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Q2 & H1 2006 Results

Glattbrugg, August 11, 2006

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 competes; changes in the Company's ability to attract and retain qualified temporary personnel; the resolution of US unemployment tax reviews, the resolution of the French anti-trust investigation and the resolution of the US class action; and any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

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



Today's Agenda

Introduction

Dieter Scheiff

Financial Review

Dominik de Daniel

Outlook

Dieter Scheiff



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Introduction

- **Management transition completed**
- **Continued good performance in Q2**
 - 10% organic revenue growth
 - encouraging profitability improvements
- **Implementation of new 6 global business lines on track**
- **Invitation to Strategy Days in Valencia on September 28 & 29, 2006**



Financial Review

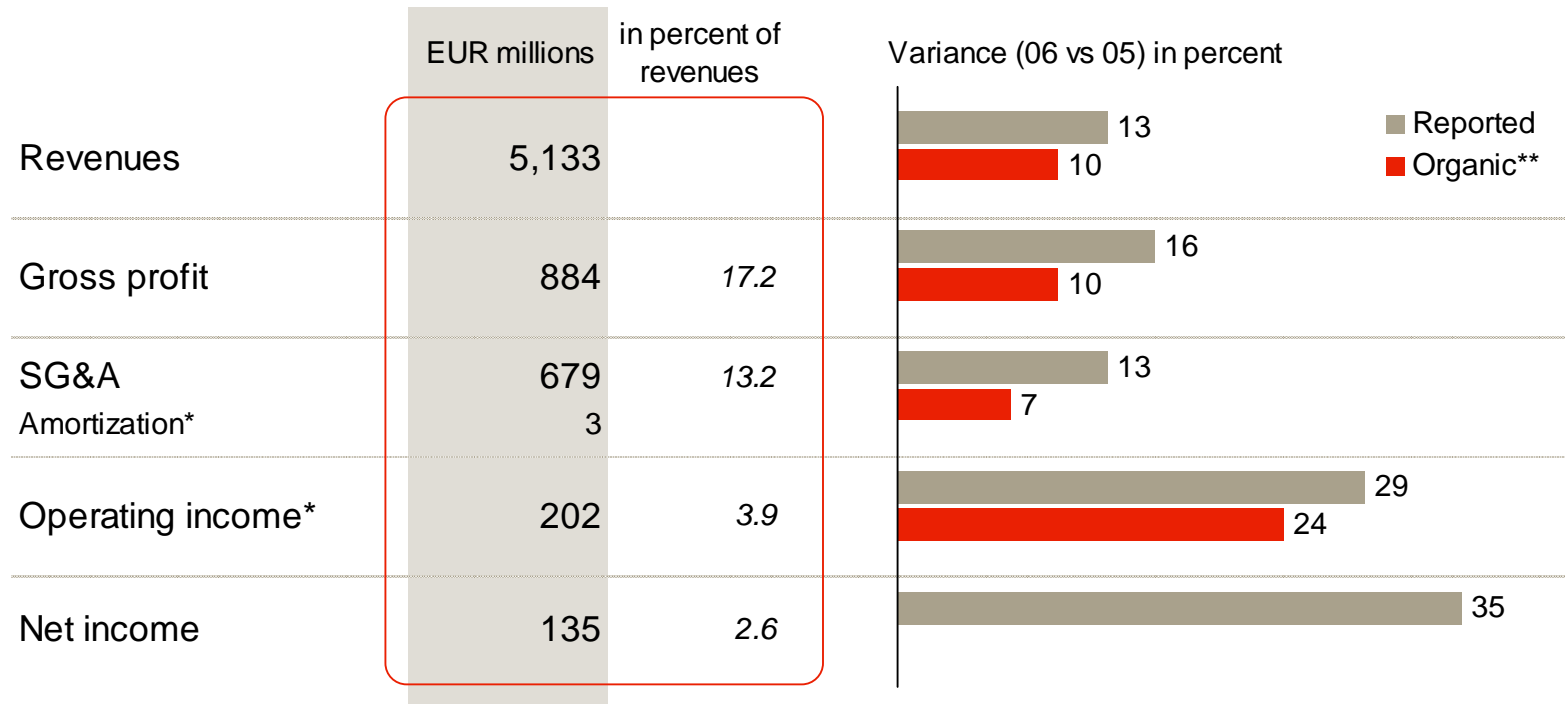
Dominik de Daniel, Group CFO



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Q2 2006 Results Summary



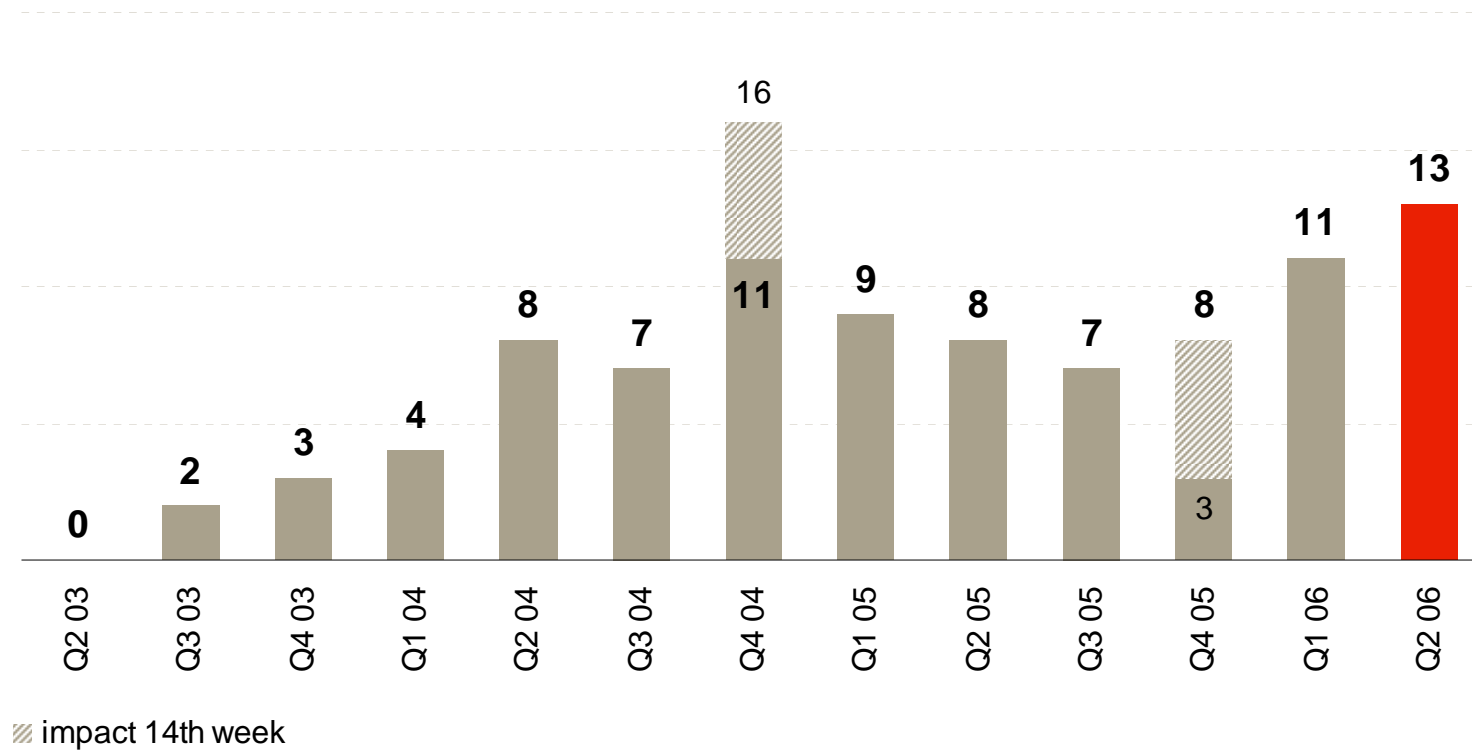
* Amortization of intangibles of EUR 3 million for Q2 2006 compares to EUR 1 million in Q2 2005.

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Group Revenue Growth

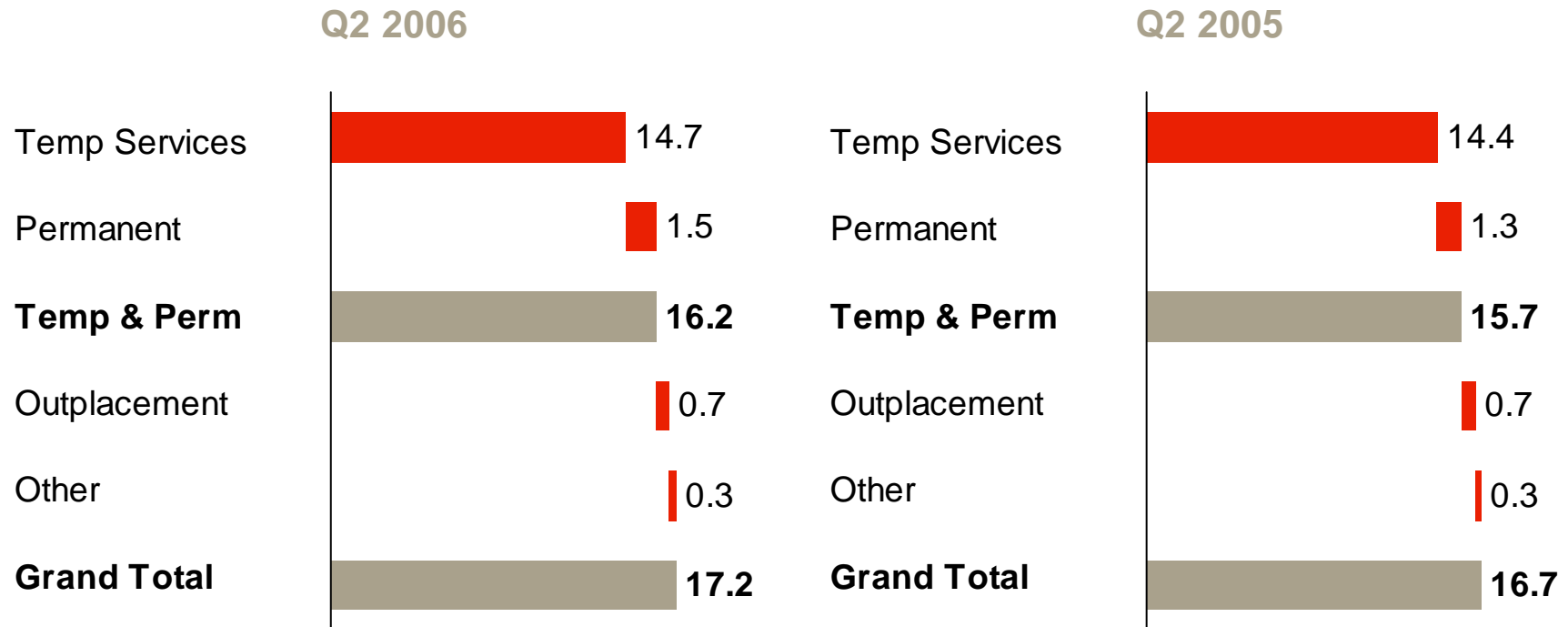
Constant currency year-on-year growth in percent



