



Q3 2005 Results Presentation

Jérôme Caille
Group CEO

Jim Fredholm
Group CFO

London, November 16, 2005



Adecco



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. (the "company") as of the date of this release, and we assume no duty to update any such forward-looking statements. 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 US state unemployment tax reviews; the resolution of a French anti-trust investigation; the resolution of the US class action litigation; and any adverse developments in existing commercial relationships, disputes or legal proceedings.

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. Please refer to the company's most recent Annual Report on Form 20-F and other reports filed with or submitted to the United States Securities and Exchange Commission from time to time, for a further discussion of the factors and risks associated with our business.

Today's Agenda

- | | |
|------------------------------|---------------|
| 1. Operational Review | Jérôme Caille |
| 2. Financial Review | Jim Fredholm |
| 3. Outlook | Jérôme Caille |



1. Operational Review

Jérôme Caille
Chief Executive Officer

Highlights

Q3 2005 Highlights

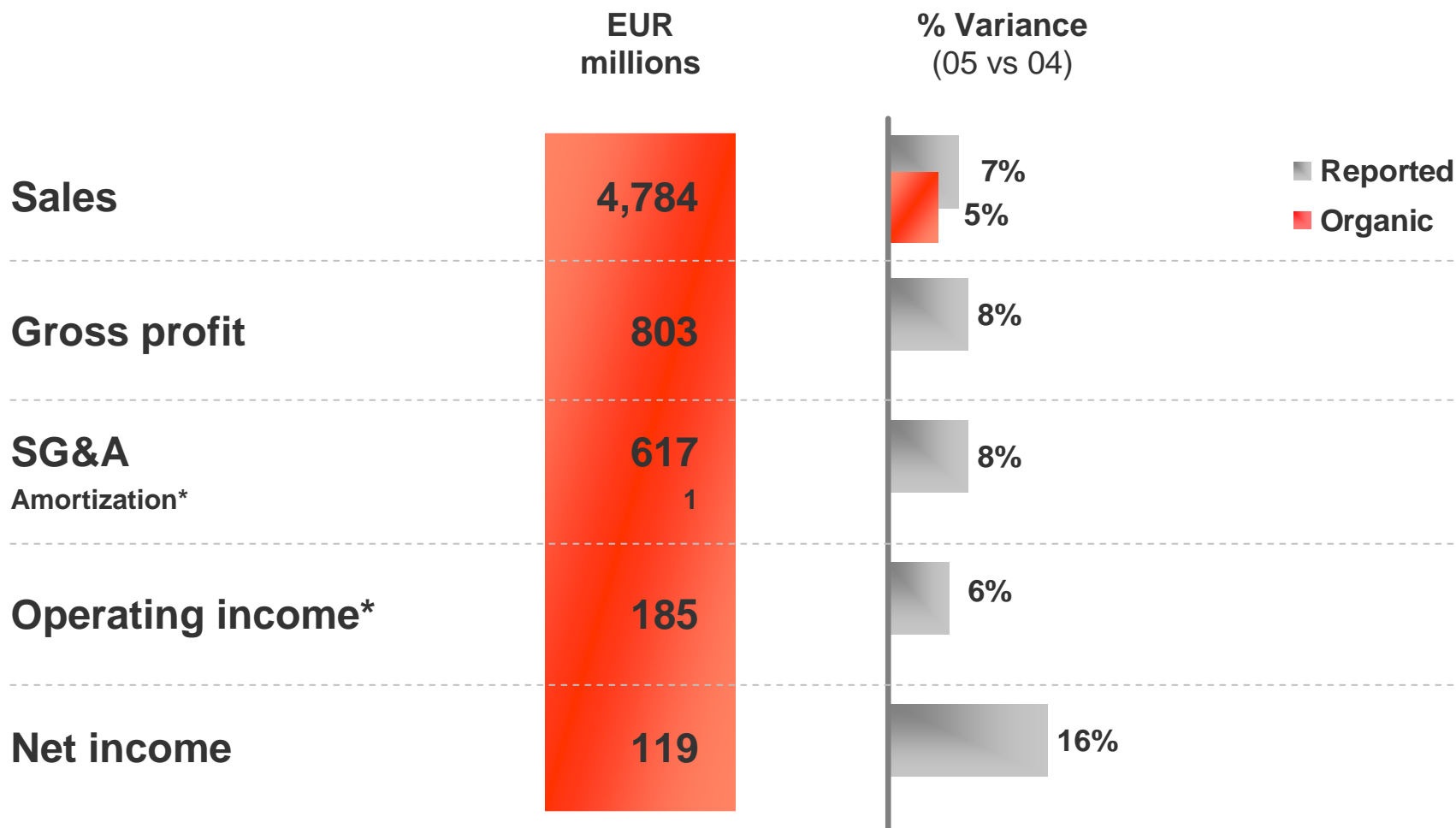
- Revenues of EUR 4.8 billion, up 7% (5% organically*)
- Permanent placement revenues up by 21%
- Gross margin improvement of 20 bps to 16.8%
- Organic network growth of 5% to 6,600 offices and of worldwide headcount by 10% to 33,000 FTEs yoy
- Operating income of EUR 185 million, up 6%
- Net income of EUR 119 million, up 16%;
EPS of EUR 0.64 (2004: EUR 0.55)

Subsequent events

- Sale of non core minority holding will result in an exceptional gain of EUR 30 million
- Completion of the StaffWise Legal acquisition in the US

*Organic revenue growth is in constant currency excluding acquisitions Humangroup and Altedia

Q3 2005 Results Summary

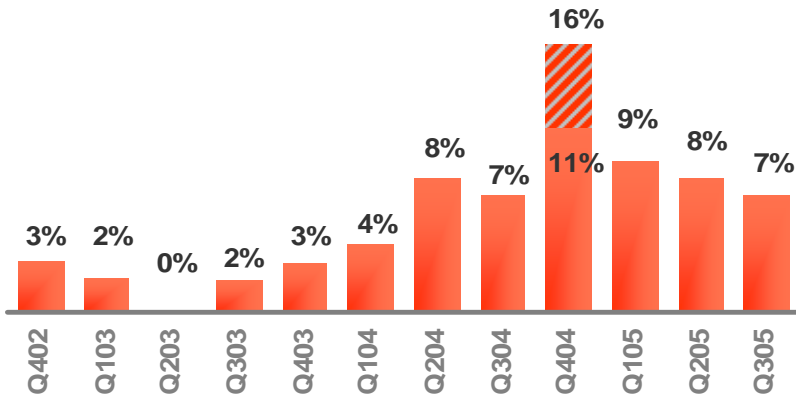


* Amortization of intangibles of EUR 1 million for Q3 2005 compares to Q3 2004 of EUR 0 million

