

Strong operating margin performance in Q2 2007

Q2 HIGHLIGHTS (Q2 07 vs. Q2 06)

- Revenues of EUR 5.3 billion, up 3% (5% organically¹)
- Reported operating income of EUR 322 million, up 59%
- Reported net income of EUR 222 million, up 64%
- Underlying² gross margin improvement of 40 bps to 17.6%
- Underlying² operating margin improvement of 30 bps to 4.2%
- Successful close of Tuja acquisition

Q2 2007 KEY FIGURES (reported vs. underlying²)

In EUR million	Q2 2007 Reported	Q2 2007 excl. French social benefit 2006 + Q1 2007	Q2 2007 underlying ²	Q2 underlying ² growth in constant currency
Revenues	5,282	5,282	5,282	5%
Gross profit	1,072	951	928	8%
Operating income	322	237	221	12%
Net income	222	167	156	

Zurich, Switzerland, August 10, 2007: The Adecco Group, the worldwide leader in Human Resource services, today announced results for the second quarter of 2007. For the second quarter net income increased by 64% to EUR 222 million compared to EUR 135 million a year earlier, positively impacted by EUR 66 million French social charge benefits. Revenues were up 5% organically to EUR 5.3 billion compared with EUR 5.1 billion in 2006. Underlying² operating margin improved 30 bps to 4.2%.

Dieter Scheiff, Chief Executive Officer, Adecco Group said: "I'm pleased with the performance of Adecco in the second quarter. We continued to expand our underlying² operating margin to 4.2%. It's good to see that our value oriented management approach has triggered good pricing discipline, which, combined with efficient cost management, led to encouraging earnings growth. The result of the second quarter is another step towards our goal of reaching over 5% operating margin by 2009."

"While we maintain our focus on shareholder value, we continue to see good demand in Europe and Asia, which more than compensates for a still weak US market."

¹ Organic growth is a non US GAAP measure and excludes the impact of currency and acquisitions.

² Underlying is a non US GAAP measure and excludes the impact of the modified calculation of French social charges for the periods 2006 and H1 2007, which fully positively impacted Q2 2007 with EUR 144 million on gross profit, EUR 101 million on operating income and EUR 66 million on net income. The calculation was modified in April 2007 with retroactive effect to January 2006 and is expected to cease as of October 2007. For further analysis see page 11.

Q2 2007 FINANCIAL PERFORMANCE**Revenues**

Group revenues for Q2 2007 were EUR 5.3 billion, a 3% increase compared with Q2 2006. On an organic basis, when excluding the impact of currency and acquisitions, Adecco grew revenues by 5%.

Gross Profit

Gross margin improved 310 bps to 20.3% compared to the second quarter of 2006. On an underlying² basis, when excluding the modification of the calculation of French social charges, gross margin improved 40 bps to 17.6% as a result of higher gross margins in the temporary staffing business and the growing contribution of permanent placement.

Selling, General and Administrative Expenses (SG&A)

SG&A increased 10% in the period under review. Underlying² SG&A grew 7% in constant currency, reflecting an underlying² SG&A as a percentage of revenues increase of 10 bps to 13.3%. Organically, Adecco grew the office network by 4% (+300 offices) and FTEs by 3% (+1,000 FTEs) compared to the same quarter last year. At the end of June 2007, Adecco had over 36,000 FTEs and over 7,000 offices.

Operating Income

Operating income for the second quarter 2007 was EUR 322 million, an increase of 59% (12% on an underlying² basis in constant currency) compared with Q2 2006. Operating margin improved to 6.1% versus 3.9% for the same period last year. Underlying² operating margin increased by 30 bps to 4.2%.

Interest Expense and Other Income / (Expenses), net

Interest expense was EUR 13 million in the period, which compares to EUR 12 million in Q2 2006. For the full year 2007, interest expense is expected to be approximately EUR 56 million. Other income / (expenses), net increased to EUR 10 million (Q2 2006: EUR 3 million), mainly due to a higher interest income on a higher cash position.

