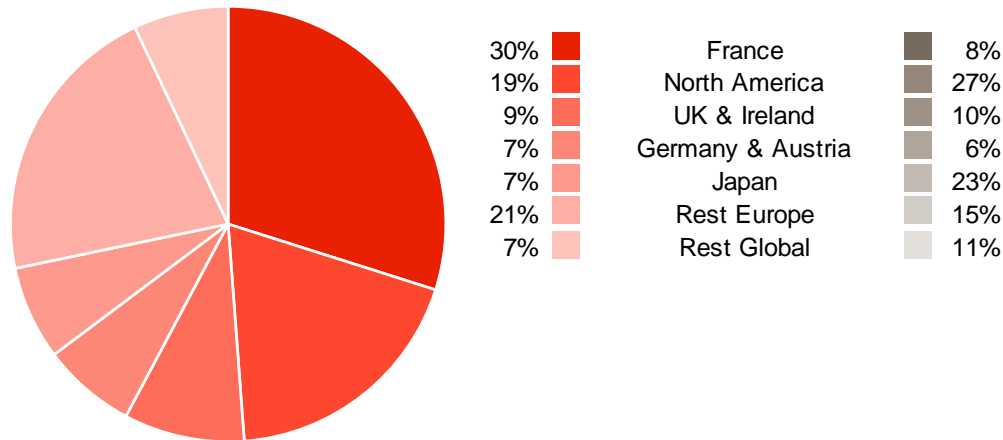
**Appendix**

# Market overview

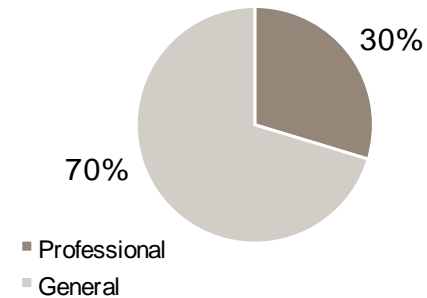
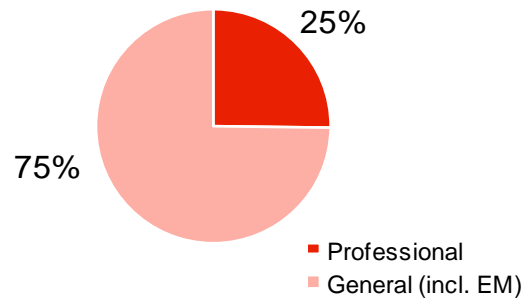
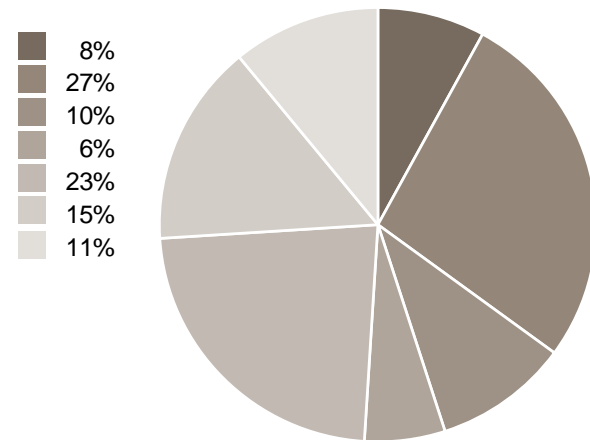
# Market potential for Professional and General staffing

## Market size and FY 2010 revenues of Adecco

**Adecco FY 2010 revenues: EUR 18.7bn**



**Global market 2010: Approx. EUR 220bn**



Source: National statistics and Adecco estimates

# Our global reach

■ Adecco Group operates  
in over 60 countries  
and territories worldwide



We help close to **750,000** people find work every day with more than **33,000** full-time employees and through a network of **5,600** branches in over **60** countries and territories.

The Adecco Group is the **world's leading provider** of HR solutions. We offer temporary staffing, permanent placement, outplacement, outsourcing and consulting services.

# The growth potential of our industry

# The growth potential of our industry

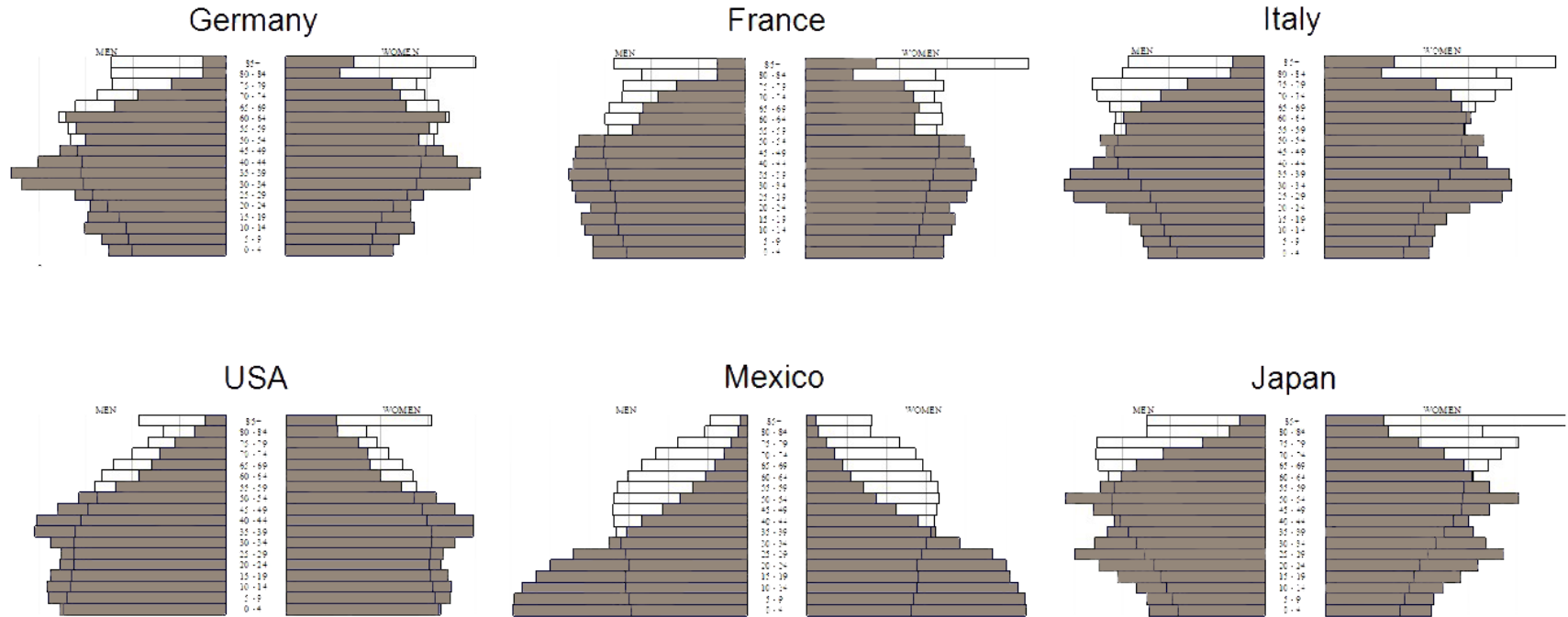
## Five key trends

1. Ageing population	>	Finding the right people at the right time
2. Move of production	>	Need for people in emerging markets, need for different skills in developed markets
3. Skills gap	>	Finding skills locally and through mobility
4. More made to order	>	Higher volatility requires more flexibility
5. Regulatory environment	>	More sectors open for our industry



# Trend 1: The ageing population

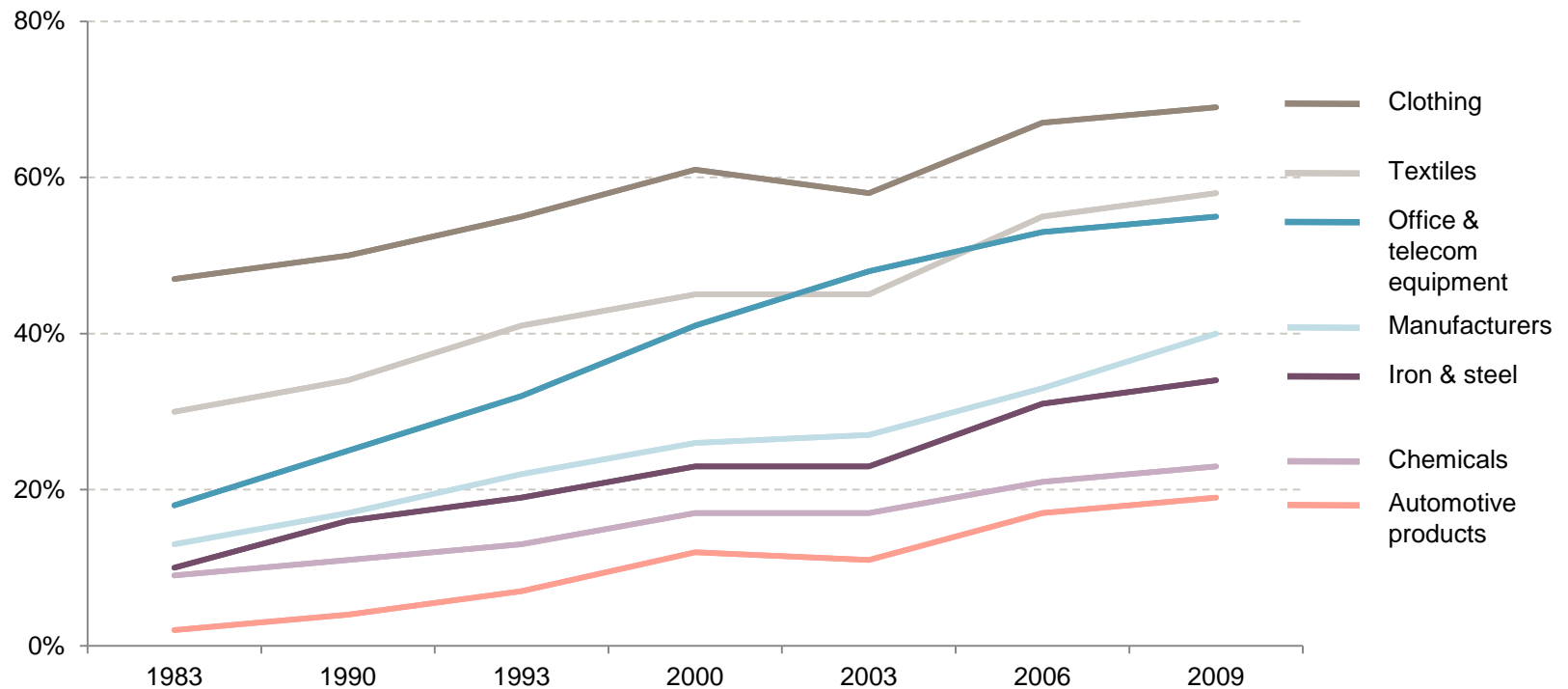
By 2050 younger generations predicted to halve in most countries



Source: OECD, 2009.

# Trend 2: Move of production to the East

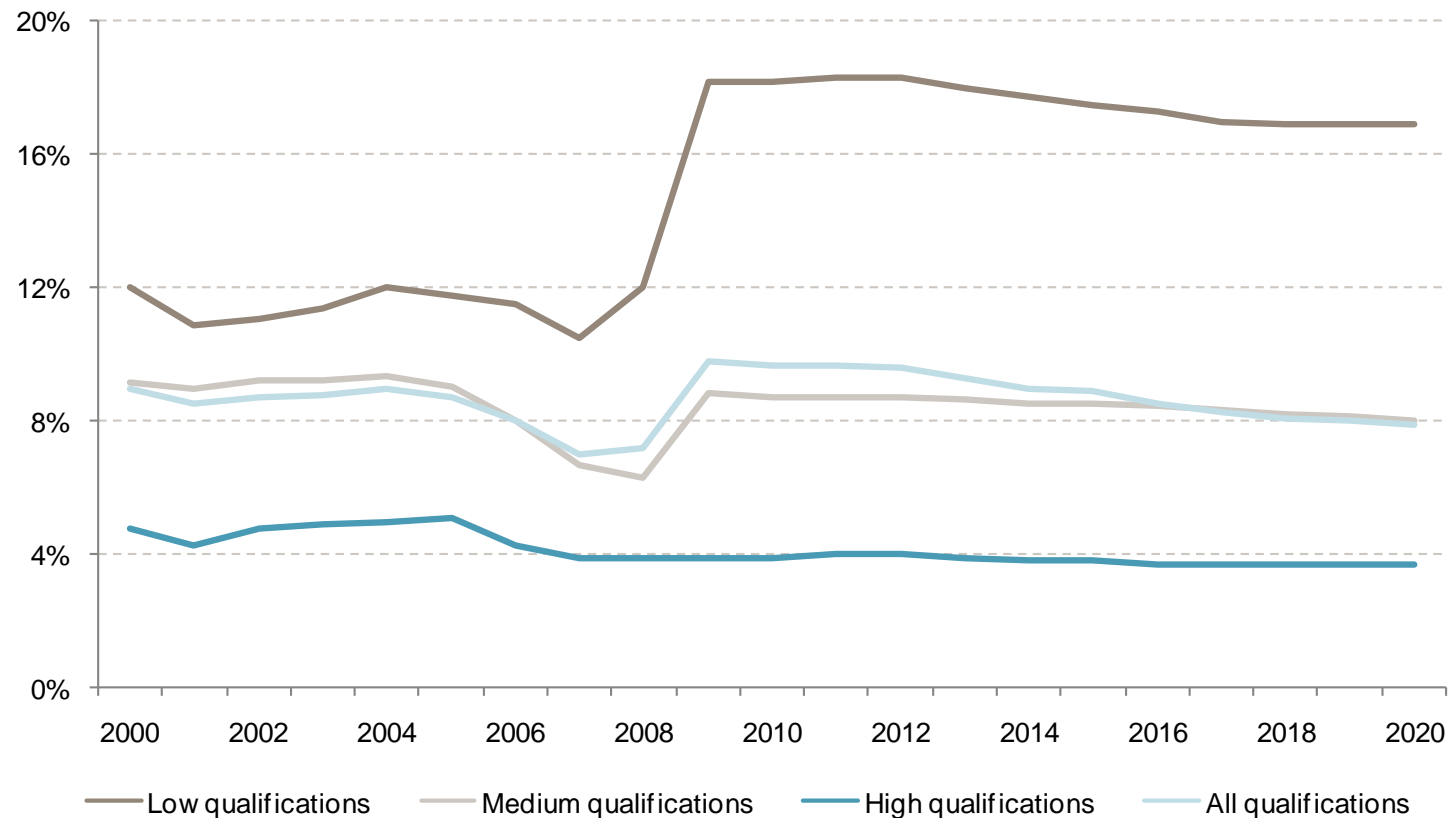
Increasing share of Emerging Markets



Source: GATT, International Trade 1985 for the year 1983, and WTO, Statistical Data Base for the years 1993 – 2006. Adecco estimates 2007-2009.

