



Q3 2014 Results

Adecco Group

Zurich, November 6, 2014

Disclaimer and Note on Terminology

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 affecting 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.

Non US GAAP measures used

'Organic growth' excludes the impact of currency, acquisitions and divestitures.

'EBITA' refers to operating income before amortisation of intangible assets.

'Net debt' comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

Agenda

Operational review

Financial review

Strategy & Outlook

Questions & Answers

Operational review

Patrick De Maeseneire, Group CEO

Highlights

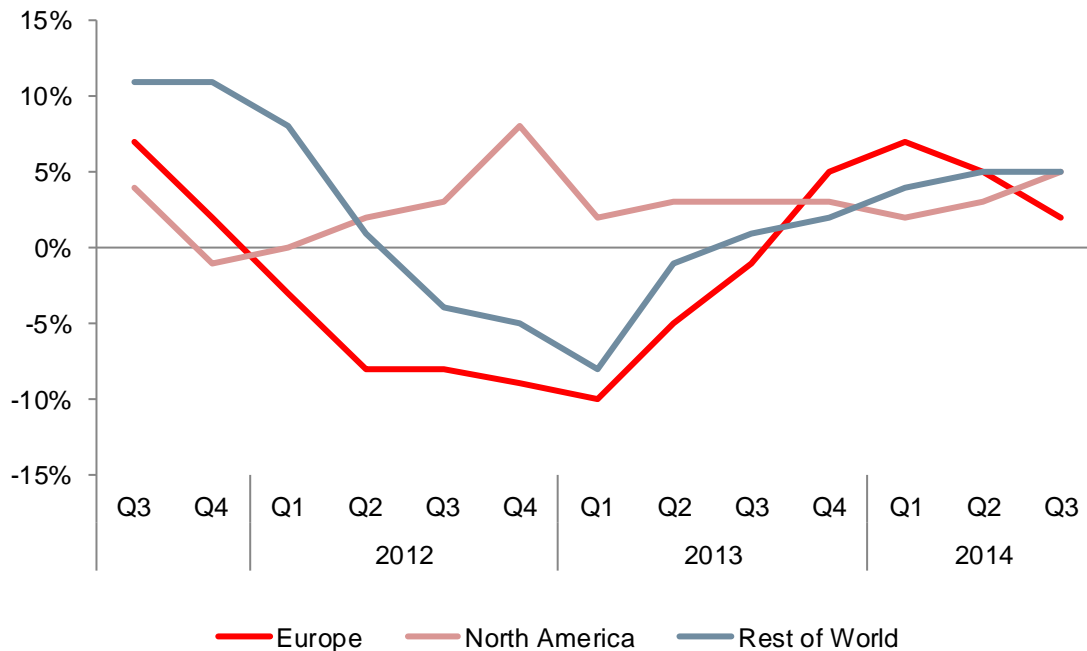
Q3 2014

- ▶ Revenues EUR 5.2 billion, up 4% yoy in constant currency
- ▶ Gross margin of 18.4%, up 10 bps underlying¹⁾
- ▶ SG&A excluding restructuring costs up 2% yoy and down 2% sequentially, both in constant currency
- ▶ EBITA excluding restructuring costs of EUR 280 million
- ▶ EBITA margin excluding restructuring costs of 5.4%, up 40 bps underlying
- ▶ Revenues in September up 2%, organically and adjusted for trading days
- ▶ New share buyback programme of up to EUR 250 million planned

1) In Q3 2013, the reassessment of the French CICE resulted in a benefit relating to prior periods of 50 bps on the temporary staffing gross margin and on the EBITA margin of the Adecco Group. 'Underlying' refers to the Q3 2014 year-on-year change excluding this effect.

