



better work, better life

Q3 2006 Results

Glattbrugg, November 03, 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

Operational review

Dieter Scheiff

Financial review

Dominik de Daniel

Outlook

Dieter Scheiff



better work, better life

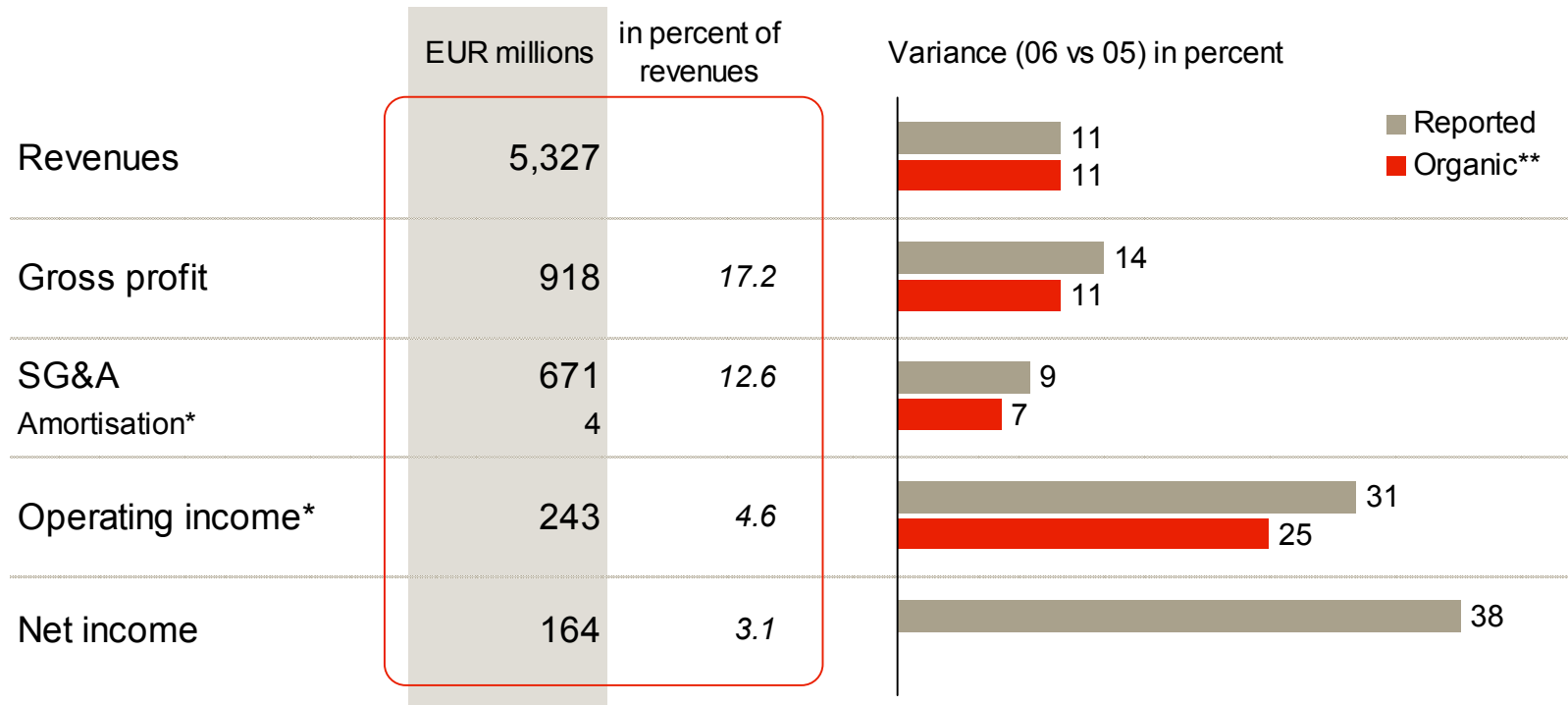
Operational review

Dieter Scheiff, Group CEO



better work, better life

Q3 2006 results summary