Provision for Income Taxes

The effective tax rate for the second quarter of 2007 was 29.6% compared with 29.2% in the same period last year. For the remaining quarters of 2007, Adecco continues to expect an effective tax rate of approximately 29%.

Net Income and EPS

Net income was up 64% to EUR 222 million in the second quarter of 2007 (Q2 2006: EUR 135 million), which represents a net income margin of 4.2%. Basic EPS was EUR 1.20 (EUR 0.72 for Q2 2006). The modified calculation of French social charges had a positive impact on Q2 2007 EPS of EUR 0.36 (EUR 0.30 for the period 2006 and Q1 2007 and EUR 0.06 for the period Q2 2007).

Balance Sheet, Cash-flow, and Net Debt³

The Group generated EUR 394 million of operating cash flow in the first half of 2007 and paid dividends of EUR 135 million, which reduced the net debt position to EUR 310 million at the end of June 2007 compared to EUR 556 million at the year end of 2006. In the second quarter of 2007 DSO improved 1 day to 58 days compared with Q2 2006.

Currency Impact

Currency fluctuations had a negative impact of 2% on revenues and 4% on operating income in the second quarter of 2007, mainly due to the weakness of the US dollar and the Japanese yen.

³ 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

GEOGRAPHICAL PERFORMANCE

In **France**, Adecco increased revenues by 3% to EUR 1.8 billion in the second quarter of 2007. Operating income grew 196% to EUR 179 million, which reflects an operating margin improvement of 650 bps to 10.0%. Underlying² gross margin improved 70 bps, while underlying² operating margin expanded by 80 bps to 4.3%. Disciplined pricing and higher permanent placement revenues combined with a continued focus on cost efficiency are the reasons behind this underlying² improvement.

For Q3 2007 Adecco expects to benefit from approximately EUR 10 million higher operating income based on lower social charges due to the still modified calculation of social charges for the months of July and August. Currently there is no benefit anticipated for the periods thereafter as the French Parliament passed an amendment to the social security legislation which would eliminate the change in calculation made in April 2007.

In **USA & Canada**, Adecco's revenues declined by 6% in constant currency to EUR 0.8 billion in Q2 2007, continuing the development seen in the first quarter of 2007. The decline was most significant in the Industrial business, while only moderate in the Office business. In particular, a better customer mix led to a 40 bps improvement in gross margin, which combined with a decline in SG&A resulted in an operating income growth of 8% in constant currency. Operating margin increased by 60 bps to 4.7%.

In the second quarter of 2007, revenues in the **UK & Ireland** increased 6% in constant currency mainly driven by good demand in the Office and Industrial businesses as well as in Finance & Legal. Operating income declined 10% in constant currency. Operating margin was 2.7%.

Adecco plans to restructure this business in order to improve customer mix and cost efficiency, which will cause an additional expense of approximately EUR 5 million in the second half of 2007.

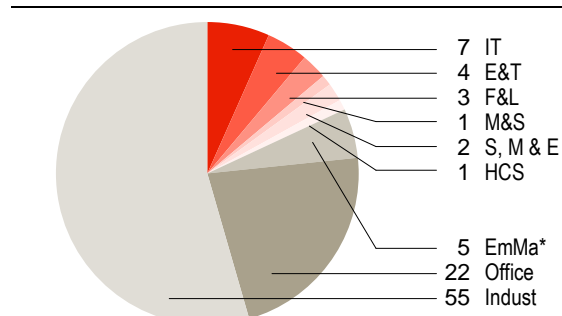
In **Japan**, revenues in constant currency grew 9% in the second quarter of 2007. The general shortage of candidates combined with strong demand for permanent placements led to a 60 bps gross margin improvement, while operating margin expanded to 7.5% from 6.4% in the same period last year.

Revenue growth in **Germany** was 24% in the second quarter of 2007. The healthy economic environment combined with higher acceptance levels of temporary staffing are the main drivers behind this growth, particularly for the Industrial business. Adecco Germany experienced 31% revenue growth, while DIS grew 15% in the period under review. Combined operating income grew 64% compared to Q2 2006, reflecting an operating margin improvement of 220 bps to 9.2%.

