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Q3 2008 Results

Adecco Group

Zurich, November 4, 2008

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 the French antitrust procedure; and any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.



Today's agenda

Operational review

Dieter Scheiff

Financial review

Dominik de Daniel

Outlook

Dieter Scheiff



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Operational review

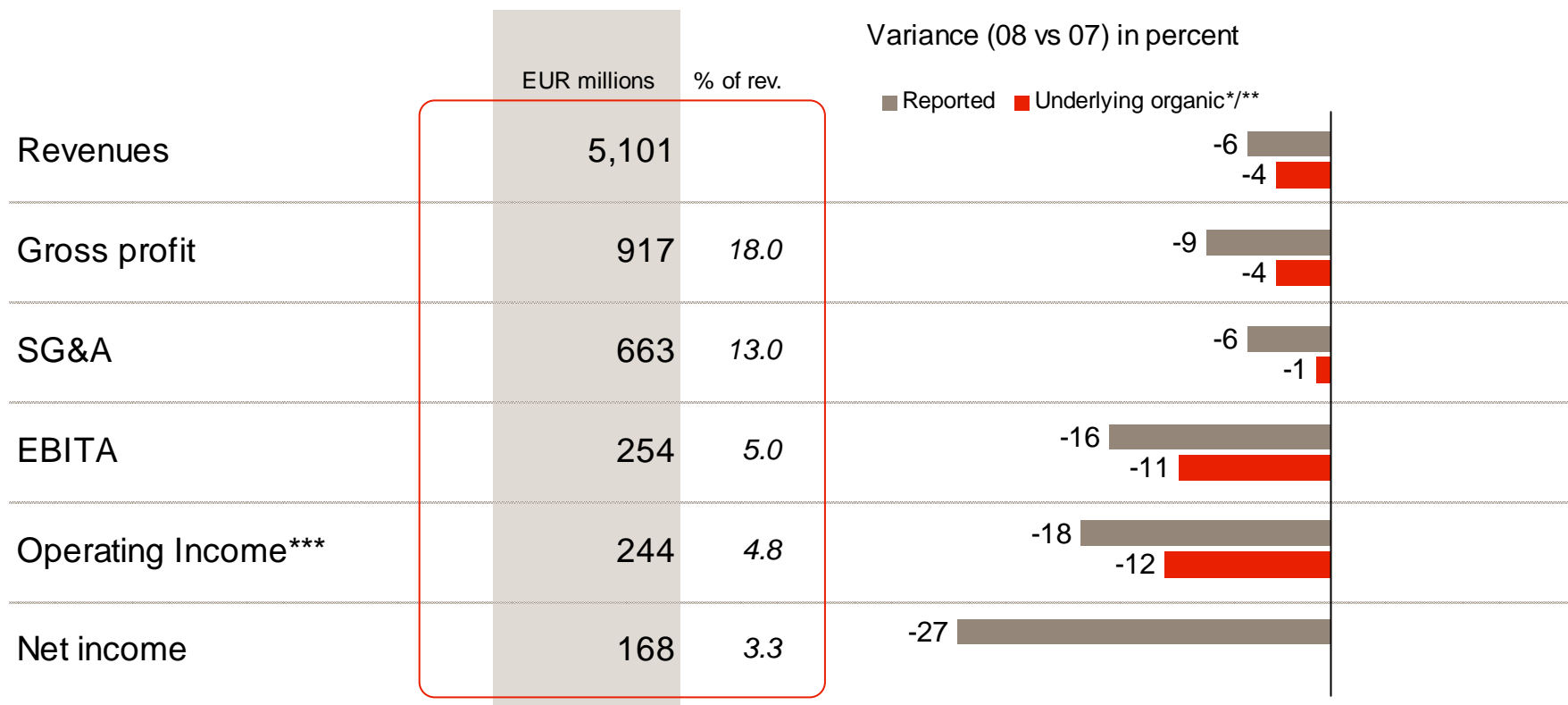
Dieter Scheiff, Group CEO



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Q3 2008 results summary



* Underlying is a non US GAAP measure and excludes the impact of the modified calculation of French social charges which positively impacted Q3 2007 with EUR 26 million on gross profit, EUR 18 million on operating income and EUR 12 million on net income.

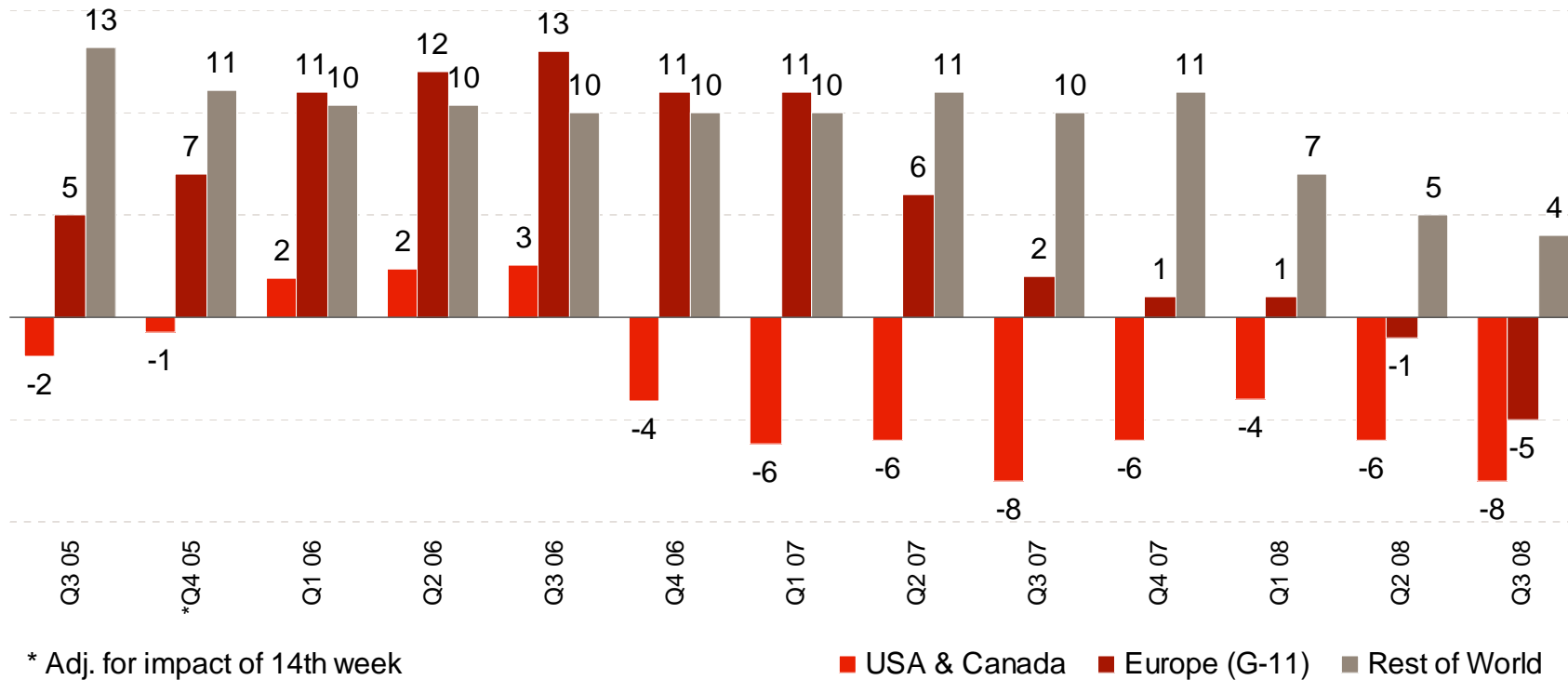
** Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestitures.

*** Operating income includes amortisation of intangible assets of EUR 10 million for Q3 2008 and EUR 8 million for Q3 2007.