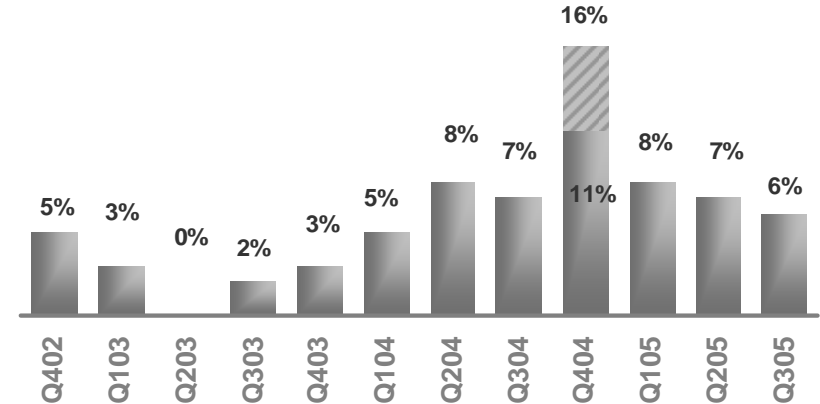
Over Two Years of Sales Growth

in constant currency

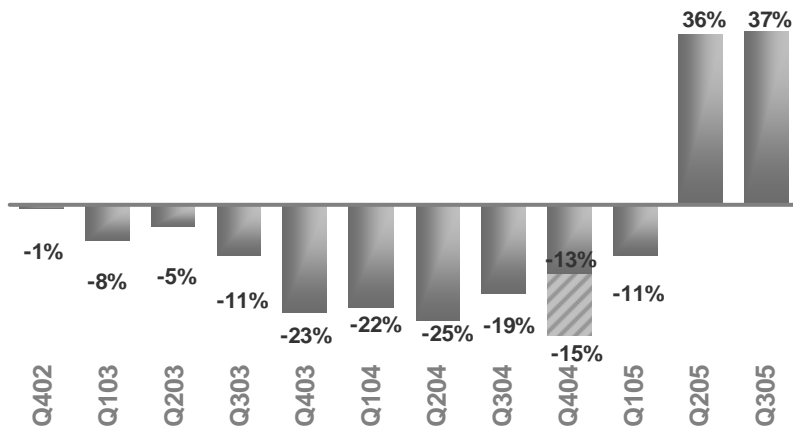
GROUP



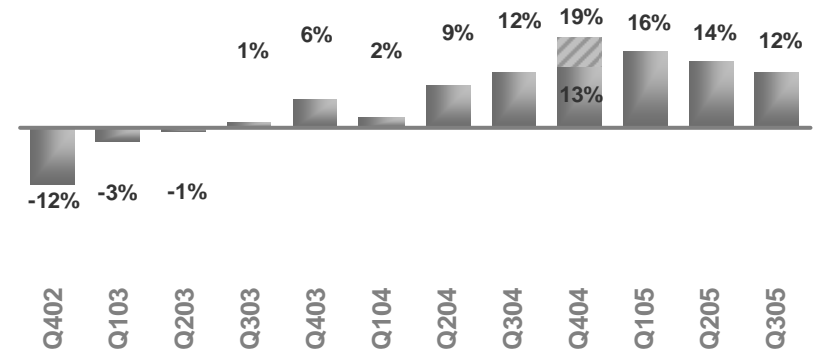
Adecco Staffing (88% of Group)



LHH Career Services (1% of Group)



Ajilon Professional (11% of Group)