Nordics' revenues increased by 25% in constant currency (21% organically). **Italy, Iberia and Benelux** grew revenues by 8%, 6% and 6% respectively in Q2 2007. In the **Emerging Markets** revenues increased 13% in constant currency.

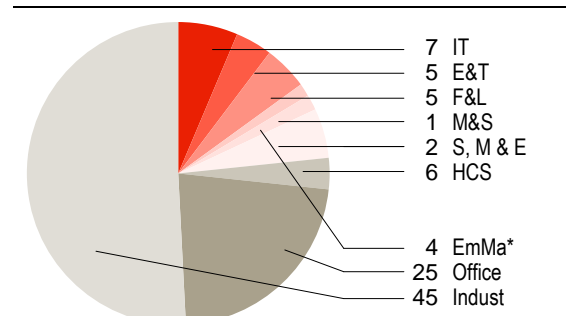
BUSINESS LINE PERFORMANCE

Q2 2007 Revenues in percent



* Emergen Markets excluding Professional Business lines

Q2 2007 Underlying² gross profit in percent



Adecco grew revenues of the **Office and Industrial** businesses by 4% in constant currency to EUR 4.1 billion in Q2 2007 and raised gross margin by 390 bps to 19.4%. Underlying² gross margin improved 40 bps to 15.9%. The Industrial business, which increased revenues by 4% in constant currency, has been driven by strong demand in Italy and Germany. France added 3% to revenues, while demand in USA & Canada continued to be soft, where revenues declined 11% in constant currency. In the Office business, the increase in revenues was 5% in constant currency (4% organically) with business remaining very solid in Japan, Nordics and in UK & Ireland.

In the second quarter of 2007, revenues in the **Professional Business**⁴ grew 7% in constant currency and 5% on an organic basis. Gross margin in the Professional Business increased 30 bps to 26.2%.

In **Information Technology (IT)**, Adecco achieved revenue growth of 4% in constant currency (2% organically). In UK & Ireland the focus on value based management led to a growth deceleration, while in USA & Canada revenues declined, both in constant currency.

In the second quarter, Adecco's **Engineering & Technical (E&T)** business grew revenues by 8% in constant currency (6% organically). In USA & Canada as well as UK & Ireland Adecco increased revenues in single digit growth rates in constant currency, while demand in Germany continued to be strong.

In **Finance & Legal (F&L)**, Adecco increased revenues by 5% in constant currency in the second quarter of 2007. The declining business in USA & Canada was compensated by good revenue growth in UK & Ireland.

In the second quarter of 2007, revenues in **Human Capital Solutions (HCS)** were flat in constant currency. In **Sales, Marketing & Events (SM&E)** and **Medical & Science (M&S)** revenues grew 16% and 14% (11% organically) in constant currency, respectively.

⁴ Professional business refers to Adecco's Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, Sales, Marketing & Events and Human Capital Solutions businesses.

MANAGEMENT OUTLOOK

The key indicators for the global staffing services market continue to point to a favourable growth for the industry. The Group remains committed to its objective of revenue growth of at least 7-9% per annum on average for the coming years, providing no material changes to the macroeconomic environment. At the same time management continues to be confident that the focus on value based management and professional and specialized business fields will allow Adecco to continuously improve 2009 operating margin to over 5% and 2009 return on capital employed (ROCE) to above 25%, which compares to 20.3% in 2006.

In the shorter term, management expects to grow slightly below the market in France as the focus on shareholder value and profitable growth continues. USA & Canada is anticipated to see a similar development as in Q2 2007, while strong growth in Germany and ongoing good demand in Japan should continue.

The Commission of European Communities approved the takeover of Tuja Group on July 25, 2007 without any conditions and obligations pursuant to the European Merger Control Regulation. Adecco will consolidate Tuja Group as of August 2007. The transaction was mainly financed in cash.