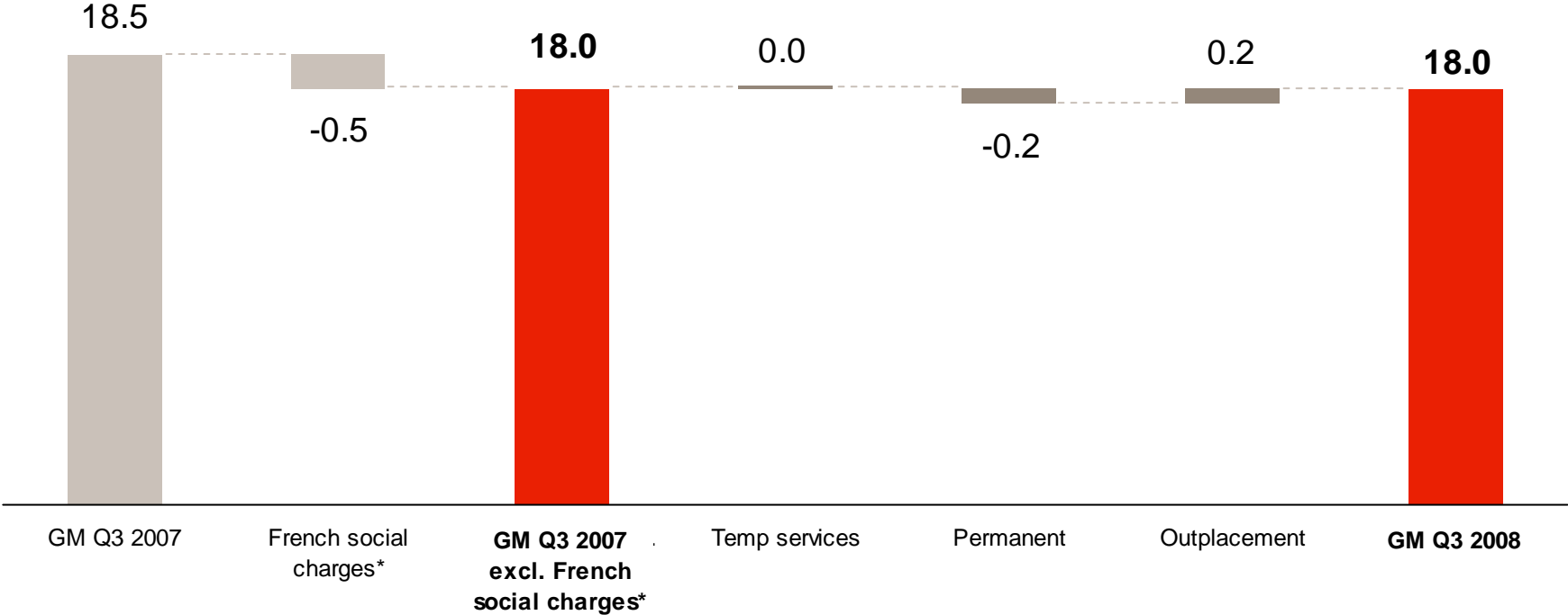
Revenue growth by region

Organic year-on-year growth in percent



Gross margin drivers

In percent of revenues



* French social charges in Q3 2007

Revenues and EBITA by geography

Q3 2008 vs. Q3 2007 in constant currencies

	Revenues	EBITA	Year-on-year growth	
	EUR millions	EUR millions	Revenues constant currency in percent	EBITA* constant currency in percent
France	1,747	69	-2	-13
USA & Canada**	651	28	-9	-18
UK & Ireland	344	5	-16	-58
Germany**	404	53	12	8
Japan	339	26	1	5
Italy	285	15	-5	-21
Iberia	270	16	-12	-25
Nordics	242	14	-3	0
Benelux	249	16	-2	-19
Switzerland & Austria**	156	14	4	1
Australia & New Zealand	102	4	-14	-3
Emerging Markets	312	13	16	27
Corporate Expenses		-19		
Adecco Group**	5,101	254	-3	-9

* Excluding the impact of a modified calculation of French social charges for France and Adecco Group.

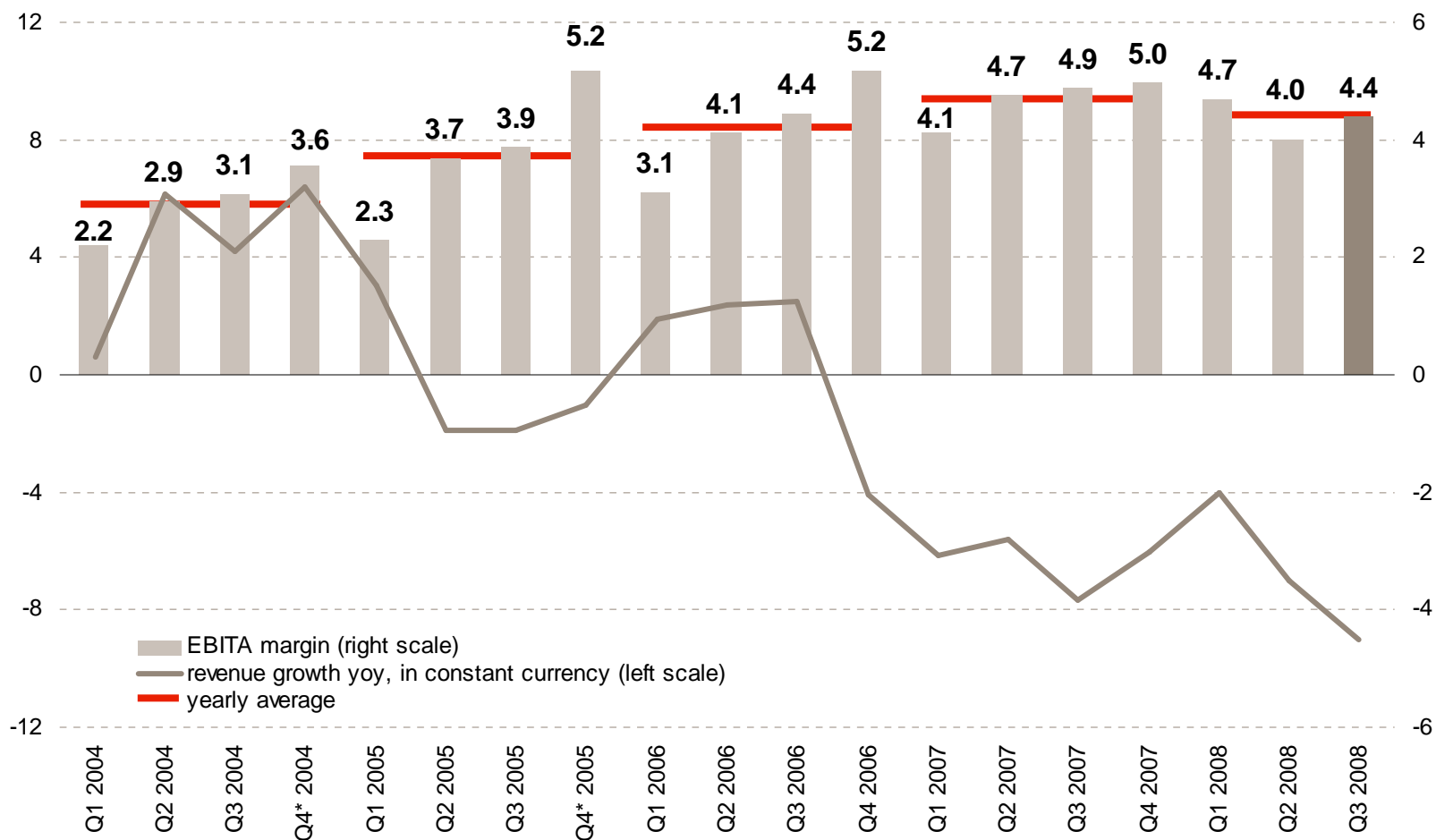
** Q3 2008 revenue development organically in USA & Canada -8%; Germany -2%, Switzerland & Austria -3%; and Adecco Group -4%.



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USA & Canada revenue and EBITA margin

Development Q1 2004 – Q3 2008 in percent



* Adjusted for impact of 14th week in revenues

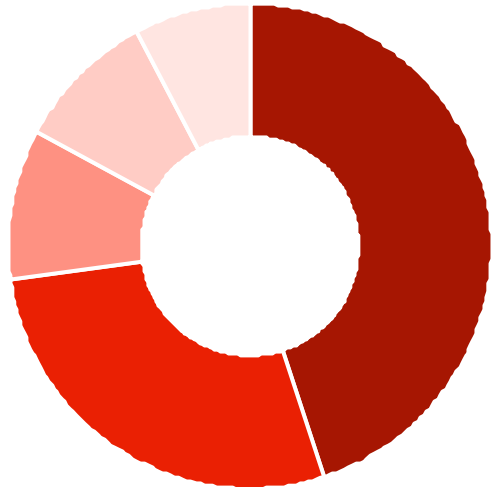


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Growth opportunities in the Emerging Markets

Emerging Markets Q3 2008 revenues by geography

Q3 2008 revenue split / growth

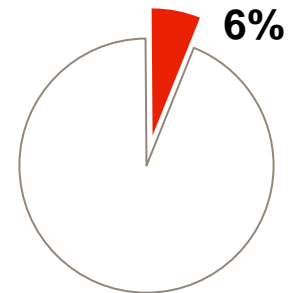


yoy growth, at constant currency

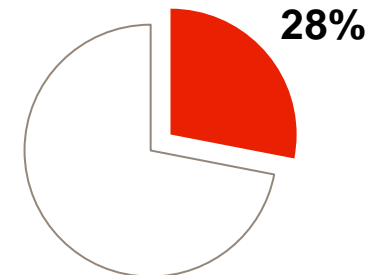
45%	Latin & Central America	17%
28%	Eastern Europe & Balkans	12%
10%	South East Asia	15%
9%	Greater China	20%
8%	India & South Africa	25%

