



PRESS RELEASE

Adecco SA confirms improved trends in the third quarter

Adecco Staffing shows positive sales growth

Highlights:

- Positive growth in sales and market share gains in major markets for Adecco Staffing
- Gross margin stabilisation and even stronger recovery in Ajilon Professional's gross margin
- Productivity improvement due to substantial cost reduction
- Reduction of Days Sales Outstanding by three days and generation of cash-flow from operating activities of CHF 288 million in the nine months
- Adecco well-positioned for current economic environment

CHESEREX, SWITZERLAND, October 23, 2002 – Adecco SA, the worldwide leader in HR solutions, today announced its results for the three months ended September 29, 2002. **Revenues** for the third quarter were CHF 6.4 billion, 1% below the corresponding period of last year in local currency, and above last year in August and September, confirming a sequential quarter-over-quarter improving trend since the beginning of the year. In CHF, revenues were down 9%. **Operating income** was CHF 201 million, down 42% in CHF and 37% in local currency. **Income before amortisation of intangibles** was CHF 120 million for the third quarter, down 43% in CHF and 38% in local currency. In the quarter, unfavourable currency fluctuations negatively affected revenues and operating income by 8% and 5%, respectively.

For the nine months, the company reported **revenues** of CHF 18.8 billion, down 10% in CHF and 5% in local currency. Operating income of CHF 572 million was down 41% in CHF and 37% in local currency. **Income before amortisation of intangibles** was CHF 322 million for the nine months of 2002, down 44% in CHF and 40% in local currency.

“We are happy to see that Adecco Staffing is showing positive growth in the third quarter. We have achieved market share gains in major markets, while gross margins have stabilised for the Group and have recovered strongly in Ajilon, our professional staffing division. As we were able to maintain our branch network, while reducing our costs we achieved substantial productivity improvements. Our strategy of carefully building and managing our branch network will further strengthen our market position to increase market share and to increase sales in a recovery without major cost addition.” said **Jérôme Caille**, Adecco's CEO.

Divisional Performance

Adecco Staffing reported positive sales growth in local currency in the third quarter. While profits remain below last year as a result of the lagging recovery of the permanent placement business, these positive results demonstrate

management focus on sales and profitability enhancement. For the nine months, the division posted revenues of CHF 16.5 billion, 8% below last year's figures in CHF and 3% down in constant currency.

Ajilon Professional revenues declined 27% to CHF 1.9 billion in the nine months, a 24% drop in local currency. The division achieved profitability improvement in Q3, as a result of a division wide effort aimed at restoring gross margins and aligning its cost base to trading conditions.

LHH Career Services increased revenues by 14% to CHF 328 million for the nine months, a 22% increase in local currency.

Jobpilot e-HR reported revenues of CHF 14 million for the nine months. The integration of Jobpilot continued as planned.

"All divisions showed positive developments." continued **Mr. Caille**. *"In the quarter we achieved the sales turn-around in Adecco Staffing with higher sales in local currency than a year ago. Ajilon Professional has successfully improved profitability by aligning its cost structure to the market conditions. LHH Career Services sustained sales and profit on a very high level and Jobpilot is on track to turning profitable."*

Outlook

The management of Adecco expects a positive first half of 2003, although short-term results are likely to be affected by the current economic environment.

Jobpilot AG Acquisition

As previously announced, the jobpilot AG AGM of August 22, 2002 voted in favour of a mandatory sales of the remaining shares not owned by Adecco against payment of a cash consideration in the amount of Euro 5.30 per share (squeeze-out). The resolution was filed with the Commercial Register and was registered on October 18. Quotation of the shares in Jobpilot AG at the Frankfurt Neuer Markt was lifted at the same day. The transfer of the remaining shares against payment of the consideration will occur on October 23.

US GAAP Results

For the nine months ended September 29, 2002, Adecco reported under **US Generally Accepted Accounting Principles (US GAAP)** revenues of CHF 18.8 billion and a net income of CHF 317 million, including CHF 5 million amortisation of other intangibles.

According to Chief Financial Officer, **Felix Weber**, *"Adecco continues to consider **operating income and income before amortisation of intangibles and one-time items** to be the most relevant benchmarks of the company's financial performance, as they measure our operational performance and our ability to fund growth and distribute dividends."*

Effective from fiscal year 2002, Adecco has adopted SFAS No 142, which requires that goodwill and other intangibles with indefinite/infinite lives no longer be amortised, but be subject to an annual impairment test. Intangibles with definite lives however continue to be amortised over the related lifetime.