Revenue development by region¹⁾

Organic year-on-year change in percent



Europe grew by 2% in Q3 2014 compared to 5% in the previous quarter

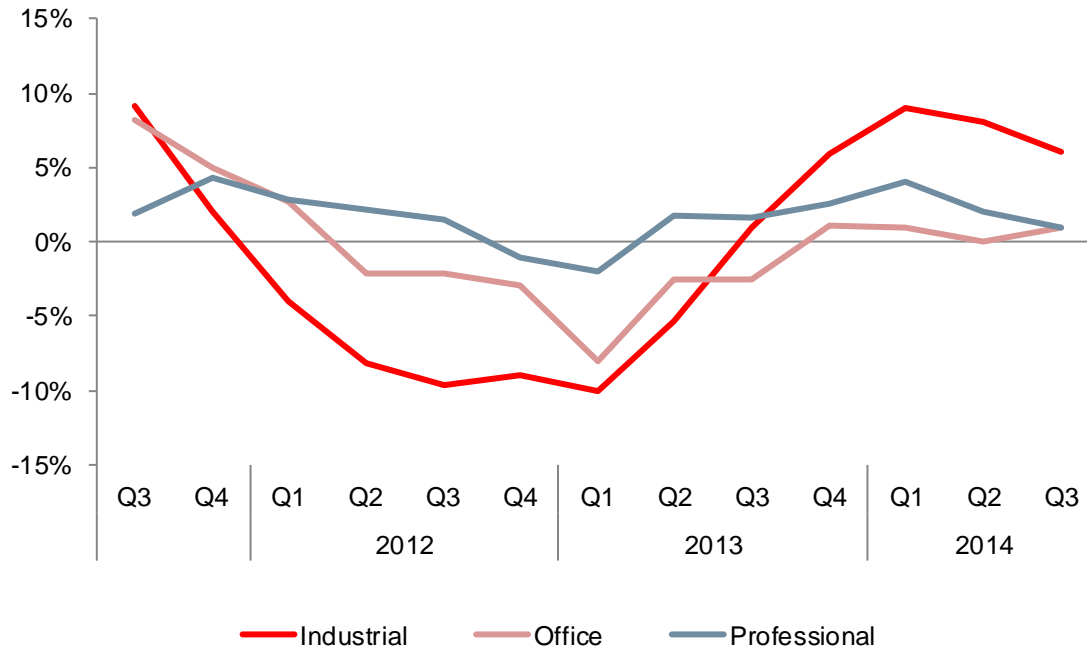
North America grew by 5% in Q3 2014 compared to 3% in the previous quarter

Rest of World grew by 5% in Q3 2014 compared to 5% in the previous quarter

1) Excluding LHH

Revenue development by business line¹⁾

Organic year-on-year change in percent



Industrial grew by 6% in Q3 2014 compared to 8% in the previous quarter

Office grew by 1% in Q3 2014 compared to flat growth in the previous quarter

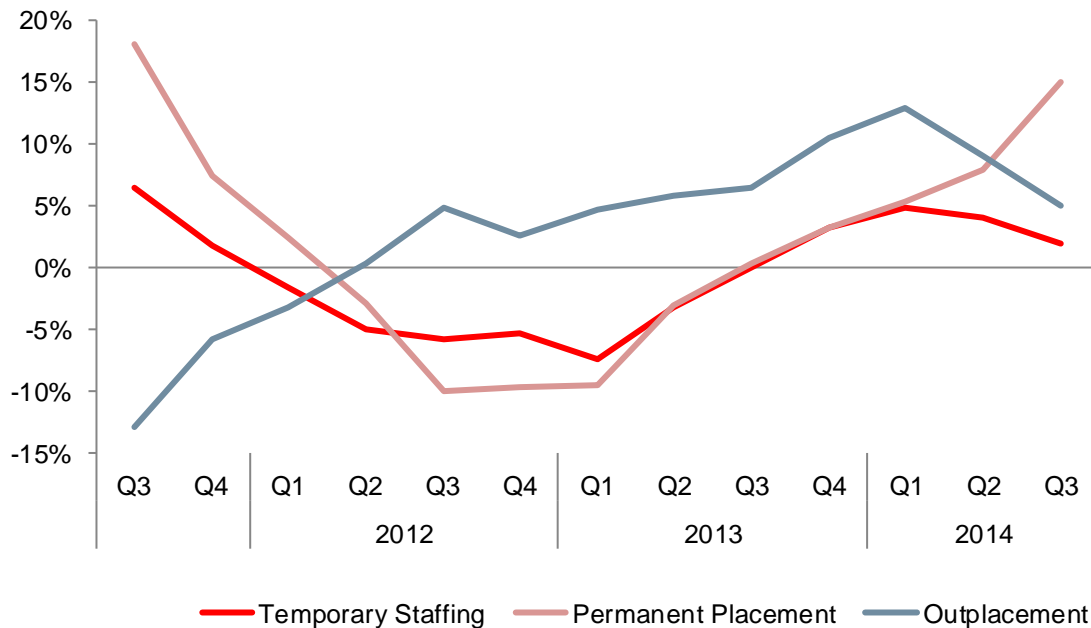
Professional Staffing grew by 1% in Q3 2014 compared to 2% in the previous quarter:

