

## Press Release

# Adecco reports strong results for 2010

Double-digit revenue growth and strict cost control resulted in strong operating leverage

### FY 2010 HIGHLIGHTS (2010 versus 2009)

- Revenues of EUR 18.7 billion, up 26% (12% organically<sup>1</sup>)
- Gross margin at 17.8%, down 10 bps (-90 bps organically and on an adjusted<sup>2</sup> basis)
- SG&A was flat on an organic and adjusted basis, driven by strict cost control
- EBITA<sup>3</sup> margin before integration costs at 4.1%, up 100 bps on an adjusted basis
- DSO at 54 days in 2010 compared to 53 days in 2009
- Proposed dividend of CHF 1.10 per share

### Q4 HIGHLIGHTS (Q4 2010 versus Q4 2009)

- Revenues of EUR 5.0 billion, up 32% (17% organically)
- Gross margin of 17.9%, up 30 bps (-50 bps organically and adjusted)
- SG&A increased by 19% (before integration costs +4%, organically and adjusted)
- EBITA before integration costs of EUR 223 million (+51% organically and adjusted)
- EBITA margin before integration costs at 4.5%, up 110 bps on an adjusted basis

### Key figures

in EUR millions	FY 2010 reported	Q4 2010 reported	FY 2010 growth adjusted/organic	Q4 2010 growth adjusted/organic
Revenues	18,656	4,993	+12%	+17%
Gross profit	3,329	894	+6%	+13%
EBITA before integration costs	755	223	+40%	+51%
EBITA	722	211	+34%	+43%
Operating income	667	197		
Net income attributable to Adecco shareholders	423	141		

**Zurich, Switzerland, March 3, 2011: Adecco Group, the worldwide leader in Human Resource services, today announced results for the full year and the fourth quarter of 2010. Revenues in 2010 were up 26% or 12% organically, to EUR 18.7 billion. The gross margin was 17.8%, 10 bps lower than the prior year and down 90 bps organically and adjusted. Strict cost control kept SG&A flat on an organic and adjusted basis. The 2010 EBITA margin before integration costs was 4.1%, up 100 bps compared to the 2009 adjusted EBITA margin of 3.1%. DSO were 54 days in 2010 compared to 53 days in 2009.**

Patrick De Maeseneire, CEO of the Adecco Group said: *“2010 was a good year for Adecco. Most markets returned to strong double-digit revenue growth during the year. The growth was mainly driven by the industrial staffing segment, and also the later cyclical office and professional staffing segments returned to growth. Our discipline in pricing and cost control led to a strong increase in EBITA of 40%, on an organic adjusted basis, and before integration costs. Coming out of the downturn, our customers clearly value flexibility more than in the past and see it as a strategic component of their labour force. We therefore strongly believe that penetration*

<sup>1</sup> Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestitures.

<sup>2</sup> Adjusted is a non US GAAP measure excluding in 2009, for better comparison, the French business tax of EUR 60 million (Q4 09 EUR 15 million) in costs of services and EUR 4 million (Q4 09 EUR 1 million) in SG&A as those business tax components are shown as income tax as of 2010. It also excludes in 2009 the positive impact on gross profit of EUR 25 million (Q4 09 EUR 14 million) due to favorable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million (Q4 09 EUR 7 million) on gross profit due to a sales tax accrual in the UK related to prior years, as well as the negative impact on SG&A of EUR 121 million (Q4 09 EUR 30 million) associated with restructuring costs. For further details please refer to page 14.

<sup>3</sup> EBITA is a non US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

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*rates of flexible labour will surpass the previous peaks of 2007 and 2008. We will continue to take advantage of the good business conditions, while managing our cost base diligently. This, together with the good results achieved in 2010, puts us in a good shape to achieve our mid-term EBITA margin target of over 5.5%.”*

### **FY 2010 FINANCIAL PERFORMANCE**

#### **Revenues**

Group revenues for 2010 were EUR 18.7 billion, an increase of 26% compared to the prior year. Organically revenues were up 12%. Permanent placement revenues amounted to EUR 288 million, an increase of 58% in constant currency (+24% organically), while outplacement revenues totalled EUR 223 million, a decline of 28% in constant currency.