## Trend 3: Lack of skilled workers

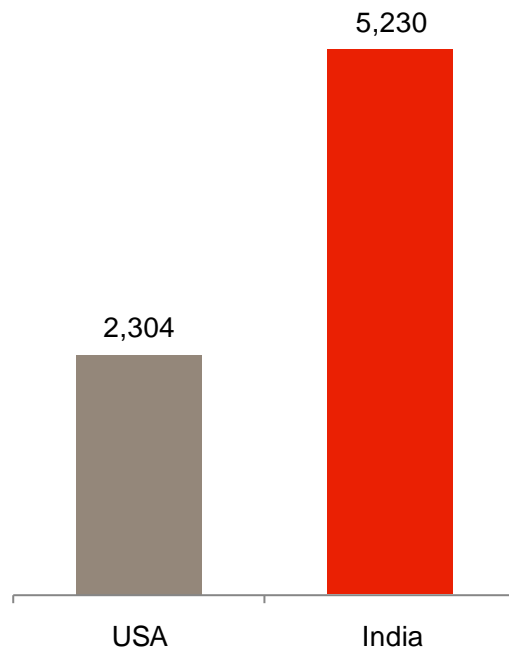
Unemployment rates by skill set for the European Union



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

## Trend 3: Lack of skilled workers

Number of students graduating per year in India and the US

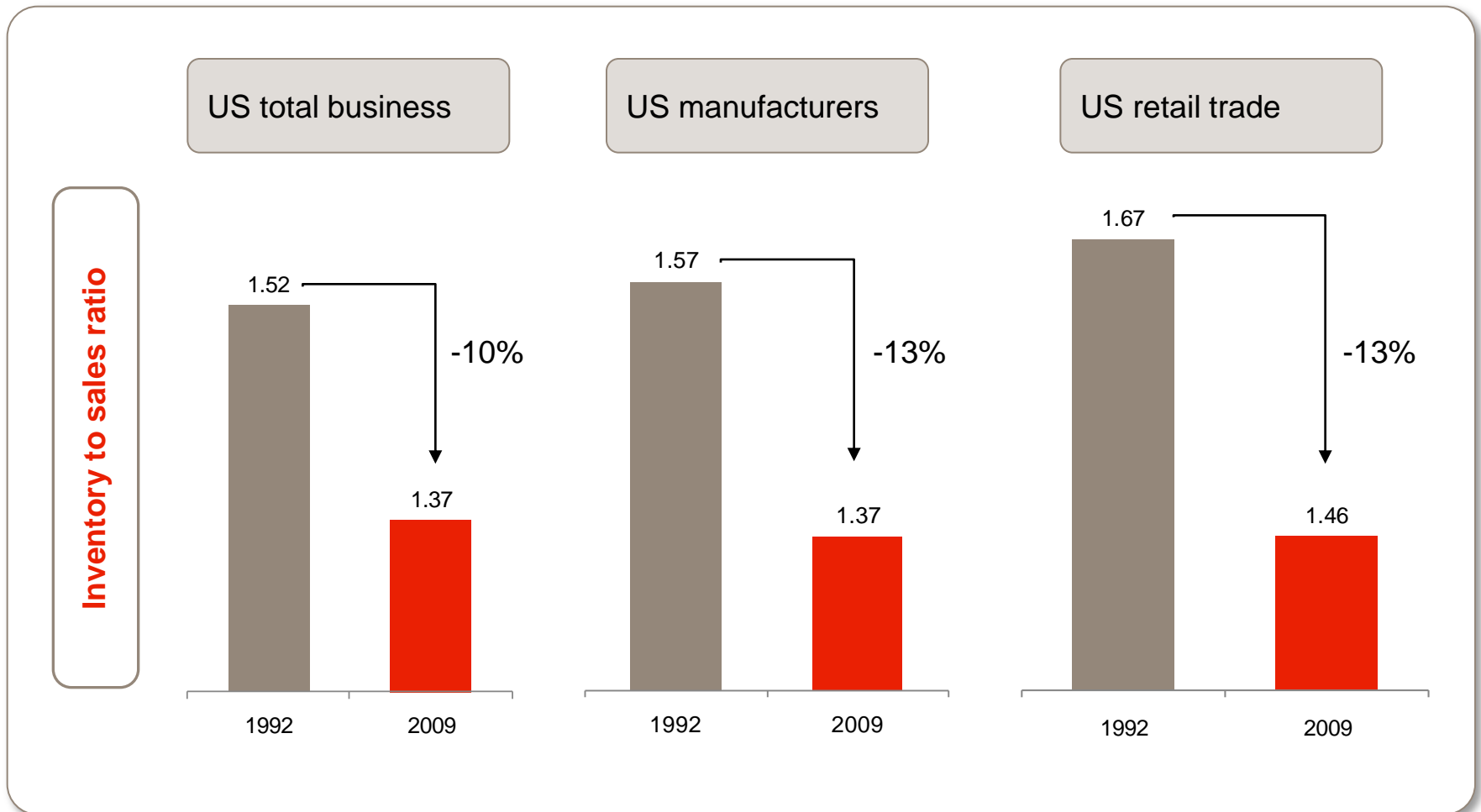


	India	USA
Engineers	495,000	74,740
Doctors	29,700	15,891
Bachelor's Degree	3,430,000	1,524,092
Master's Degree	1,260,000	628,580
PhD	15,700	61,427
Total	5,230,400	2,304,730

Source: Frost & Sullivan 2009. Note: Post-graduates and PhD includes figures from both professional and non-professional streams.

## Trend 4: More made to order

US example: Inventory to sales ratio declining 1992 – 2009



Source: US Inventory to Sales ratio; US Manufacturing and Trade Inventories and Sales report, June 2010.

# Trend 5: Changing regulatory environment

## Lifting unjustified restrictions

### EU Agency Work Directive

- ▶ EU Directive adopted in 2008
- ▶ Implemented nationally by the EU27 as of December 5, 2011
- ▶ The positive impact of the staffing industry is recognised by EU member states
- ▶ The aim is more and better jobs by lifting unjustified restrictions

### Lifted restrictions

- ▶ France: 2009 opening of the Public sector
- ▶ Spain: 2010 opening of the Construction and Public sector

### Still restricted

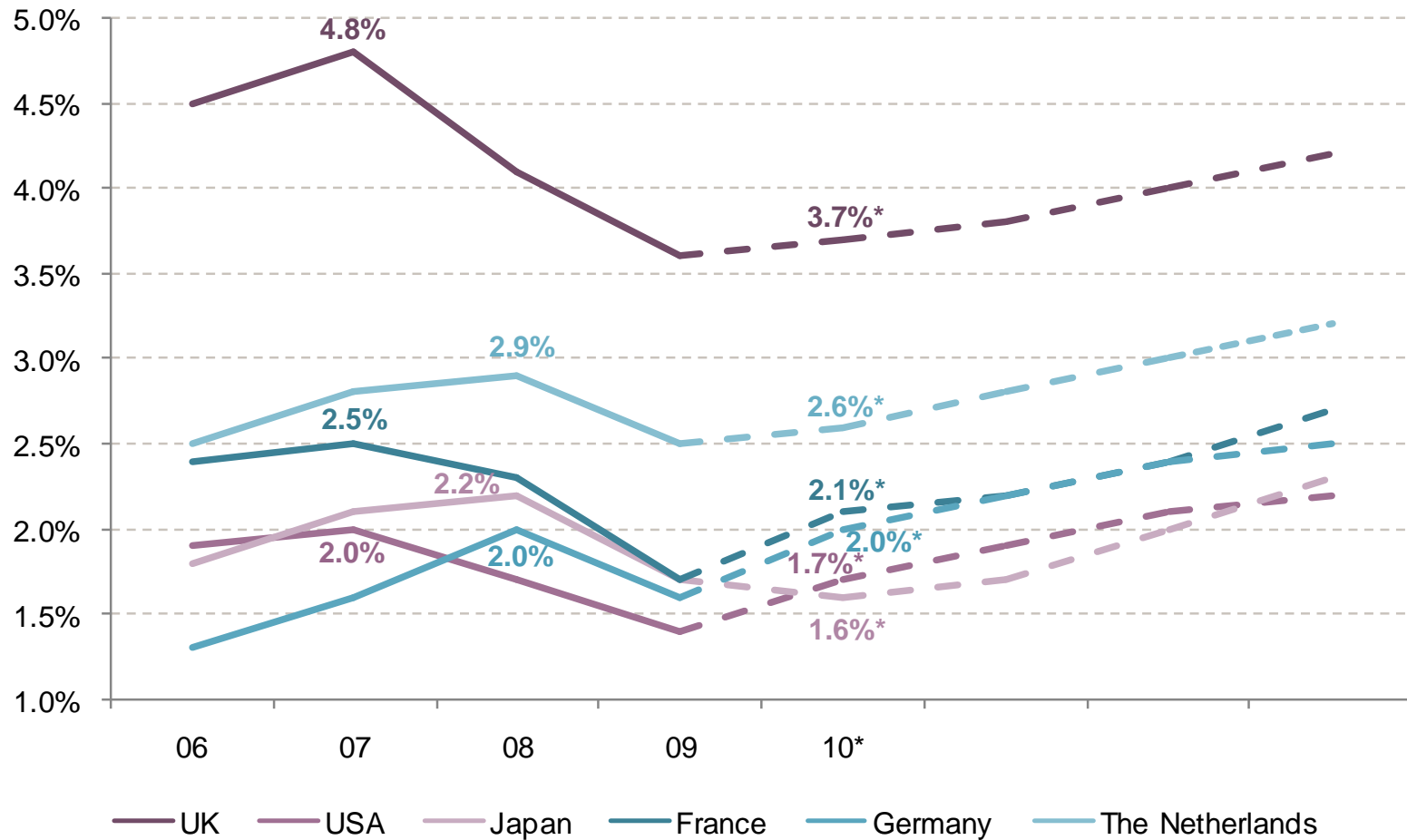
- ▶ Construction sector in Germany as well as the Public sector in Belgium