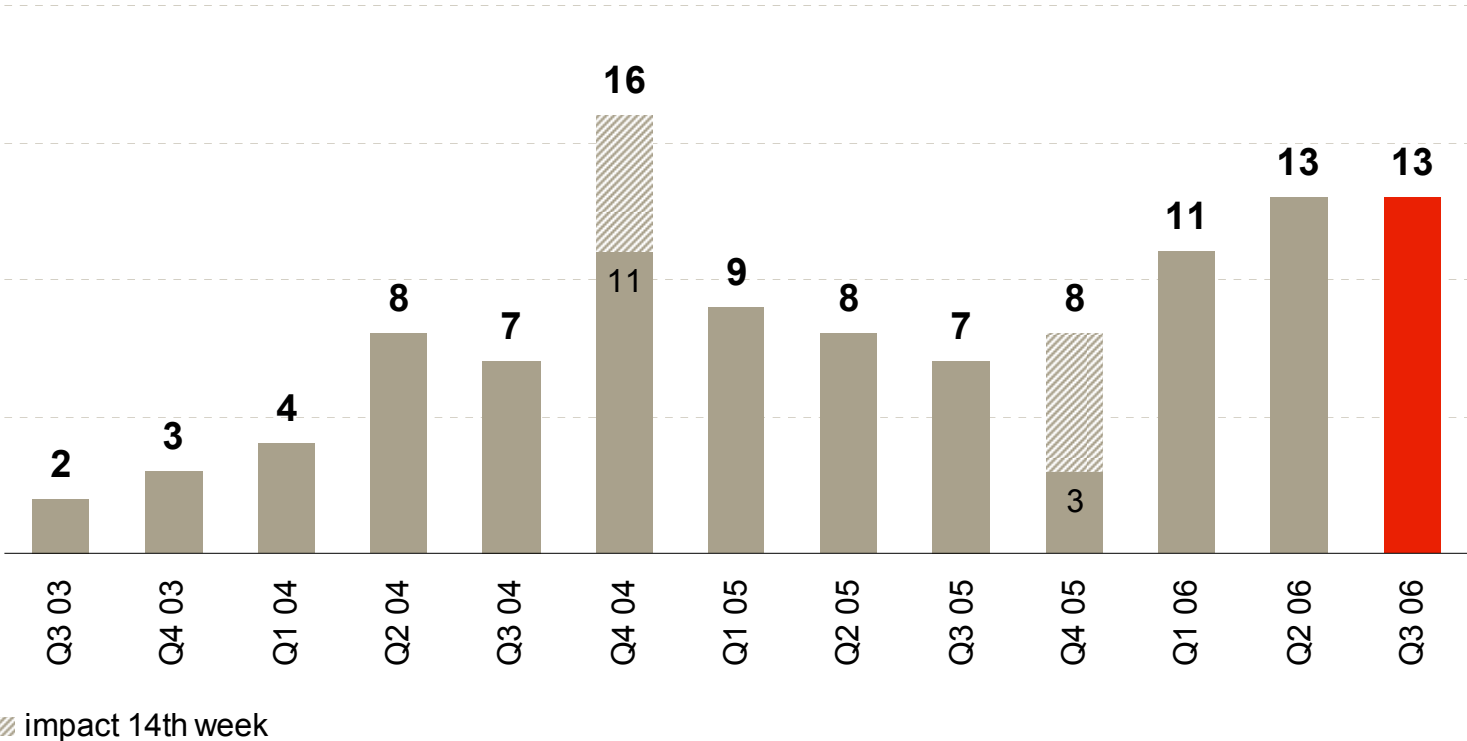


* Amortisation of intangibles of EUR 4 million for Q3 2006 compares to EUR 1 million in Q3 2005.

** Organic is a non-US GAAP measure and is presented for comparison. It is in constant currency excluding acquisitions.

Group revenue growth

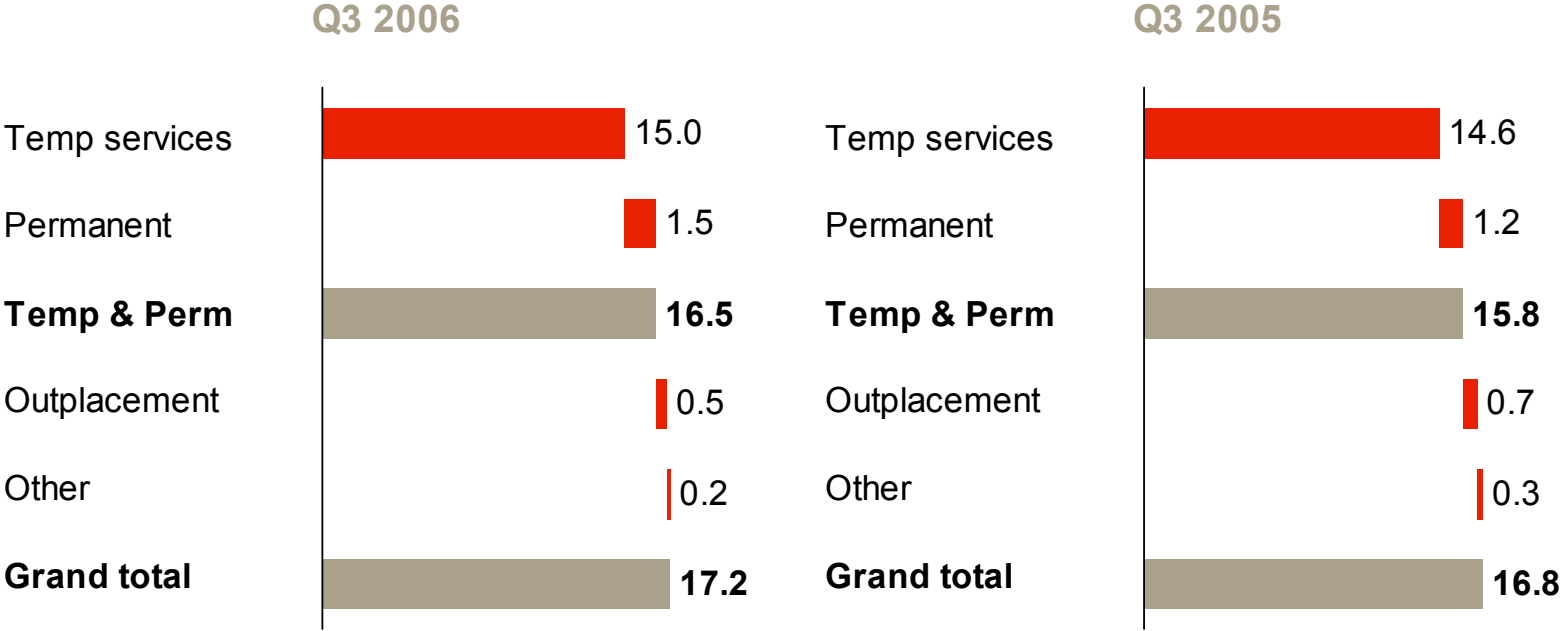
Constant currency year-on-year growth in percent