Statements made in this press release, other than those concerning historical information, should be considered forward-looking and subject to risks and uncertainties. The Company's actual results may differ materially from the results anticipated in these forward-looking statements as a result of certain factors as set forth in the Company's reports on Form 20-F made pursuant to the Securities Exchange Act of 1934. For instance, the Company's results of operations may differ materially from those anticipated in the forward-looking statements due to, among other things: our ability to successfully implement our growth and operating strategies, fluctuations in interest rates or foreign currency exchange rates, changes in economic conditions, changes in the law or government regulations in the countries in which Adecco operates, instability in domestic and foreign markets, our ability to obtain commercial credit, and changes in general political, economic and business conditions in the countries or regions in which Adecco operates. In addition, the market price of the Company's stock may be volatile from time to time as a result of, among other things: the Company's operating results, the operating results of other staffing service providers, and changes in the performance of global stock markets in general.

About Adecco

Adecco SA is a Forbes 500 company and the global leader in HR Solutions. The Adecco network connects up to **700,000 associates** with business clients each day through its network of over **30,000 employees** and nearly **6,000 offices** in **62 countries** around the world. Registered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, Adecco delivers an unparalleled range of flexible staffing and career resources to corporate clients and qualified associates.

The Group comprises four Divisions, Adecco Staffing, Ajilon Professional, LHH Career Services and Jobpilot e-HR Services. In **Adecco Staffing**, the Adecco staffing network focuses on flexible staffing solutions for global industries in transition, including automotive, banking, electronics, logistics and telecommunications; **Ajilon Professional** offers an unrivalled range of specialised branded businesses; **LHH Career Services** encompasses our portfolio of outplacement and coaching; **Jobpilot e-HR** focuses on online recruiting activities for the Group.

Adecco SA is registered in Switzerland and is listed on the Swiss Exchange (ADEN / trading on Virt-x: 1213860), NYSE (ADO), Euronext Premier Marché (12819).

Further information can be found at the Investor Relations page at www.adecco.com.

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Selected Financial Highlights (Unaudited)

CHF millions	Three months ended		% change	
	September 29, 2002	September 30, 2001	CHF	Constant
Net service revenues	6,422	7,037	-9%	-1%
Operating income	201	347	-42%	-37%
Income before amortisation of intangibles and one-time items (1)	120	212	-43%	-38%
Net income (loss)	117	(49)		

(1) In the first quarter 2001, one-time items include internet investment write-down of CHF 15 million and the cumulative effect of change in accounting principles, net of tax, of CHF 8 million.

CHF millions	Nine months ended		% change	
	September 29, 2002	September 30, 2001	CHF	Constant
Net service revenues	18,808	20,870	-10%	-5%
Operating income	572	964	-41%	-37%
Income before amortisation of intangibles and one-time items (1)	322	579	-44%	-40%
Net income (loss) (2)	317	(341)		
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Income per share before amortisation of intangibles and one-time items (1)				
Basic	1.72	3.11	-45%	
Diluted	1.70	3.03	-44%	
Weighted average shares	186,495,125	185,924,481		
Diluted shares	192,934,530	192,881,274		

(1) In the first quarter 2001, one-time items include internet investment write-down of CHF 15 million and the cumulative effect of change in accounting principles, net of tax, of CHF 8 million.

(2) For the nine months ended September 30, 2001, net income (loss) and net income (loss) per share include goodwill amortisation. For the nine months ended September 30, 2001, the adjusted net income (under SFAS No. 142) is CHF 467 million; the adjusted basic EPS is CHF 2.51 and the adjusted diluted EPS is CHF 2.45.

Income before amortisation of intangibles and one-time items is not meant to portray net income or cash flow in accordance with U.S. generally accepted accounting principles. Amortisation is a non-cash charge to operating income; however, income before amortisation of intangibles and one-time items does not represent cash available to shareholders. This may not be comparable to similarly entitled items reported by other companies. Up to December 30, 2001, Adecco amortised goodwill over its estimated life of five years. In fiscal year 2002, goodwill is no longer amortised.

Net Service Revenues	Three months ended		% change	
	September 29, 2002	September 30, 2001	CHF	Constant
By Division				
Adecco Staffing	5,725	6,101	-6%	1%
Ajilon Professional	595	830	-28%	-20%
LHH Career Services	94	106	-11%	2%
Jobpilot e-HR	8	0	n.m.	n.m.
By Region				
Europe	4,059	4,336	-6%	-3%
North America	1,617	1,875	-14%	0%
Asia/Pacific	593	634	-7%	4%
Rest of World	153	192	-20%	16%
Total	6,422	7,037	-9%	-1%

Net Service Revenues	Nine months ended		% change	
	September 29, 2002	September 30, 2001	CHF	Constant
By Division				
Adecco Staffing	16,536	17,922	-8%	-3%
Ajilon Professional	1,930	2,658	-27%	-24%
LHH Career Services	328	289	14%	22%
Jobpilot e-HR	14	1	n.m.	n.m.
By Region				
Europe	11,523	12,655	-9%	-5%
North America	4,999	5,826	-14%	-9%
Asia/Pacific	1,765	1,812	-3%	7%
Rest of World	521	577	-10%	14%
Total	18,808	20,870	-10%	-5%

Additional information available upon request.