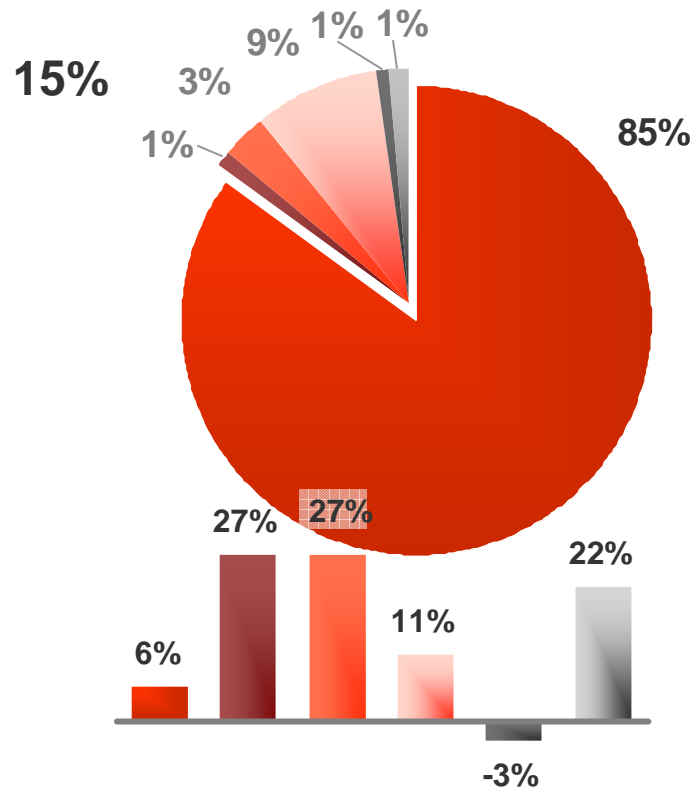
 Impact 14th week

Growth engines by business line

September YTD 2005

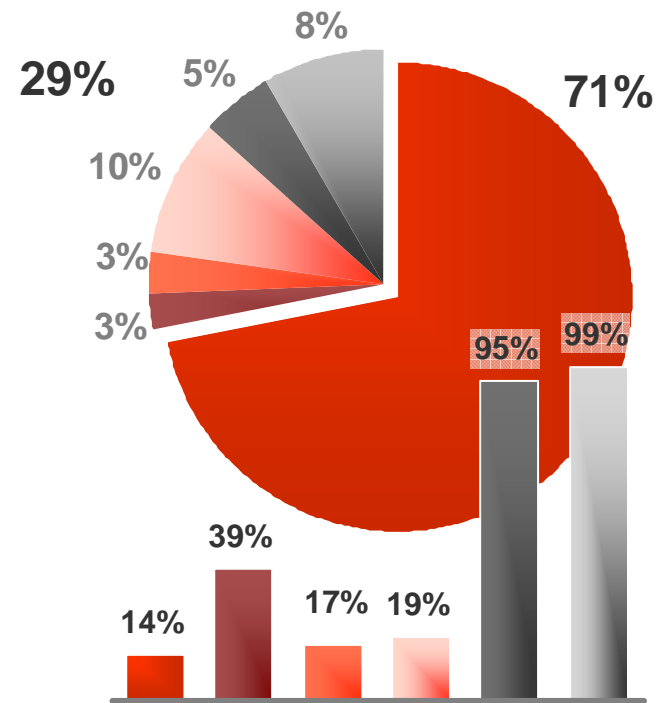
Revenues and growth

(as % of Total, YoY growth)



Gross Profit and Gross Margin

(as % of Total, Gross Margin %)



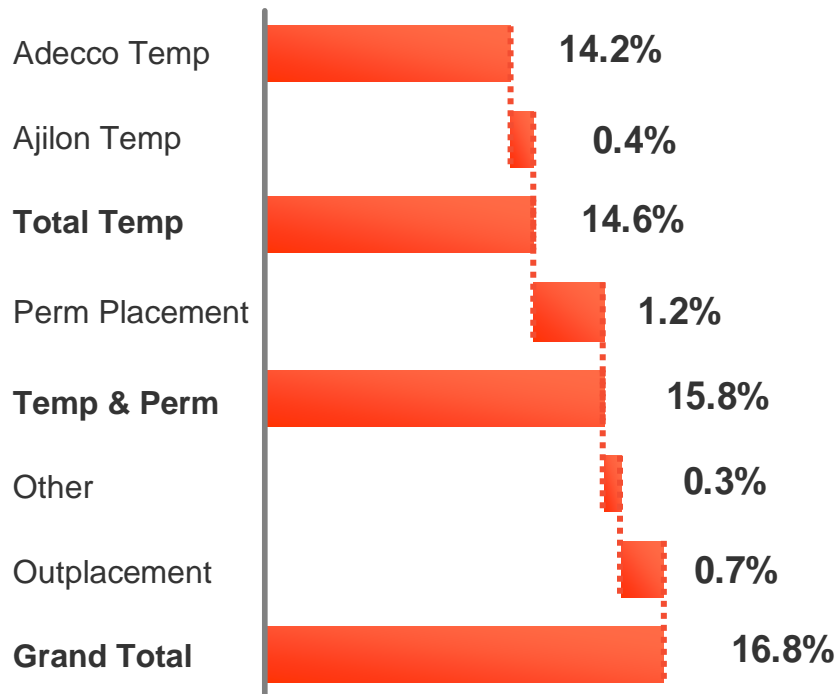
- Adecco – Temps
- Outsourcing
- Outplacement
- Other
- Ajilon – Temps
- Permanent Placement