#### **Gross Profit**

In 2010, gross profit was EUR 3.3 billion, up 26% compared to 2009. Organically and adjusted, gross profit increased by 6%. The gross margin was 17.8%, 10 bps lower than in 2009. On an organic and adjusted basis, the gross margin declined by 90 bps compared to the adjusted 2009 gross margin of 18.2%.

#### **Selling, General and Administrative Expenses (SG&A)**

SG&A increased by 11% in 2010 compared to the prior year. On an adjusted basis and organically, SG&A was flat compared to 2009. Integration costs related to Spring Group and MPS Group amounted to EUR 33 million in 2010. At year end 2010 the Adecco Group had over 32,000 FTE employees worldwide, while operating a network of over 5,500 branches. Compared to year end 2009, FTE employees were up 4% on an organic basis, while branches were reduced by 4% organically.

#### **EBITA**

In 2010, EBITA amounted to EUR 722 million, an increase of 142% and up 34% adjusted and organically compared to 2009. The EBITA margin was 3.9% compared to 2.0% in the prior year. EBITA before integration costs was EUR 755 million and the margin was 4.1%, up 100 bps compared to the adjusted EBITA margin of 3.1% in the prior year.

#### **Amortisation and Impairment of Goodwill and Intangible Assets**

Amortisation was EUR 55 million in 2010, compared to EUR 42 million in 2009. In addition, the Adecco Group booked an impairment charge of EUR 192 million on goodwill and intangible assets in 2009.

#### **Operating Income**

Operating income in 2010 was EUR 667 million, compared to EUR 65 million in 2009. Operating income in 2009 was negatively impacted by the impairment charges on goodwill and intangible assets and restructuring costs.

#### **Interest Expense and Other Income / (Expenses), net**

Interest expense was EUR 63 million in the period under review, which compares to EUR 55 million in 2009. Other income / (expenses), net was an expense of EUR 1 million in 2010, the same as in 2009. Interest expense is expected to be around EUR 65 million for the full year 2011.

#### **Provision for Income Taxes**

The effective tax rate for 2010 was 30% compared to 5% in 2009. The effective tax rate for 2010 includes the impact from the change in the French business tax law. This was partly offset by the positive impact from the successful resolution of prior years' audits and the expiration of statutes of limitation. The 2009 effective tax rate was positively impacted by the change in the mix of earnings and the successful resolution of prior years' audits, which was partly offset by impairment charges with no tax benefit.

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### **Net Income attributable to Adecco shareholders and EPS**

In 2010, net income attributable to Adecco shareholders was EUR 423 million (2009: EUR 8 million). Basic EPS was EUR 2.20 (EUR 0.04 in 2009).

### **Cash-flow, Net Debt<sup>4</sup> and DSO**

Operating cash flow amounted to EUR 455 million in 2010. The Group invested EUR 831 million for MPS Group and EUR 105 million in capex in 2010. Dividends paid were EUR 91 million in 2010. Net debt at the end of December 2010 was EUR 751 million compared to EUR 110 million at year end 2009. In 2010, DSO were 54 days compared with 53 days in 2009.

### **Currency Impact**

In 2010, currency fluctuations had a positive impact on revenues of approximately 4%.

<sup>4</sup> 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.

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### Q4 2010 FINANCIAL PERFORMANCE

#### Revenues

Group revenues in Q4 2010 were EUR 5.0 billion, an increase of 32% compared to Q4 2009. Organically, revenues were up 17%. Permanent placement revenues amounted to EUR 75 million, an increase of 77% in constant currency (+44% organically), while outplacement revenues totalled EUR 50 million, a decline of 24% in constant currency.

#### Gross Profit

In Q4 2010, the gross margin was 17.9%, up 30 bps compared to the prior year's fourth quarter and down 50 bps organically and adjusted. The temporary staffing business had a negative impact on the gross margin of 30 bps in Q4 2010. The outplacement business negatively impacted the gross margin by 40 bps, whereas the permanent placement business had a positive impact of 20 bps in Q4 2010.