- IT: 1% (4% in Q2 2014)
- Engineering & Tech.: -1% (-2%)
- Finance & Legal: 4% (3%)
- Medical & Science: flat (-5%)

1) Excluding Solutions

Revenue development by service line¹⁾

Organic year-on-year change in percent



Temporary Staffing revenues grew by 2% in Q3 2014 compared to 4% in the previous quarter

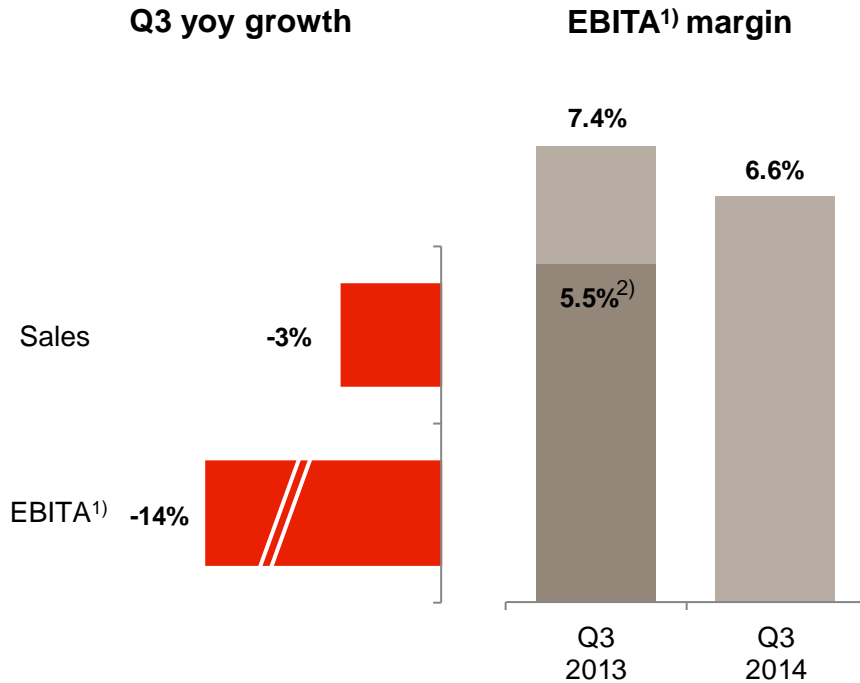
Permanent placement revenues grew by 15% in Q3 2014 compared to 8% in the previous quarter

Outplacement revenues grew by 5% in Q3 2014 compared to 9% in the previous quarter

1) Excluding Outsourcing and Other

France

24% of group revenues in Q3 2014



Revenues EUR 1,242 million, -3% yoy; revenues declined in Industrial, Office and Professional Staffing

EBITA EUR 82 million. EBITA margin¹⁾ of 6.6%, down 80bps, however, excluding the additional CICE benefit relating to prior quarters in Q3 13, the EBITA margin was up 110 bps

Revenues for September down 5%, adjusted for trading days

1) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 1 million in Q3 13.

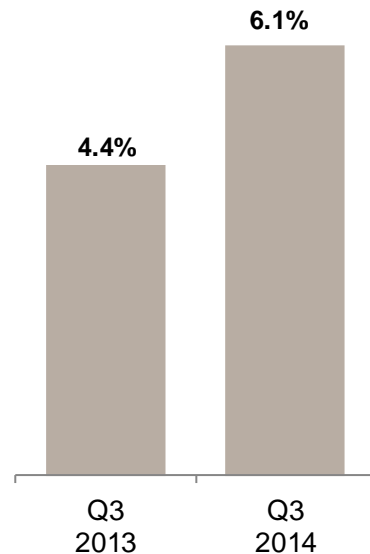
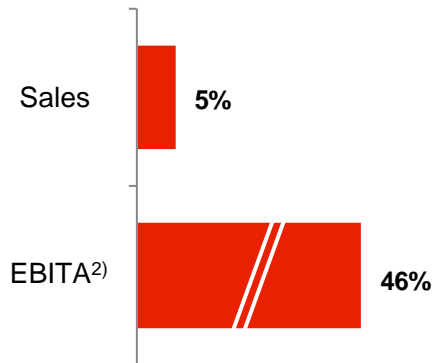
2) In Q3 2013, the reassessment of the French CICE resulted in a benefit relating to prior periods of 190 bps on the EBITA margin in France. Excluding this effect in Q3 2013 the EBITA margin excluding restructuring costs in France was 5.5%.