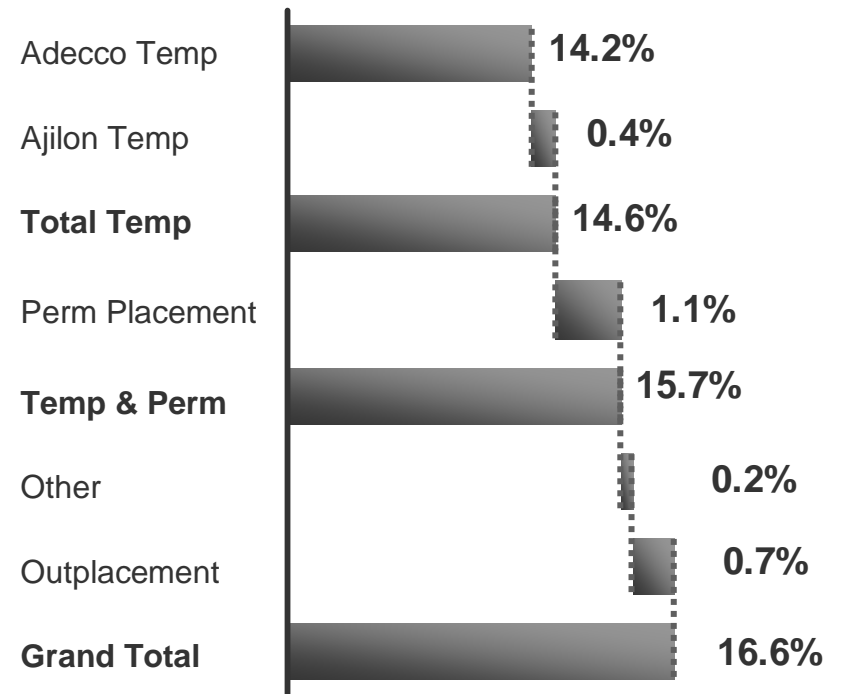
Q3 2005 – London, November 16, 2005

The Drivers for Change – Q3

Q3 2005

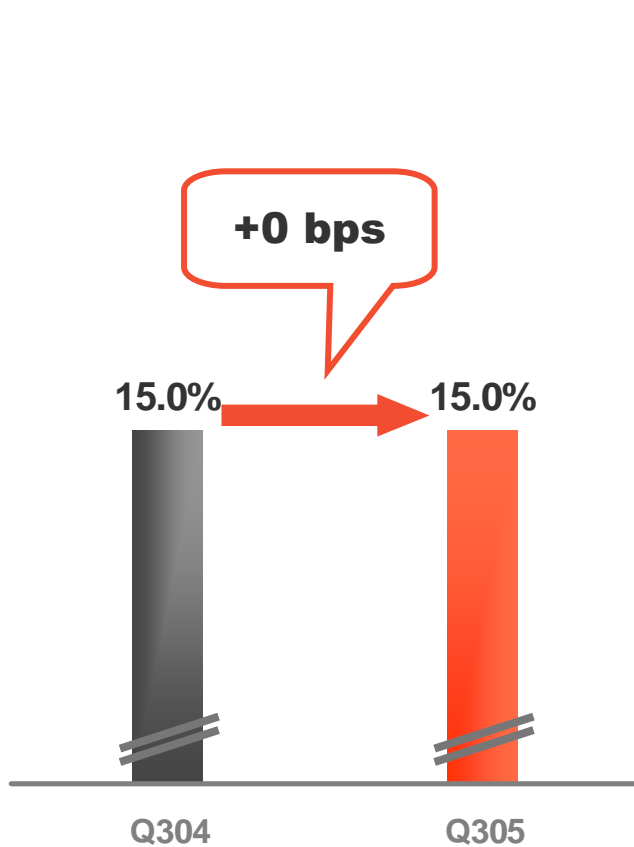


Q3 2004

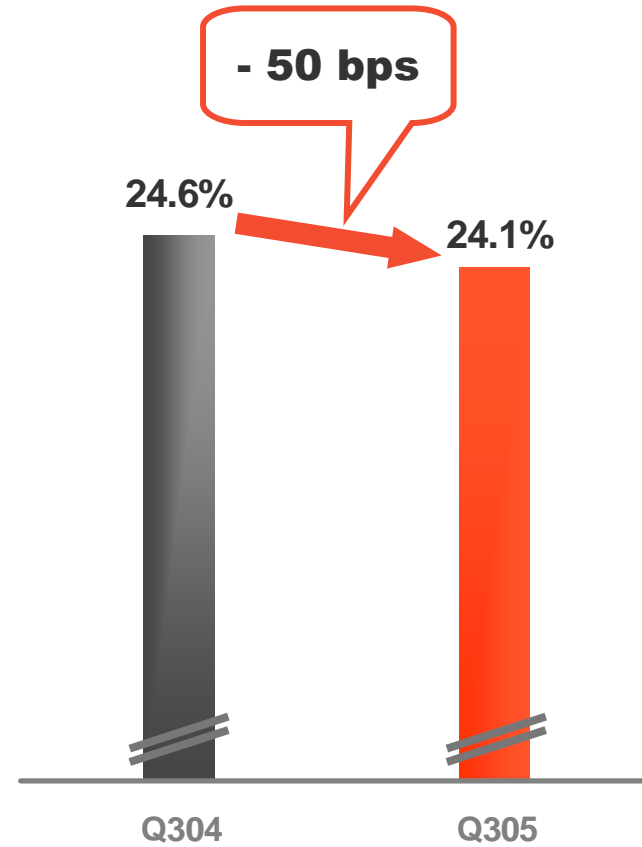


Q3 Gross Margin Development in constant currency

Adecco Staffing



Ajilon Professional



Mixed Performance in Adecco France

- Flat revenue growth in Q3 2005
 - Sluggish automotive sector
 - More selective approach to lower margin business
 - Number of customers growing
- Gross margin down 30 bps
 - Competitive pressure
 - Initial positive impact of permanent placement
- Operating profit down 18%
 - Opened 46 new offices, added 140 FTEs
- Action plan in place:
 - Investments in permanent placement and specialty offices
 - Cost control plan in place
 - Key regional management appointments

Turnaround in Adecco North America

- Revenues down 4%, but 2% growth excluding divested business
- 30% increase in permanent placement revenues
- Gross margin up 110 bps
 - Focus on higher bill rate business
 - Continued favorable evolution in workers compensation
- Record operating profit of EUR 22.9 million, 3.2% of sales
 - Continued reduction of discretionary costs
 - DSO improvement of 3 days
- New business implementation underway

Results in Other Main Businesses

Excellent results in Japan

- Strong all-round business performance:
 - 13% sales growth above market
 - 70bps increase in gross margin
 - 37% EBITA growth
- Delivering on branch expansion strategy