Emerging Markets compared to Group Q3 2008

Revenues



Temp hours sold



Q3 2008 vs. Q3 2007

Constant currency growth

• Revenues	16%	Group	-3%
• EBITA	27%	Group*	-9%

Margin development

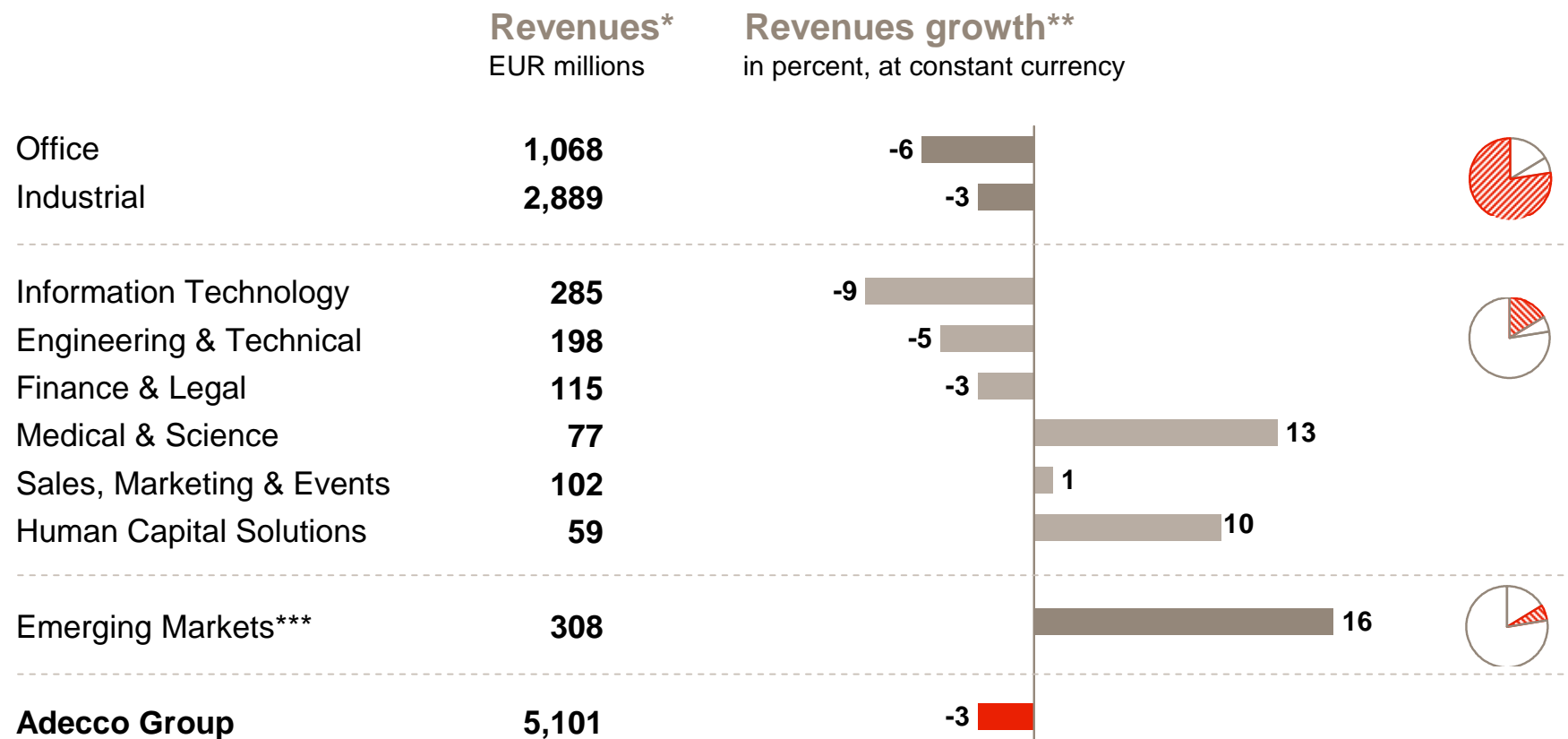
• EBITA margin	4.1%	Group*	5.0%
	+40 bps		-30 bps

* excl. French social charges in 2007



Revenue development by business lines

Q3 2008 vs. Q3 2007 in constant currencies



* Breakdown of revenues is based on dedicated branches.

** In Q3, revenues changed organically in Office by -6%; Industrial by -5% and Adecco Group by -4%.

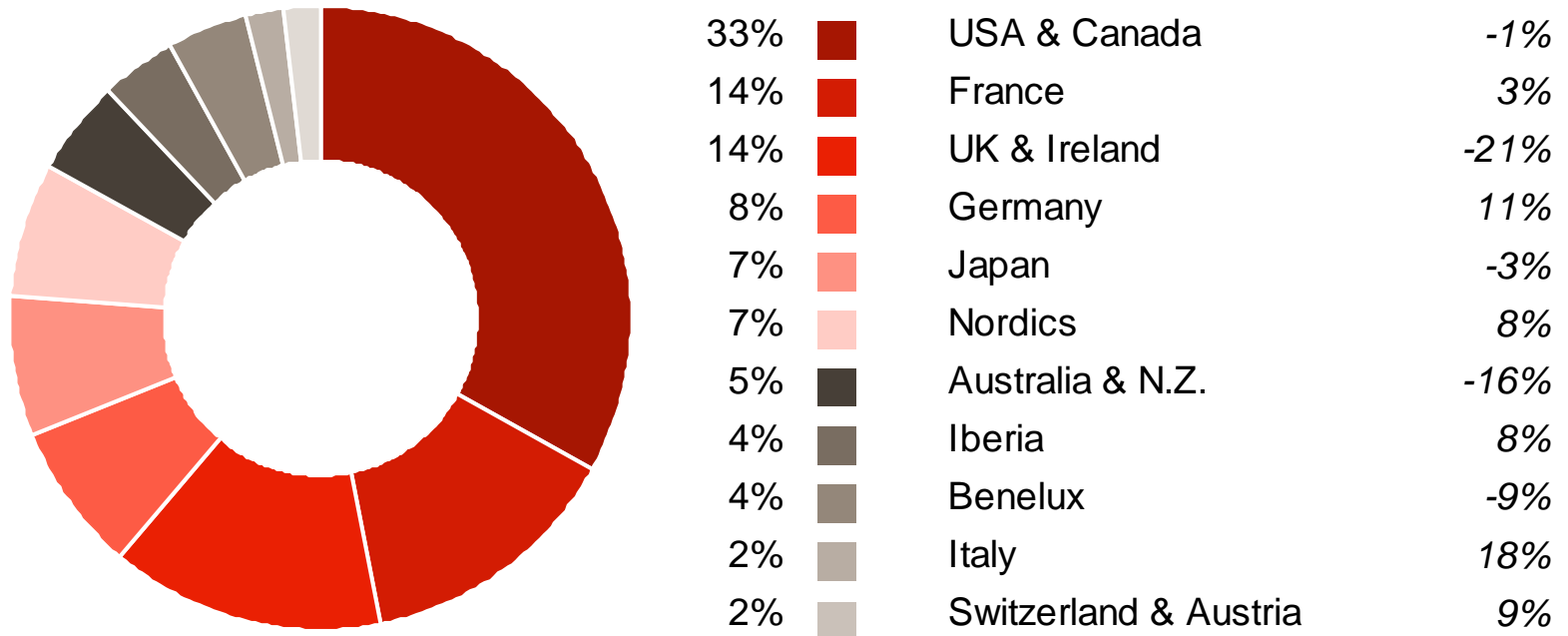
*** Emerging Markets excluding professional business lines.

Q3 2008 professional business lines*

Revenues by geography



yoy growth, at constant currency



* Based on dedicated branches



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Financial review

Dominik de Daniel, Group CFO



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Q3 2008 Results in detail – P&L

In EUR millions

	Q3 2008	Q3 2007		Variance** %		
		Reported	French social charges impact*	Underlying	EUR	organic
Revenues	5,101	5,442		5,442	-6%	-4%
Direct costs of services	(4,184)	(4,435)	26	(4,461)		
Gross profit	917	1,007	26	981	-6%	-4%
<i>Gross margin</i>	18.0%	18.5%		18.0%		
Selling, general and administrative expenses	(663)	(703)	(8)	(695)	-5%	-1%
<i>As a percentage of revenues</i>	13.0%	12.9%		12.8%		
EBITA	254	304	18	286	-11%	-11%
<i>EBITA margin</i>	5.0%	5.6%		5.3%		
Amortisation of intangible assets	(10)	(8)		(8)		
Operating income	244	296	18	278	-12%	-12%
<i>Operating income margin</i>	4.8%	5.4%		5.1%		
Interest expense	(15)	(15)		(15)		
Other income/(expenses), net	2	4		4		
Income before taxes and minority interests	231	285	18	267	-14%	
Provision for income taxes	(63)	(53)	(6)	(47)		
Income applicable to minority interests	-	(2)		(2)		
Net income	168	230	12	218	-23%	
<i>Net income margin</i>	3.3%	4.2%		4.0%		

* French social charges impact in Q3 2007 for Q3 2007

** Variance of Q3 2008 vs. underlying figures Q3 2007

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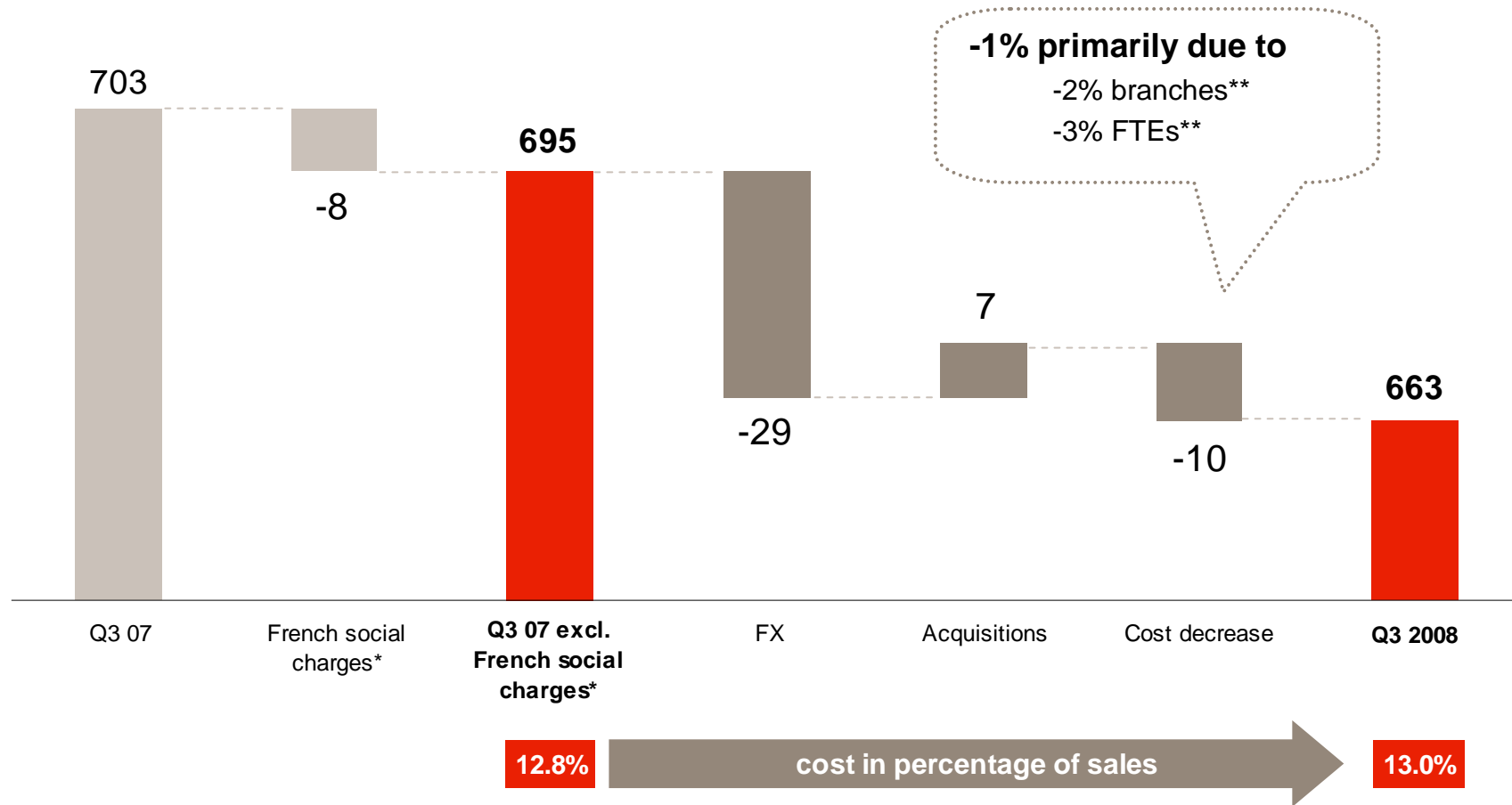
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Q3 2008 SG&A movements