North America

19% of group revenues in Q3 2014

Q3 yoy growth¹⁾

EBITA²⁾ margin



Revenues EUR 986 million, up 6% yoy in constant currency or 5% yoy organically, driven by strong growth in Industrial of 12% in constant currency

EBITA excluding restructuring costs EUR 61 million. EBITA margin²⁾ up 170 bps helped by perm revenue growth of 10% yoy in constant currency

Revenues for September up 5% organically, adjusted for trading days

1) Sales growth rate is organic and EBITA in constant currency

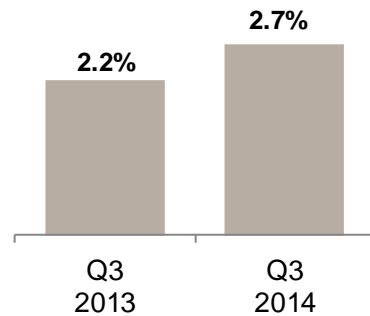
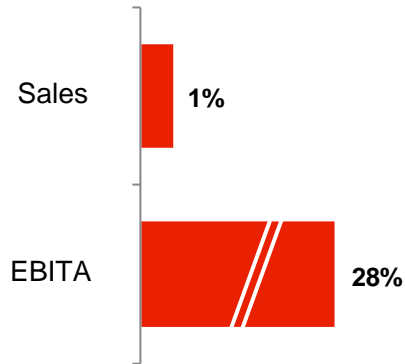
2) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 5 million in Q3 14.

UK & Ireland

10% of group revenues in Q3 2014

Q3 yoy growth¹⁾

EBITA²⁾ margin



Revenues EUR 526 million, up 1% yoy in constant currency with good growth in IT



EBITA EUR 14 million. EBITA²⁾ margin up 50 bps helped by perm revenue growth of 9% yoy in constant currency



Revenues for September down 1% in constant currency, adjusted for trading days

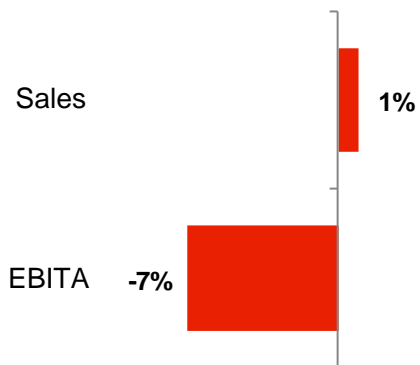
1) Growth rates are in constant currency

2) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 1 million in Q3 13.

Germany & Austria

9% of group revenues in Q3 2014

Q3 yoy growth



EBITA margin



> Revenues EUR 438 million, up 1% yoy, with growth in Industrial of 2%

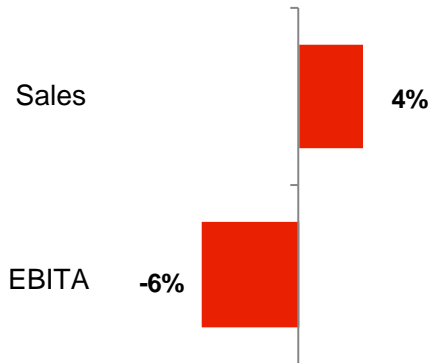
> EBITA EUR 36 million. EBITA margin down 70 bps

> Revenues for September down 2%, adjusted for trading days

Japan

5% of group revenues in Q3 2014

Q3 yoy growth¹⁾



EBITA margin



Revenues EUR 266 million, up 4% in constant currency driven by growth in professional staffing



EBITA EUR 16 million. EBITA margin down 60 bps



Revenues for September up 5% in constant currency, adjusted for trading days

1) Growth rates are in constant currency

Revenues and EBITA by segment

Q3 2014 vs. Q3 2013

% of revenues		Revenues		EBITA		
		EUR millions	Organic change yoy	EUR millions	Margin	Margin change yoy
24%	France ¹⁾	1,242	-3%	82	6.6%	-80 bps
19%	North America ²⁾	986	5%	61	6.1%	170 bps
10%	UK & Ireland ¹⁾	526	1%	14	2.7%	50 bps
9%	Germany & Austria	438	1%	36	8.3%	-70 bps
5%	Japan	266	4%	16	5.9%	-60 bps
5%	Italy	280	15%	18	6.6%	-20 bps
5%	Benelux	262	4%	14	5.6%	10 bps
4%	Nordics	206	6%	7	3.5%	-80 bps
4%	Iberia	209	21%	9	4.1%	100 bps
2%	Australia & New Zealand	94	-8%	1	1.1%	-120 bps
2%	Switzerland	117	6%	12	10.0%	140 bps
9%	Emerging Markets	481	9%	18	3.7%	-10 bps
2%	LHH ¹⁾	78	6%	20	25.6%	-210 bps
	Corporate			(28)		
100%	Adecco Group^{1),2)}	5,185	3.5%	280	5.4%	-10 bps