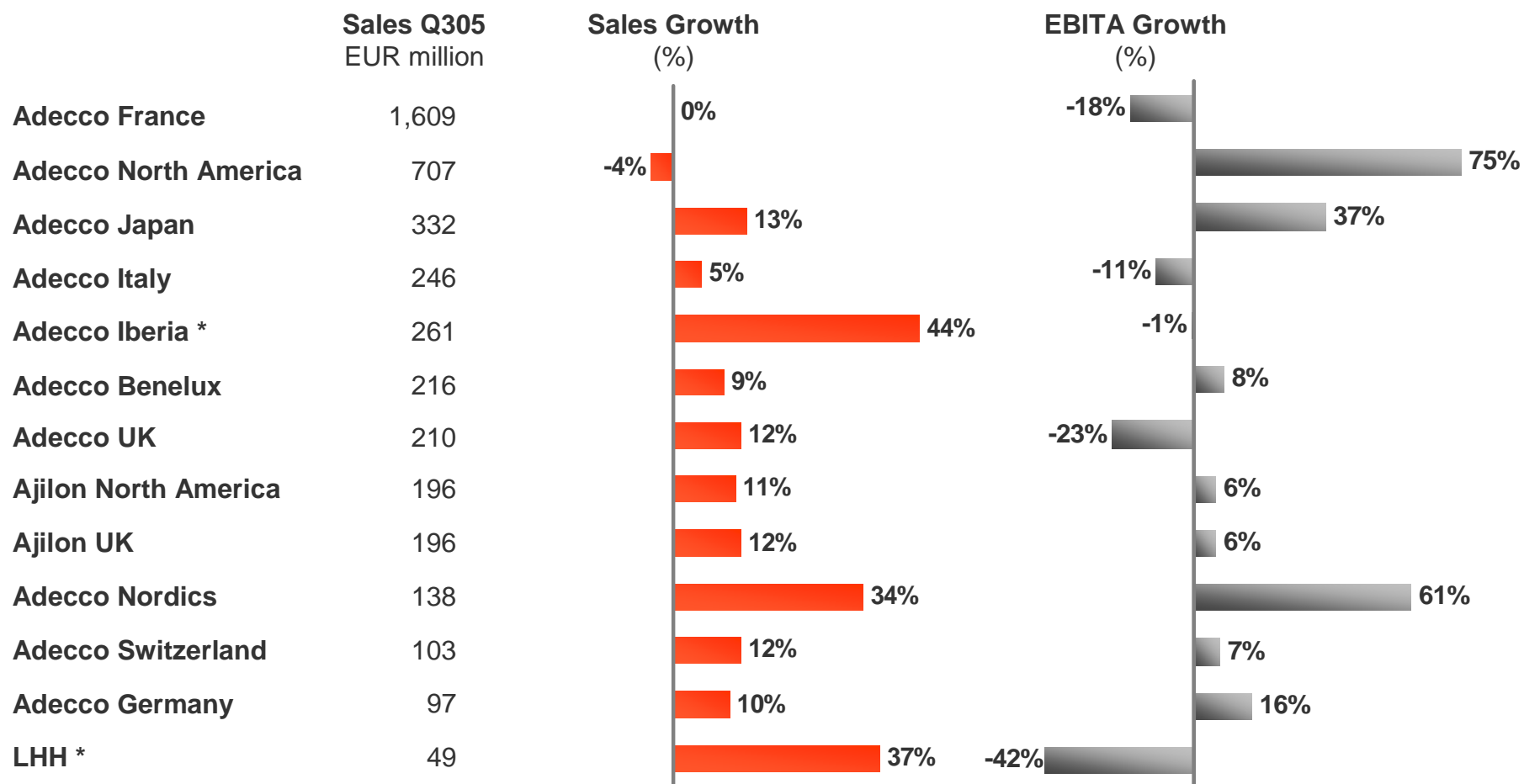
Ajilon continues to grow

- Sales increased by 12%
 - Increase across key markets
 - Finance, Office and Legal strong in North America
 - Stronger IT and Engineering compensated for weaker Office in UK
- Reduction of 50bps in gross margin as result of change in business mix

Sales and EBITA Growth at Major Business Units

in constant currency

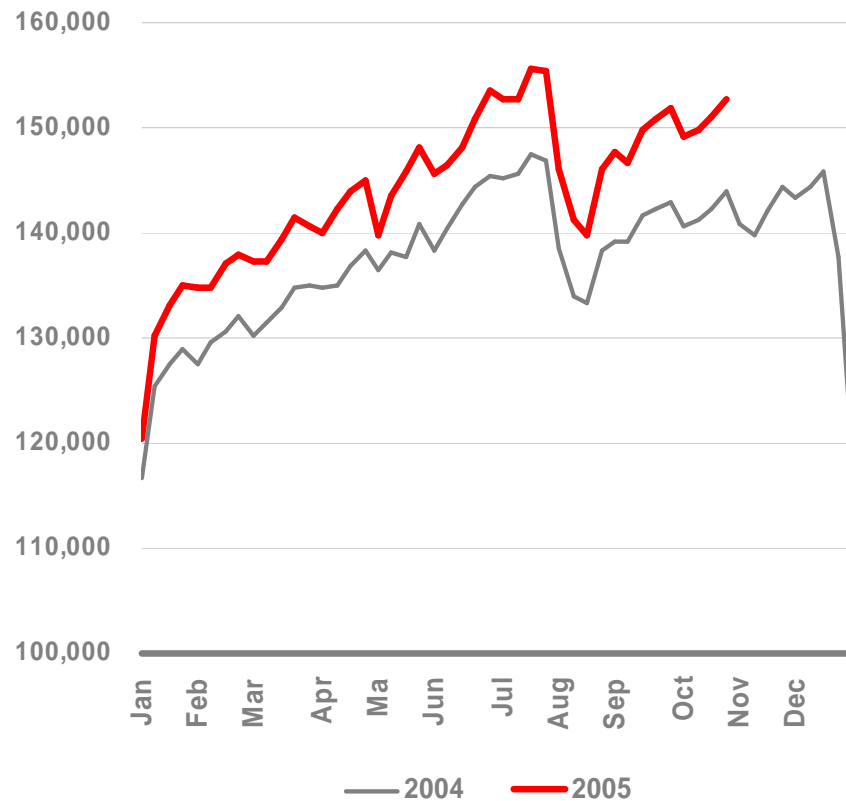
Q3 2005 vs Q3 2004



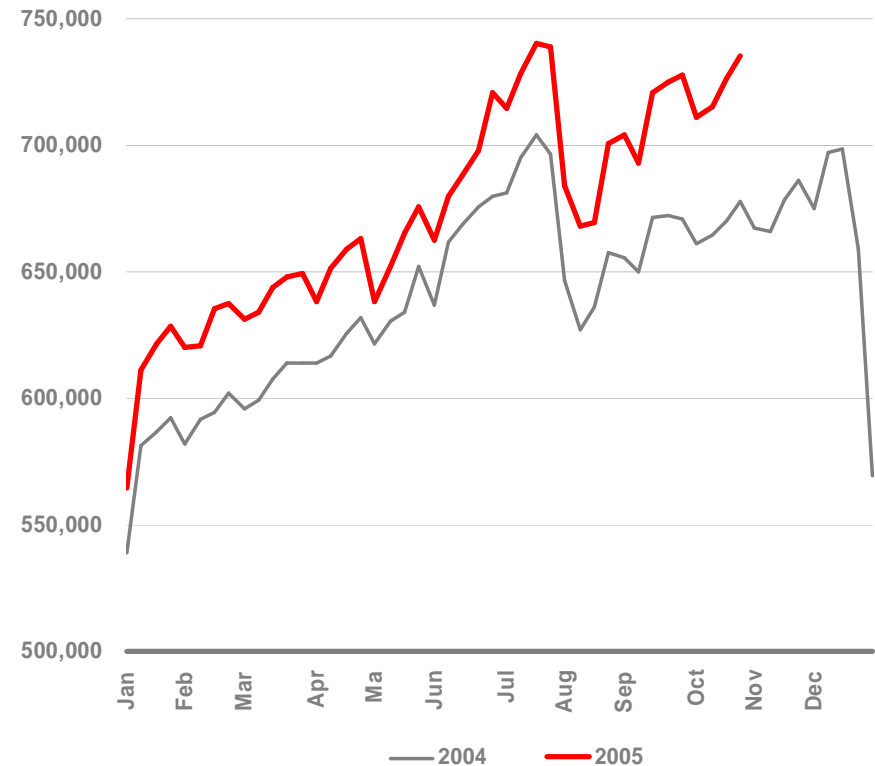
* Includes acquisitions

Trading Update (Adecco Group)

Client Base



Number of Temporary Associates



Ajilon's Acquisition of StaffWise Legal

- Legal staffing and recruiting firm
- Solutions from single placements to full project staffing
- Temporary and permanent legal professions e.g. attorneys and paralegals
- Offices in Washington D.C. (HQ), Baltimore, Chicago, New York, Philadelphia and St. Louis.
- Strengthens the position of Ajilon's legal branch as well as its market position on the US east coast in general.
- Enlargement of Ajilon's deep knowledge of specialized staffing and HR solutions.