### Possible restrictions

- ▶ Only very limited impact for Adecco's business in Japan

# Penetration rates expected to surpass prior peaks

## Developments in our main markets

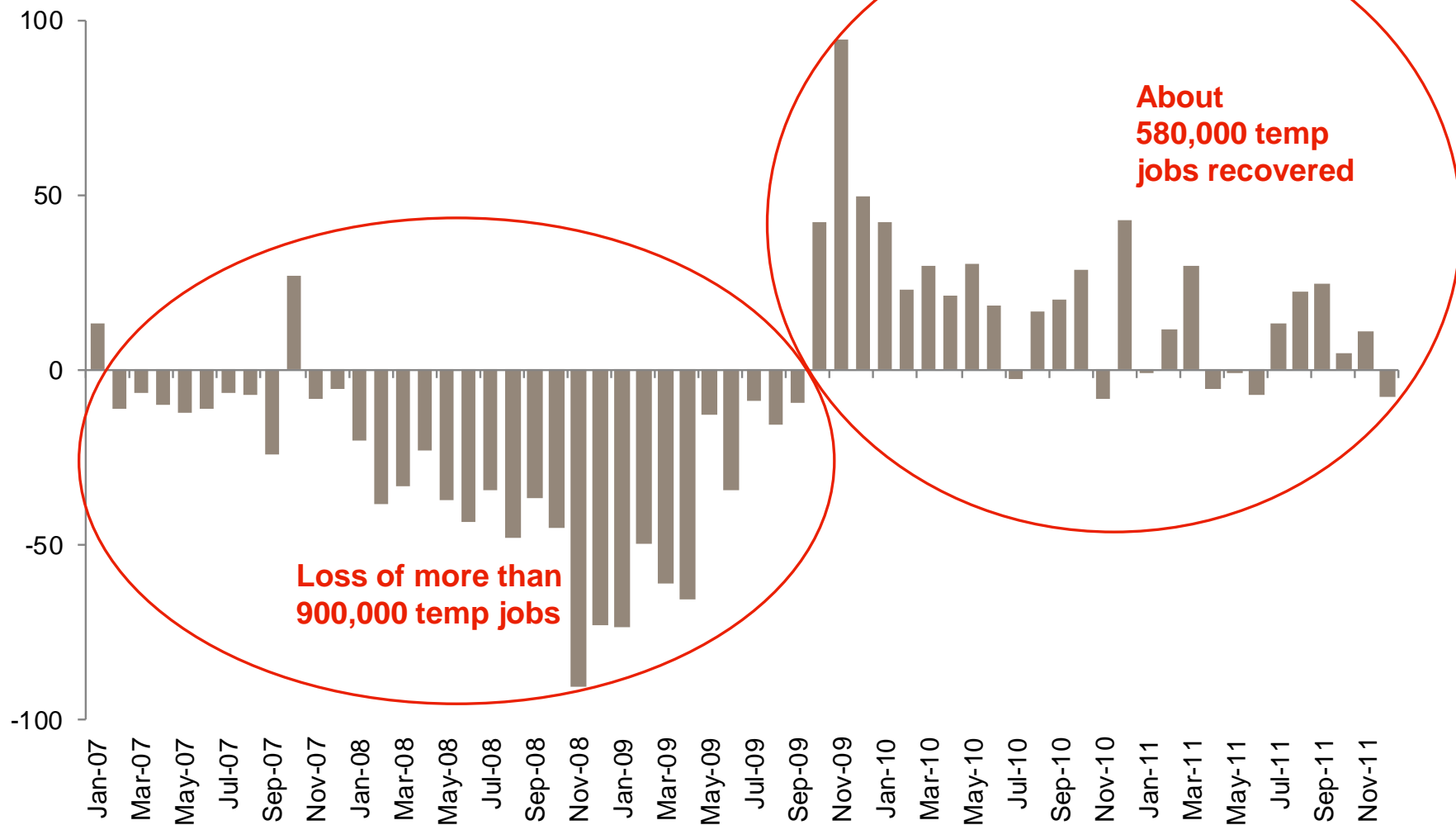


Source: Eurociett

\*Adecco estimate

# US temporary job market

Monthly change

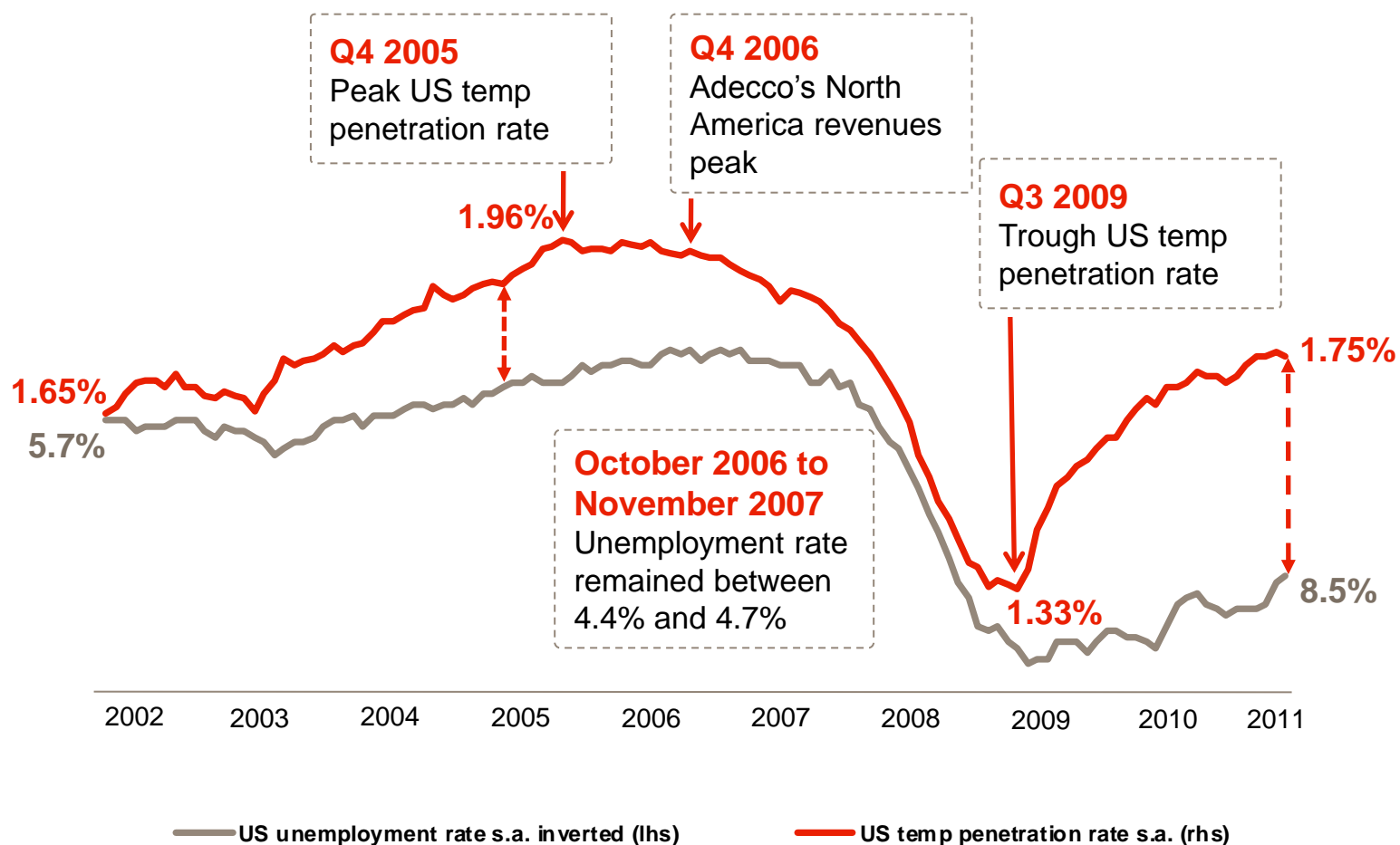


Source: Bureau of Labor Statistics (BLS)



# Structural shift to temporary staffing

US temporary penetration rate vs. unemployment rate

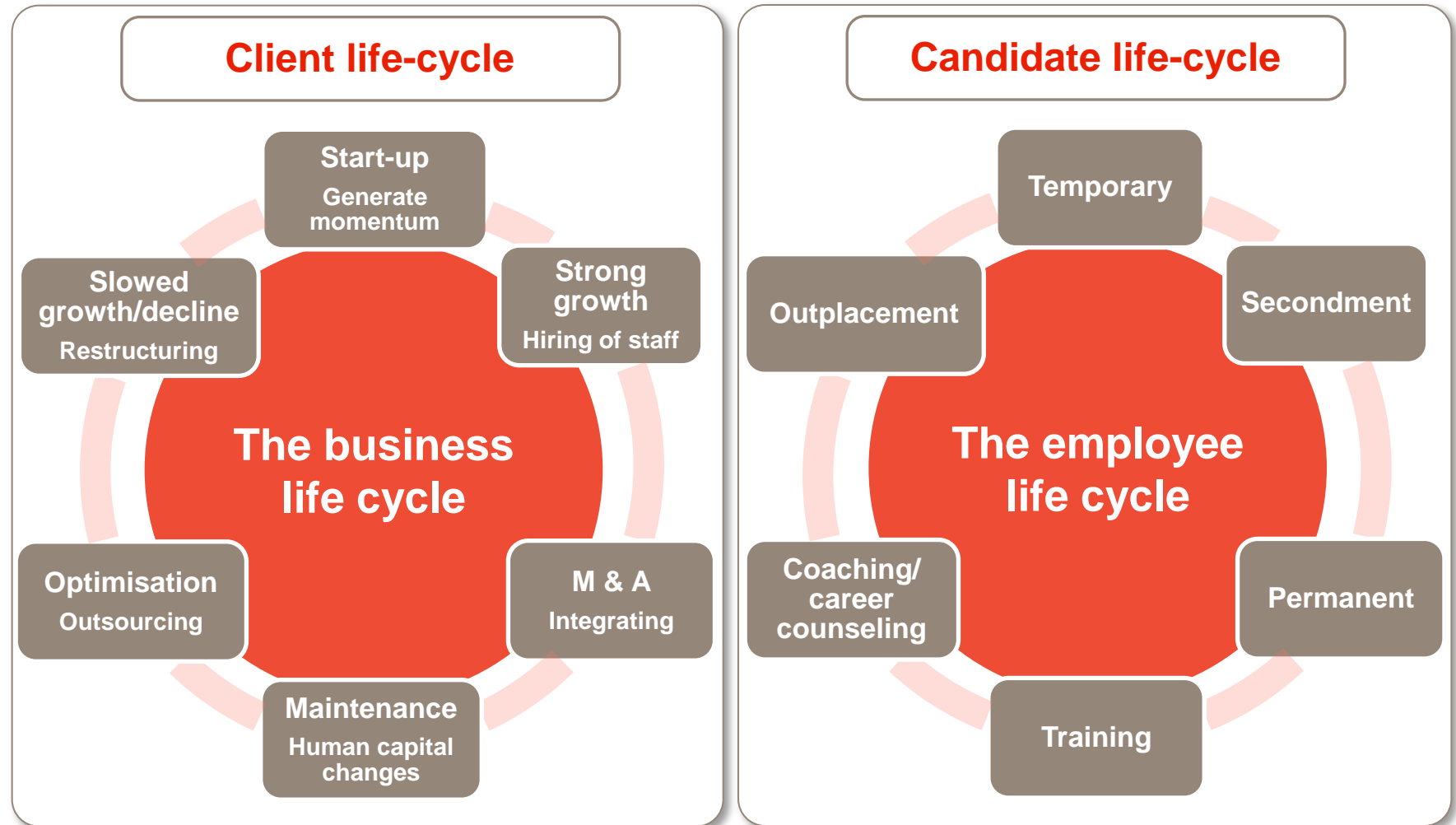


Source: Bureau of Labor Statistics (BLS)

# Our strategic priorities

# Customer needs along their life-cycle

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



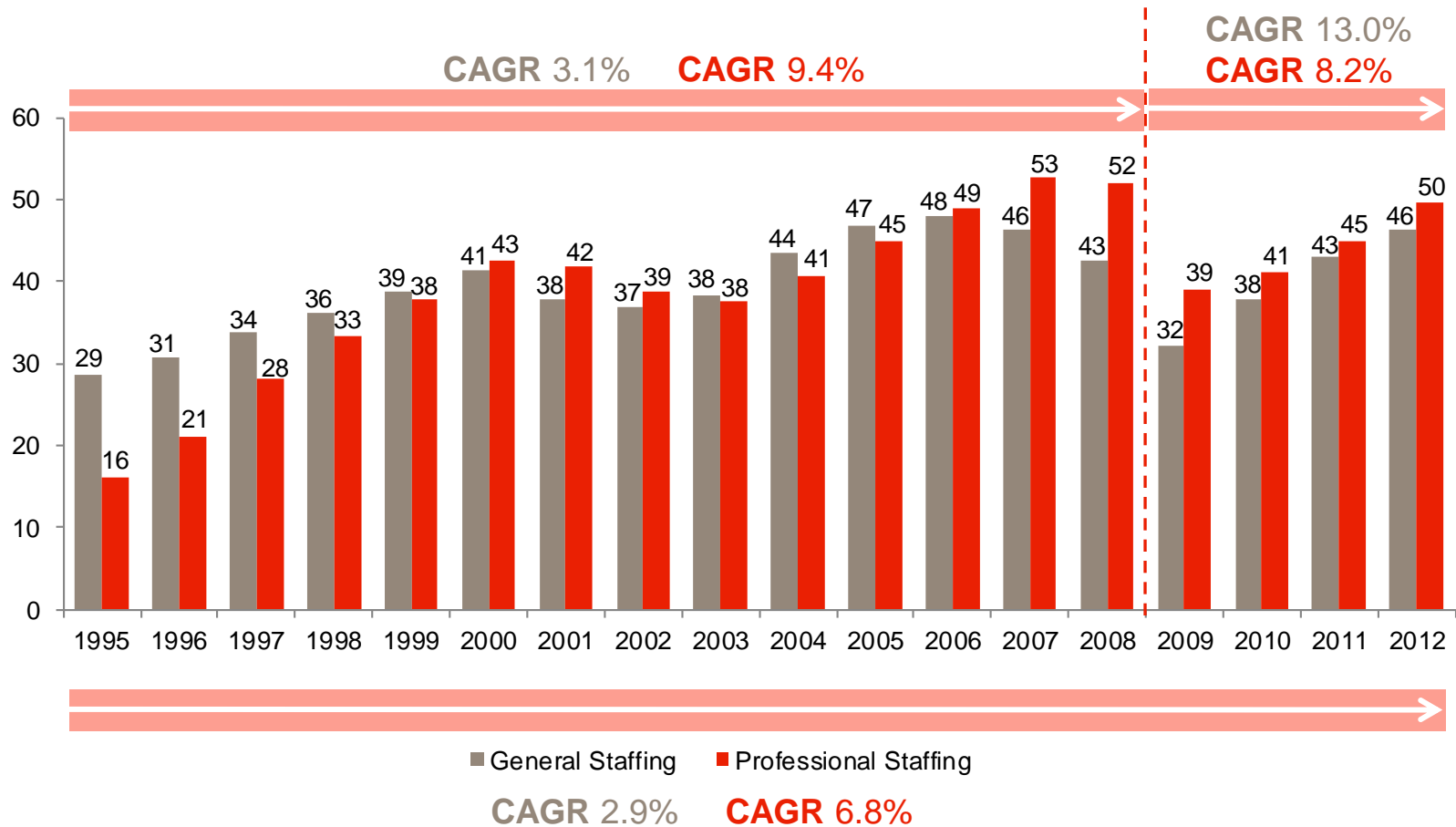
# Our strategic priorities

Mid-term

1. Retention	>	Retaining our own people better
2. IT	>	Continued strategic IT investments
3. Professional Staffing	>	Strong platform for organic growth in Professional Staffing
4. Segmentation	>	Specialised delivery models in General Staffing
5. MSP/RPO/VMS	>	Strengthen our lead in MSP/VMS and invest in RPO
6. Emerging Markets	>	Untapped growth potential

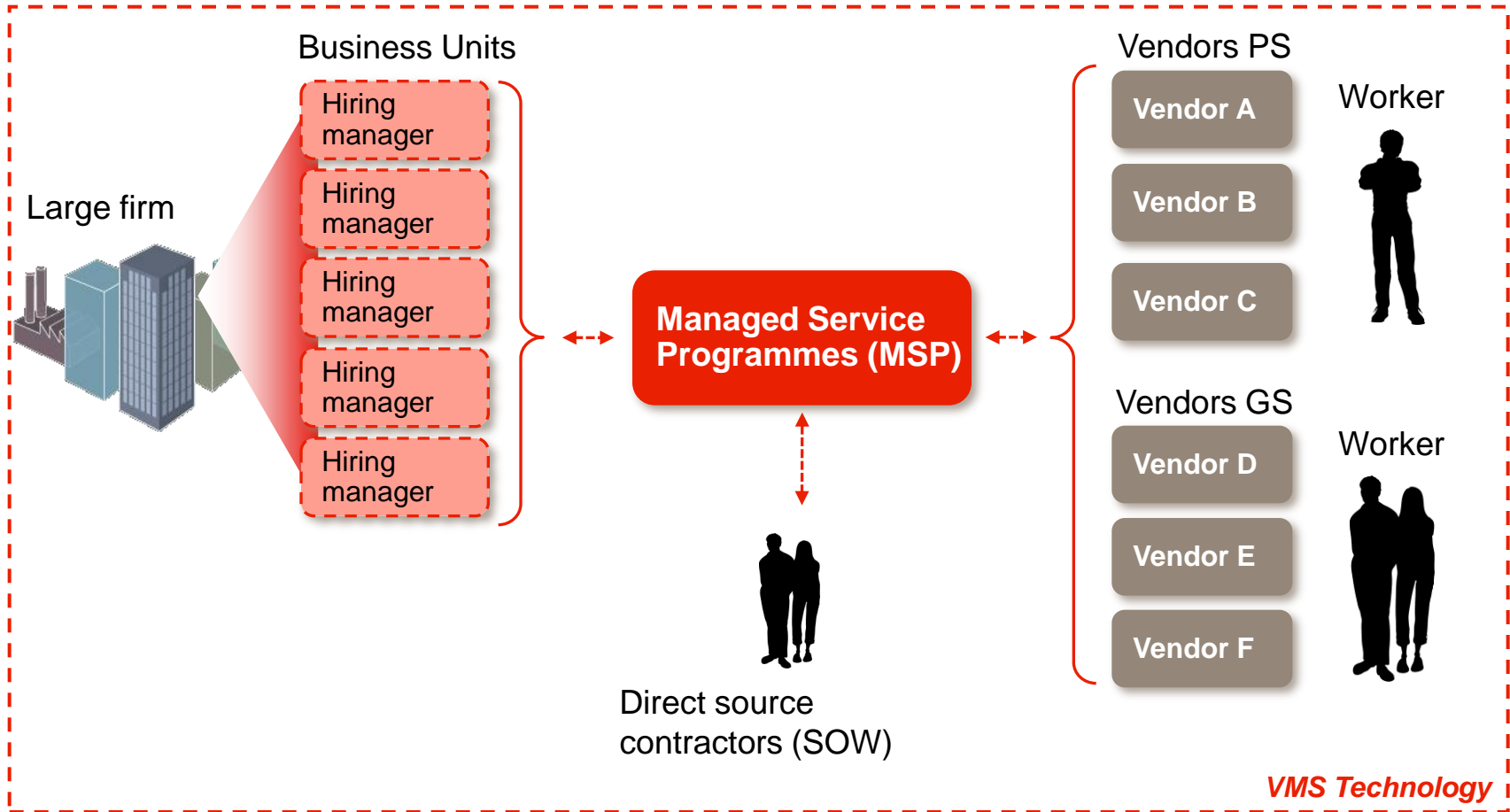
# Professional staffing outgrowing general staffing