#### Selling, General and Administrative Expenses (SG&A)

SG&A in Q4 2010 increased by 19% compared to Q4 2009. Integration costs totalled EUR 12 million in Q4 2010. Organically and adjusted and before integration costs, SG&A was up 4%, compared to the same period last year, and increased 4% sequentially in constant currency. Organically, FTE employees increased by 3%, compared to the fourth quarter of 2009. Sequentially, FTE employees increased by 1%, mainly due to hirings in the Emerging Markets and North America. The branch network, on an organic basis, was reduced by 5% (-280 branches) compared with the fourth quarter of 2009.

#### EBITA

In the period under review, EBITA was EUR 211 million compared with EUR 89 million reported in the fourth quarter of 2009. The Q4 2010 EBITA margin was 4.2% compared to 2.3% in the prior year. EBITA before integration costs was EUR 223 million and the margin was 4.5%, up 110 bps in Q4 2010 when compared to the adjusted Q4 2009 EBITA margin of 3.4%.

#### Amortisation of Intangible Assets

Amortisation in Q4 2010 was EUR 14 million compared to EUR 8 million in Q4 2009.

#### Operating Income

In Q4 2010, operating income was EUR 197 million. This compares to EUR 81 million in the fourth quarter of 2009.

#### Interest Expense and Other Income / (Expenses), net

The interest expense amounted to EUR 15 million in the period under review, EUR 1 million higher than in Q4 2009. Other income / (expenses), net was an expense of EUR 1 million in Q4 2010 compared to an expense of EUR 4 million in the fourth quarter of 2009.

#### Net Income attributable to Adecco shareholders and EPS

In the period under review, net income attributable to Adecco shareholders was EUR 141 million. This compares to EUR 42 million in Q4 2009. Basic EPS in Q4 2010 was EUR 0.73 (Q4 2009: EUR 0.22).

#### Currency Impact

In Q4 2010, currency fluctuations had a positive impact of approximately 6% on revenues.

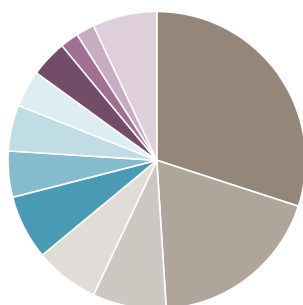
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### GEOGRAPHICAL PERFORMANCE

#### Q4 2010

	Revenues		EBITA	
	EUR m	organic yoy growth	EUR m	margin
30% ■ France	1,484	19%	60	4.0%
19% ■ North America	953	18%	49	5.1%
8% ■ UK & Ireland	411	-1%	4	1.1%
7% ■ Japan	336	-4%	17	5.0%
7% ■ Germany & Austria	347	32%	26	7.4%
5% ■ Benelux	243	16%	16	6.4%
5% ■ Italy	243	35%	11	4.9%
4% ■ Iberia	195	11%	8	4.4%
4% ■ Nordics	205	23%	11	5.3%
2% ■ Australia & New Zealand	122	21%	3	2.9%
2% ■ Switzerland	114	22%	16	13.8%
7% ■ Emerging Markets	340	20%	11	3.3%
Corporate			(21)	
<b>Adecco Group</b>	<b>4,993</b>	<b>17%</b>	<b>211</b>	<b>4.2%</b>

Revenues in percent



Revenues in **France** increased by 19% to EUR 1.5 billion in Q4 2010. Growth in the industrial staffing segment remained strong. EBITA was EUR 60 million in the quarter under review compared to EUR 36 million in Q4 2009. On an adjusted basis EBITA increased by 20% in Q4 2010 year-on-year. The EBITA margin was 4.0% in Q4 2010, equal to the adjusted EBITA margin in Q4 2009.

In **North America**, Adecco's revenues increased by 54% in constant currency to EUR 953 million in Q4 2010. Organically, revenues were up 18%. Excluding the outplacement business, revenues in North America were up 21% on an organic basis. While revenues in the outplacement business remained weak, the EBITA margin was strongly double-digit. General staffing revenues grew by 25% organically, while professional staffing, excluding the counter-cyclical outplacement business, generated solid organic double-digit revenue growth. EBITA was up 89% in constant currency and up 9% organically and adjusted. Integration costs related to MPS amounted to EUR 8 million in Q4 2010. The EBITA margin in Q4 2010 was 5.1%. Acquisitions added 50 bps to the EBITA margin in Q4 2010.