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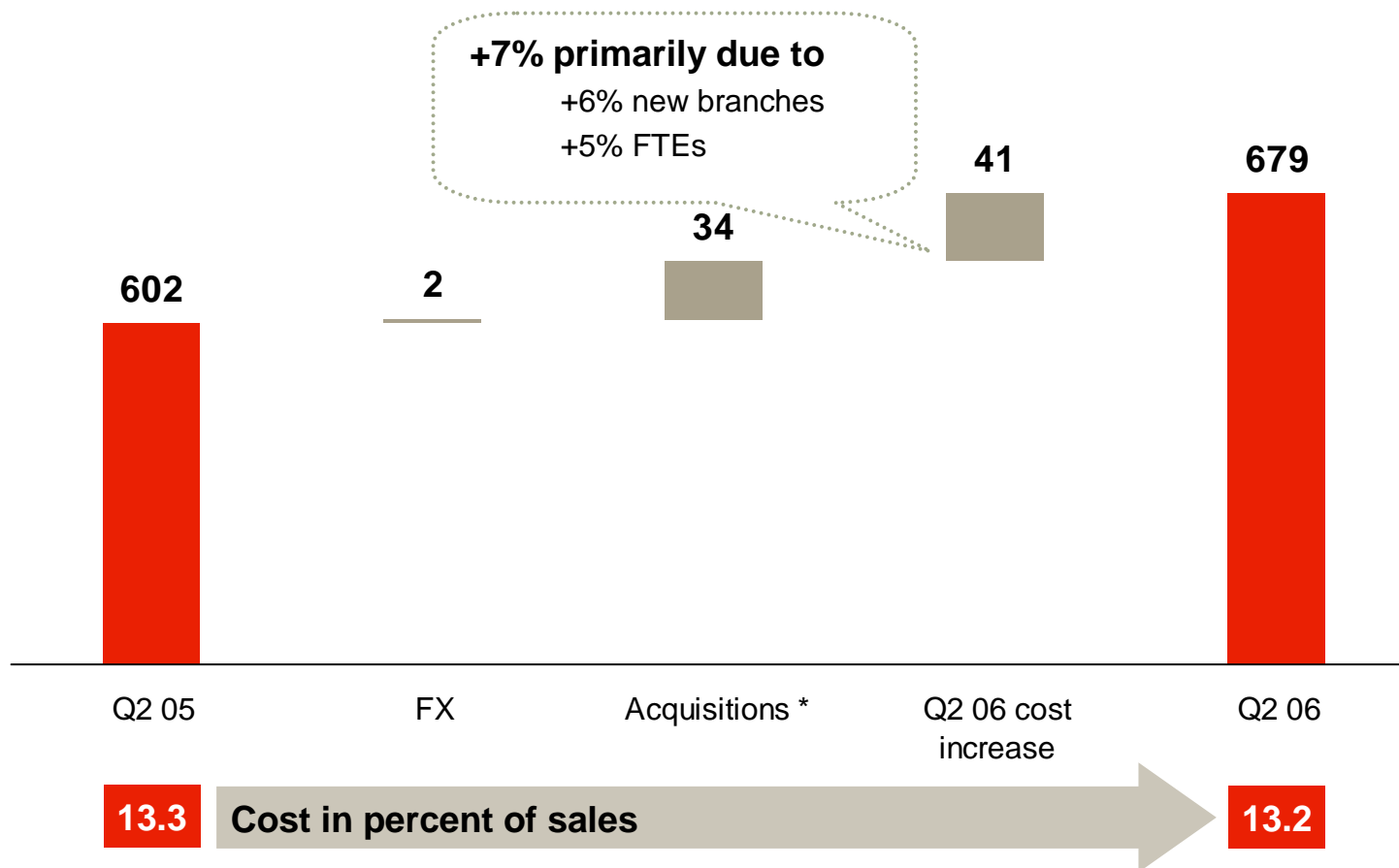
Gross Margin Drivers

In percent of revenues



Q2 2006 SG&A Movement

In EUR millions



* Altedia, Humangroup and DIS

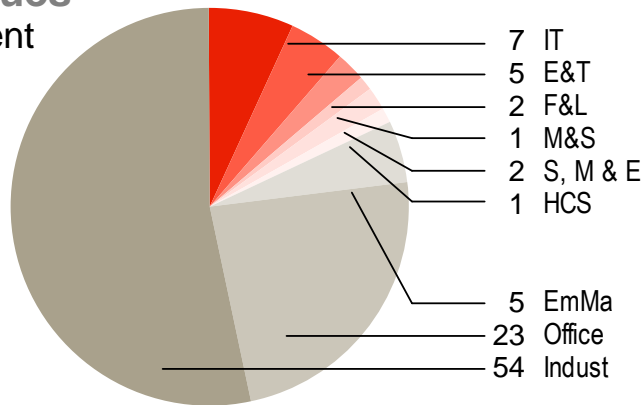


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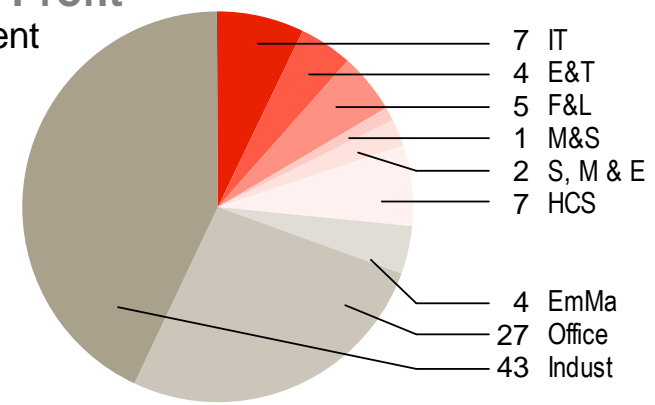
Q2 2006 Business Lines