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

# MSP Programmes manage the staffing supply chain



# Developments in the Emerging Markets

Q3 2011 revenues by geography

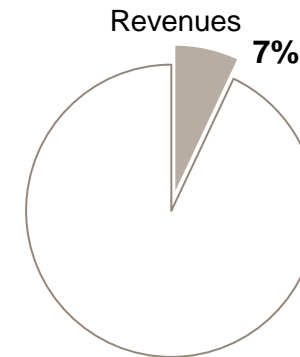
Revenue split / growth



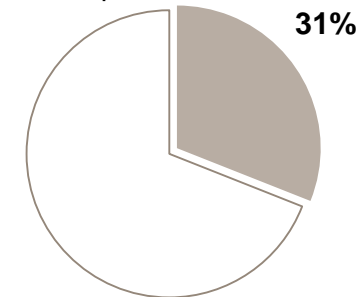
*yoy growth, in constant currency*

32%	South America	15%
30%	Eastern Europe	11%
21%	Asia	8%
17%	India	52%

Emerging Markets compared to Adecco Group



Temp Hours Sold



Emerging Markets  
 Adecco Group (excl. Emerging Markets)

## Q3 2011 highlights



# Highlights

Q3 2011

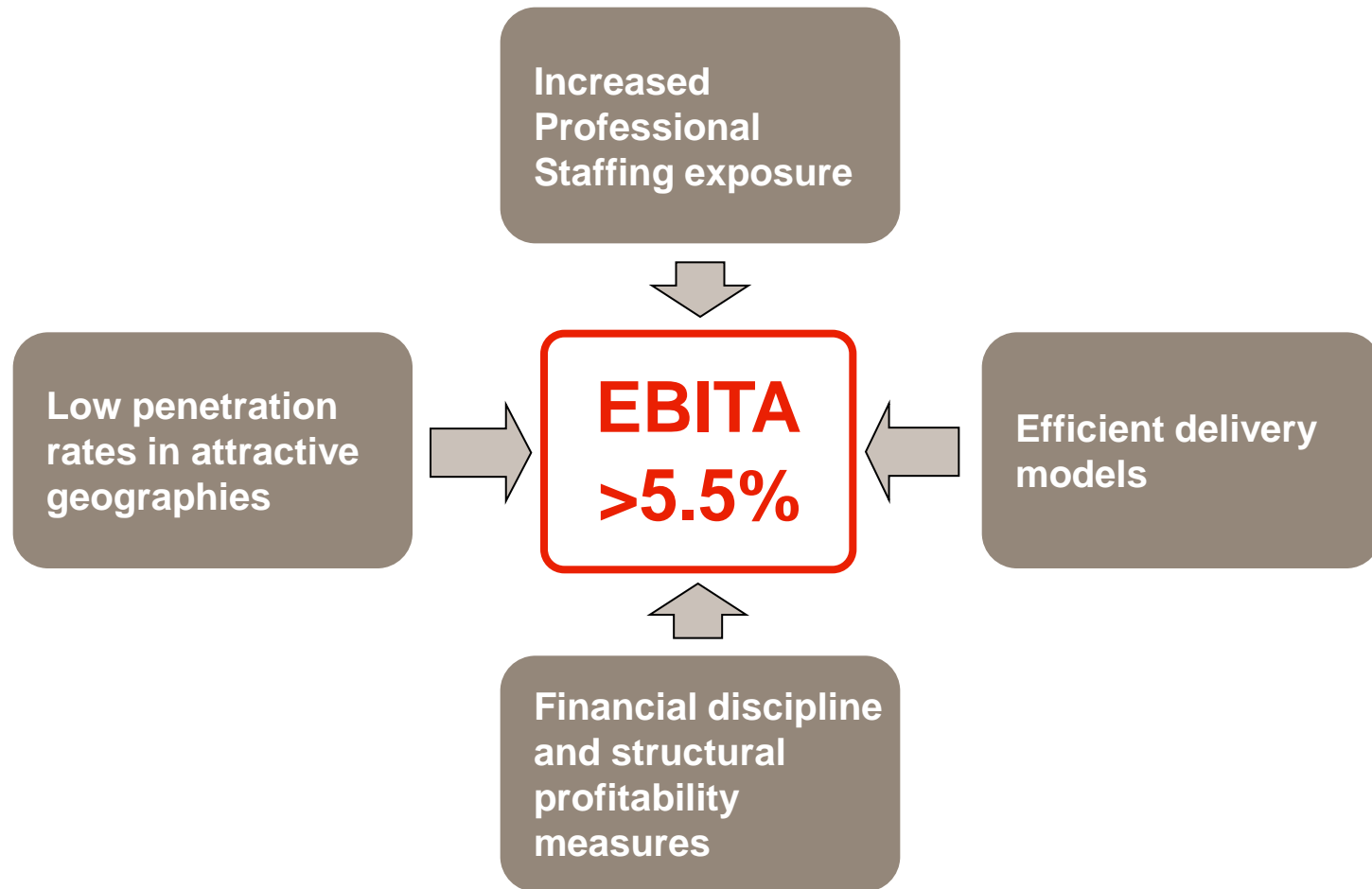
- ▶ Continued solid revenue growth of 7%<sup>1</sup> against a strong comparison base
- ▶ Gross margin at 17.2%, up 30 bps sequentially and down 60 bps yoy
- ▶ SG&A well controlled, down 1% sequentially on an organic basis
- ▶ EBITA at EUR 226 million and the margin at 4.3%, down 20 bps yoy
- ▶ Net income of EUR 145 million, up 13%
- ▶ Revenues in September +8%, adjusted for trading days; October up mid-single digit

1) Revenue growth in constant currency. Organically revenues were also up 7%.

# Outlook

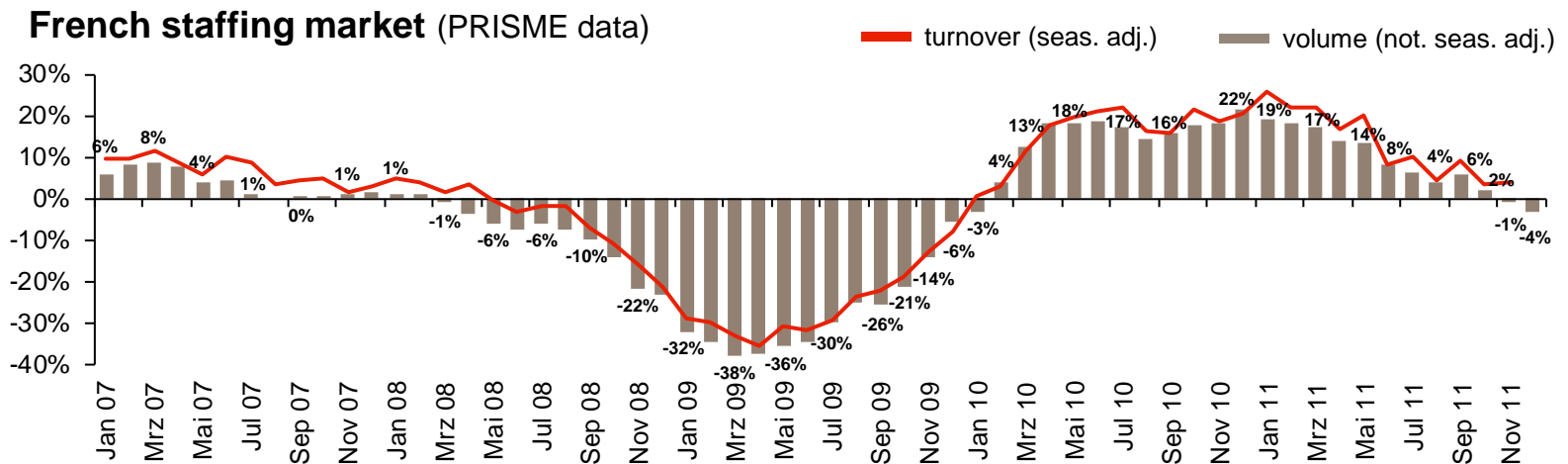
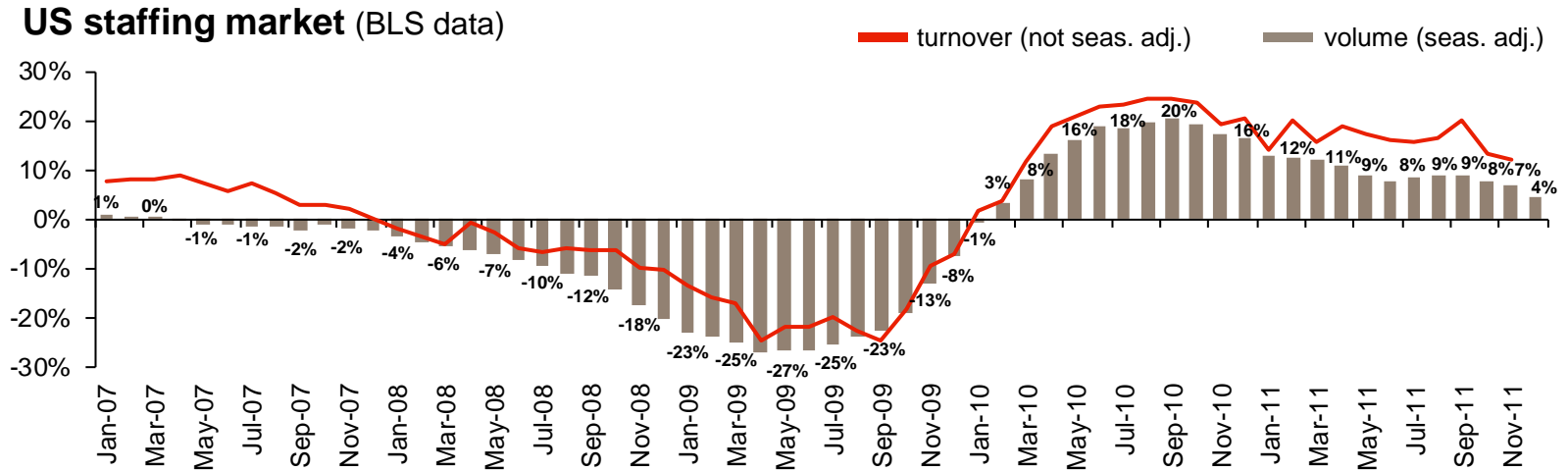
# We strive to reach an EBITA margin above 5.5%