1) EBITA excluding restructuring costs in Q3 2013 of EUR 1 million in France, EUR 1 million in UK & Ireland and EUR 1 million in LHH

2) EBITA excluding restructuring costs in Q3 2014 of EUR 5 million in North America

Financial review

Dominik de Daniel, Group CFO

Q3 2014 Results in detail – P&L

In EUR millions

EUR millions except share and per share information	Q3		Variance %	
	2014	2013	EUR	Underlying Constant Currency
Revenues	5,185	5,033	3%	4%
Gross profit	954	942	1%	5%
EBITA excluding restructuring costs	280	276	1%	13%
EBITA	275	273	1%	12%
Operating income	266	263	1%	
Income before income taxes	254	244	4%	
Net income	199	191	4%	
Net income attributable to Adecco shareholders	198	190	4%	
Basic earnings per share	1.13	1.06	6%	
Diluted earnings per share	1.13	1.06	6%	

Revenue up 4% and EBITA excluding restructuring costs up 13%, both underlying and in constant currency

Effective tax rate 22% compared to 22% in prior year

Basic weighted-average shares were 176m in Q3 2014 vs 179m in Q3 2013

Sequential revenue analysis

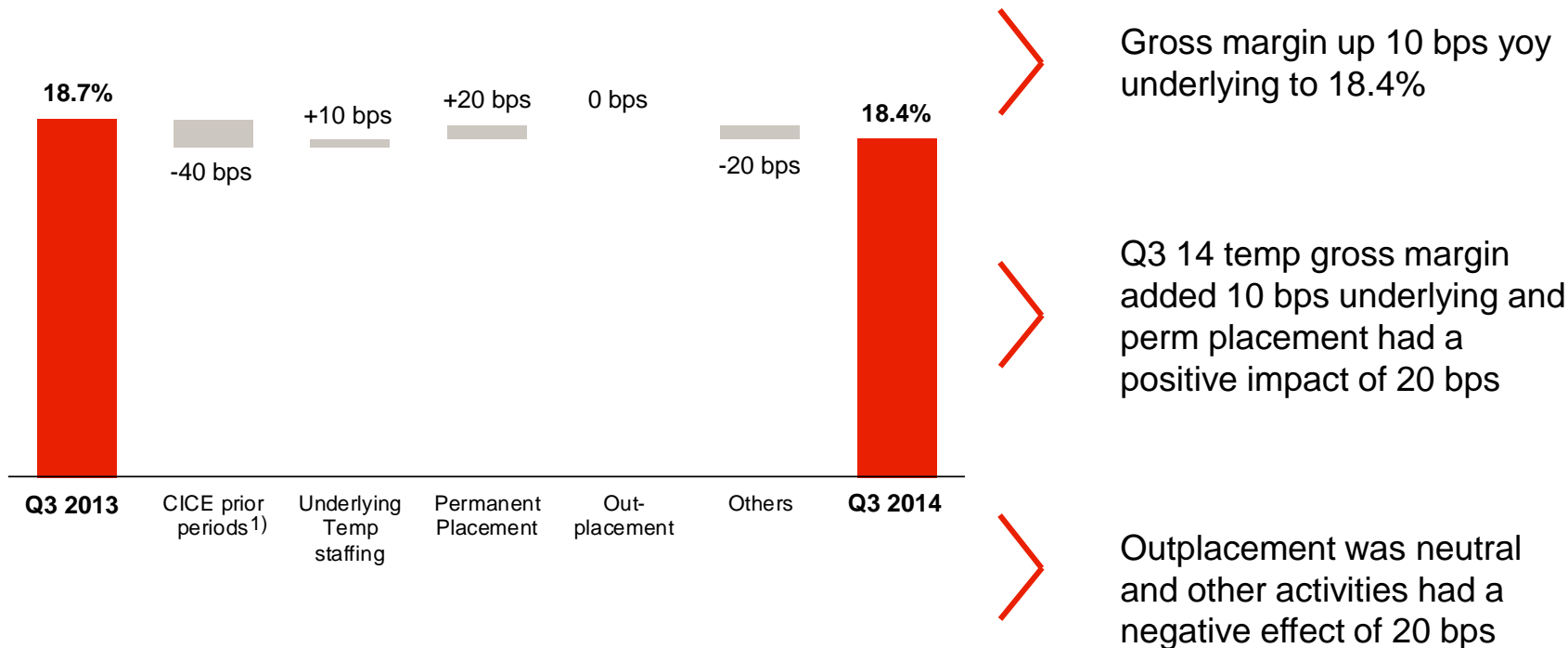
Adecco Group	Q1	Q2	Q3	Q4
2007	=	=	-	=
2008	+	- -	-	- - -
2009	- - -	- - -	=	=
2010	+ +	+	+	+
2011	+	=	=	=
2012	-	-	-	-
2013	=	=	=	=
2014	=	=	-	