better work, better life

Gross margin drivers

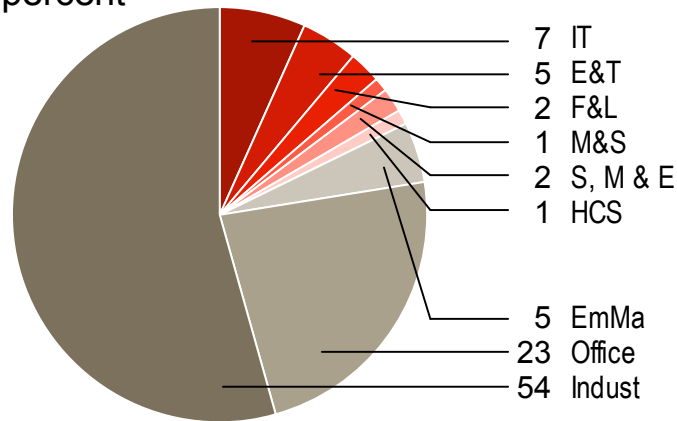
In percent of revenues



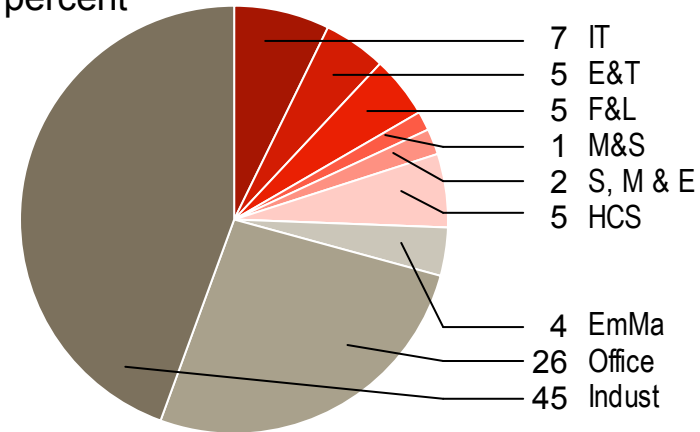
Q3 2006 business lines

Based on dedicated branches

Revenues
in percent

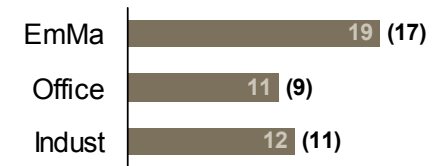
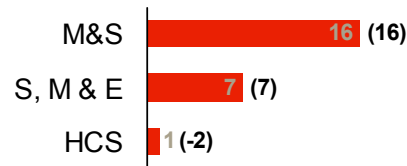
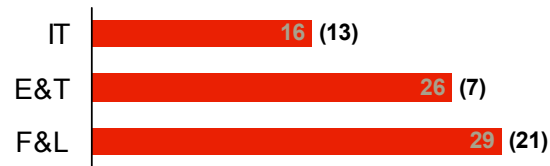


Gross Profit
in percent



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



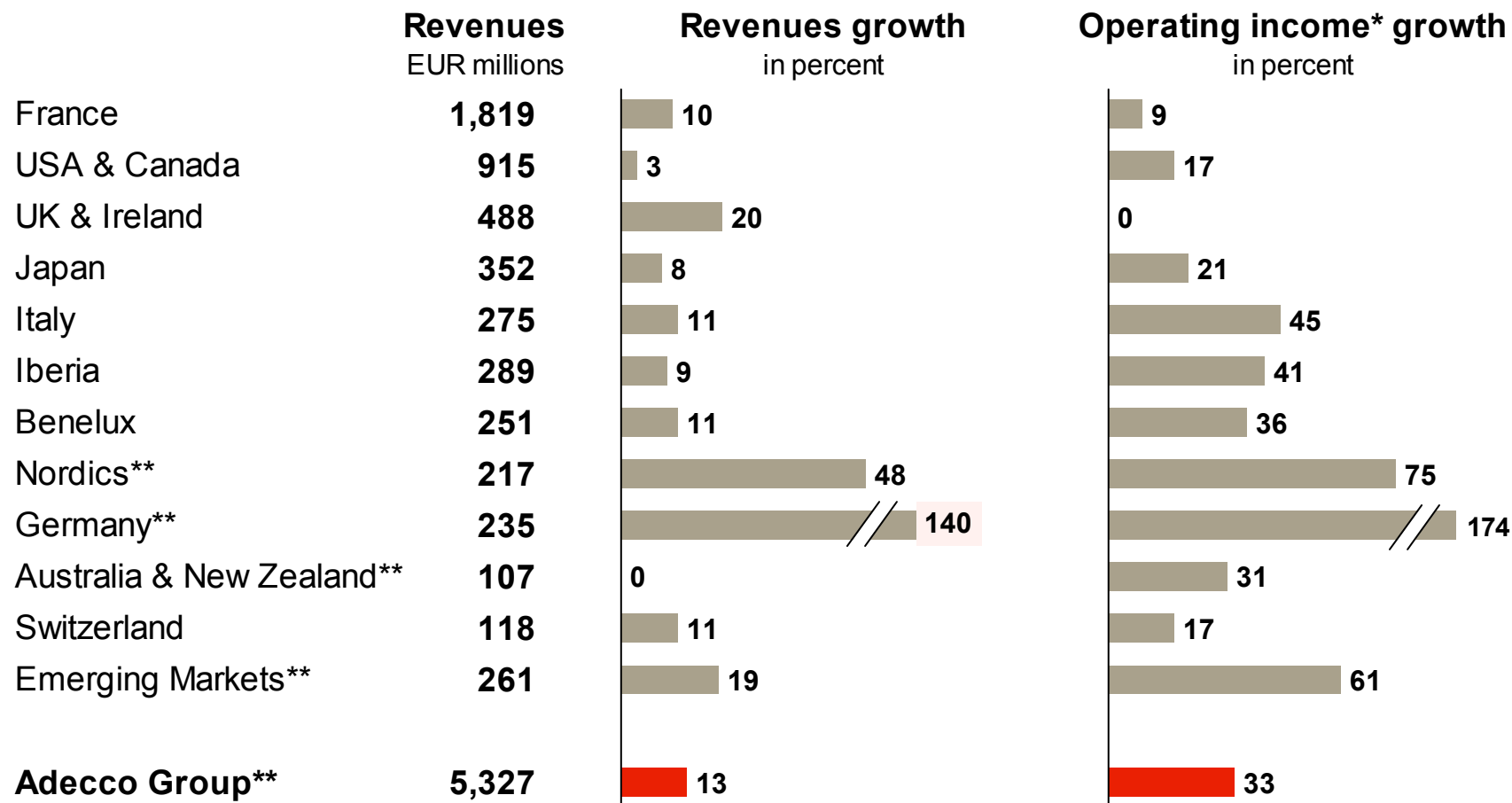
Revenues - Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in Q3 2006



Revenues and operating income growth in geographies

Q3 2006 vs Q3 2005 in constant currencies



* Contribution (Operating income before amortisation) on operating unit level

** In Q3 2006 revenues increased organically in Nordics by 40%; Germany by 35%, Australia & NZ by -2%, EM by 17% and Adecco Group by 11%



better work, better life

France

Financial performance since the beginning of the year

France since the beginning of the year (organically)