Financial Agenda 2007 and 2008

- | | |
|--------------------------|------------------|
| • Q3 2007 results | November 2, 2007 |
| • Q4 & FY 2007 results | March 4, 2008 |
| • Q1 2008 results | May 5, 2008 |
| • Annual general meeting | May 6, 2008 |
| • Q2 2008 results | August 12, 2008 |
| • Q3 2008 results | November 4, 2008 |

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 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.

About Adecco

Adecco S.A. is a Fortune Global 500 company and the global leader in HR services. The Adecco Group network connects over **700,000 associates** with business clients each day through its network of over **36,000 employees** (FTEs) and over **7,000 offices** in over **60 countries and territories** around the world. Registered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, the Adecco Group delivers an unparalleled range of flexible staffing and career resources to clients and associates.

Adecco S.A. is registered in Switzerland (ISIN: CH001213860) and listed on the Swiss Stock Exchange with trading on Virt-x (SWX/VIRT-X: ADEN) and the Eurolist of Euronext Paris (EURONEXT: ADE).

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There will be an audiocast of the media conference at 9 am CET as well as a webcast of the analyst presentation at 11 am CET, details of which can be found at our Investor Relations section at <http://webcast.adecco.com>.

Consolidated statements of operations

EUR millions, except share and per share amounts	Q2 2007	Q2 2006	Variance %		H1 2007	H1 2006	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues	5,282	5,133	3%	5%	10,273	9,812	5%	7%
Direct costs of services	(4,210)	(4,249)			(8,311)	(8,116)		
Gross profit	1,072	884	21%	25%	1,962	1,696	16%	19%
<i>Gross margin</i>	20.3%	17.2%			19.1%	17.3%		
Selling, general and administrative expenses	(746)	(679)	10%	13%	(1,442)	(1,341)	8%	11%
<i>As a percentage of revenues</i>	14.1%	13.2%			14.0%	13.7%		
Amortisation of intangible assets	(4)	(3)			(8)	(4)		
Operating income	322	202	59%	63%	512	351	46%	50%
<i>Operating income margin</i>	6.1%	3.9%			5.0%	3.6%		
Interest expense	(13)	(12)			(26)	(24)		
Other income/(expenses), net	10	3			19	7		
Income before income taxes and minority interests	319	193	65%		505	334	51%	
Provision for income taxes	(94)	(56)			(145)	(97)		
Income applicable to minority interests	(3)	(2)			(5)	(2)		
Net income	222	135	64%		355	235	51%	
<i>Net income margin</i>	4.2%	2.6%			3.5%	2.4%		
Basic earnings per share data:								
Basic earnings per share	1.20	0.72			1.92	1.26		
Basic weighted-average shares	185,259,945	186,737,660			185,068,808	186,638,343		
Diluted earnings per share data:								
Diluted earnings per share	1.14	0.70			1.83	1.21		
Diluted weighted-average shares	195,723,991	196,906,094			195,435,468	196,796,667		

Revenues and operating income by geographies

EUR millions	Q2 2007	Q2 2006	Variance %		H1 2007	H1 2006	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues								
France	1,786	1,741	3%	3%	3,385	3,222	5%	5%
USA & Canada ¹	822	935	-12%	-6%	1,641	1,895	-13%	-6%
UK & Ireland ¹	469	435	8%	6%	956	869	10%	8%
Japan	353	365	-3%	9%	694	727	-5%	7%
Italy	326	303	8%	8%	619	571	8%	8%
Iberia	283	268	6%	6%	552	515	7%	7%
Benelux	245	232	6%	6%	480	453	6%	6%
Nordics ²	238	194	23%	25%	463	354	31%	32%
Germany ²	251	202	24%	24%	495	308	61%	61%
Australia & New Zealand ²	119	97	22%	18%	228	200	14%	14%
Switzerland	109	103	6%	10%	205	186	10%	15%
Emerging Markets ²	281	258	9%	13%	555	512	8%	15%
Adecco Group²	5,282	5,133	3%	5%	10,273	9,812	5%	7%
Operating Income³								
France ⁴	179	60	196%	196%	231	105	120%	120%
USA & Canada ¹	39	38	1%	8%	73	68	7%	15%
UK & Ireland ¹	12	15	-9%	-10%	27	30	-8%	-9%
Japan	26	24	14%	28%	46	45	4%	17%
Italy	22	17	32%	32%	41	34	21%	21%
Iberia	17	17	-8%	-8%	33	31	4%	4%
Benelux	12	8	47%	47%	22	17	31%	31%
Nordics	7	11	-38%	-37%	17	21	-20%	-20%
Germany	23	14	64%	64%	51	23	120%	120%
Australia & New Zealand	3	3	35%	30%	5	3	81%	77%
Switzerland	10	8	18%	24%	18	14	23%	28%
Emerging Markets	8	13	-41%	-43%	16	17	-8%	-8%
Total Operating Units	358	228	57%	61%	580	408	42%	46%
Corporate Expenses	(32)	(23)			(60)	(53)		
Amortisation of intangible assets	(4)	(3)			(8)	(4)		
Adecco Group⁴	322	202	59%	63%	512	351	46%	50%