In the mid-term



# Development of US and French staffing market

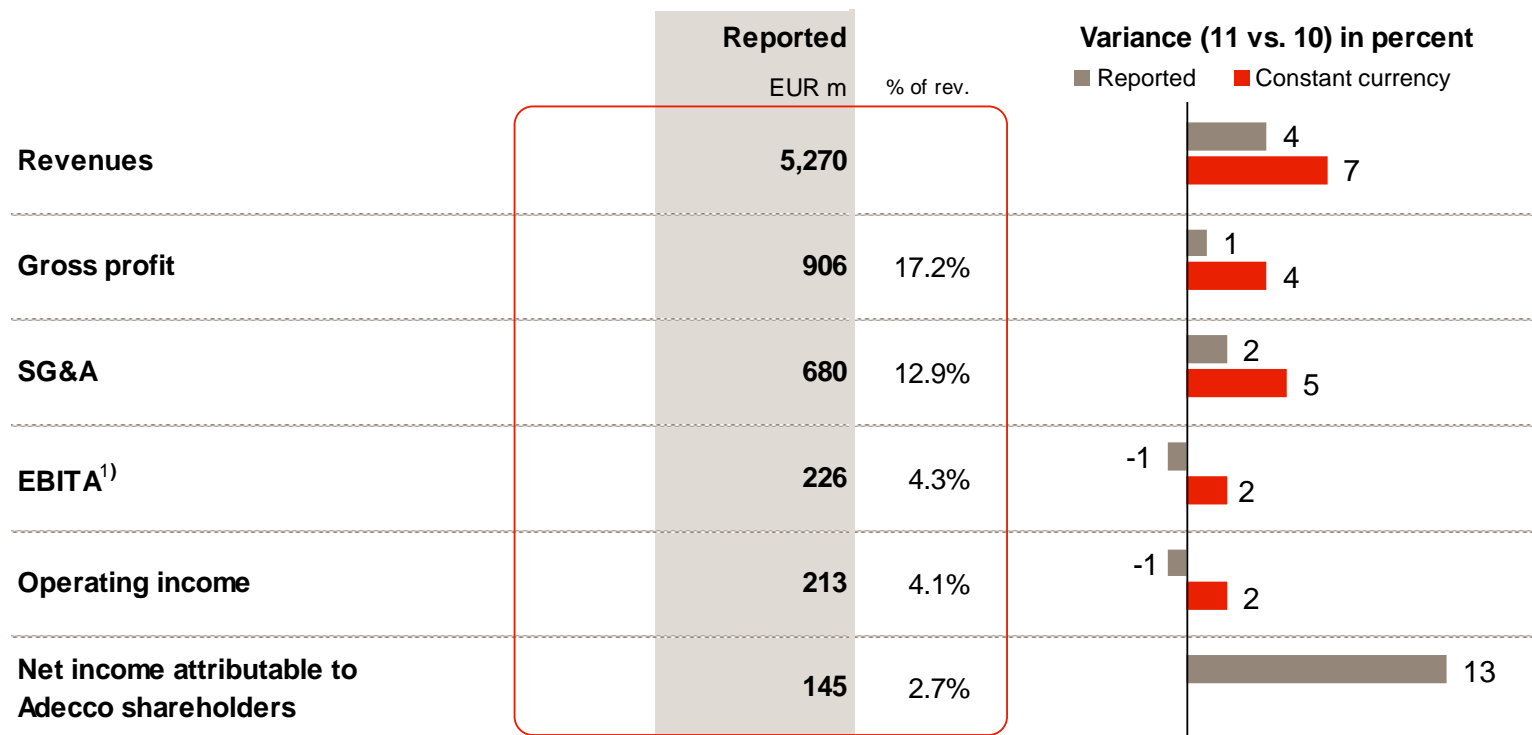
## Year-on-year growth



Thank you

# Appendix

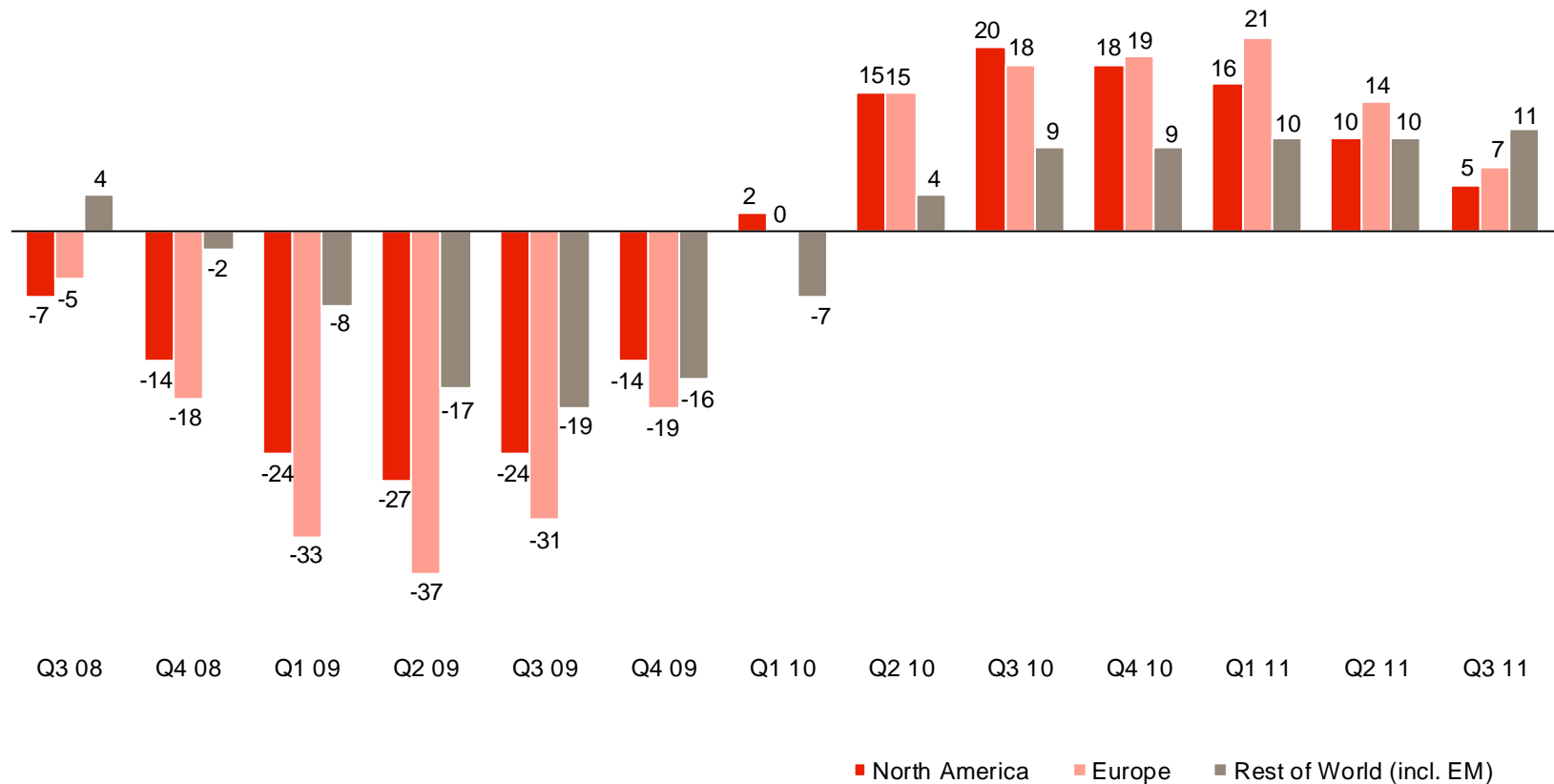
# Q3 2011 results summary



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

# Revenue development by region

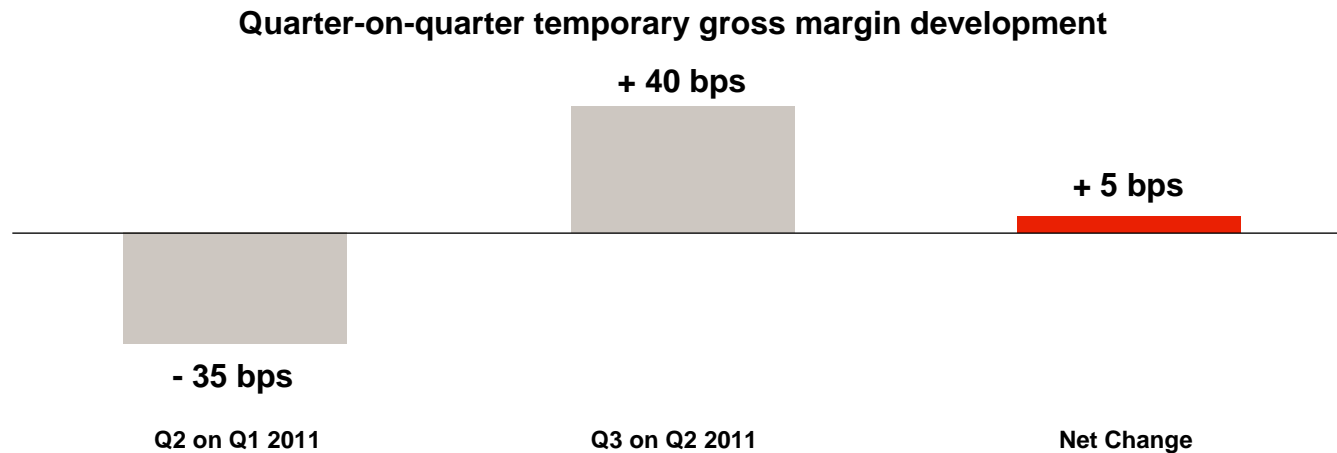
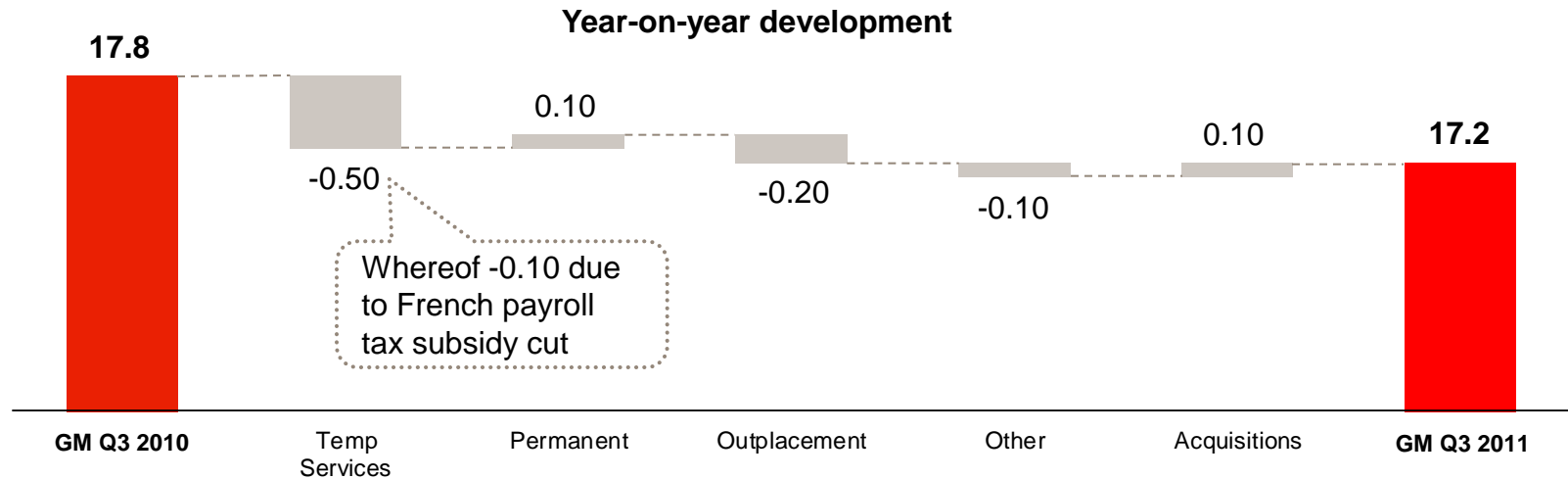
Organic year-on-year change in percent





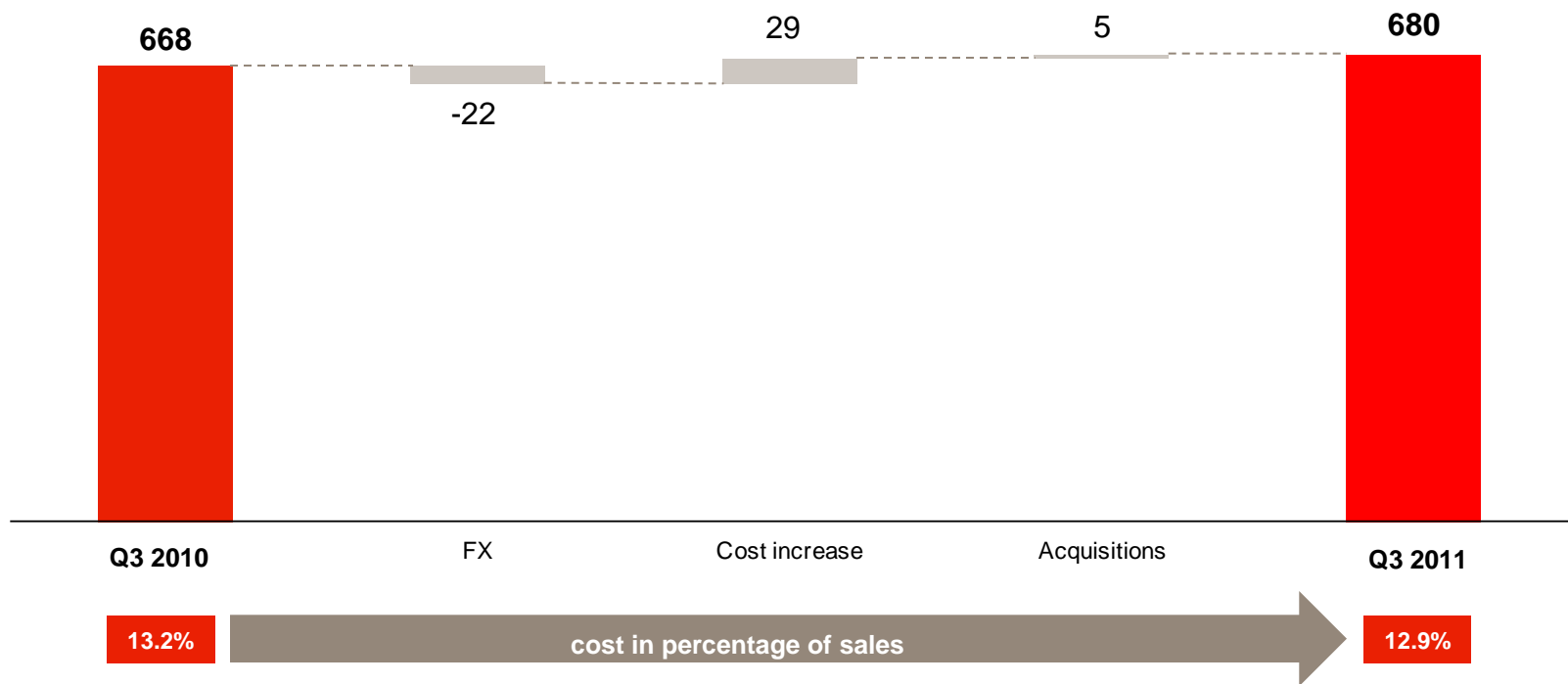
# Q3 2011 gross margin drivers

In percent of revenues



# Q3 2011 SG&A movements

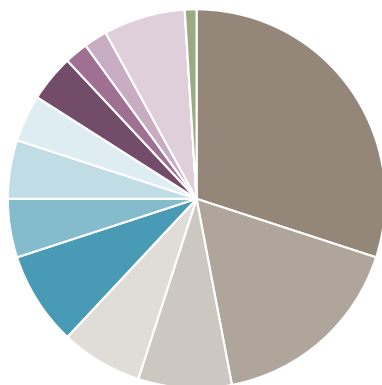
In EUR millions



# Revenues and EBITA by segment

Q3 2011 vs. Q3 2010

Revenues in percent



	Revenues		EBITA <sup>2)</sup>	
	EUR m	organic <sup>1)</sup> yoy growth	EUR m	margin
30% ■ France	1,604	7%	64	4.0%
17% ■ North America	903	5%	38	4.2%
8% ■ UK & Ireland	424	2%	12	2.9%
7% ■ Japan	350	6%	19	5.5%
8% ■ Germany & Austria	413	23%	40	9.6%
5% ■ Benelux	253	6%	13	5.1%
5% ■ Italy	259	19%	16	6.3%
4% ■ Nordics	194	-2%	5	2.3%
4% ■ Iberia	188	-4%	5	3.0%
2% ■ Australia & New Zealand	135	8%	5	4.0%
2% ■ Switzerland	134	1%	14	10.1%
7% ■ Emerging Markets	360	17%	8	2.2%
1% ■ LHH	53	-12%	8	15.2%
Corporate			(21)	
<b>Adecco Group</b>	<b>5,270</b>	<b>7%</b>	<b>226</b>	<b>4.3%</b>

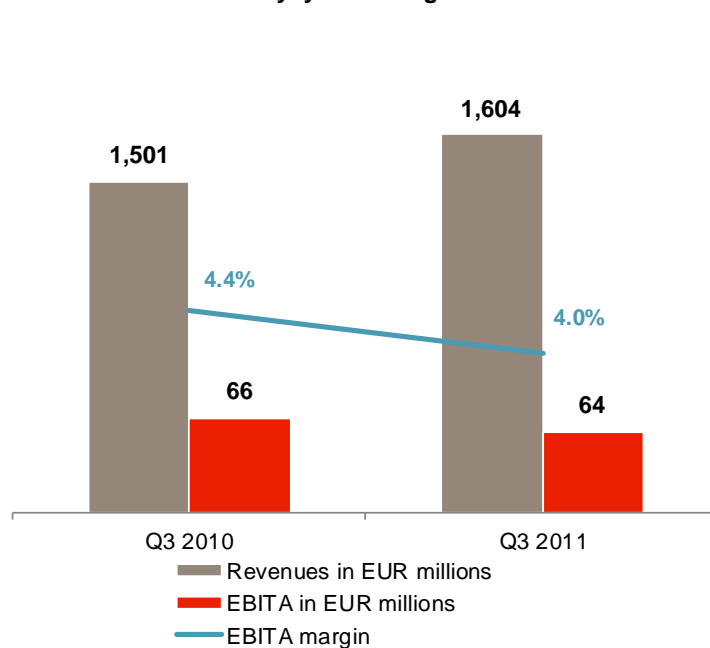
1) Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.