Based on dedicated branches

Revenues
in percent

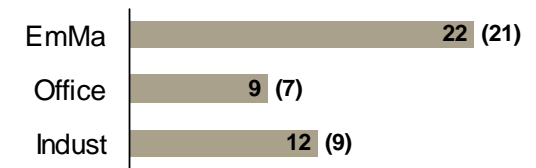
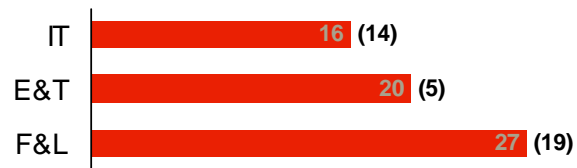


Gross Profit
in percent



Revenues

constant currency year-on-year growth in percent (organic growth)



IT Information Technology
E&T Engineering & Technical
F&L Finance & Legal

M&S Medical & Science
S, M & E Sales, Marketing & Events
HCS Human Capital Solutions

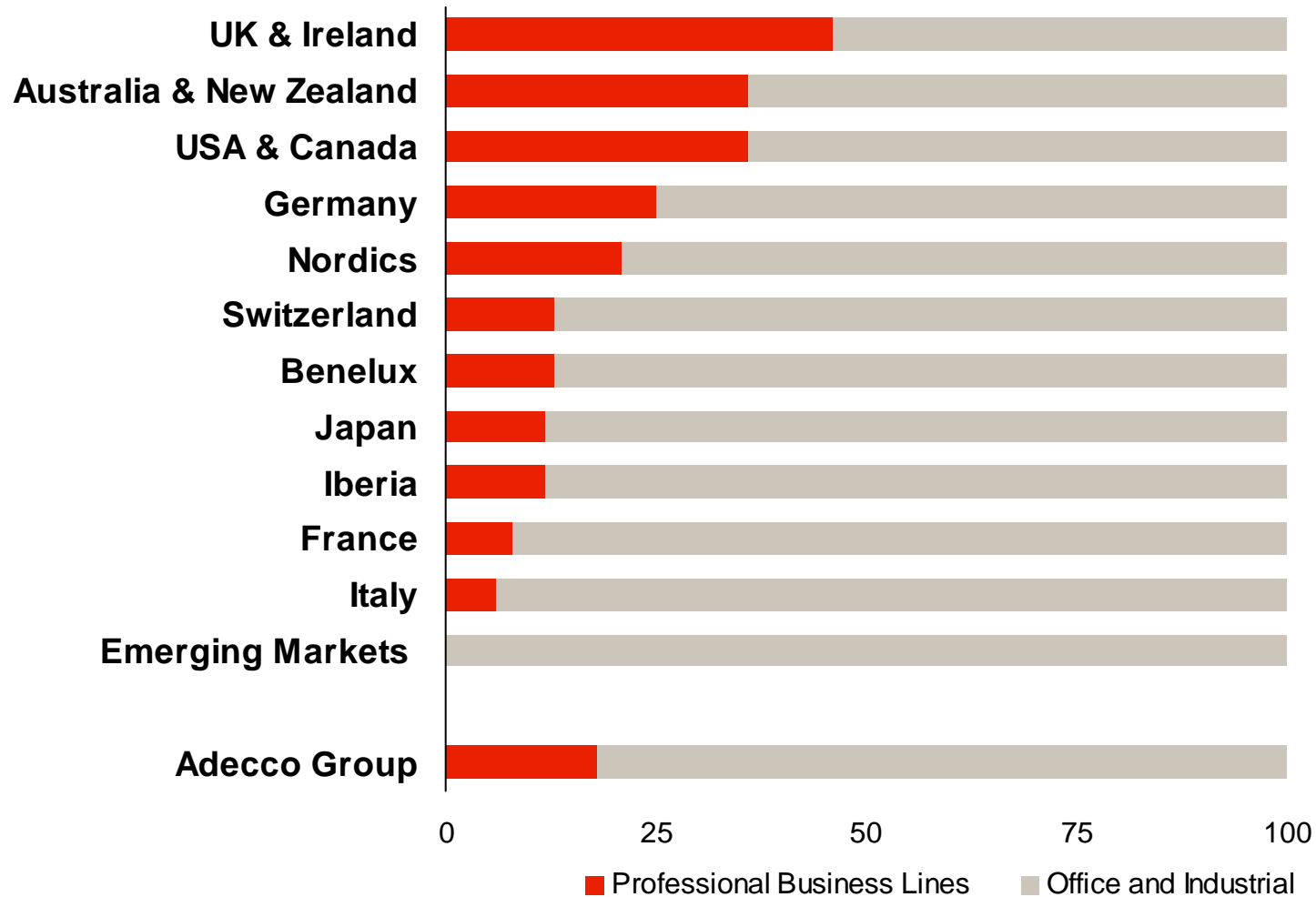
EmMa Emerging Markets
Office Office
Indust Industrial



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Revenues - Office and Industrial vs Professional Business Lines

In percent, based on dedicated branches in Q2 2006



Mixed Performance in France

- + **Closed gap to market growth:** 8% organic revenue increase
 - **Gross margin down 30 bps (-60 bps organically):** higher growth in lower margin corporate clients
 - + **4% organic SG&A growth:** cost control starts to show impact
 - **3.4% operating margin (organically):** down from 3.7%
- **Agreed plan with local management**
- 6 new Global Business Lines to accelerate growth in professional business
 - Permanent placement staff transferred to professional business
 - Cost control plan implemented
 - Introduced EVA pricing committee for new contracts