	Q1 2006	Q2 2006	Q3 2006
Sales growth	3%	8%	10%
Adjusted for business days	2%	10%	9%
Gross margin Δ	-20 bps	-60 bps	-30 bps
SG&A % Δ	30 bps	-30 bps	-30 bps
Operating margin Δ	-50 bps	-30 bps	-0 bps

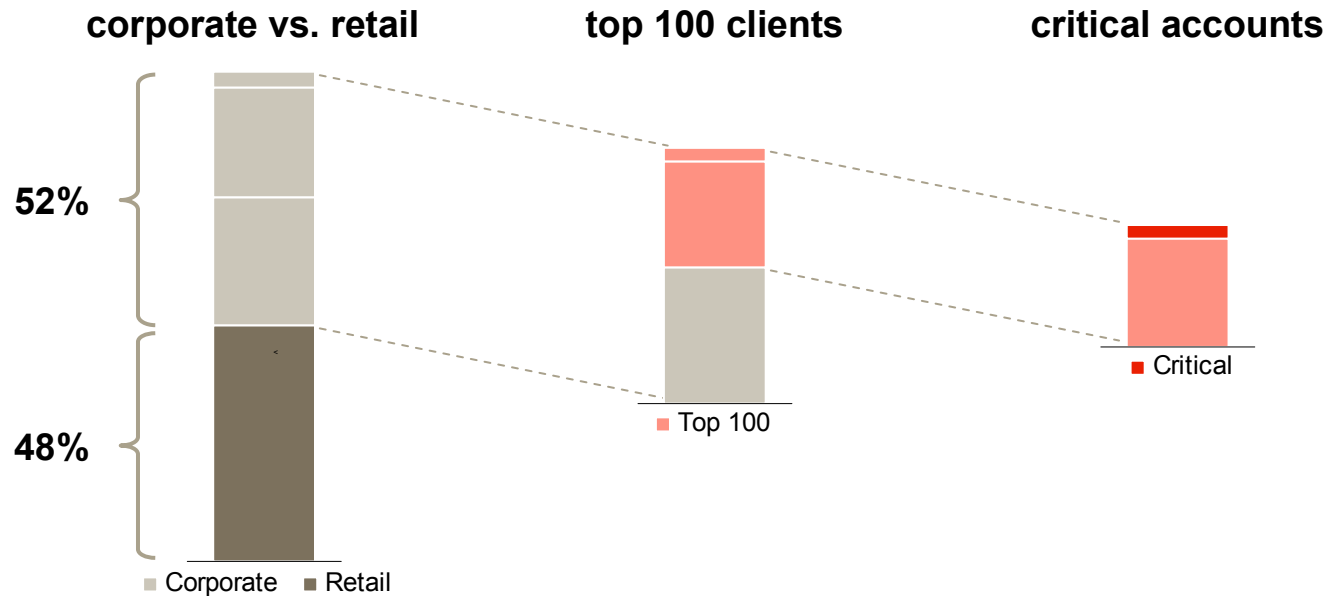
Situation at the beginning of the year

- below market growth ► recovered
- gross margin deterioration ► more work to do
- costs growing faster than sales ► under control

France

Portfolio analysis & action plan

Portfolio analysis



Action plan

- 'solve' critical accounts: adjustment in price / delivery model or exit
- specialize general staffing network / work on delivery model
- continue to set up of 6 professional business lines
- permanent placement staff transferred to professional business