In EUR millions



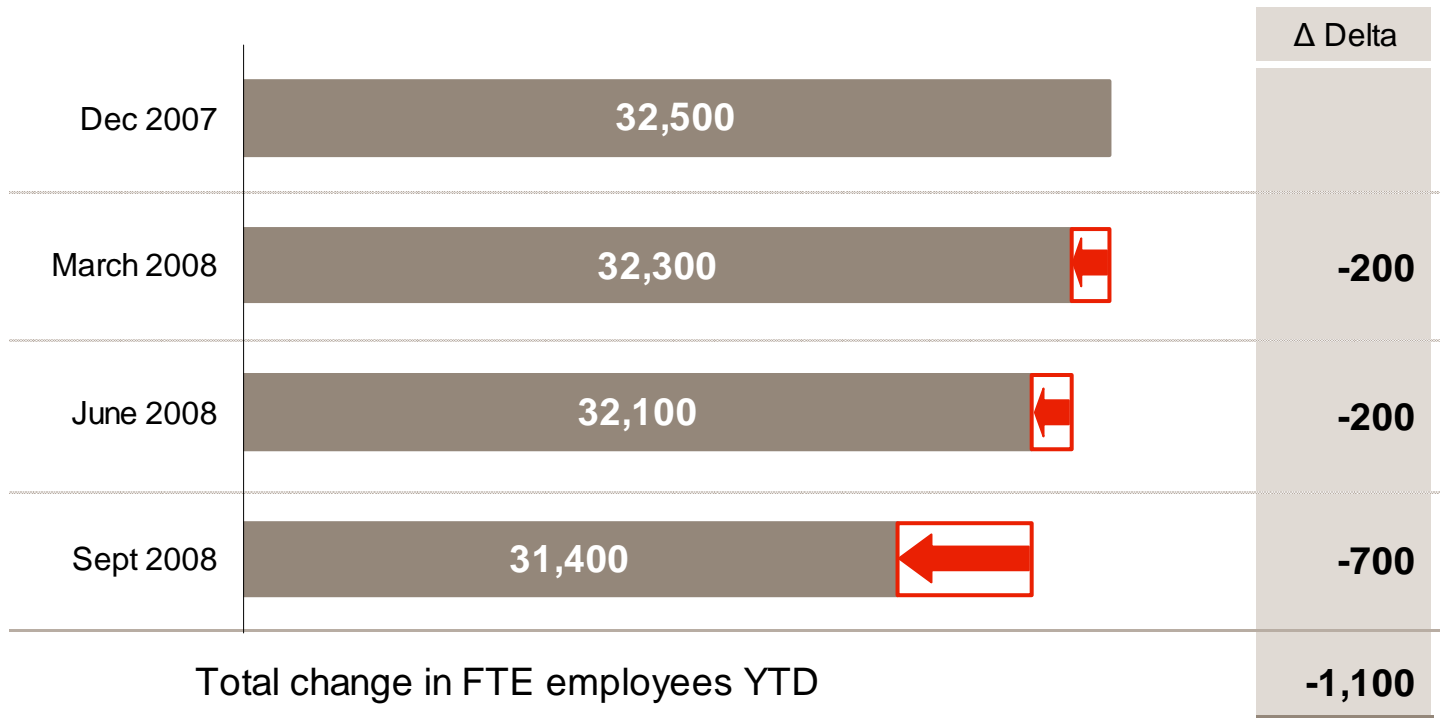
* French social charges in Q3 2007

** Organically

Development of full-time equivalent (FTE) employees

Trend since year end 2007

Operating units excluding Emerging Markets



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Balance sheet

In EUR millions

	Sept 30 2008	Dec 31 2007
Assets		
Cash and short-term investments	678	563
Trade accounts receivable, net	3,679	3,773
Other current assets	329	324
Property, equipment, and leasehold improvements, net	231	223
Other assets	255	277
Goodwill and intangible assets, net	3,092	3,094
Total assets	8,264	8,254
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	3,378	3,476
Short- and long-term debt	1,478	1,429
Other liabilities	483	469
Minority interests	4	7
Shareholders' equity	2,921	2,873
Total liabilities and shareholders' equity	8,264	8,254
Net Debt*	800	866

* 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.

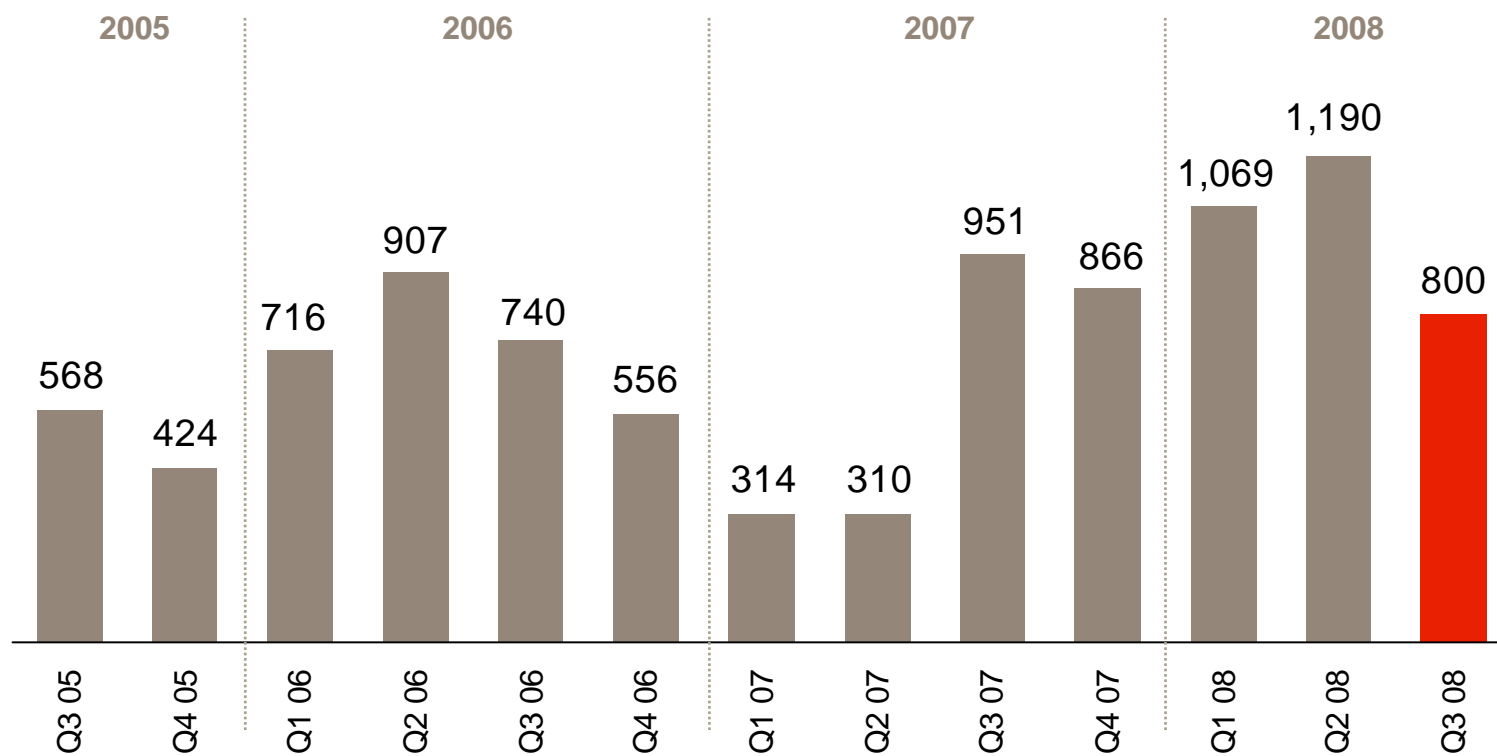
Cash-flow statement

In EUR millions

	9M 2008	9M 2007
Consolidated statements of cash flows (year-to-date)		
Net income	517	585
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	93	83
– Other charges	33	44
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	74	(207)
– Accounts payable and accrued expenses	(109)	266
– Other assets and liabilities	61	(5)
Cash flows from operating activities	669	766
Cash flows from/(used in) investing activities	(126)	(864)
Cash flows from/(used in) financing activities	(430)	(270)
Effect of exchange rate changes on cash	3	(15)
Net increase/(decrease) in cash and cash equivalents	116	(383)