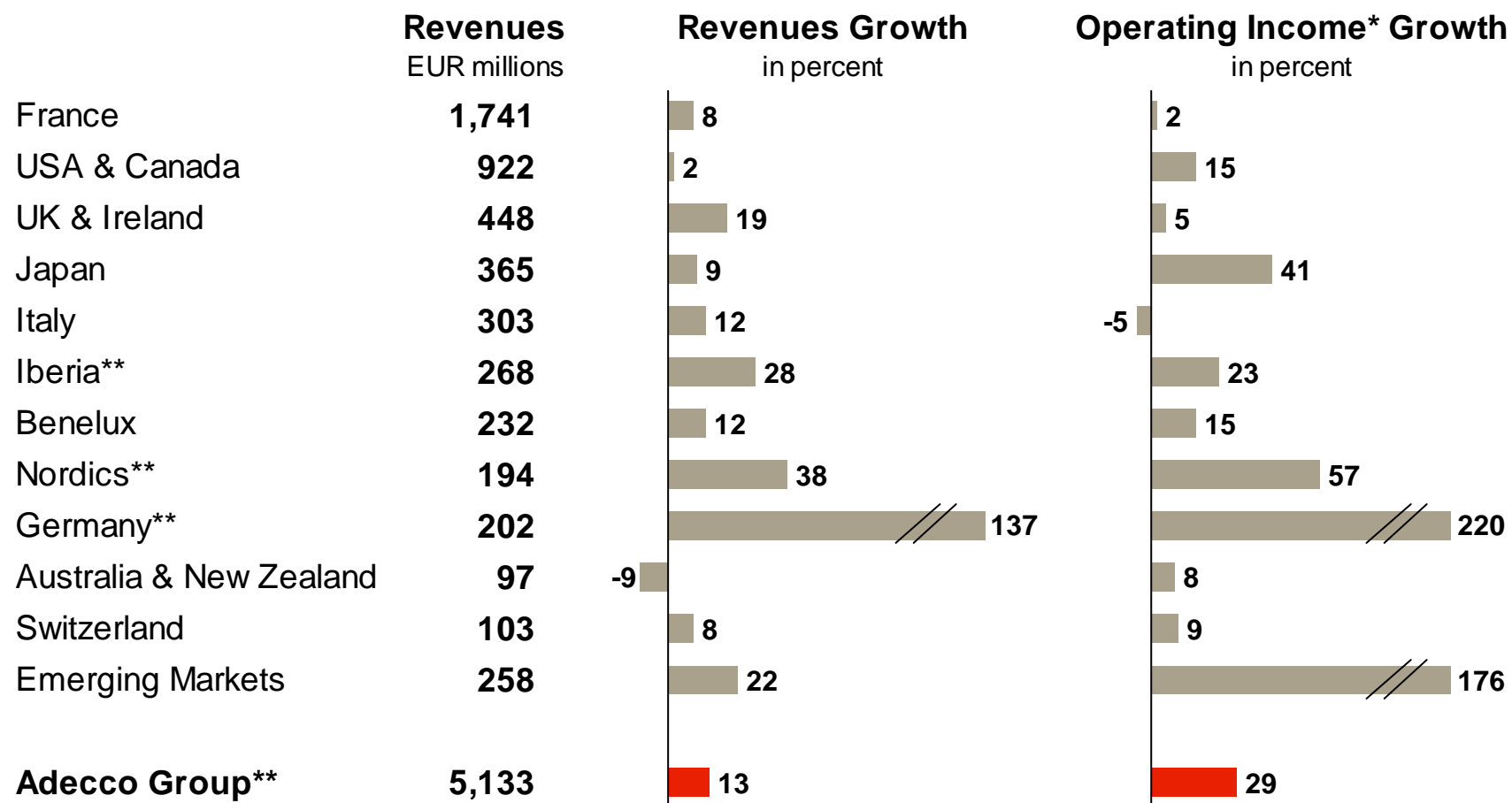
Profit improvement in USA & Canada

- **2% revenue growth** in constant rate due to business divestments in 2005
 - + **Gross margin improvement of 180 bps** due to focus on higher bill rates and lower workers compensation
 - + **SG&A up 11% at constant currency** due to higher portion of variable pay
 - + **Operating income margin at 4.1% up 40 bps**
- **Return to profitable market growth**



Revenues and Operating Income Growth in Geographies

Q2 2006 vs Q2 2005 in constant currencies



* Contribution (Operating-Income before amortisation) on operating unit level

** In Q2 2006 revenues increased organically in Iberia by 8%; Nordics by 34%; Germany by 28% and Adecco Group by 10%



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Results in Detail

In EUR millions

	Q2 2006	Q2 2005	Variance %		H1 2006	H1 2005	Variance %	
			EUR	Constant			EUR	Constant
Revenues	5,133	4,540	13%	13%	9,812	8,626	14%	12%
Direct costs of services	(4,249)	(3,780)			(8,116)	(7,189)		
Gross profit	884	760	16%	16%	1,696	1,437	18%	16%
<i>Gross margin</i>	17.2%	16.7%			17.3%	16.7%		
Selling, general and administrative expenses	(679)	(602)	13%	12%	(1,341)	(1,171)	14%	12%
<i>As a percentage of revenues</i>	13.2%	13.3%			13.7%	13.6%		
Amortisation of intangible assets	(3)	(1)			(4)	(1)		
Operating income	202	157	29%	29%	351	265	32%	31%
<i>Operating income margin</i>	3.9%	3.4%			3.6%	3.1%		
Interest expense	(12)	(13)			(24)	(28)		
Other income/(expenses), net	3	(3)			7	(3)		
Income applicable to minority interests	(2)	(1)			(2)	(1)		
Income before income taxes	191	140	37%		332	233	43%	
Provision for income taxes	(56)	(40)			(97)	(70)		
Net income	135	100	35%		235	163	44%	
<i>Net income margin</i>	2.6%	2.2%			2.4%	1.9%		



Balance Sheets

In EUR millions

	June 30 2006	Dec 31 2005
Assets		
Cash and short-term investments	563	848
Trade accounts receivable, net	3,917	3,659
Other current assets	289	298
Property, equipment, and leasehold improvements, net	237	240
Other assets	299	312
Goodwill and intangibles, net	2,055	1,482
Total assets	7,360	6,839
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,507	3,287
Short- and long-term debt	1,470	1,272
Other liabilities	194	143
Minority interests	37	20
Shareholders' equity	2,152	2,117
Total liabilities and shareholders' equity	7,360	6,839
Net Debt*	907	424

* 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.