Financial review

Dominik de Daniel, Group CFO



better work, better life

Results in detail

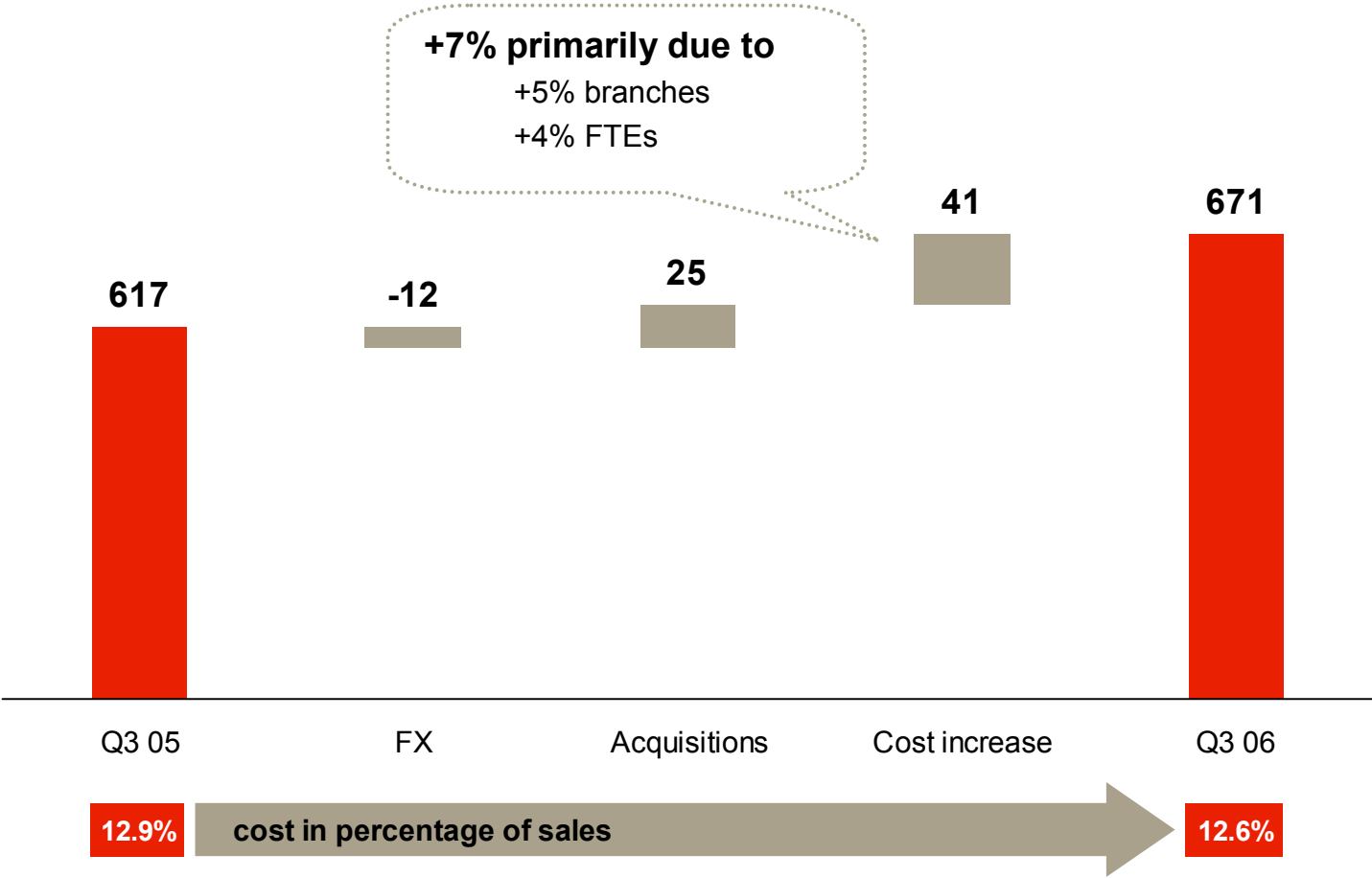
In EUR millions

	Q3 2006	Q3 2005	Variance %		9M 2006	9M 2005	Variance %	
			EUR	Constant			EUR	Constant
Revenues	5,327	4,784	11%	13%	15,139	13,410	13%	13%
Direct costs of services	(4,409)	(3,981)			(12,525)	(11,170)		
Gross profit	918	803	14%	17%	2,614	2,240	17%	16%
<i>Gross margin</i>	17.2%	16.8%			17.3%	16.7%		
Selling, general and administrative expenses	(671)	(617)	9%	11%	(2,012)	(1,788)	13%	12%
<i>As a percentage of revenues</i>	12.6%	12.9%			13.3%	13.3%		
Amortisation of intangible assets	(4)	(1)			(8)	(2)		
Operating income	243	185	31%	33%	594	450	32%	32%
<i>Operating income margin</i>	4.6%	3.9%			3.9%	3.4%		
Interest expense	(14)	(12)			(38)	(40)		
Other income/(expenses), net	5	1			12	(2)		
Income applicable to minority interests	(2)	-			(4)	(1)		
Income before income taxes	232	174	34%		564	407	39%	
Provision for income taxes	(68)	(55)			(165)	(125)		
Net income	164	119	38%		399	282	42%	
<i>Net income margin</i>	3.1%	2.5%			2.6%	2.1%		



Q3 2006 SG&A movement

In EUR millions



Balance sheets

In EUR millions

	Sept 30, 2006	Dec 31, 2005
Assets		
Cash and short-term investments	722	848
Trade accounts receivable, net	4,071	3,659
Other current assets	288	298
Property, equipment, and leasehold improvements, net	233	240
Other assets	299	312
Goodwill and intangibles, net	2,067	1,482
Total assets	7,680	6,839
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,650	3,287
Short- and long-term debt	1,462	1,272
Other liabilities	197	143
Minority interests	39	20
Shareholders' equity	2,332	2,117
Total liabilities and shareholders' equity	7,680	6,839
Net Debt*	740	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.