Net debt development since Q3 2005

In EUR millions



Credit facilities and cash & short term investments

As of 30 September 2008, in EUR millions

	Principal at maturity	Maturity	Fixed interest rate	Total
Guaranteed zero-coupon convertible bond	CHF 1,044	2013*	1.5%	614
Fixed rate guaranteed notes	EUR 500	2013	4.5%	492
Multicurrency revolving credit facility	EUR 550	2013	variable	-**
Multicurrency revolving credit facility, term loan	EUR 300	Dec 2008	variable	300
Uncommitted lines	EUR 377	various	variable	72
Short & long term debt				1,478
Cash & short term investments				678
Net Debt				800

* Put option per August 2010

** EUR 102 million used for letter of credit



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Outlook

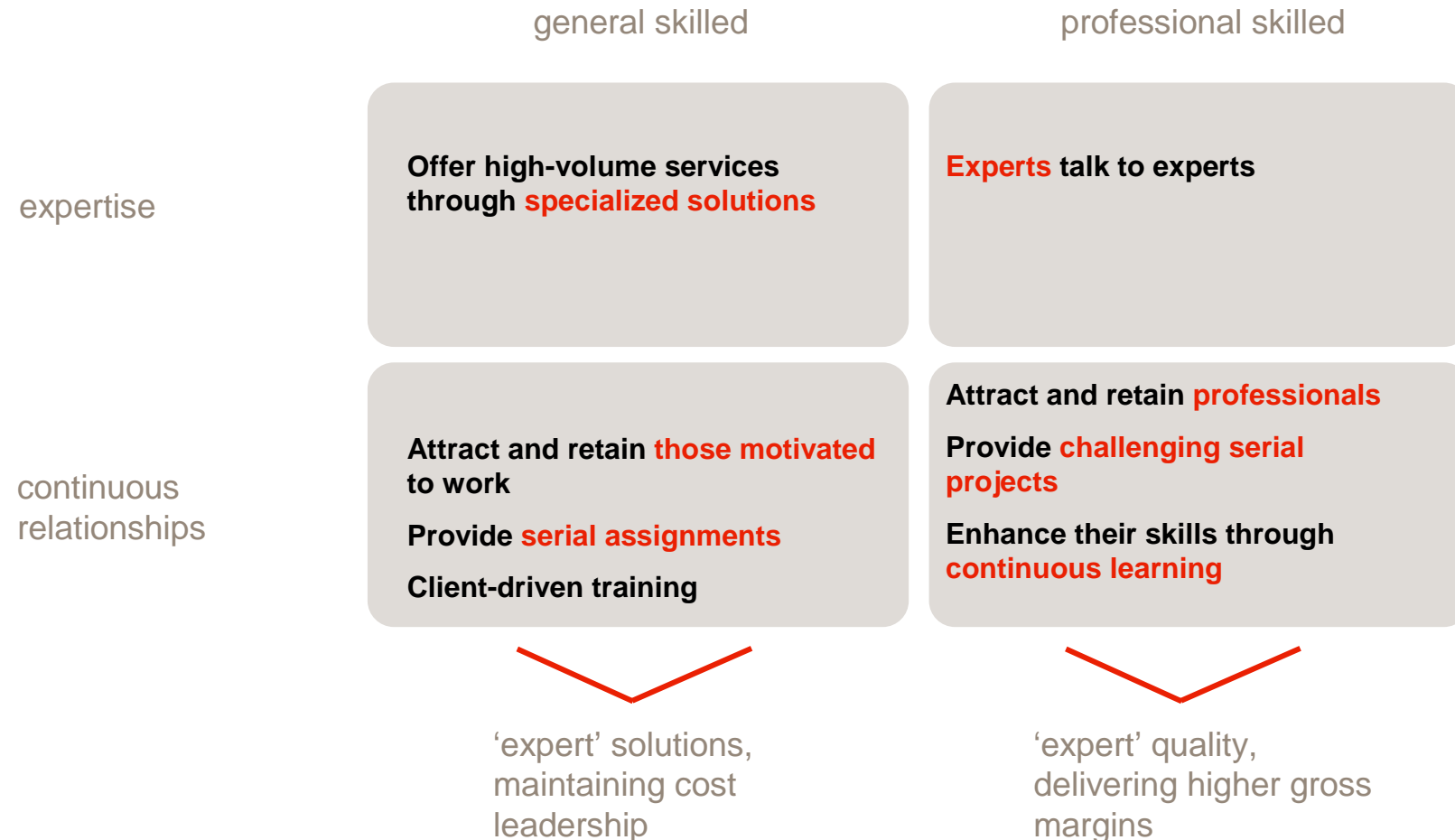
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Adecco Group strategy

Our two-folded market approach



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Thank you

Question and answer session



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Appendix



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France

Financial performance for the last 9 quarters, organically

	Q3 06	Q4 06*	Q1 07*	Q2 07*	Q3 07*	Q4 07*	Q1 08	Q2 08*	Q3 08
Sales growth (adj. for business days)	9%	7%	9%	3%	-3%	-2%	3%	-4%	-2%
Market growth (Turnover, adj. for business days, PRISME, Q3 08 Adecco estimate)	8%	7%	10%	8%	6%	3%	3%	-5%	-3%
Gross margin Δ	-30 bps	-10 bps	0 bps	+70 bps	+60 bps	+20 bps	+10 bps	0 bps	0 bps
SG&A % Δ	-30 bps	-30 bps	-30 bps	-10 bps	+20 bps	-20 bps	0 bps	+30 bps	+50 bps
Operating margin Δ	-0 bps	+20 bps	+30 bps	+80 bps	+40 bps	+40 bps	+10 bps	-30 bps	-50 bps
DSO Δ	0 days	0 days	-1 days	-2 days	-3 days	-4 days	-3 days	-2 days	-1 days