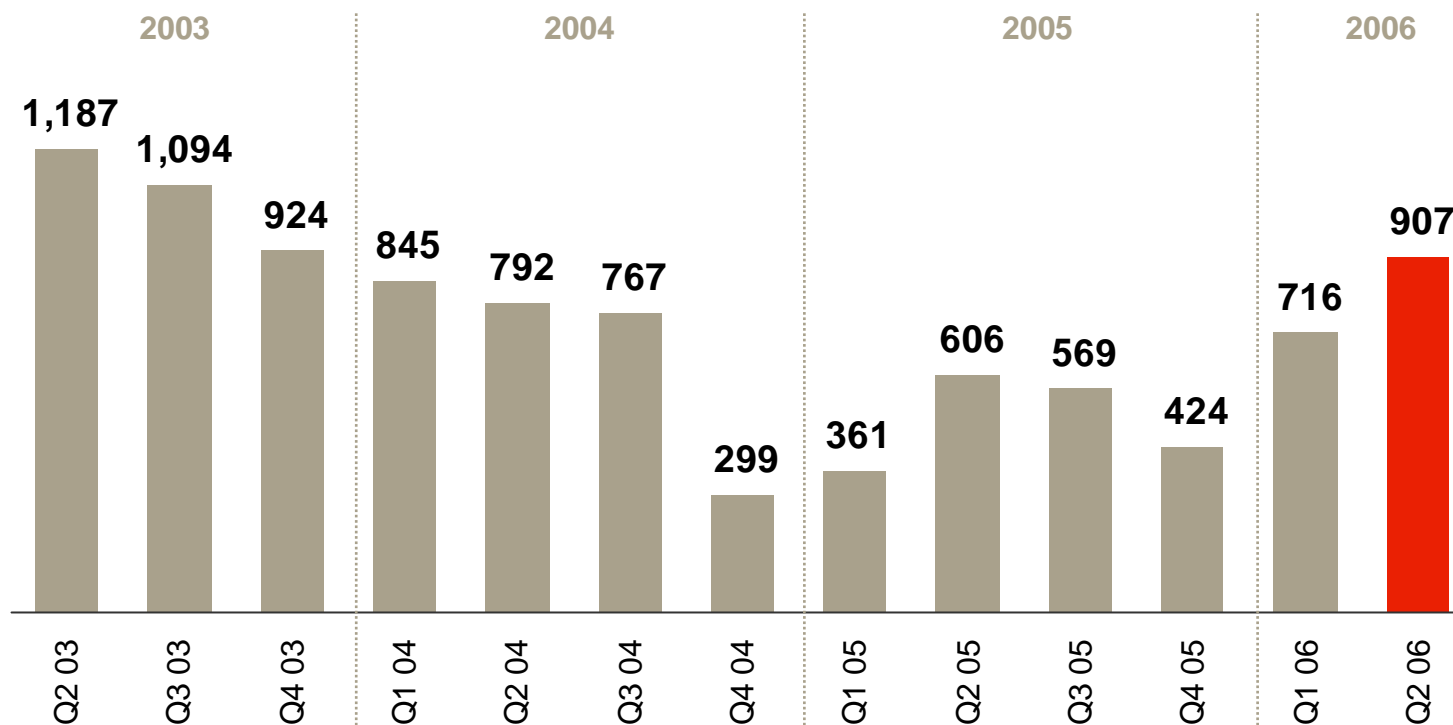
Cash-flow Statements

In EUR millions

	2006 H1	2005 H1
Consolidated statements of cash flows (year-to-date)		
Net income	235	163
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	51	53
– Other charges	28	30
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(250)	(199)
– Accounts payable and accrued expenses	168	13
– Other assets and liabilities	9	6
Cash flows from operating activities	241	66
Cash flows from/(used in) investing activities	(256)	(49)
Cash flows from/(used in) financing activities	97	(258)
Effect of exchange rate changes on cash	(7)	18
Net increase/(decrease) in cash and cash equivalents	75	(223)

Financial Strength - net debt development since Q2 2003

Net debt in EUR millions*



* Includes off balance sheet debt (In EUR: 2003 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. In Q4 2005, Q1 and Q2 2006 no off balance sheet debt.)