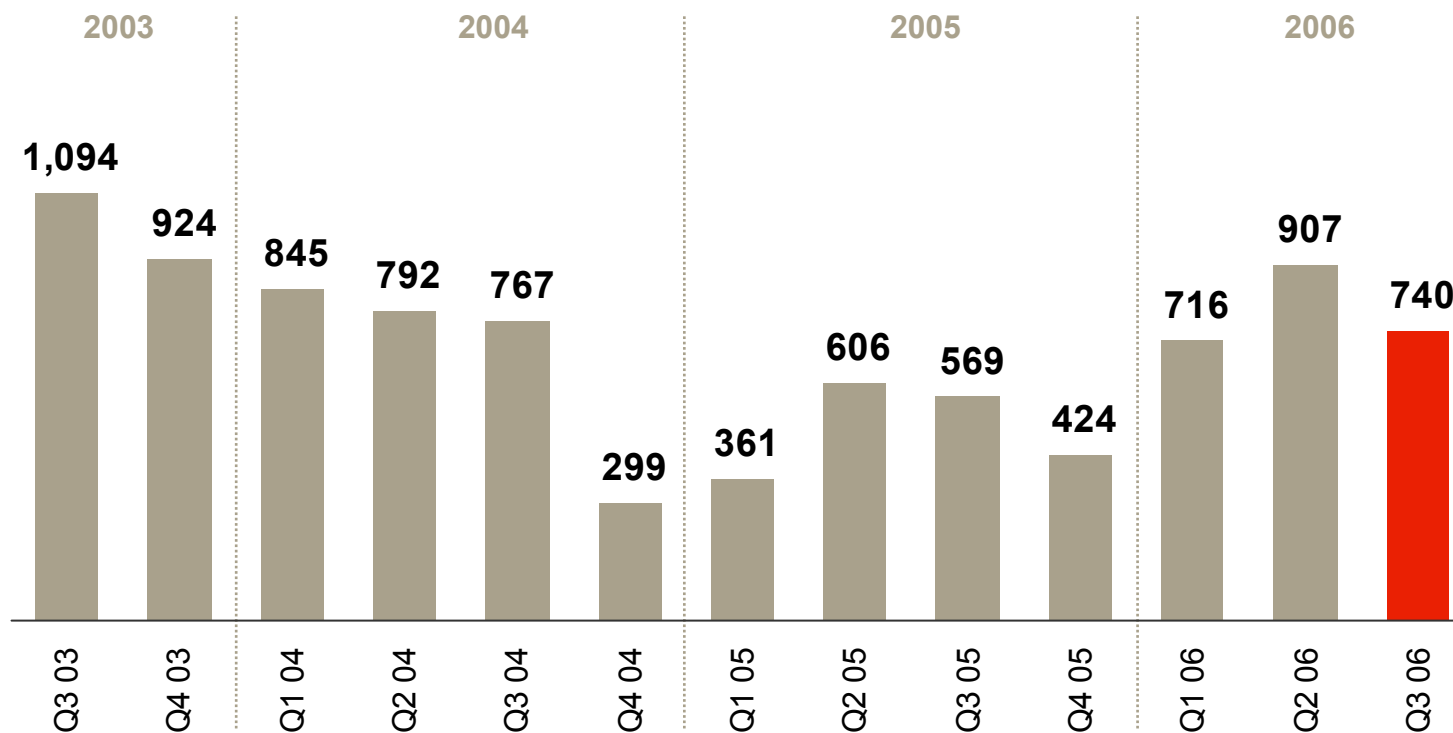
Cash-flow statements

In EUR millions

	2006 9M	2005 9M
Consolidated statements of cash flows (year-to-date)		
Net income	399	282
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	78	80
– Other charges	43	43
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(406)	(394)
– Accounts payable and accrued expenses	340	138
– Other assets and liabilities	26	9
Cash flows from operating activities	480	158
Cash flows from/(used in) investing activities	(283)	50
Cash flows from/(used in) financing activities	48	(445)
Effect of exchange rate changes on cash	(9)	14
Net increase/(decrease) in cash and cash equivalents	236	(223)

Financial strength - net debt development since Q3 2003

Net debt in EUR millions*



- Includes off balance sheet debt (In EUR: 2003 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, Q2 and Q3 2006 no off balance sheet debt.



Outlook

Dieter Scheiff, Group CEO



better work, better life

Two approaches



Targets

	Until 2009 in percent
Revenue growth	7 - 9 p.a.
EBITA margin	>5
ROCE	>25

ROCE: (Operating profit – 30% income tax) / average invested capital
Invested capital = Assets – liabilities, excluding cash and interest-bearing liabilities



Thank you

Question and answer session



better work, better life

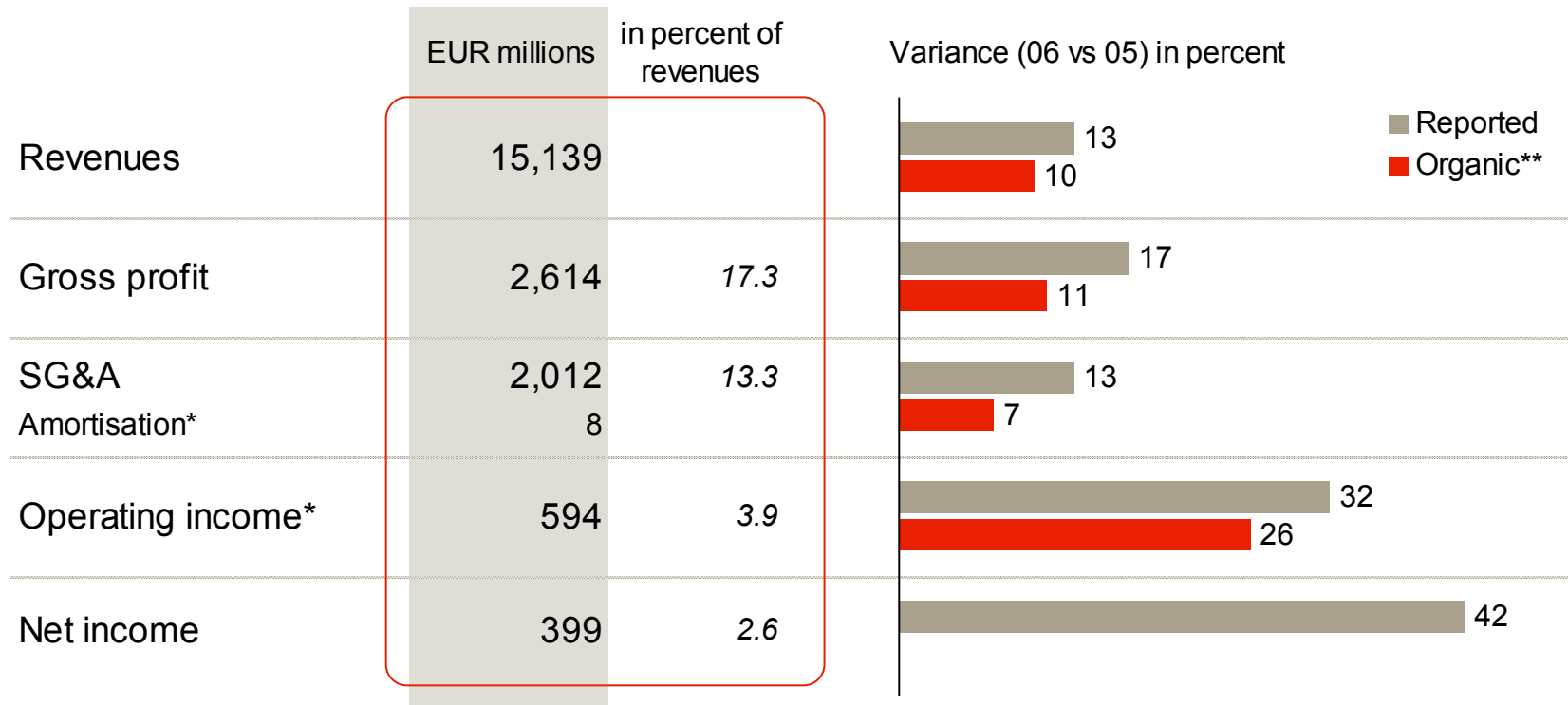
Q3 2006 Results
November 03, 2006
Slide 22