1) A business previously reported in UK & Ireland is now included in USA & Canada, as in 2007 this business is managed by USA & Canada. The 2006 information has been restated to conform to the current year presentation.

2) Q2 revenues increased organically in Nordics by 21% (H1: 27%); Germany by 23% (H1: 25%); Australia & New Zealand by 11% (H1: 8%); Emerging Markets by 13% (H1: 14%) and Adecco Group by 5% (H1: 6%).

3) Contribution (Operating income before amortisation) on the operating unit level.

4) Underlying operating income increased in France 28% to EUR 78 million (H1: 24% to EUR 130 million) and in the Adecco Group 12% to EUR 221 million (H1: 20% to EUR 411 million) in constant currency.

Revenues breakdown and revenue growth by business line

EUR millions	Q2 2007	Q2 2006	Variance %		H1 2007	H1 2006	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues^{1,2}								
Office	1,181	1,179	0%	5%	2,346	2,322	1%	6%
Industrial	2,872	2,777	3%	4%	5,484	5,168	6%	7%
Total Office and Industrial	4,053	3,956	2%	4%	7,830	7,490	5%	7%
Information Technology	350	345	1%	4%	707	699	1%	5%
Engineering & Technical	238	226	5%	8%	474	427	11%	16%
Finance & Legal	149	149	0%	5%	298	287	4%	9%
Medical & Science	59	52	12%	14%	111	98	13%	14%
Sales, Marketing & Events	95	83	13%	16%	183	171	7%	9%
Human Capital Solutions	61	64	-3%	0%	122	128	-4%	0%
Total Professional Business Lines	952	919	3%	7%	1,895	1,810	5%	9%
Emerging Markets³	277	258	8%	12%	548	512	7%	13%
Adecco Group	5,282	5,133	3%	5%	10,273	9,812	5%	7%

1) Breakdown of revenues is based on dedicated branches.

The 2007 information includes certain changes in the allocation of branches to business lines, most notably from Office to Finance & Legal and from Sales, Marketing & Events to Industrial. The 2006 information has been restated to conform to the current year presentation.

2) Q2 revenues increased organically in Office by 4% (H1: 5%); Office & Industrial by 4% (H1: 6%); Information Technology by 2% (H1: 2%); Engineering & Technical by 6% (H1: 5%); Finance & Legal by 5% (H1: 6%); Medical & Science by 11% (H1: 13%); Human Capital Solutions by 0% (H1: -1%); Total Professional Business Lines by 5% (H1: 4%); and Adecco Group by 5% (H1: 6%).

3) Emerging Markets excluding professional business lines.