Outlook

Dieter Scheiff, Group CEO



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Targets

	Until 2009 In percent
Revenue growth	7 - 9 p.a.
EBITA margin	> 5



strategy days 2006
september 28&29 in valencia

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Thank You

Question and Answer Session



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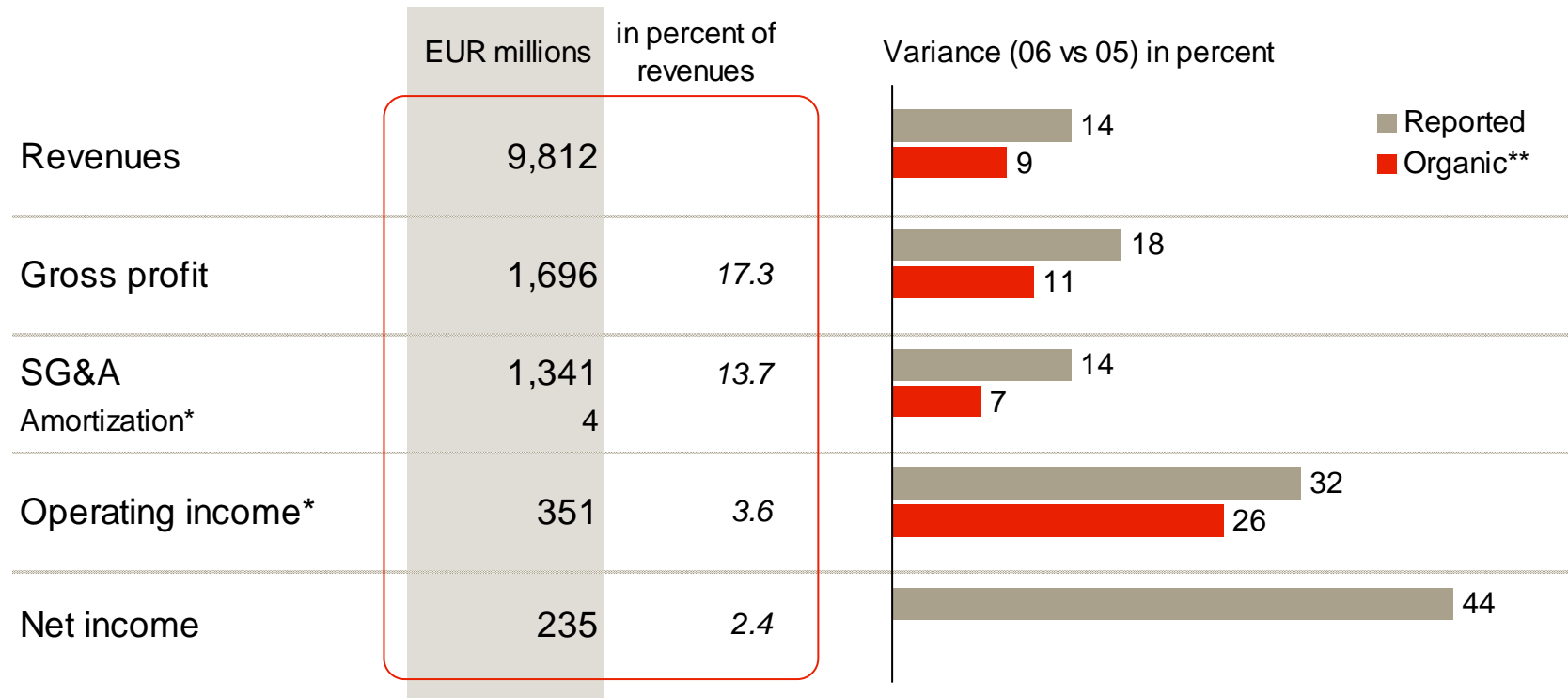
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Appendix



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Half Year 2006 Results Summary



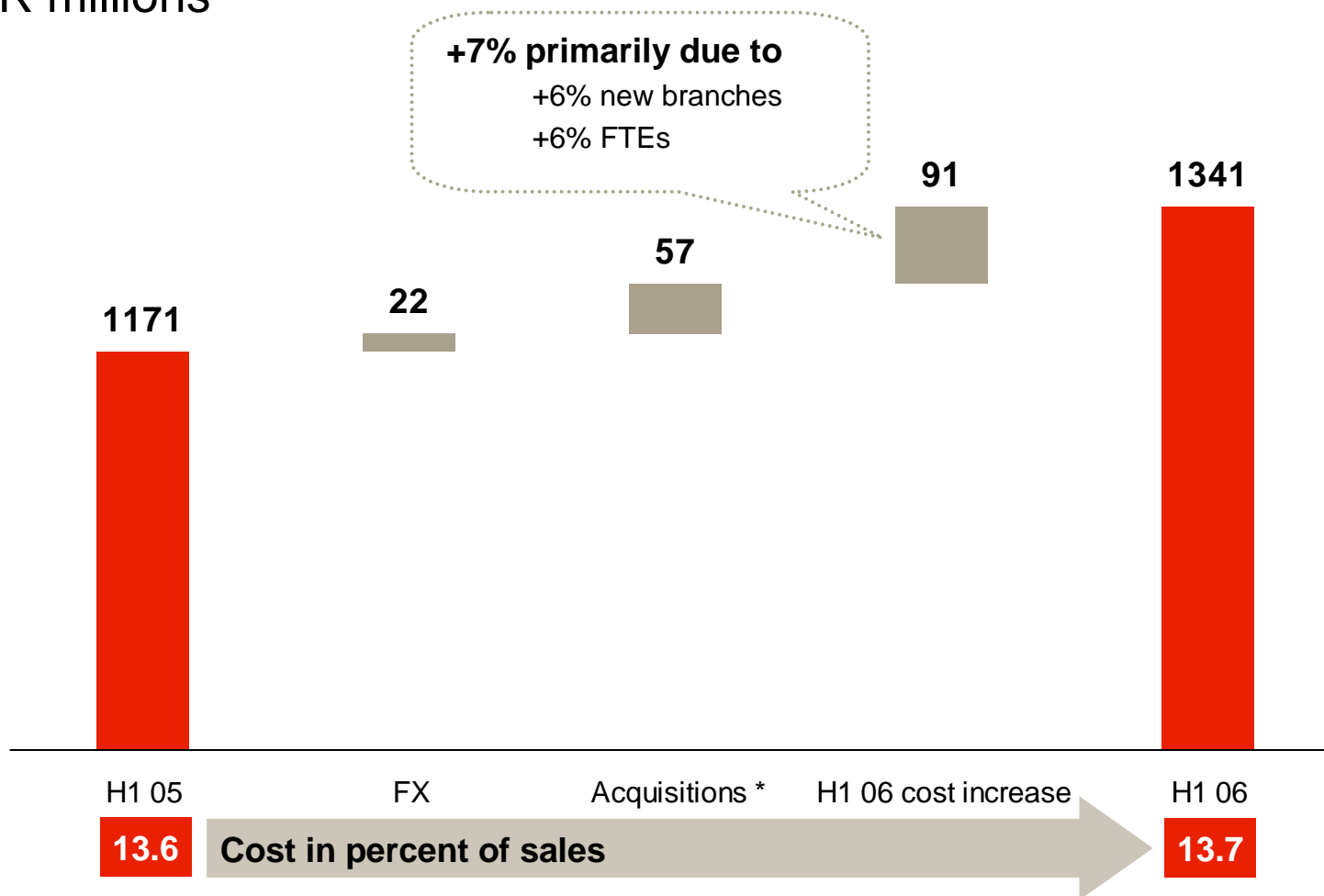
* Amortization of intangibles of EUR 4 million for H1 2006 compares to EUR 1 million in H1 2005