Appendix



better work, better life

9M 2006 results summary



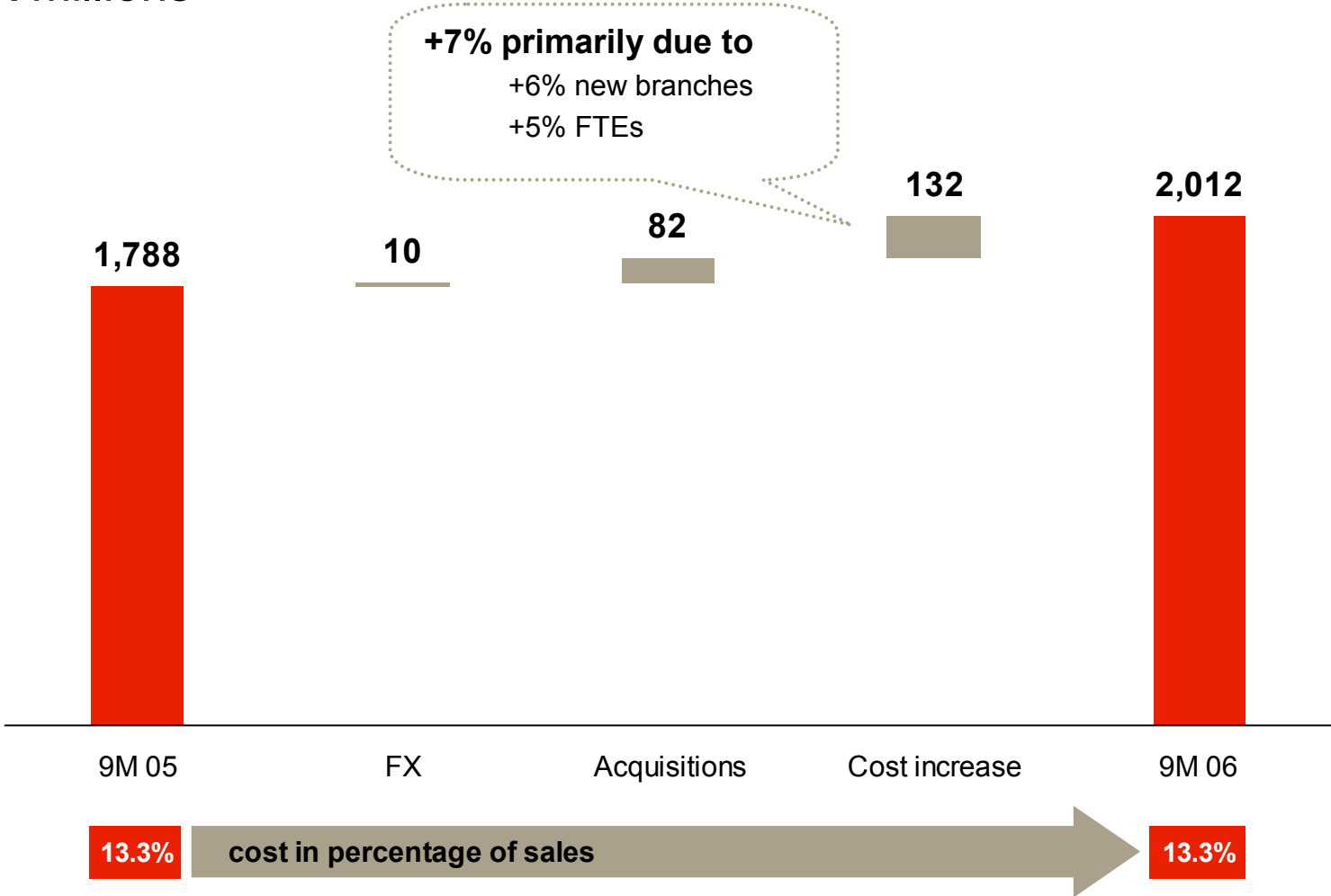
* Amortisation of intangibles of EUR 8 million for 9M 2006 compares to EUR 2 million in 9M 2005