2. Financial Review

Jim Fredholm
Chief Financial Officer

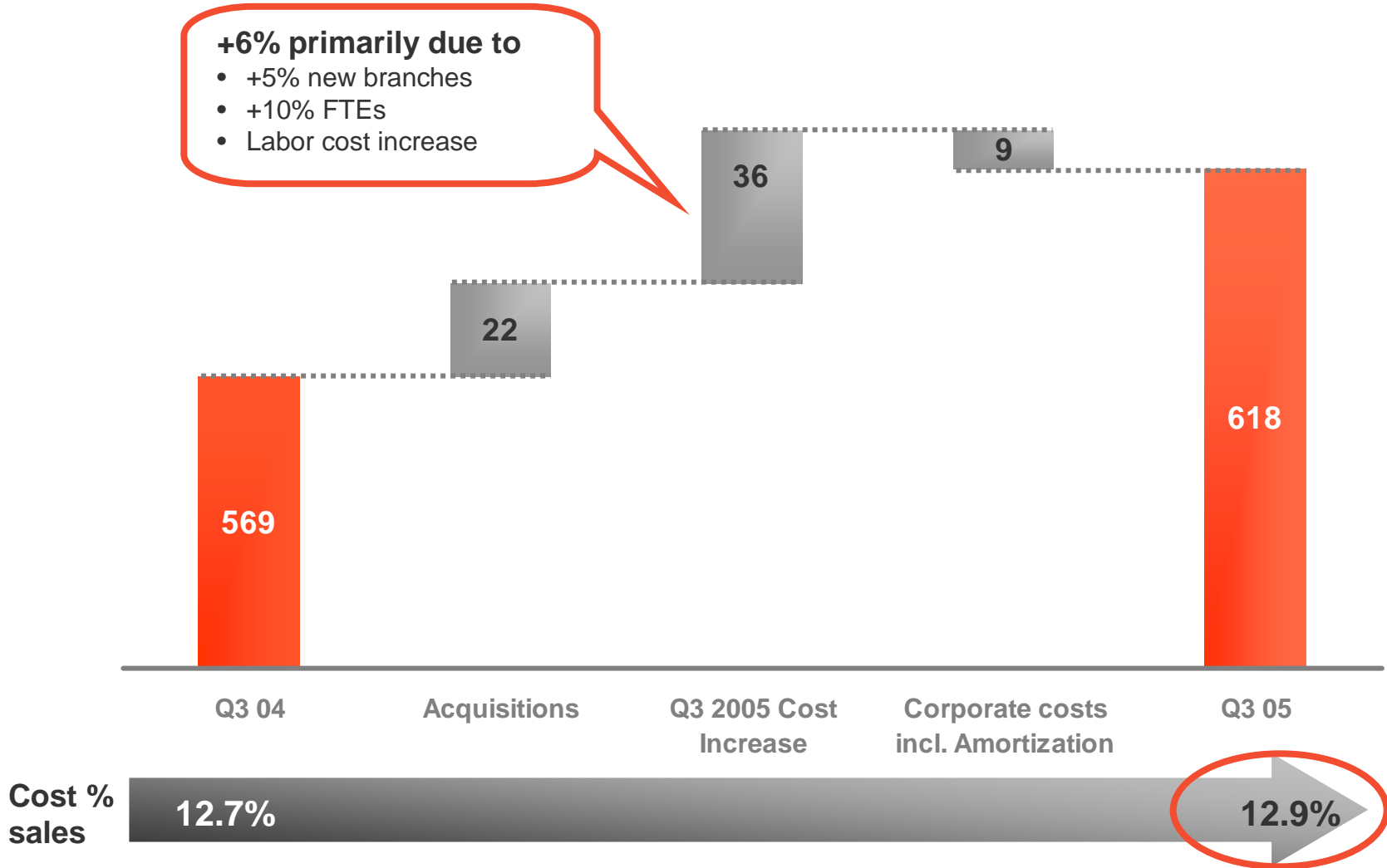
Q3 2005 Results in Detail

in EUR millions

	Three months ended				Nine months ended			
	October 2,	September 26,	Variance %		October 2,	September 26,	Variance %	
	2005	2004	EUR	Constant	2005	2004	EUR	Constant
Revenues	4,784	4,468	7%	7%	13,410	12,548	7%	8%
Direct costs of services	(3,981)	(3,725)			(11,170)	(10,459)		
Gross margin	803	743	8%	8%	2,240	2,089	7%	8%
	16.8%	16.6%			16.7%	16.6%		
Selling, general & administrative expenses	(617)	(569)			(1,788)	(1,741)		
Amortisation of intangibles	(1)	-			(2)	(1)		
Operating income	185	174	6%	6%	450	347	30%	31%
%	3.9%	3.9%			3.4%	2.8%		
Interest and other expenses	(11)	(14)			(42)	(39)		
Income applicable to minority interests	-	-			(1)	-		
Provision for income taxes	(55)	(58)			(125)	(111)		
Income from continuing operations	119	102	16%		282	197	43%	
	2.5%	2.3%			2.1%	1.6%		
Income from discontinued operations	-	-			-	30		
Net income	119	102	16%		282	227	24%	
	2.5%	2.3%			2.1%	1.8%		