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

# France

30% of group revenues in Q3 2011

Q3 2011 yoy revenue growth: 7%



Revenue growth of 7% (15% in Q2 11), mainly driven by automotive, manufacturing and logistics

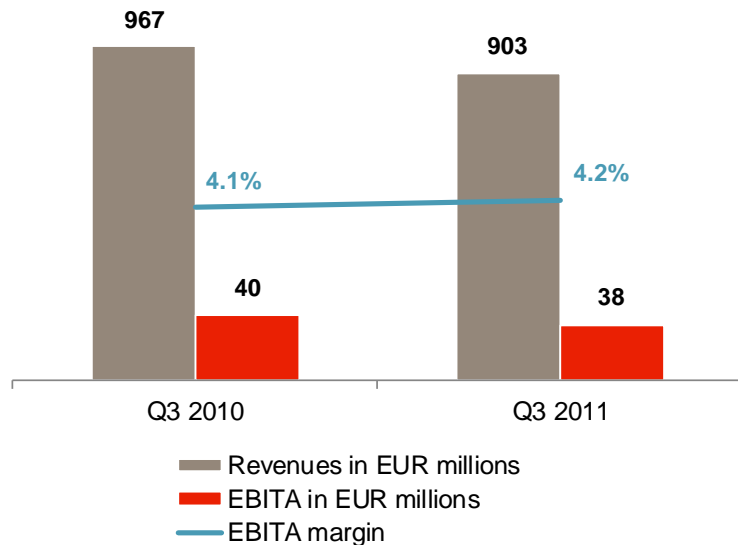
The negative impact of the payroll tax subsidy cut was still 30 bps on the gross margin this quarter

Revenues in September grew 7%, adjusted for trading days

# North America

17% of group revenues in Q3 2011

Q3 2011 yoy constant currency revenue growth: 5%



Revenues up 5% in constant currency (12% in Q2 11) driven by automotive, manufacturing and technology sectors

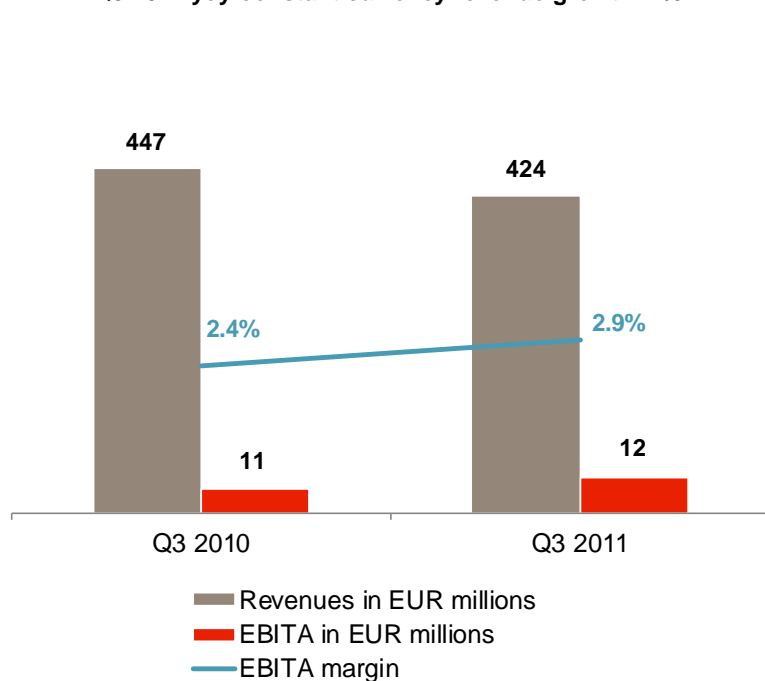
General staffing revenues grew 10% in constant currency, while professional staffing was flat, held back by IT

Revenues in September were up 4%, adjusted for trading days

# UK & Ireland

8% of group revenues in Q3 2011

Q3 2011 yoy constant currency revenue growth: 2%



Revenues up 2% in constant currency (flat in Q2 11); the public sector was still weak (12% of total revenues)

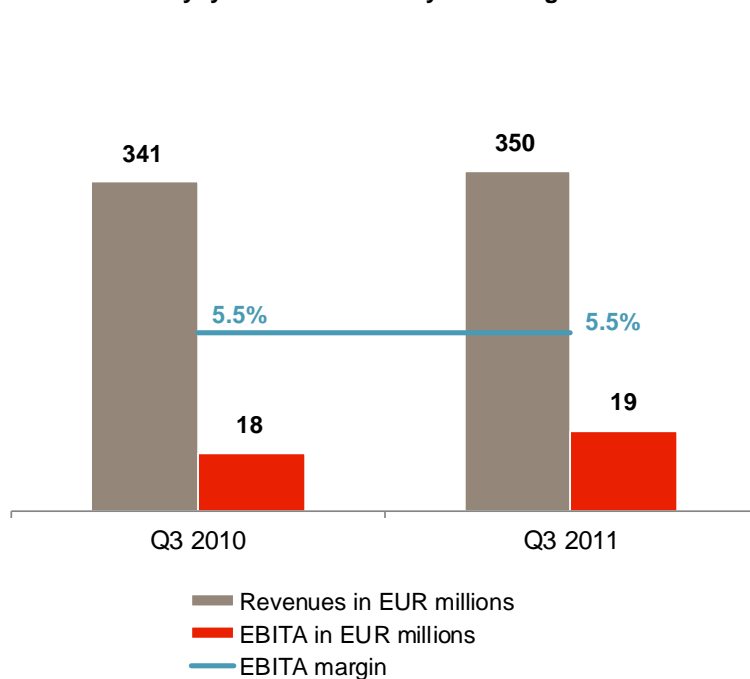
Strong growth in Permanent placement revenues, up 15% in constant currency

The EBITA margin was 2.9%, up 50 bps compared to last year

# Japan

7% of group revenues in Q3 2011

Q3 2011 yoy constant currency revenue growth: 6%



Revenues up 6% in constant currency  
(4% in Q2 11)

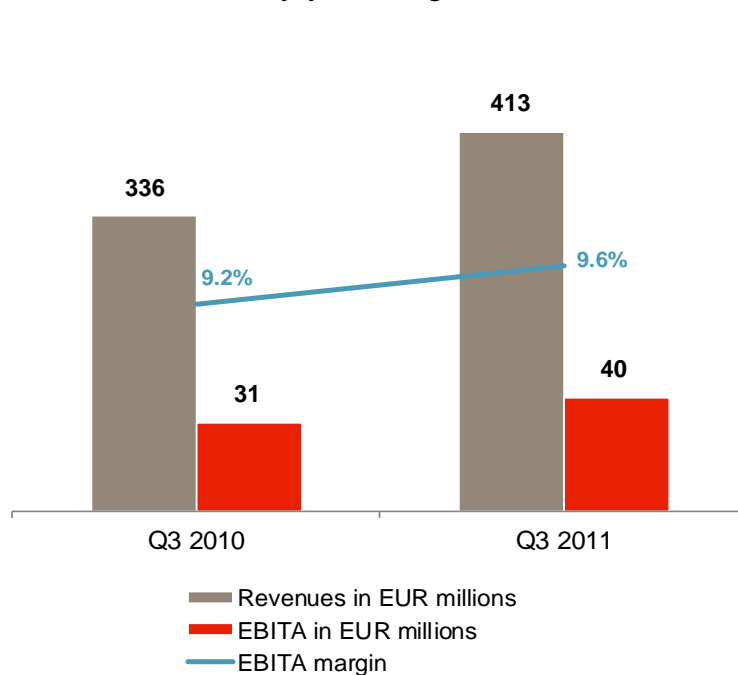
Underlying demand in temporary  
staffing is still muted

Outsourcing contracts continued to  
contribute positively and we see  
additional opportunities here

# Germany & Austria

8% of group revenues in Q3 2011

Q3 2011 yoy revenue growth: 23%



Revenues up 23%, well ahead of the market (+31% in Q2 11), driven by automotive, retail, manufacturing and electronics sectors

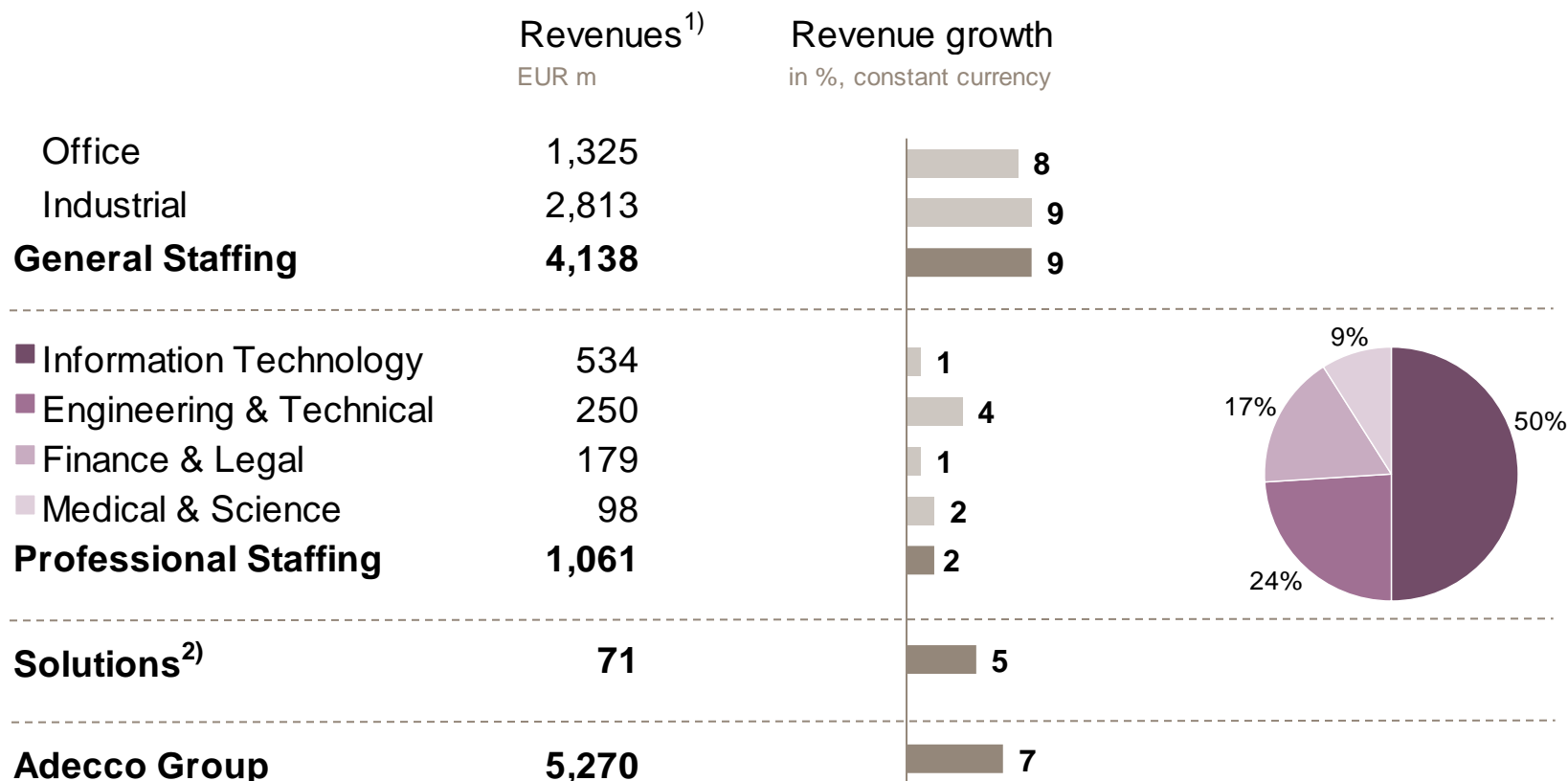
Strong increase in EBITA of 29% and the EBITA margin at 9.6% up 40 bps

Revenues in September up 19%, adjusted for trading days



# Revenue development by business lines

Q3 2011 vs. Q3 2010



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). The 2010 information has been restated to conform to the current year presentation.

2) Q3 revenues changed organically in Solutions by -4%.

# Q3 2011 Results in detail – P&L

In EUR millions

	Q3 2011	Q3 2010	Variance %		9M 2011	9M 2010	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues	5,270	5,055	4%	7%	15,351	13,663	12%	13%
Direct costs of services	(4,364)	(4,157)			(12,715)	(11,228)		
<b>Gross profit</b>	<b>906</b>	<b>898</b>	1%	4%	<b>2,636</b>	<b>2,435</b>	8%	9%
<i>Gross margin</i>	17.2%	17.8%			17.2%	17.8%		
Selling, general, and administrative expenses	(680)	(668)	2%	5%	(2,039)	(1,924)	6%	7%
<i>As a percentage of revenues</i>	12.9%	13.2%			13.3%	14.1%		
<b>EBITA<sup>1)</sup></b>	<b>226</b>	<b>230</b>	-1%	2%	<b>597</b>	<b>511</b>	17%	19%
<i>EBITA<sup>1)</sup> margin</i>	4.3%	4.5%			3.9%	3.7%		
Amortisation of intangible assets	(13)	(14)			(40)	(41)		
<b>Operating income</b>	<b>213</b>	<b>216</b>	-1%	2%	<b>557</b>	<b>470</b>	19%	21%
<i>Operating income margin</i>	4.1%	4.3%			3.6%	3.4%		
Interest expense	(19)	(17)			(51)	(48)		
Other income / (expenses), net	2	(1)			(9)			
<b>Income before income taxes</b>	<b>196</b>	<b>198</b>	-1%		<b>497</b>	<b>422</b>	18%	
Provision for income taxes	(51)	(69)			(110)	(139)		
<b>Net income</b>	<b>145</b>	<b>129</b>	13%		<b>387</b>	<b>283</b>	37%	
Net income attributable to noncontrolling interests		(1)			(1)	(1)		
<b>Net income attributable to Adecco shareholders</b>	<b>145</b>	<b>128</b>	13%		<b>386</b>	<b>282</b>	37%	
<i>Net income margin attributable to Adecco shareholders</i>	2.7%	2.5%			2.5%	2.1%		

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

# Balance sheet

In EUR millions

	Sep 30 2011	Dec 31 2010
<b>Assets</b>		
Cash and cash equivalents	365	549
Short-term Investments	2	5
Trade accounts receivable, net	3,878	3,541
Other current assets	459	351
Property, equipment, and leasehold improvements, net	300	291
Other assets	323	291
Goodwill and intangible assets, net	3,977	3,851
<b>Total assets</b>	<b>9,304</b>	<b>8,879</b>
<b>Liabilities and shareholders' equity</b>		
Accounts payable and accrued expenses	3,590	3,472
Short- and long-term debt	1,526	1,305
Other liabilities	558	535
Total Adecco shareholders' equity	3,627	3,565
Noncontrolling interests	3	2
<b>Total liabilities and shareholders' equity</b>	<b>9,304</b>	<b>8,879</b>
Net Debt*	1,159	751