** Organic is a non-US GAAP measure and is presented for comparison. It is in constant currency excluding acquisitions.



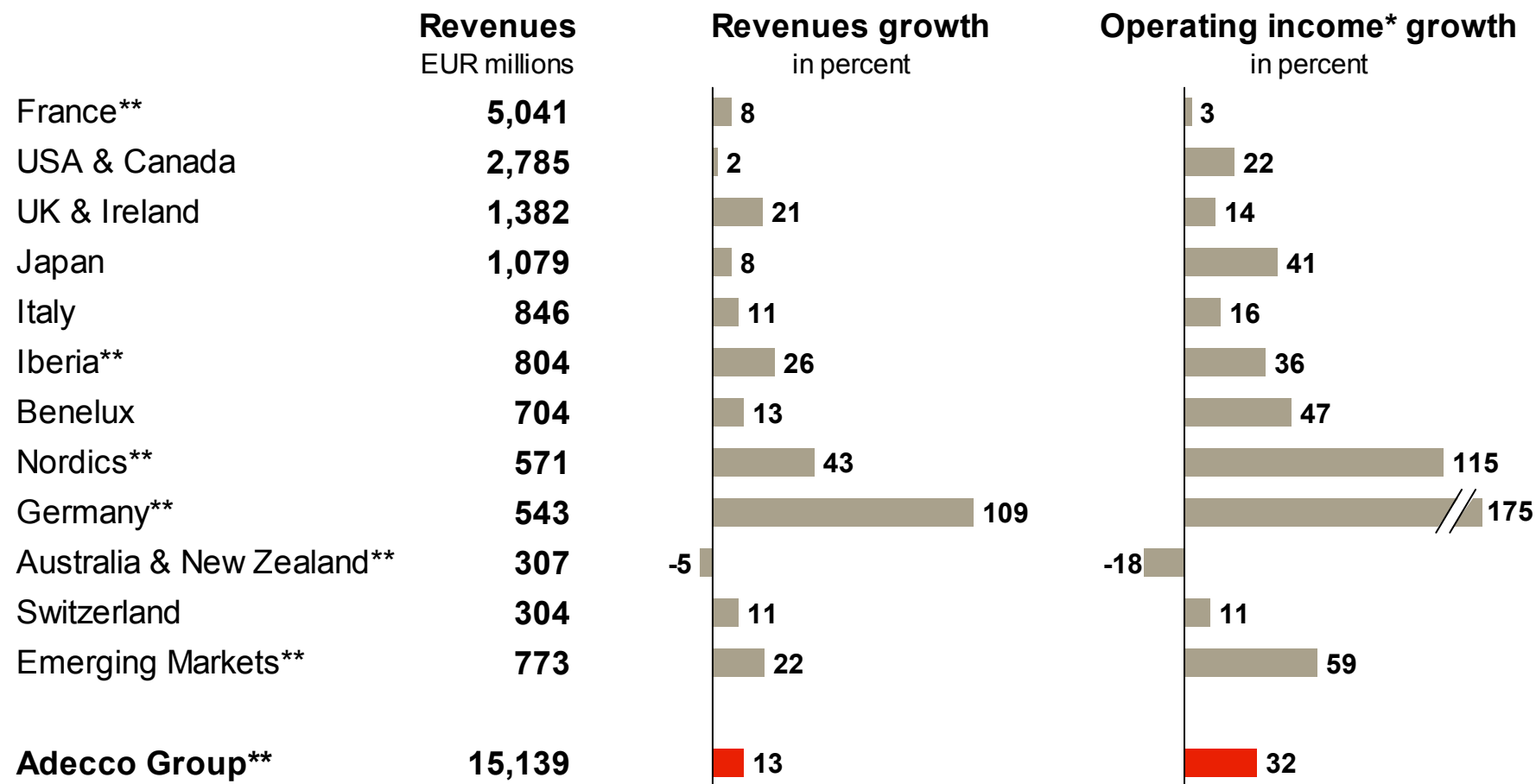
9M 2006 SG&A movement

In EUR millions



Revenues and operating income growth in geographies

9M 2006 vs 9M 2005 in constant currencies



* Contribution (Operating income before amortisation) on operating unit level

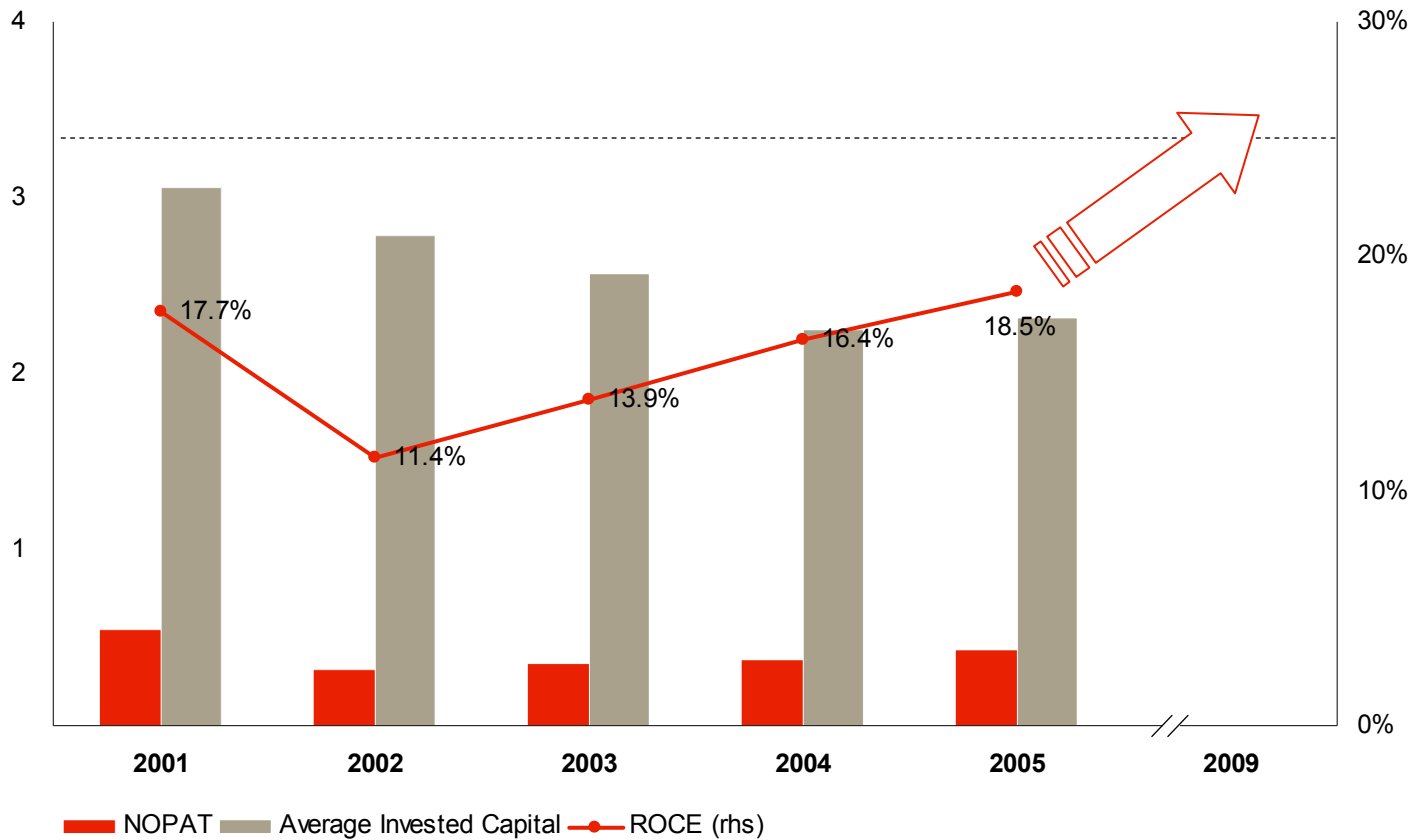
** In 9M 2006 revenues increased organically in France by 7%, Iberia by 9%; Nordics by 39%; Germany by 34%, Australia & NZ by -6%, EM by 21% and Adecco Group by 10%



better work, better life

Return on capital employed

ROCE¹ in % and NOPAT and invested capital in EUR bn



¹ROCE = NOPAT / Average Invested Capital = Operating profit – (30% income tax) / average invested capital
 Invested Capital = Asset – liabilities excluding cash and interest bearing liabilities
 2001 NOPAT and average invested capital adjusted for goodwill amortization.