Consolidated balance sheets

EUR millions	June 30 2007	Dec 31 2006
Assets		
Current assets:		
– Cash and cash equivalents	1,124	875
– Short-term investments	10	13
– Trade accounts receivable, net	4,035	3,846
– Other current assets ¹	335	311
Total current assets	5,504	5,045
Property, equipment, and leasehold improvements, net	223	229
Other assets ¹	324	357
Intangible assets, net	164	169
Goodwill	1,890	1,882
Total assets	8,105	7,682
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
– Accounts payable and accrued expenses ¹	3,518	3,544
– Short-term debt and current maturities of long-term debt	378	38
Total current liabilities	3,896	3,582
Long-term debt, less current maturities	1,066	1,406
Other liabilities ¹	375	187
Total liabilities	5,337	5,175
Minority interests	27	41
Shareholders' equity		
Common shares	118	117
Additional paid-in capital	2,119	2,100
Treasury stock, at cost	(163)	(182)
Retained earnings	684	466
Accumulated other comprehensive income/(loss), net	(17)	(35)
Total shareholders' equity	2,741	2,466
Total liabilities and shareholders' equity	8,105	7,682

1) As a result of the adoption of FIN 48 on January 1, 2007, an amount of EUR 164, EUR 73, and EUR (6) of unrecognised income tax benefits, previously reported in "accounts payable and accrued expenses", have been reclassified to "other liabilities", "other assets" and "other current assets", respectively.

Consolidated statements of cash flows

EUR millions	H1 2007	H1 2006
Cash flows from operating activities		
Net income	355	235
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	52	51
– Other charges	18	28
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(209)	(250)
– Accounts payable and accrued expenses	178	168
– Other assets and liabilities		9
Cash flows from operating activities	394	241
Cash flows from/(used in) investing activities		
Capital expenditures, net of proceeds	(42)	(38)
Acquisition of DIS, net of cash acquired		(552)
Purchase of short-term investments	(1)	(24)
Proceeds from sale of short-term investments	4	378
Cash settlements on derivative instruments	(4)	
Other acquisition and investing activities	(13)	(20)
Cash flows from/(used in) investing activities	(56)	(256)
Cash flows from/(used in) financing activities		
Net increase in short-term debt	18	27
Borrowings of long-term debt, net of issuance costs		694
Repayment of long-term debt		(517)
Net dividends paid to shareholders	(88)	(79)
Withholding tax on dividends	(47)	
Common stock options exercised	33	33
Cash settlements on derivative instruments	2	(15)
Purchase of treasury shares		(43)
Other financing activities	4	(3)
Cash flows from/(used in) financing activities	(78)	97
Effect of exchange rate changes on cash	(11)	(7)
Net increase in cash and cash equivalents	249	75
Cash and cash equivalents:		
– Beginning of year	875	468
– End of period	1,124	543

Reconciliation of consolidated statements of operations

EUR millions, except share and per share amounts	Q2 2007 Reported	French social benefit 2006 + Q1 2007	Q2 2007 excl. French social benefit 2006 + Q1 '07	French social benefit Q2 2007	Q2 2007 Underlying	Q2 2006	Variance %	
							EUR	Constant Currency
Revenues	5,282		5,282		5,282	5,133	3%	5%
Direct costs of services	(4,210)	121	(4,331)	23	(4,354)	(4,249)		
Gross profit	1,072	121	951	23	928	884	5%	8%
<i>Gross margin</i>	20.3%		18.0%		17.6%	17.2%		
Selling, general and administrative expenses	(746)	(36)	(710)	(7)	(703)	(679)	4%	7%
<i>As a percentage of revenues</i>	14.1%		13.4%		13.3%	13.2%		
Amortisation of intangible assets	(4)		(4)		(4)	(3)		
Operating income	322	85	237	16	221	202	9%	12%
<i>Operating income margin</i>	6.1%		4.5%		4.2%	3.9%		
Interest expense	(13)		(13)		(13)	(12)		
Other income/(expenses), net	10		10		10	3		
Income before income taxes and minority interests	319	85	234	16	218	193	13%	
Provision for income taxes	(94)	(30)	(64)	(5)	(59)	(56)		
Income applicable to minority interests	(3)		(3)		(3)	(2)		
Net income	222	55	167	11	156	135	15%	
<i>Net income margin</i>	4.2%		3.2%		3.0%	2.6%		
Basic earnings per share data:								
Basic earnings per share	1.20	0.30	0.90	0.06	0.84	0.72		
Basic weighted-average shares	185,259,945		185,259,945		185,259,945	186,737,660		