\* 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	
	2011	2010	2011	2010
Net income	145	129	387	283
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	37	37	110	105
– Other charges	19	30	22	53
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	46	(179)	(354)	(645)
– Accounts payable and accrued expenses	14	165	99	375
– Other assets and liabilities	(14)	(8)	(47)	33
<b>Cash flows from operating activities</b>	<b>247</b>	<b>174</b>	<b>217</b>	<b>204</b>
<b>Cash used in investing activities</b>	<b>(184)</b>	<b>(70)</b>	<b>(281)</b>	<b>(944)</b>
<b>Cash used in financing activities</b>	<b>(89)</b>	<b>(88)</b>	<b>(110)</b>	<b>(310)</b>
Effect of exchange rate changes on cash	8	(8)	(10)	33
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(18)</b>	<b>8</b>	<b>(184)</b>	<b>(1,017)</b>

# Debt and cash & short term investments

As of September 30, 2011

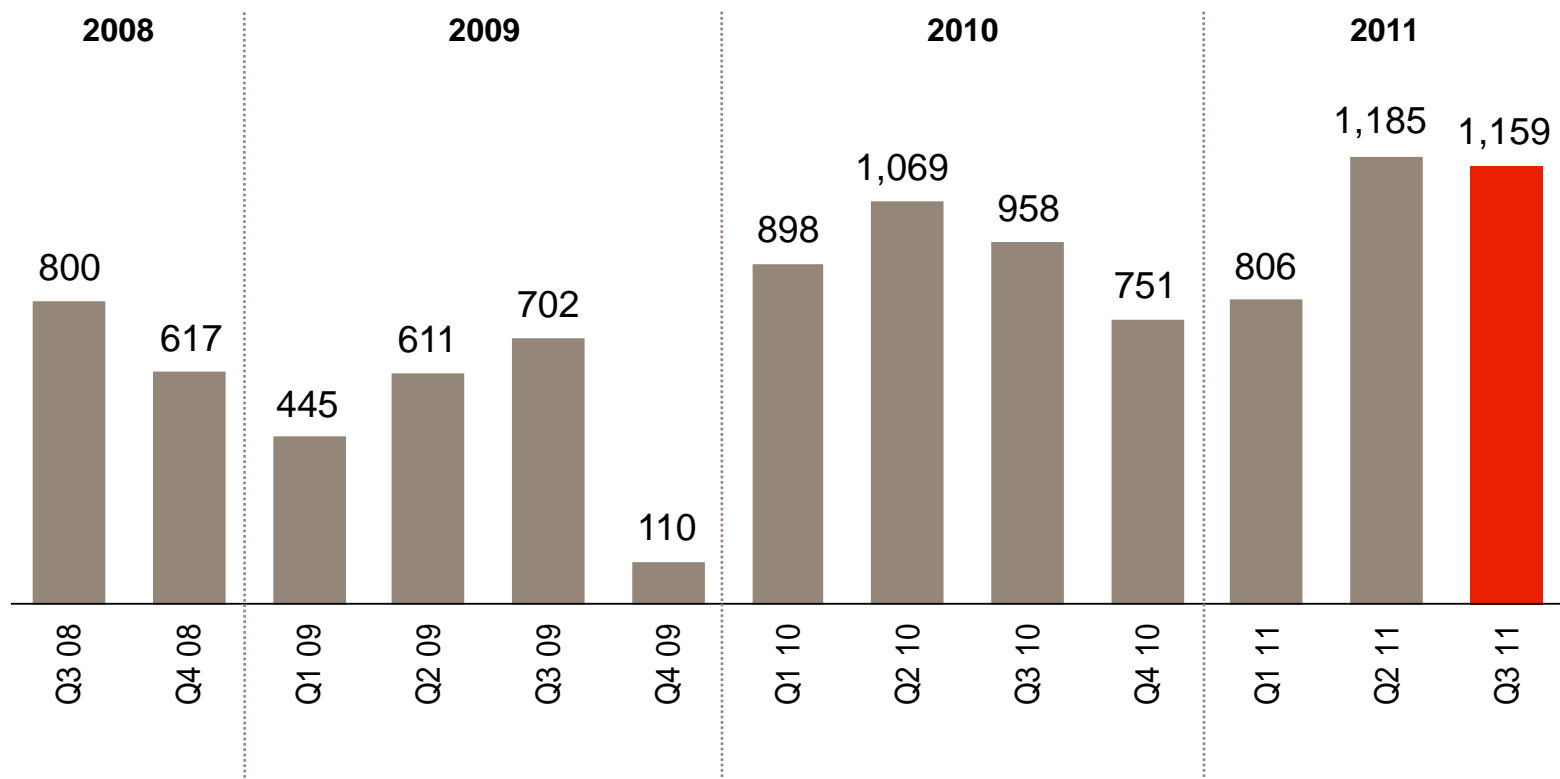
	Principal at maturity	Maturity	Fixed interest rate	Total in EUR million
7-year guaranteed Euro medium-term notes	EUR 500	2018	4.750%	<b>489</b>
5-year guaranteed Euro medium-term notes	EUR 356	2014	7.625%	<b>357</b>
Fixed rate guaranteed notes	EUR 333	2013	4.5%	<b>340</b>
Committed multicurrency revolving credit facility <sup>1)</sup>				<b>75</b> <sup>2)</sup>
Medium term loan				<b>75</b>
French Commercial Paper programme				<b>169</b>
Uncommitted lines & others				<b>21</b>
<b>Short &amp; long term debt</b>				<b>1,526</b>
Cash & short term investments				<b>367</b>
<b>Net Debt</b>				<b>1,159</b>

1) Existing EUR 550 million 5-year multicurrency facility maturing in 2013 was replaced in October 2011 with a new EUR 600 million multicurrency facility, maturing in 2016

2) In addition, EUR 75 million used for letters of credit.

# Net debt\* development since Q3 2008

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.

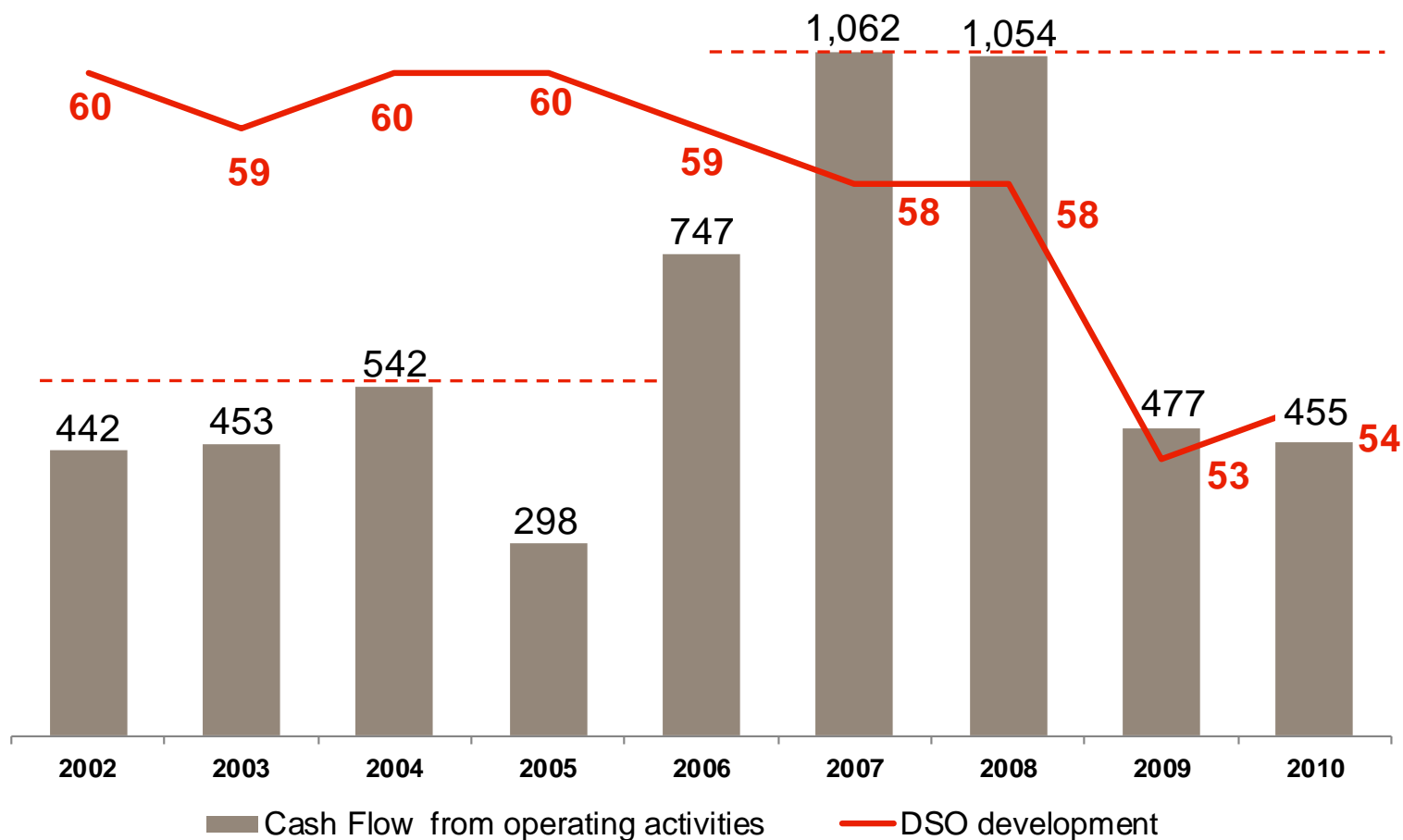
# Financial Guidance

Full year 2011

Capex	>	Approximately EUR 100 million
Interest expense	>	Approximately EUR 70 million
Corporate costs	>	Approximately EUR 85 million
Amortisation	>	Approximately EUR 55 million

# Cash flow and DSO development

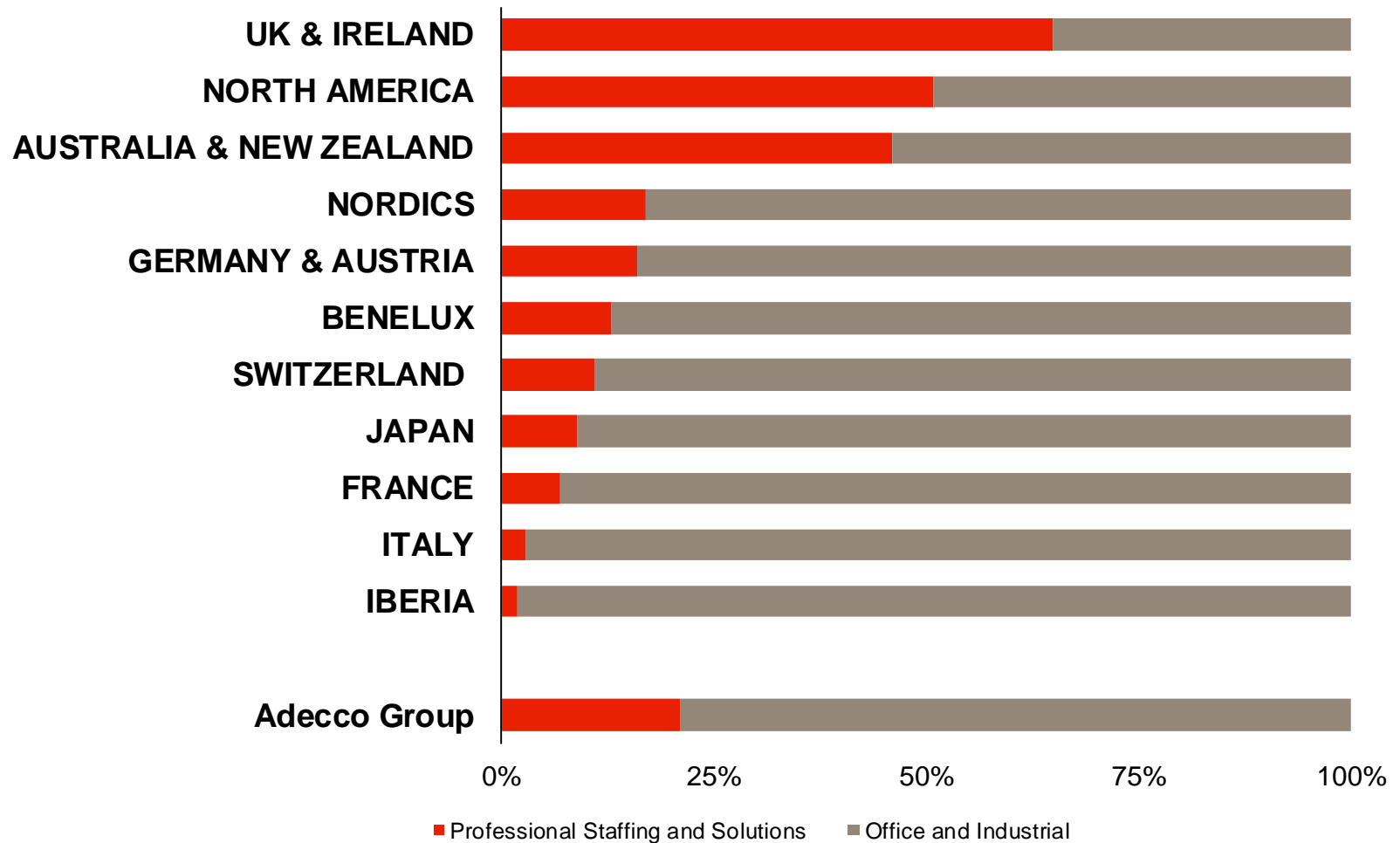
DSO reduction should positively impact future cash flows