-  Above long-term growth trend¹⁾
-  In line with long-term growth trend¹⁾
-  Below long-term growth trend¹⁾

1) Long-term growth trend is the 13-yr median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days

Q3 2014 gross margin drivers

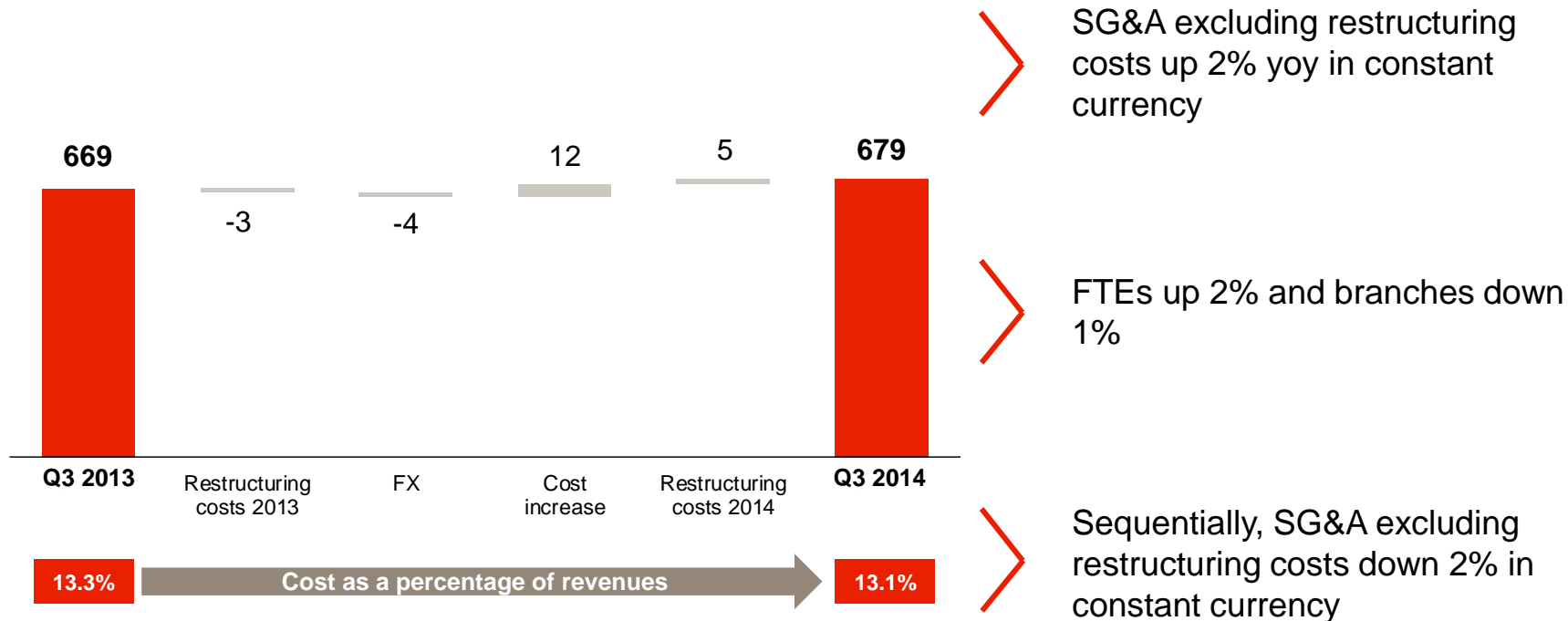
As percentage of revenues



1) In Q3 2013, the reassessment of the French CICE resulted in a benefit relating to prior periods of 50 bps on the temporary staffing gross margin and on the EBITA margin of the Adecco Group. 'Underlying' refers to the Q3 2014 year-on-year change excluding this effect.