* adjusted for changes in social charges

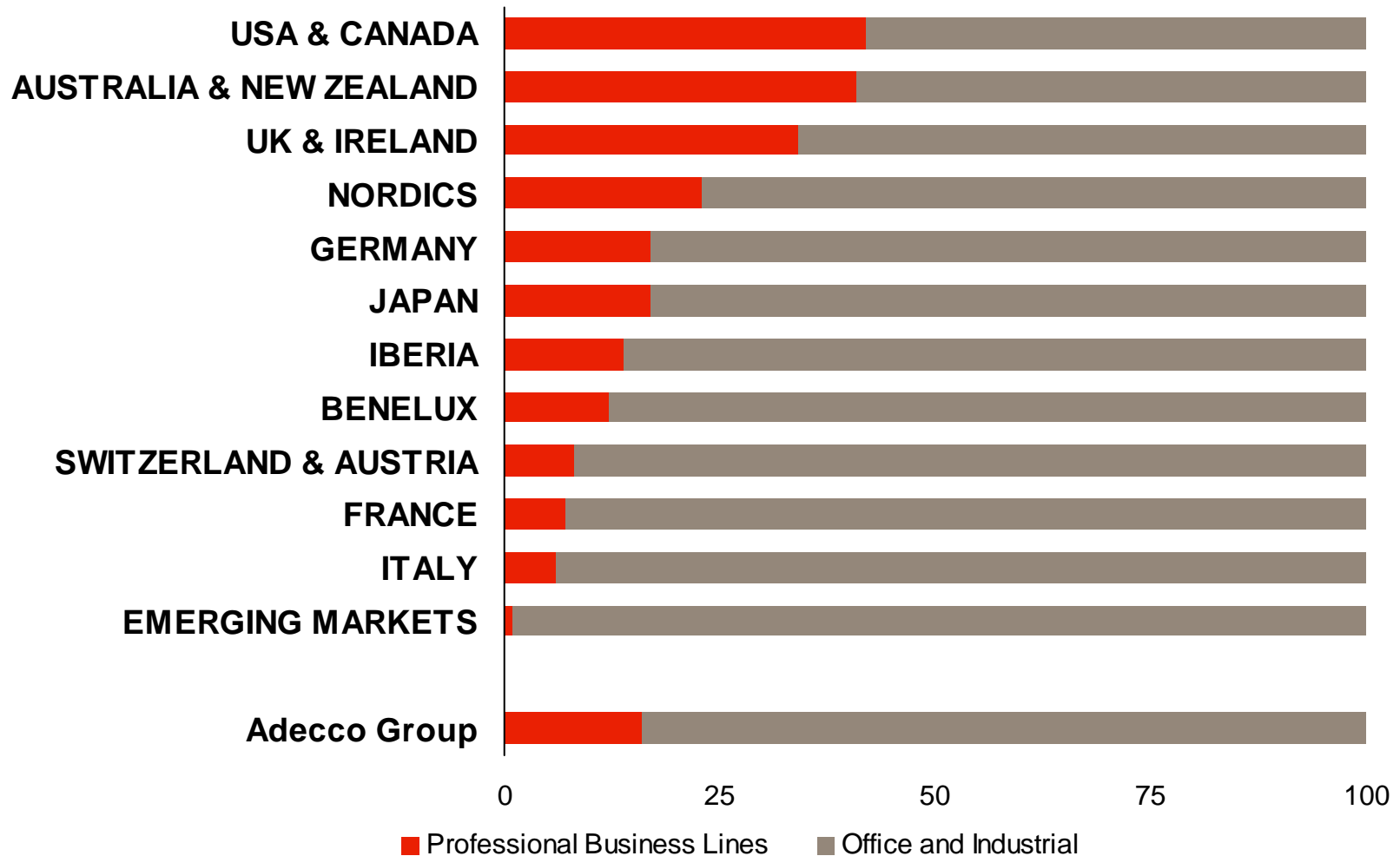


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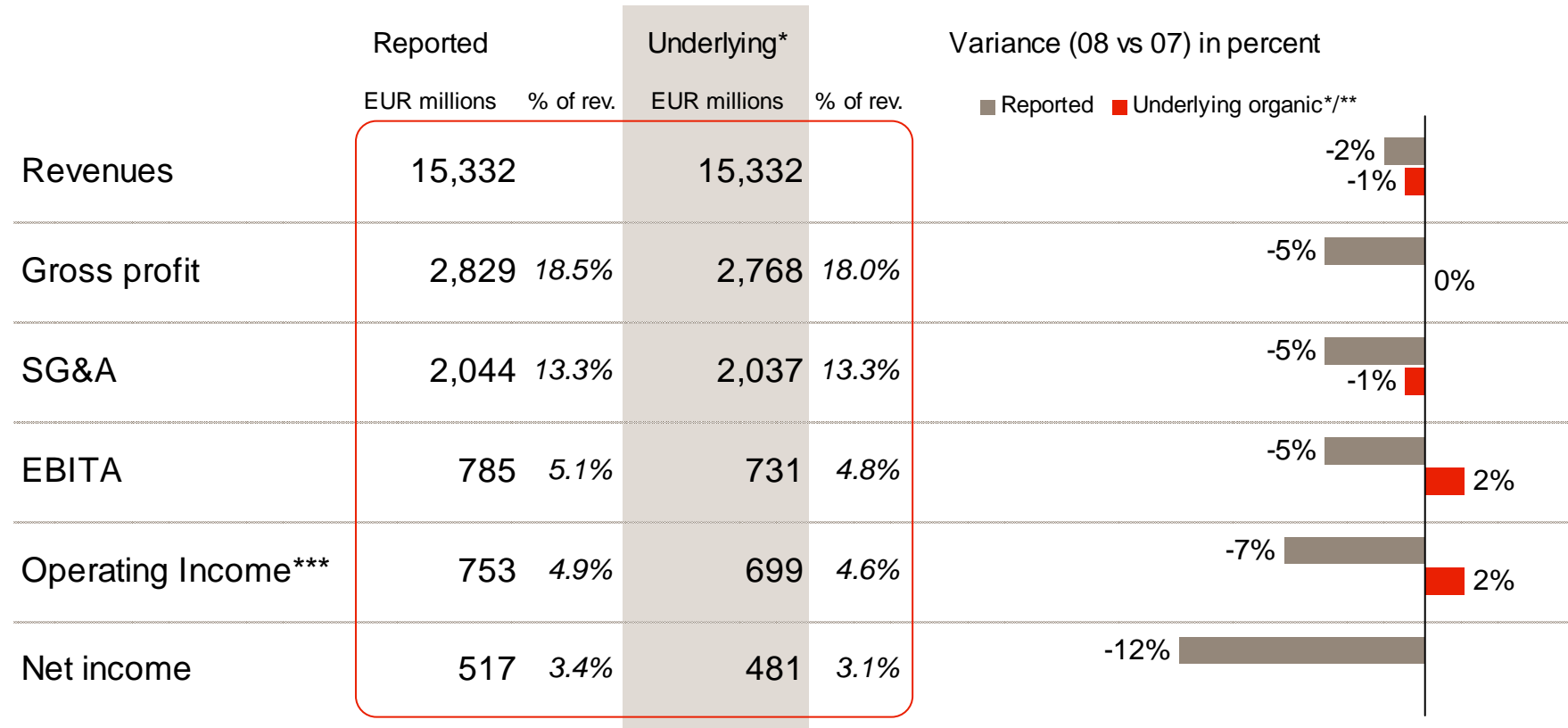
Revenues – Office and Industrial vs. Professional business lines

In percent, based on dedicated branches in Q3 2008



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9M 2008 results summary



* Underlying is a non US GAAP measure and excludes the impact of the modified calculation of French social charges for 2005, which positively impacted 9M 2008 with EUR 61 million on gross profit, EUR 54 million on operating income and EUR 36 million on net income, and for 2006 and 9M 2007, positively impacted 9M 2007 with EUR 170 million on gross profit, EUR 119 million on operating income and EUR 78 million on net income.

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

*** Operating income includes amortisation of intangible assets of EUR 32 million for 9M 2008 and EUR 16 million for 9M 2007.



Revenues and EBITA by geography

9M 2008 vs. 9M 2007 in constant currencies

	Revenues	EBITA	Year-on-year growth	
	EUR millions	EUR millions	Revenues constant currency in percent	EBITA* constant currency in percent
France	5,140	250	-1	-7
USA & Canada**	2,019	88	-7	-11
UK & Ireland	1,092	31	-13	-13
Germany**	1,196	134	40	33
Japan	1,049	78	3	11
Italy	921	62	0	2
Iberia	819	51	-5	-6
Nordics	749	39	5	25
Benelux	722	41	-2	-1
Switzerland & Austria**	429	34	12	8
Australia & New Zealand	312	9	-9	-2
Emerging Markets	884	34	16	35
Corporate Expenses		-66		
Adecco Group**	15,332	785	1	7

* Excluding the impact of a modified calculation of French social charges for France and Adecco Group.

** In 9M 2008 revenues changed organically in USA & Canada by -6%; Germany by 3%, Switzerland & Austria by -2%; and Adecco Group by -1%.



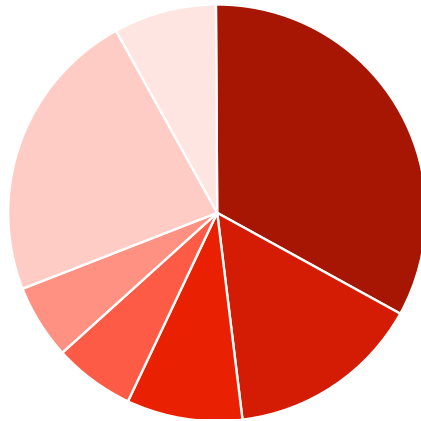
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Market potential for Professional and General staffing

Market size and FY 2007 revenues of Adecco

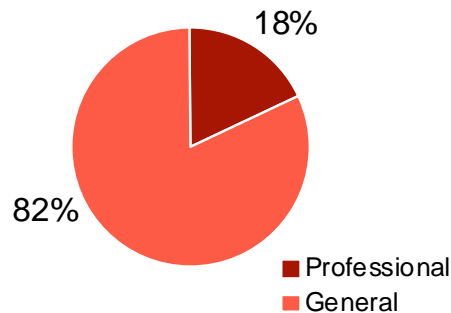
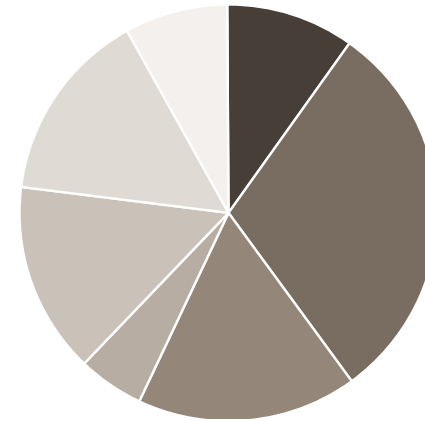
Adecco FY 2007 revenues: EUR 21.1 bn

Global market 2007: Approx. EUR 220 bn

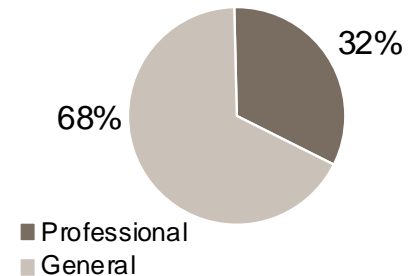


- 33% France
- 15% USA & Canada
- 9% UK & Ireland
- 6% Germany
- 6% Japan
- 23% Rest EU
- 8% Rest Global

- France 10%
- USA & Canada 30%
- UK & Ireland 17%
- Germany 5%
- Japan 15%
- Rest EU 15%
- Rest Global 8%