Cost Base Movement *

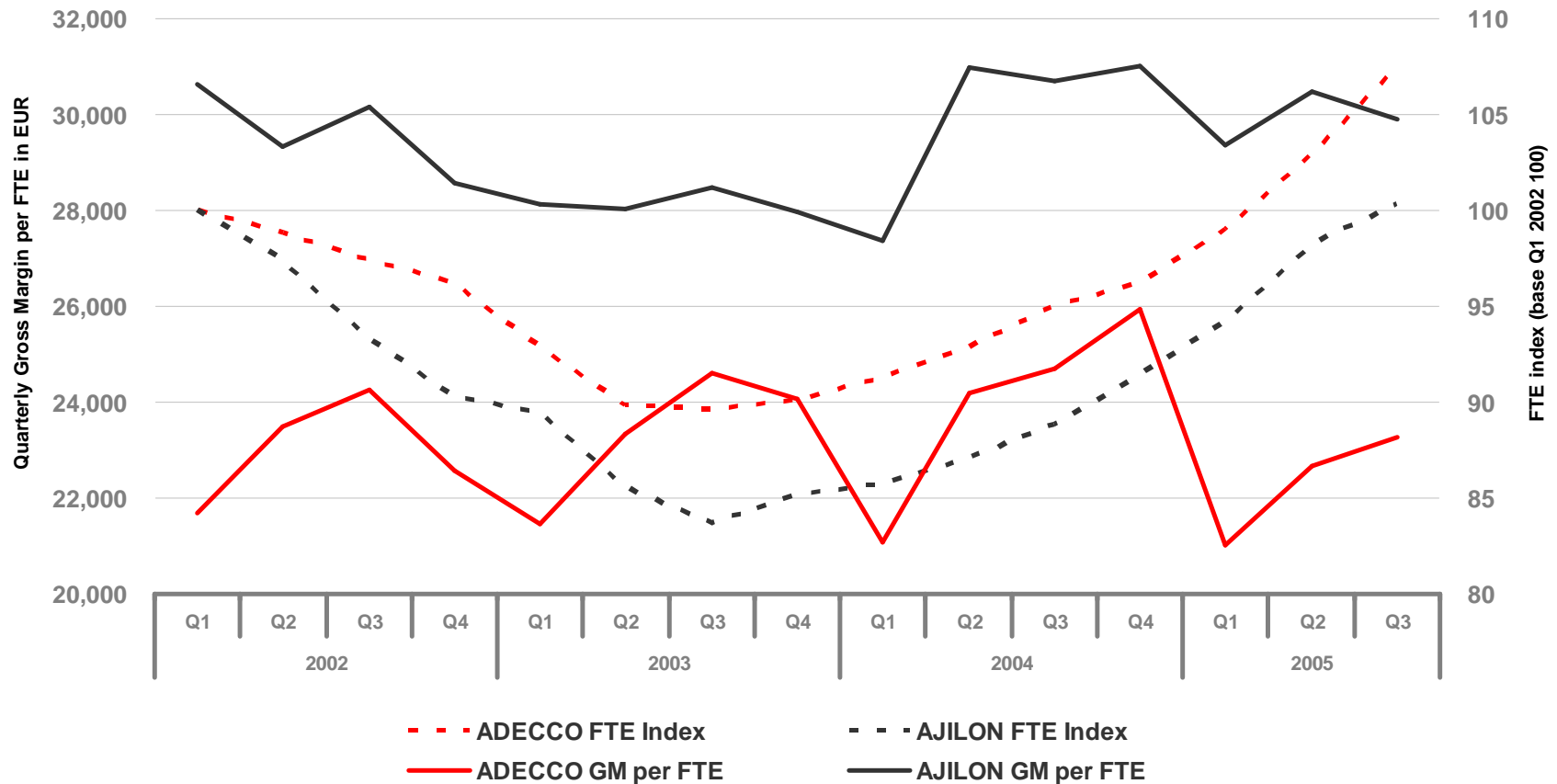
in EUR millions



* SG&A and amortization

Stable productivity in a hiring phase

Gross Margin per FTE & FTE index



Balance Sheet

in EUR millions

	October 2, 2005	January 2, 2005
ASSETS		
Cash and short-term investments	725	1,203
Trade accounts receivable, net	3,700	3,149
Other current assets	274	260
Property, equipment & leasehold improvements, net	247	261
Other assets	331	364
Goodwill & intangibles	<u>1,457</u>	<u>1,204</u>
Total assets	<u>6,734</u>	<u>6,441</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Accounts payable and accrued expenses	3,348	3,025
Short and long-term debt	1,293	1,502
Other liabilities	154	139
Minority interest	11	2
Shareholders' equity	<u>1,928</u>	<u>1,773</u>
Total liabilities & shareholders' equity	<u>6,734</u>	<u>6,441</u>
Net debt (1)	569	299

(1) Net debt comprises short-term and long-term debt as well as off balance sheet debt less cash and cash equivalents and short-term investments. The off balance sheet debt at October 2, 2005 relates to the sale of receivables from Humangroup (EUR 1 million).