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H1 2006 SG&A Movement

In EUR millions



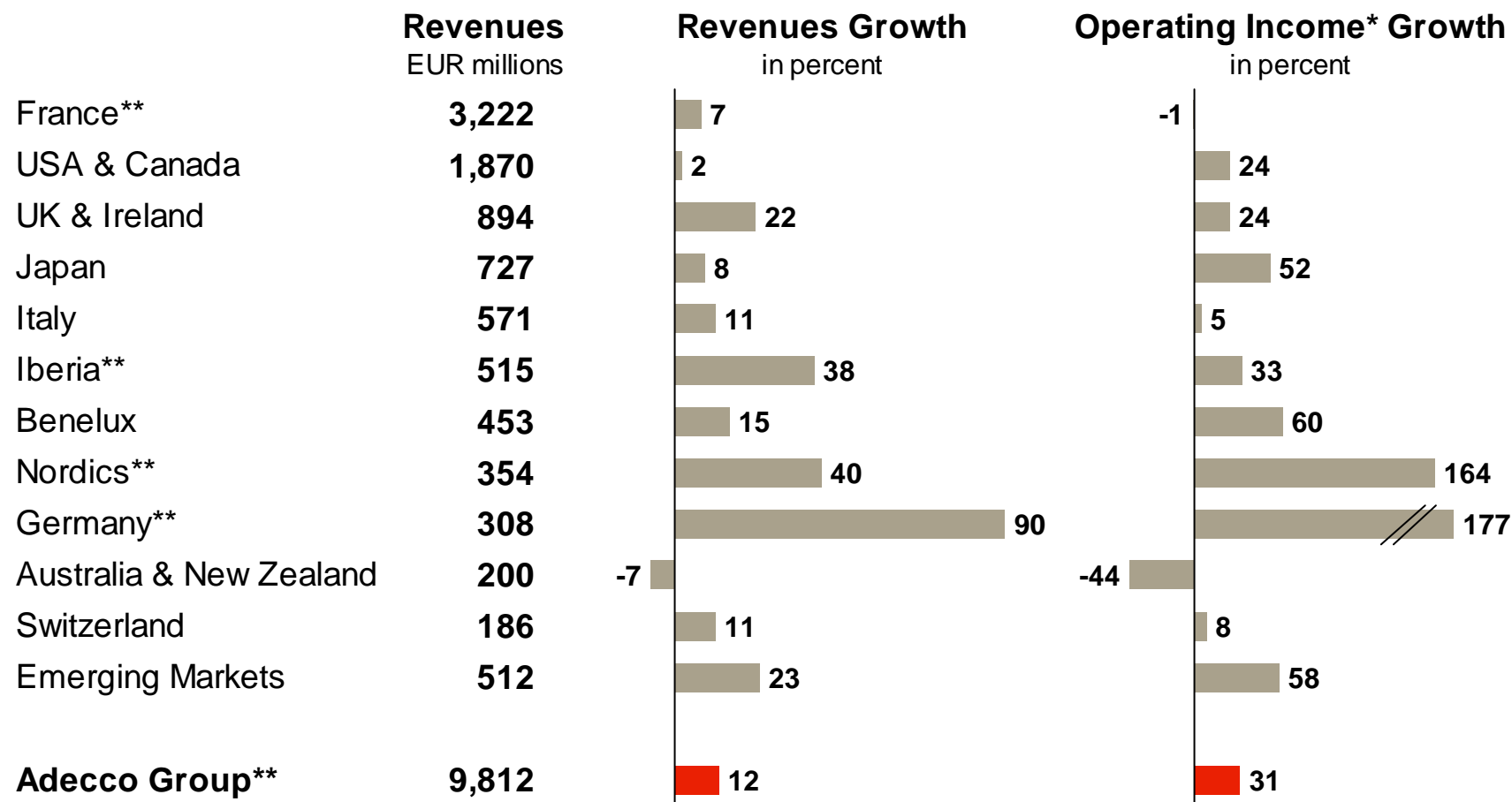
* Altedia, Humangroup and DIS



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Revenues and Operating Income Growth in Geographies

H1 2006 vs H1 2005 in constant currencies



* Contribution (Operating-Income before amortisation) on operating unit level

** In H1 2006 revenues increased organically in France by 6%; Iberia by 9%; Nordics by 38%; Germany by 33% and Adecco Group by 9%



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