- Professional
- General



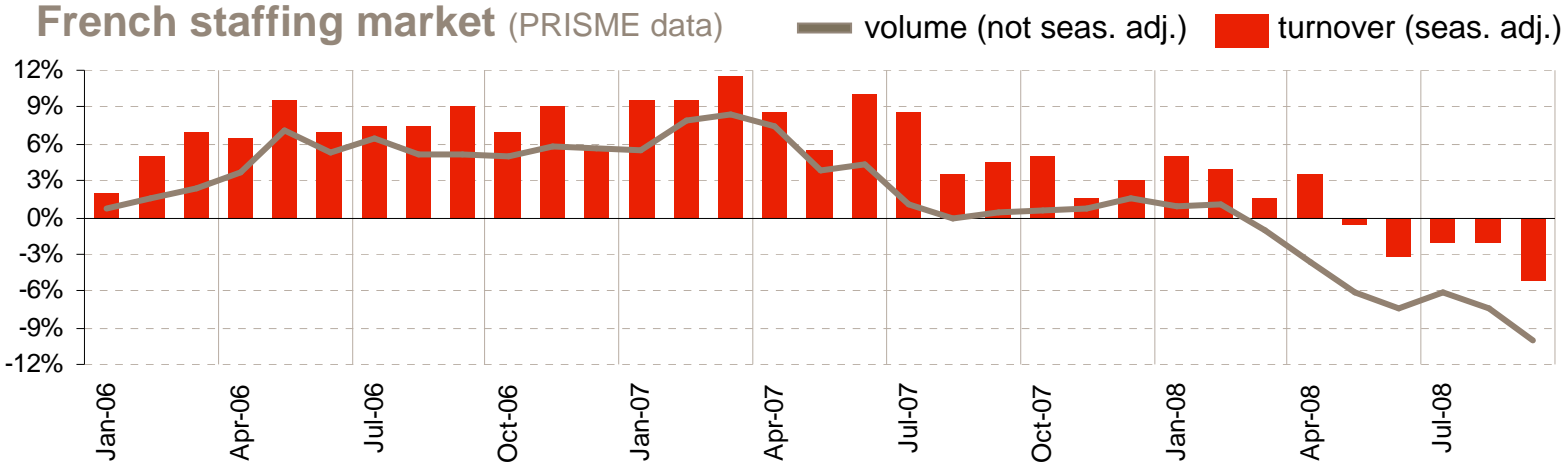
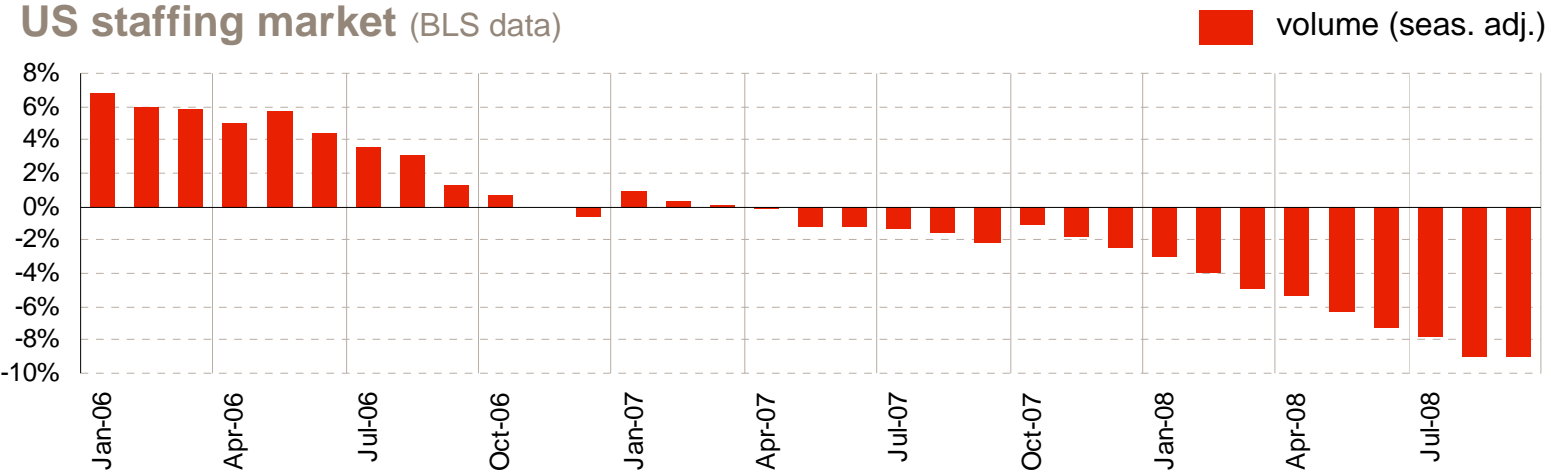
- Professional
- General



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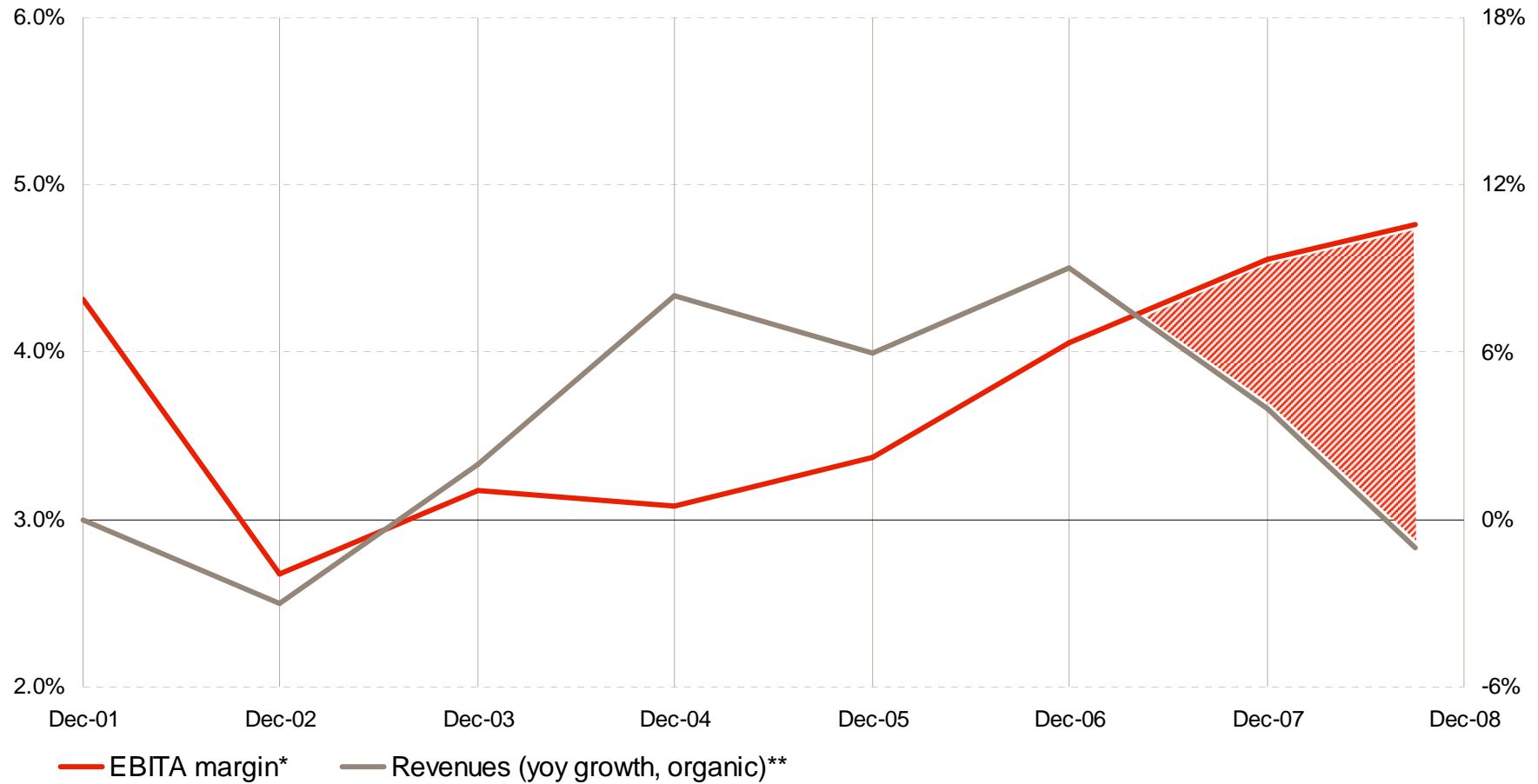
Development of US and French staffing market

Year-on-year growth



Protecting profitability in weakening markets

How we deal with the cyclical nature of our business



* FY 2007 and 9M 2008 excl. impact of the modified calculation of French social charges

** FY 2004 and FY 2005 adjusted for the impact of the 53rd week in 2004

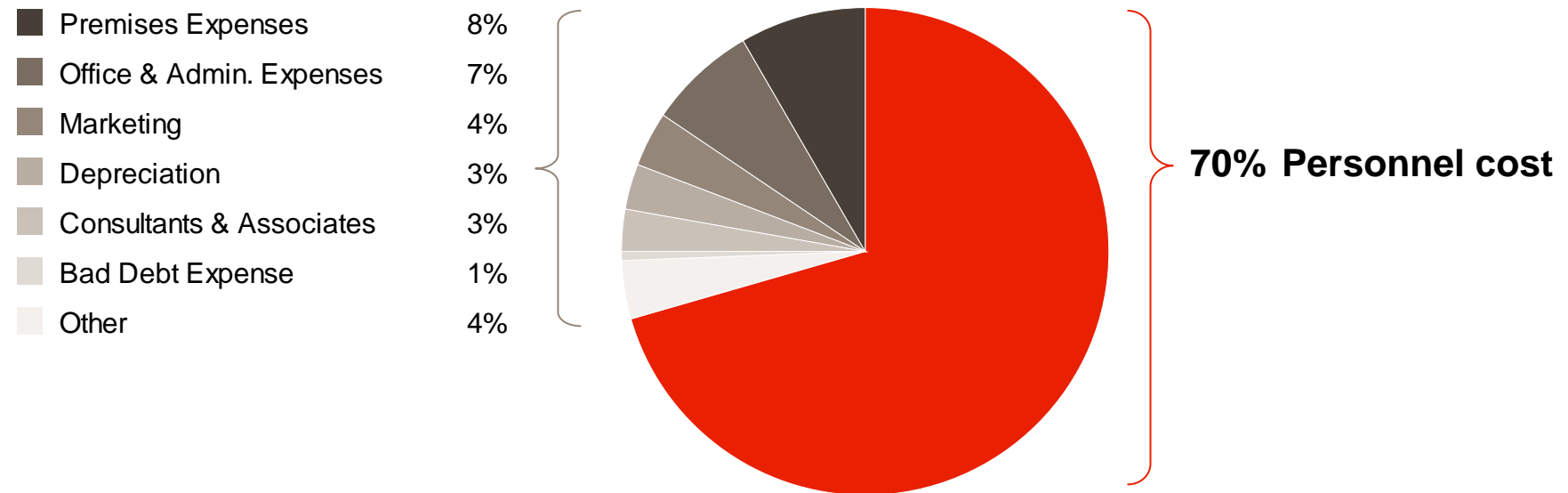


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Protecting profitability in weakening markets