Q3 2014 SG&A movements

In EUR millions



Q3 2014 cash flow statement

In EUR millions

EUR millions	Q3		9M	
	2014	2013	2014	2013
Cash flows from operating activities				
Net income	199	191	455	384
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	32	35	96	107
– Other charges	18	12	34	20
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	(21)	4	(241)	(235)
– Accounts payable and accrued expenses	97	86	204	110
– Other assets and liabilities	(57)	(47)	(47)	(116)
Cash flows from operating activities	268	281	501	270
Cash used in investing activities	(47)	(15)	(62)	(23)
Cash flows from/(used in) financing activities	(185)	183	(748)	(510)
Effect of exchange rate changes on cash	17	(6)	12	(24)
Net increase/(decrease) in cash and cash equivalents	53	443	(297)	(287)
Cash and cash equivalents:				
– Beginning of period	613	373	963	1,103
– End of period	666	816	666	816

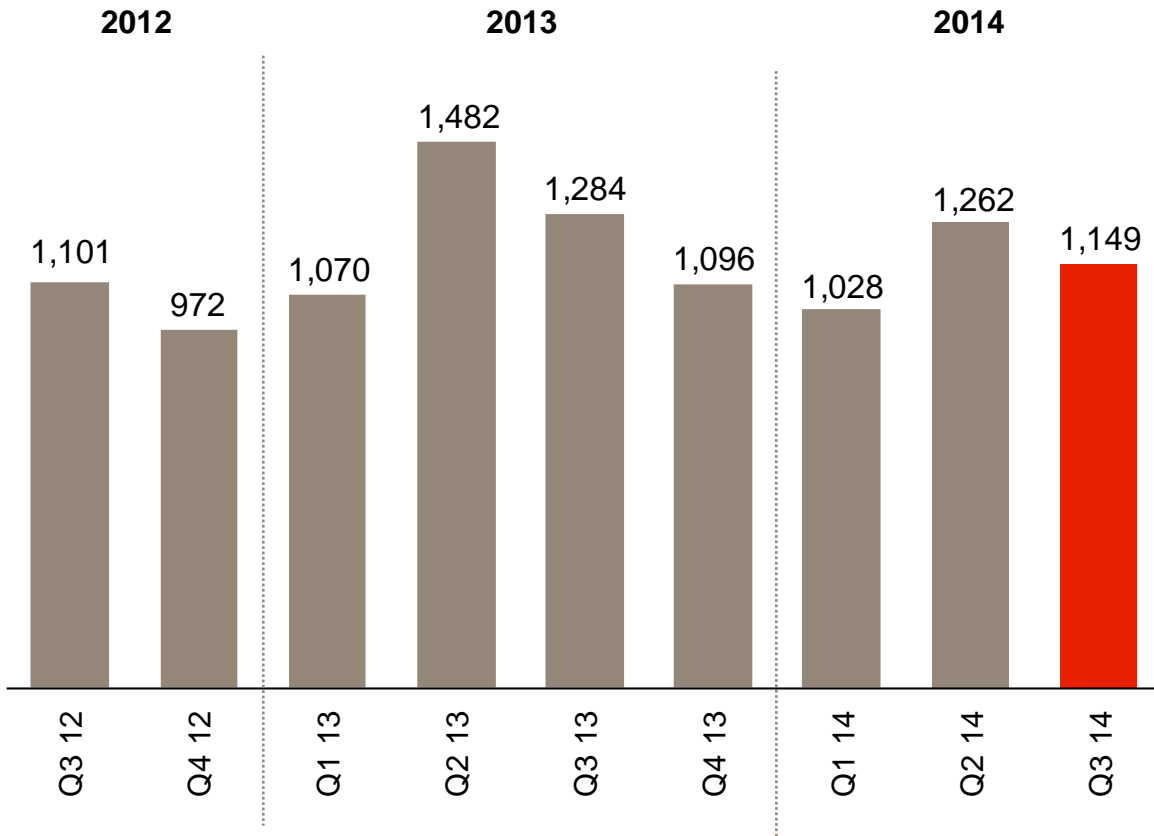
Q3 2014 cash flow from operating activities of EUR 268 million

In Q3 2014, cash flows used in investing activities included EUR 20 million capex

Q3 2014 cash flows from financing activities included EUR 118 million purchase of shares.