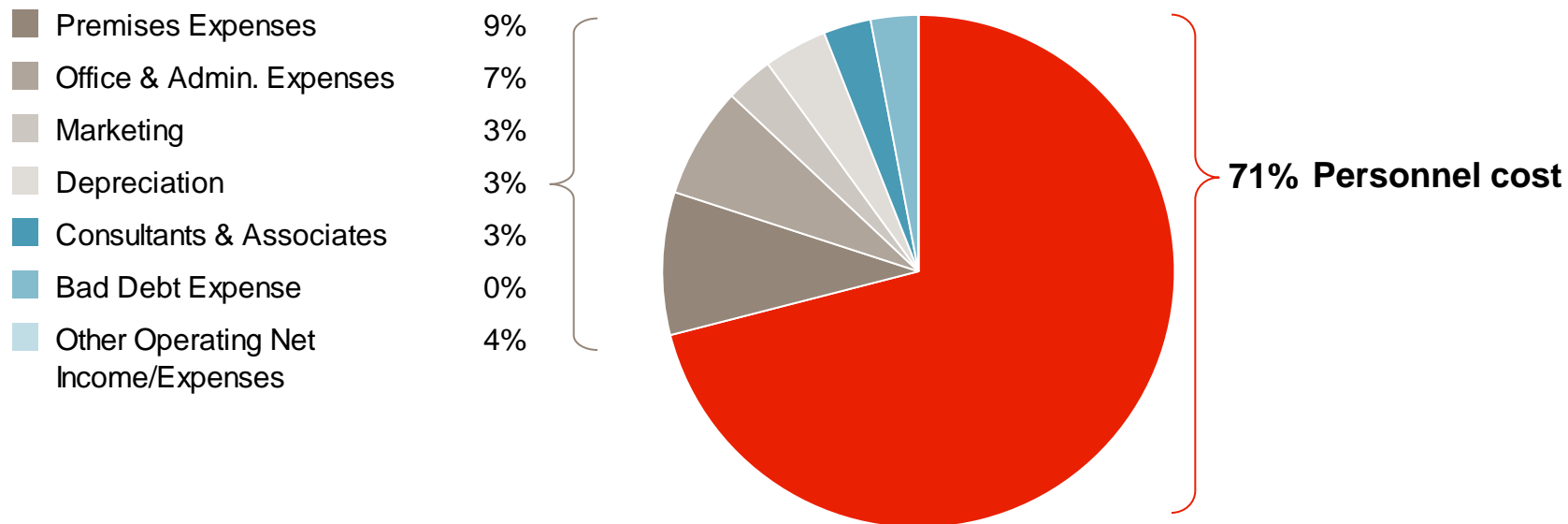
# Revenues – General vs. Professional Staffing and Solutions

Based on dedicated branches in Q3 2011



# SG&A breakdown

FY 2010



# The success of EVA

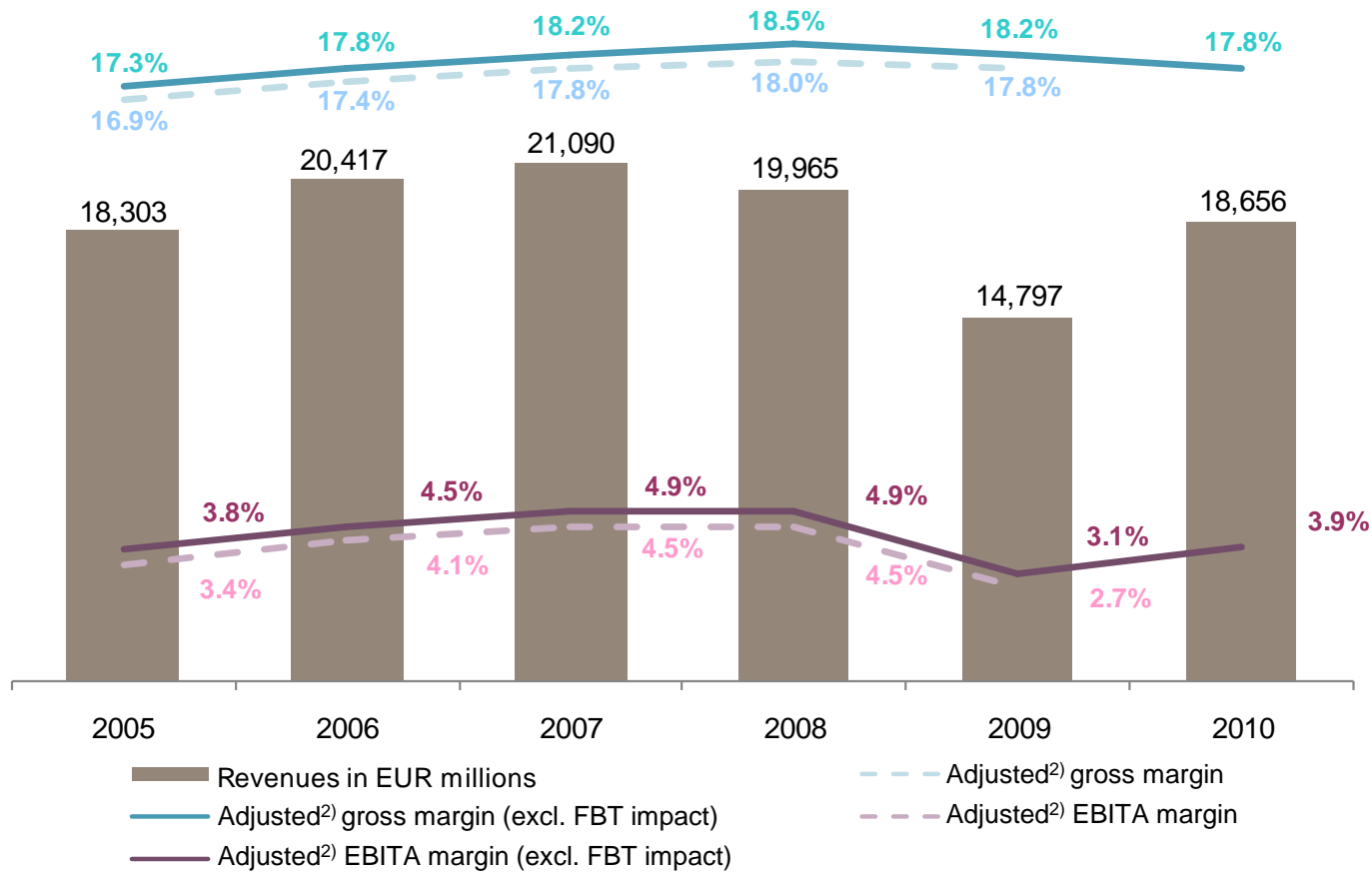
A major achievement - comparison of KPIs during the last two downturns

2002			2009	
Revenue decline yoy in constant currency	-3%	→	-27%	Revenue decline yoy organically
Gross margin yoy	-100 bps	→	-20 bps	Gross margin adjusted <sup>1)</sup> yoy
SG&A in % of revenues	15.1%	→	15.1%	Adjusted <sup>1)</sup> SG&A in % of revenues
EBITA margin yoy	-160 bps	→	-180 bps	EBITA margin adjusted <sup>1)</sup> yoy
EBITA margin	2.7%	→	2.7%	EBITA margin adjusted <sup>1)</sup>

1) Please refer to slide 57.

# What we have achieved

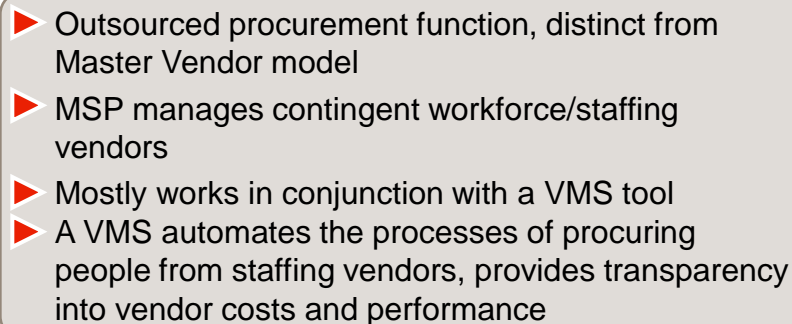
Financial performance since 2005



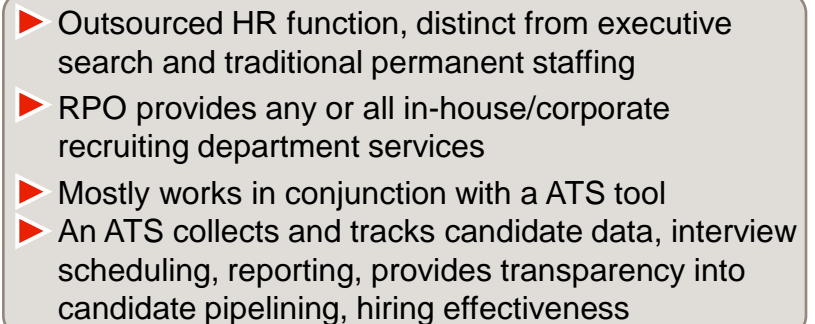
2) Please refer to slide 57.

## Can someone help with the definitions please!

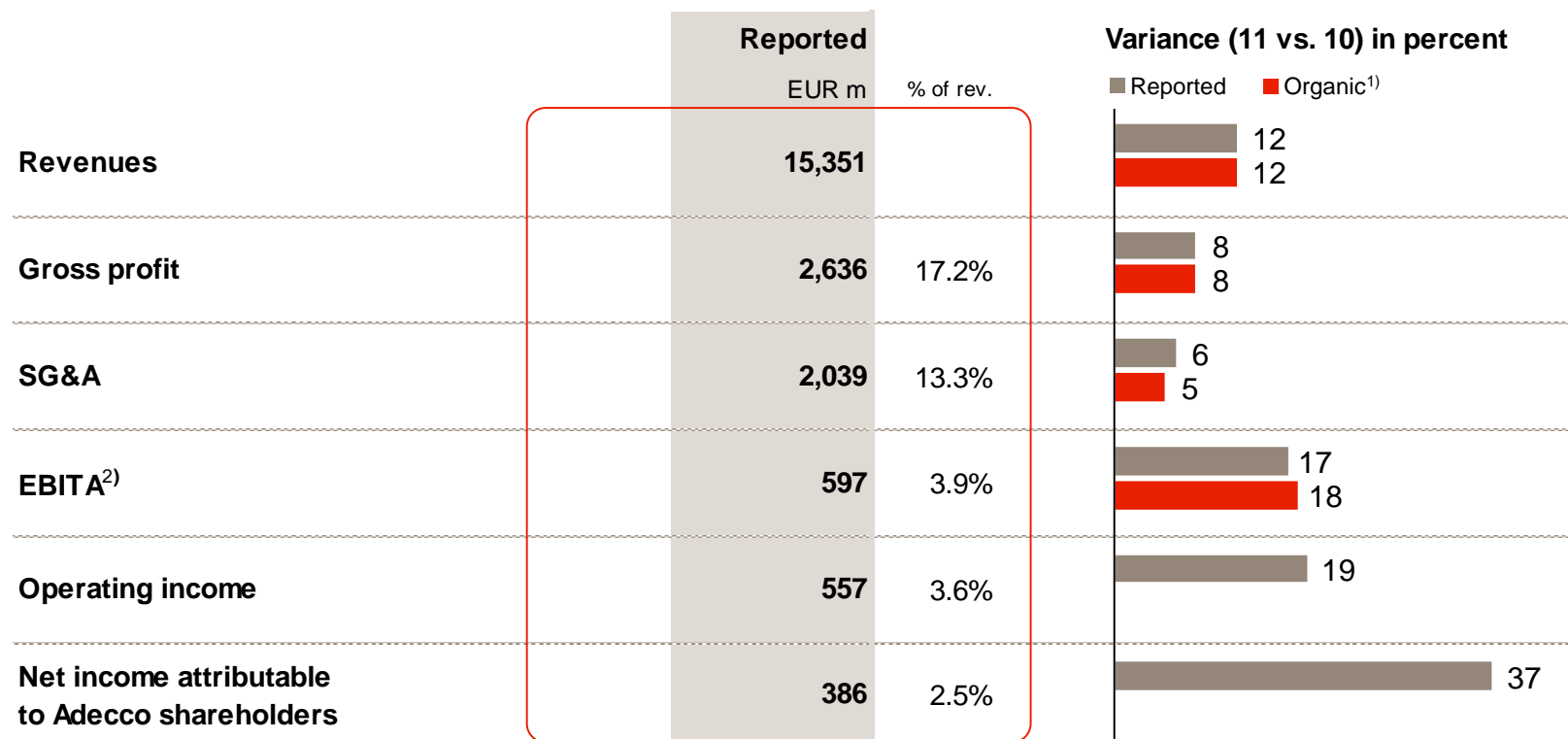
## Clients outsource the management of **contingent workforce** to MSPs



## Clients outsource the permanent recruiting process to RPOs



# 9M 2011 results summary



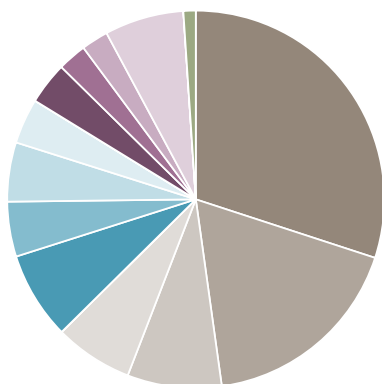
1) Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.

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

# Revenues and EBITA by segment

9M 2011 vs. 9M 2010

Revenues in percent



	Revenues		EBITA <sup>2)</sup>	
	EUR m	organic <sup>1)</sup> yoy growth	EUR m	margin
30% ■ France	4,608	14%	158	3.4%
18% ■ North America	2,729	11%	113	4.1%
8% ■ UK & Ireland	1,241	2%	27	2.1%
7% ■ Japan	1,032	4%	59	5.8%
7% ■ Germany & Austria	1,151	30%	88	7.6%
5% ■ Benelux	722	11%	33	4.6%
5% ■ Italy	779	30%	50	6.4%
4% ■ Nordics	594	8%	11	1.8%
4% ■ Iberia	555	4%	16	3.0%
2% ■ Australia & New Zealand	380	11%	12	3.2%
2% ■ Switzerland	355	12%	34	9.6%
7% ■ Emerging Markets	1,043	17%	27	2.6%
1% ■ LHH	162	-17%	29	18.1%
Corporate			(60)	
<b>Adecco Group</b>	<b>15,351</b>	<b>12%</b>	<b>597</b>	<b>3.9%</b>

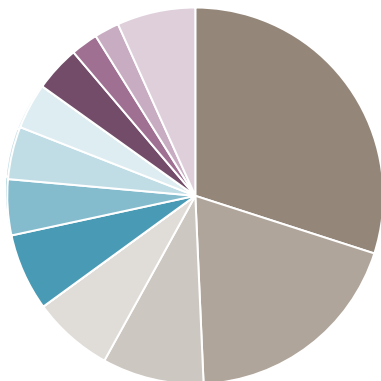
1) Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.

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

# Revenues and EBITA by geography

FY 2010 vs. FY 2009

Revenues in percent



	Revenues		EBITA <sup>1)</sup>	
	EUR m	organic <sup>1)</sup> yoy growth	EUR m	margin
30% ■ France	5,588	16%	212	3.8%
19% ■ North America	3,609	14%	174	4.8%
9% ■ UK & Ireland	1,630	-4%	22	1.4%
7% ■ Japan	1,297	-12%	69	5.3%
7% ■ Germany & Austria	1,238	19%	84	6.8%
5% ■ Benelux	894	8%	43	4.8%
4% ■ Italy	844	24%	37	4.4%
4% ■ Iberia	733	8%	27	3.8%
4% ■ Nordics	731	13%	38	5.1%
2% ■ Australia & New Zealand	435	15%	12	2.8%
2% ■ Switzerland	399	7%	42	10.4%
7% ■ Emerging Markets	1,258	23%	36	2.9%
Corporate			-74	
<b>Adecco Group</b>	<b>18,656</b>	<b>12%</b>	<b>722</b>	<b>3.9%</b>

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

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



# 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 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.