How we deal with the cyclical nature of our business

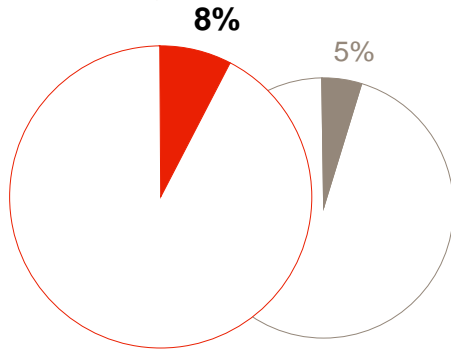
SG&A breakdown for H1 2008



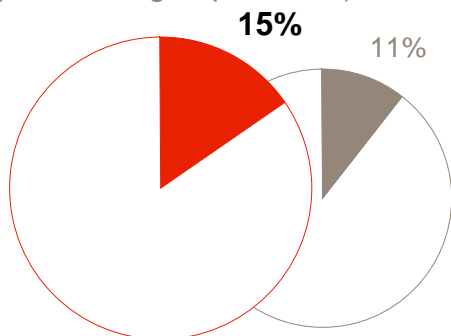
Protecting profitability in weakening markets

How we deal with the cyclical nature of our business

Revenues Germany H1 08 vs. H1 07
(in percent of group revenues)



EBITA Germany H1 08 vs. H1 07
(in percent of group EBITA*)

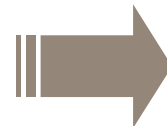


*before corporate cost and excl. impact of the modified calculation of French social charges

Example Germany: We are more flexible than the market thinks

Despite having associates on our payroll we remain flexible through

- Alternative placing options in case of redundancies
- Flexible time capturing – overtime is compensated rather than paid
- Redundancies are only costly after six months of employment
- Attrition rate helps when costs need to be adapted to revenue developments



Risk of People on our Bench is compensated with higher margins!

*

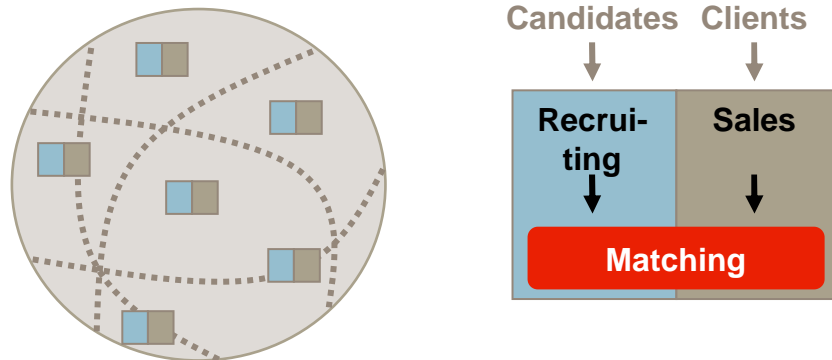
“Industrialization” of recruiting and client serving

Example Japan

Traditional branch model



Old ,classic‘ matching process



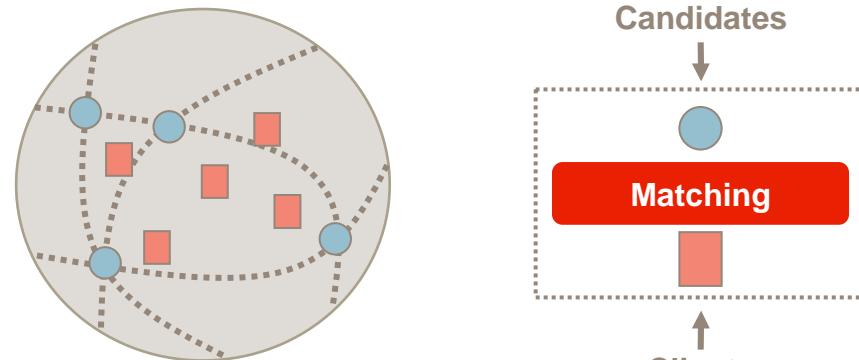
Greater city area

- Branch
- Public transport

“Industrialized” branch model



New ,industrialized‘ matching process



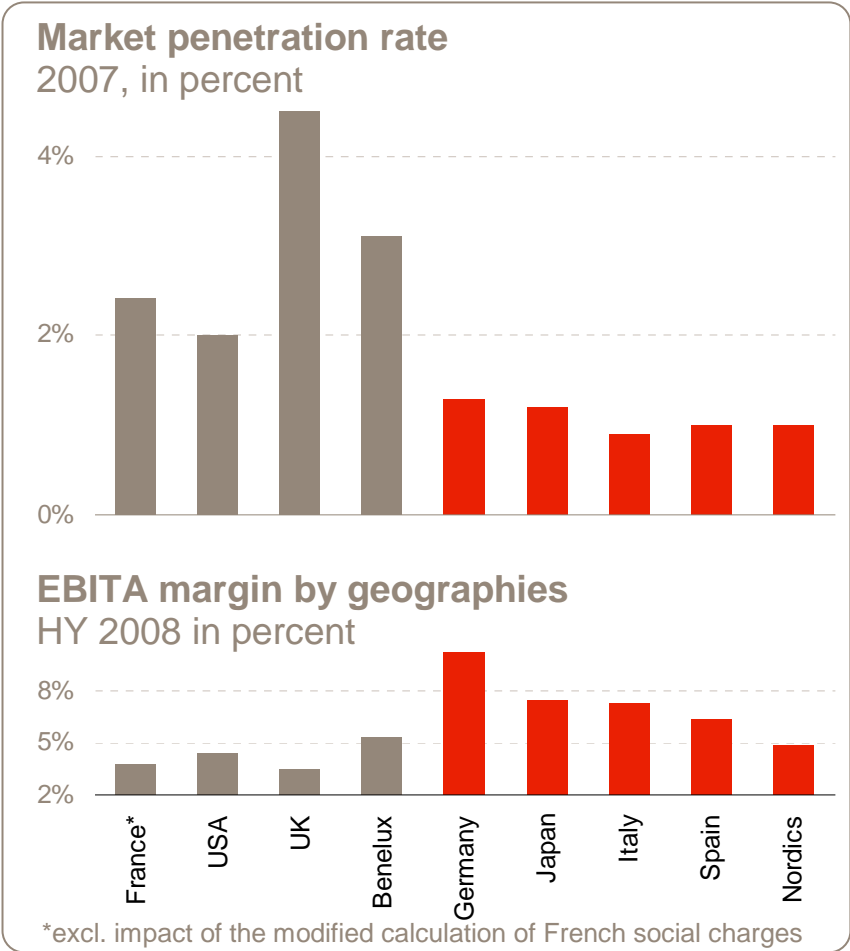
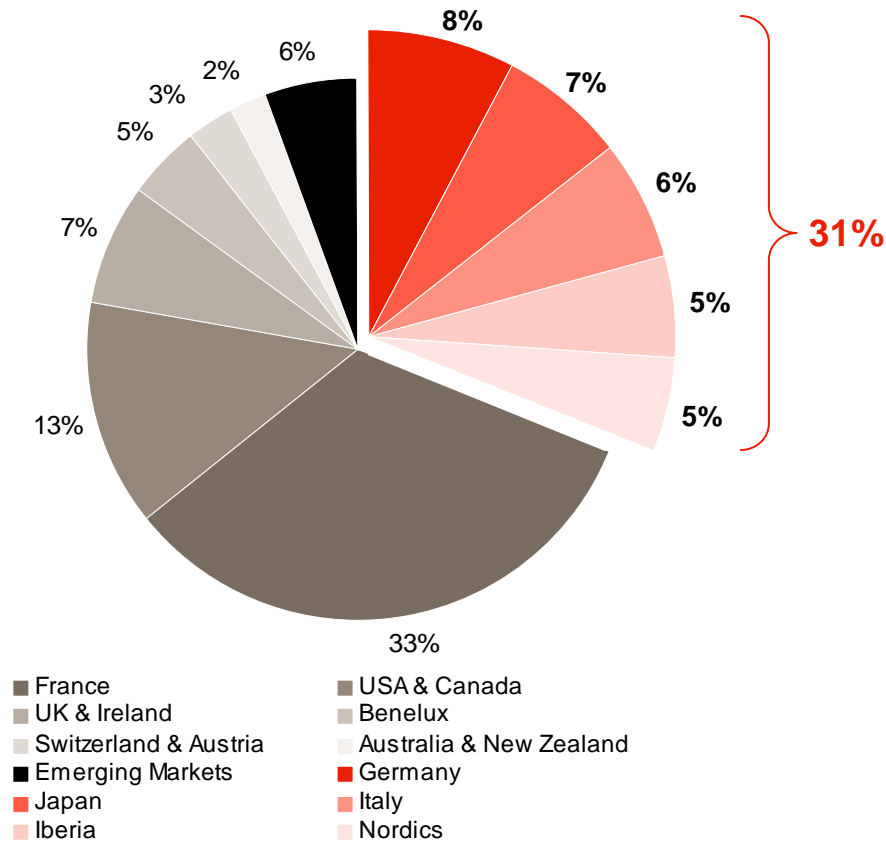
Greater city area

- Job center at public transport junctions
- Client serving branches with focus on city area
- Public transport

Exposure to structural growth markets

Market penetration rate as growth driver

31% of our business (H1 2008) has higher growth potential and higher profitability



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