In the **UK & Ireland**, revenues in Q4 2010 increased 41% in constant currency to EUR 411 million. Organically revenues declined by 1%. EBITA was EUR 4 million in the quarter under review and the EBITA margin was 1.1%. Integration costs related to MPS amounted to EUR 4 million in Q4 2010.

In **Japan**, fourth quarter revenues declined by 4% in constant currency to EUR 336 million. EBITA declined by 23% in constant currency and the EBITA margin was 5.0%, impacted by ramp up costs related to outsourcing contracts. Business in the later cyclical office segment, accounting for close to 80% of Adecco's revenues in Japan, remained slow.

In **Germany & Austria**, Q4 2010 revenues were up 33% (+32% organically) to EUR 347 million. The strong growth continued to be driven by the industrial staffing business. Growth in the office segment and in the professional staffing business was also double-digit. Germany & Austria generated EBITA of EUR 26 million in Q4 2010 compared to EUR 12 million in Q4 2009. The EBITA margin improved strongly year-on-year to 7.4%, up 200 bps compared to the adjusted EBITA margin of 5.4% in Q4 2009.

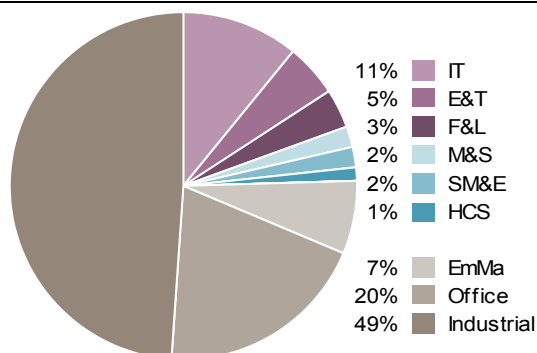
In Q4 2010, revenues in **Benelux** increased by 19% (+16% organically), and in **Italy** revenues were up 35%. Revenues in **Iberia** increased by 11%, while in the **Nordics** revenues increased by 23% in constant currency.

**Emerging Markets** continued to develop strongly in Q4 2010 with revenues up 20% in constant currency, mainly driven by Eastern Europe and India. EBITA was up 38% in constant currency, while the EBITA margin was 3.3%.

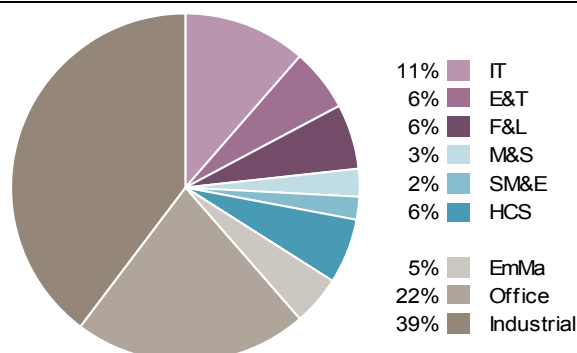
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### BUSINESS LINE PERFORMANCE

Q4 2010 Revenue<sup>5</sup> split



Q4 2010 Gross profit split



In Q4 2010, Adecco's revenues in the **Office and Industrial** businesses increased by 19% in constant currency (+18% organically) to EUR 3.4 billion. The **Industrial** business continued to be strong with revenues up 25% in constant currency, following an increase of 24% in Q3 2010. Growth remained strong in North America with revenues up 30% year-on-year in constant currency. In Germany & Austria revenue growth even accelerated from 39% in Q3 2010 to 43% in Q4 2010 and in Italy from 40% in Q3 2010 to 43% in Q4 2010. In France revenues grew 21% in Q4 2010, the same year-on-year growth rate as in Q3 2010, despite a tougher base. In the **Office** business, revenues increased 7% in constant currency (+6% organically). This compares to 3% organic revenue growth in Q3 2010. Revenues in Japan decreased by 5% in constant currency in Q4 2010, following a 6% constant currency decline in Q3 2010. Revenues in North America, on the other hand, increased by 23% in constant currency (+19% organically) in Q4 2010 after 19% constant currency growth (+14% organically) in Q3 2010. Growth in the Nordics continued to be strong with revenues up 25% in constant currency in Q4 2010.