Net debt development

In EUR millions



> Q3 2014 Net Debt / EBITDA¹⁾ of 1.1x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding restructuring costs plus depreciation

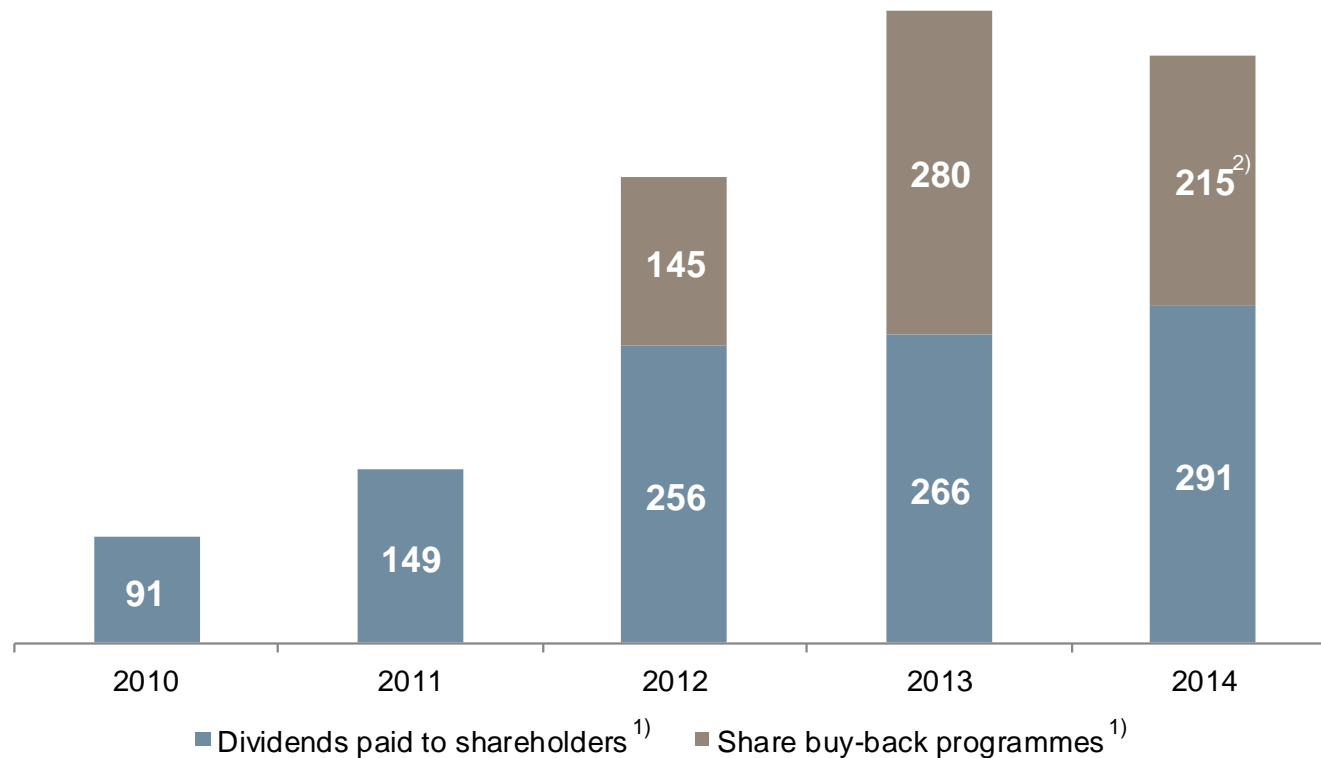
Financial Guidance

Based on current management expectations

FY 2014	Capex	>	~ EUR 80 million
	Interest expense	>	~ EUR 70 million
	Corporate costs	>	up to EUR 110 million
	Amortisation	>	~ EUR 35 million
	Restructuring	>	~ EUR 35 million
Q4 2014	Tax rate	>	Effective rate ~ 27%
	SG&A	>	Up slightly QoQ, organically and excluding restructuring costs, due to seasonality

Dividends and share buy-backs

EUR 1.7 billion since 2010



1) In EUR millions

2) Up to October 31, 2014

Strategy & Outlook

Patrick De Maeseneire, Group CEO

Outlook

**Adecco Group:
Revenues up 2% for
September and similar for
October, organically and
adjusted for trading days**

**Europe:
Slower growth driven
mainly by France and
Germany**

**North America:
Improving activity and a
more broad-based pick-up**

**Rest of the World:
steady development**

**Remain convinced we will achieve target
of >5.5% EBITA margin in 2015**