Cash-flow Statements

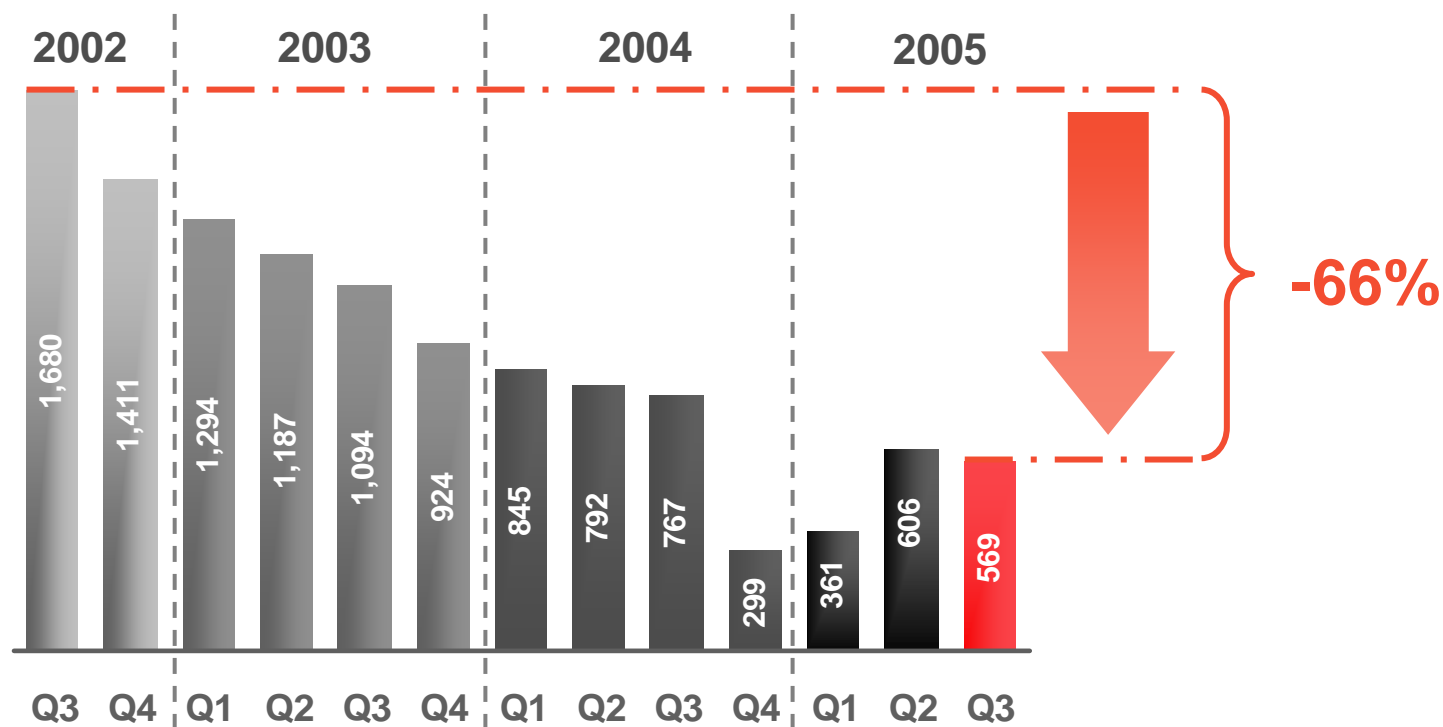
in EUR millions

	Nine months ended	
	<u>October 2, 2005</u>	<u>September 26, 2004</u>
Net income	282	227
Income from discontinued operations	-	(30)
Depreciation and amortisation	80	91
Change in operating assets/liabilities	(247)	(176)
Others	43	51
Cash flow from operations of continuing operations	158	163
Cash flow from investing activities of continuing operations	50	28
Cash flow used in financing activities of continuing operations	(445)	(109)
Net proceeds from the sale of discontinued operations	-	64
Effects of exchange rate changes on cash	14	-
Net increase (decrease) in cash and cash equivalents	(223)	146

Financial Strength

Net debt in EUR millions*

Significant net debt reduction since Q3 2002 – minus 66%



* Includes off balance sheet debt (In EUR; 2002 Q3:61m Q4:59m; 2003 Q1:37m Q2:36m Q3:36m Q4:36m; 2004 Q1:37m; from Q2 2004 to Q1 2005 there is no off balance sheet debt due to the cancellation of the external financing of the securitization agreement; Q2 2005: 14m; Q3 2005: 1 m – both relating to Humangroup sale of receivables)

Prior periods have been changed due to the reclassification effect of the discontinued operations of the jobpilot group.



3. Outlook

Jérôme Caille
Chief Executive Officer

Strategic priorities

Adecco's Vision

HR and career partner for clients, candidates and governments

Expand Service Offering

Expand into professional staffing (perm & temp), HR consulting, managed services to global accounts and focus on SMEs

Geographical Focus

Invest in key countries and focus on operational excellence in each country

Delivery Model

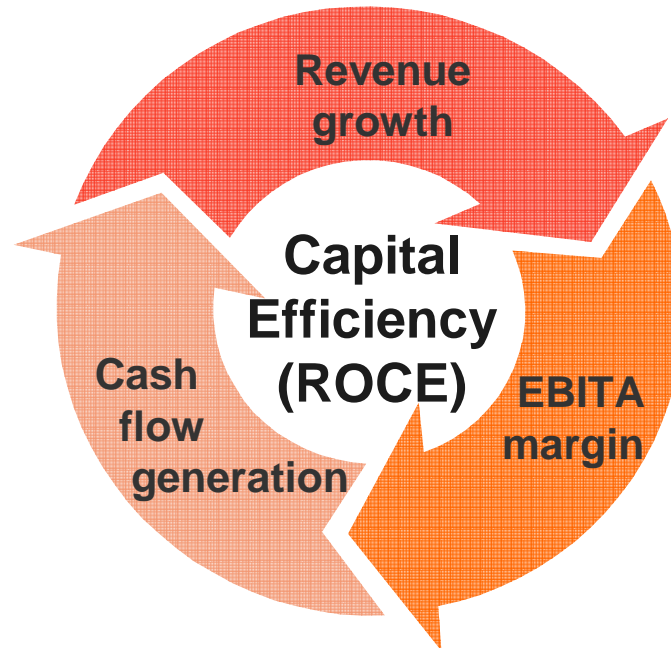
Internet at the core of our services to reduce our cost to serve and maximize relation with candidates and clients

People

Rely on and invest in talented and motivated people

Combination of organic growth and selective acquisitions

How to create value - Long-term targets



Sales: at or above the market in each country

Exp. global market growth 6-8%

+ Japan, Germany, NL, UK, Emerging Markets

= US, Italy, Belgium, Spain

- France

+ = - above, inline, below global market

EBITA margin: 5%

- Upgrade business to professional staffing, managed services and HR consulting
- Customer mix
- Operating excellence in all countries

Cash flow generation

- Improve DSOs
- Lower tax and interest
- Maintain investments
- Selective acquisitions

Outlook

Sales growth, at or above market

- Long-term structural growth in industry
- Recent volume growth above Q3 levels

Manage costs and increase profitability

- Continued margin improvements
 - Price discipline
 - Permanent placement
 - Business mix
 - Further service specialization
 - SG&A on similar levels as in Q3

Improve performance in key markets

- France - build higher margin growth channels
 - return to market growth with focus on profitability
- US - resume market growth and continue with profitability improvement



Thank You!

Q&A session



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