The **Professional Staffing**<sup>6</sup> revenues in the fourth quarter of 2010 increased 53% in constant currency and by 10% on an organic basis. The gross margin declined by 160 bps to 24.8%, due to the slowing outplacement business.

In **Information Technology (IT)**, Adecco's revenues increased 65% in constant currency (+12% organically). In North America revenues were up 105% in constant currency (-5% organically). The new lead brand Modis grew 12% in North America. Revenues in the UK & Ireland increased by 81% in constant currency (+21% organically).

Adecco's **Engineering & Technical (E&T)** business was up 54% in constant currency (+22% organically). Revenue growth continued to be very strong in North America with revenues up 92% in constant currency (+36% organically), while revenues in Germany & Austria increased by 16% in the fourth quarter of 2010.

In **Finance & Legal (F&L)**, revenues increased by 129% in constant currency (+11% organically). Revenues in North America increased by 127% in constant currency and were up 5% organically.

In Q4 2010, revenues in **Medical & Science (M&S)** increased by 50% (+10% organically), whereas in **Sales, Marketing & Events (SM&E)** revenues were up 8% (+5% organically), both in constant currency. In the quarter under review, revenues in **Human Capital Solutions (HCS)** declined by 22% in constant currency.

<sup>5</sup> Breakdown of revenues based on dedicated branches. The 2010 information includes certain changes in the allocation of branches by business lines. The 2009 information has been restated to conform to the current year presentation.

<sup>6</sup> Professional staffing refers to Adecco's Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, Sales, Marketing & Events and Human Capital Solutions business.

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### MANAGEMENT OUTLOOK

The revenue growth in Q4 2010 continued to be strong, despite a more challenging base. In January 2011, Adecco Group revenues increased 17% compared to the prior year, on an organic basis and adjusted for trading days. Demand continued to be very healthy in France and North America, our two main markets, where the pick up already started in the second half of 2009. Growth also remained strong in Germany, Italy, Benelux, Switzerland and the Nordic countries. Japan returned to positive growth in January 2011. Based on these developments, management is confident on strong topline growth in the months ahead, albeit measured against higher comparables.

We believe that the environment will stay favourable for flexible labour in 2011. Permanent jobs will be created but just enough to cover the new entrants into the labour market. Unemployment is likely to remain at high levels in most developed economies. Most economic growth and activity will be covered by flexible labour. In this environment, management's focus remains on profitable revenue growth, achieved with price discipline and strict cost control.

The integration of MPS Group has gone very smoothly so far, with results clearly above our initial expectations. We are well on track to complete the integration in 2011 and will even exceed the initially targeted synergies of EUR 25 million. The integration of Spring Group is complete and targeted synergies of EUR 13 million were slightly exceeded. The strong improvement in the EBITA margin in 2010 is evidence that the leaner cost base is paying off. We will continue to invest where growth is strongest, but will evaluate returns carefully, with our value-based approach. The Company is fully on track to reach an EBITA margin above 5.5% mid-term.

### Purchase of own shares

Adecco currently holds 14.6 million treasury shares, which represent 7.7% of total shares issued. The company intends to purchase up to an additional 2% of issued shares, if and when opportune.

### PROPOSALS TO SHAREHOLDERS

#### Dividend payout

At the Annual General Meeting, the Board of Directors will propose a dividend of CHF 1.10 per share for 2010, for approval by shareholders. This represents a payout ratio of 30% based on adjusted net earnings, at the top end of Adecco's traditional payout range of 25-30%. The total amount of the dividend distribution for 2010 is intended to be paid out of the capital contribution reserve, and is therefore expected to be exempt from Swiss withholding tax. The dividend payment to shareholders is planned on May 3, 2011.

#### Changes to the Board of Directors

Board members Francis Mer and Judith A. Sprieser are not standing for re-election. The Board of Directors expresses its appreciation of their long-standing engagement for the Adecco Group.

The Board of Directors proposes Mr. Didier Lamouche (1959) to be elected as a new member of the Board of Directors for a tenure of one year ending at the next Annual General Shareholders' Meeting. Didier Lamouche is a French national. He is Chief Operating Officer and Vice Chairman of STMicroelectronics, a developer and manufacturer of semiconductor products with headquarters in Geneva. Previously, he was Chairman and Chief Executive Officer at Bull, a French IT group with a worldwide presence. Prior to that, he held the position of Vice President of Worldwide semi-conductor manufacturing at IBM Microelectronics having previously been CEO of Altis Semiconductor, a joint venture between IBM and Infineon. He is a graduate of the École Centrale of Lyon, France, and holds a PhD in semiconductor technology.

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### Q4/FY 2010 Results Conference Calls

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

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### Financial Agenda 2011

• Annual General Meeting	April 19, 2011
• Q1 2011 results	May 10, 2011
• Q2 2011 results	August 10, 2011
• Q3 2011 results	November 8, 2011

### 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 operates; integration of acquired companies; changes in the Company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

### About the Adecco Group

The Adecco Group, based in Zurich, Switzerland, is the world's leading provider of HR solutions. With over 32,000 FTE employees and more than 5,500 branches, in over 60 countries and territories around the world, Adecco Group offers a wide variety of services, connecting over 700,000 associates with well over 100,000 clients every day. The services offered fall into the broad categories of temporary staffing, permanent placement, outsourcing, consulting and outplacement. The Adecco Group is a Fortune Global 500 company.

Adecco S.A. is registered in Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

## Consolidated statements of operations

EUR millions except share and per share amounts	Q4 2010	Q4 2009	Variance %		FY 2010	FY 2009	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
Revenues	4,993	3,785	32%	26%	18,656	14,797	26%	22%
Direct costs of services	(4,099)	(3,120)			(15,327)	(12,148)		
<b>Gross profit</b>	<b>894</b>	<b>665</b>	35%	28%	<b>3,329</b>	<b>2,649</b>	26%	21%
<i>Gross margin</i>	<i>17.9%</i>	<i>17.6%</i>			<i>17.8%</i>	<i>17.9%</i>		
Selling, general and administrative expenses	(683)	(576)	19%	13%	(2,607)	(2,350)	11%	7%
<i>As a percentage of revenues</i>	<i>13.7%</i>	<i>15.2%</i>			<i>14.0%</i>	<i>15.9%</i>		
Amortisation of intangible assets	(14)	(8)			(55)	(42)		
Impairment of goodwill and intangible assets						(192)		
<b>Operating income</b>	<b>197</b>	<b>81</b>	145%	136%	<b>667</b>	<b>65</b>	932%	768%
<i>Operating income margin</i>	<i>4.0%</i>	<i>2.1%</i>			<i>3.6%</i>	<i>0.4%</i>		
Interest expense	(15)	(14)			(63)	(55)		
Other income / (expenses), net	(1)	(4)			(1)	(1)		
<b>Income before income taxes</b>	<b>181</b>	<b>63</b>	191%		<b>603</b>	<b>9</b>	n.m.	
Provision for income taxes	(40)	(21)			(179)	(1)		
<b>Net income</b>	<b>141</b>	<b>42</b>	235%		<b>424</b>	<b>8</b>	n.m.	
Net income attributable to noncontrolling interests					(1)			
<b>Net income attributable to Adecco shareholders</b>	<b>141</b>	<b>42</b>	236%		<b>423</b>	<b>8</b>	n.m.	
<i>Net income margin attributable to Adecco shareholders</i>	<i>2.8%</i>	<i>1.1%</i>			<i>2.3%</i>	<i>0.1%</i>		
<b>Basic earnings per share</b>	<b>0.73</b>	<b>0.22</b>			<b>2.20</b>	<b>0.04</b>		
Basic weighted-average shares	192,340,199	188,026,913			192,113,079	177,606,816		
<b>Diluted earnings per share</b>	<b>0.73</b>	<b>0.22</b>			<b>2.17</b>	<b>0.04</b>		
Diluted weighted-average shares	192,609,175	194,262,152			195,596,325	177,613,991		

## Press Release (Annexes)

### Revenues and operating income by geographies

EUR millions	Q4 2010	Q4 2009	Variance %		FY 2010	FY 2009	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
<b>Revenues</b>								
France	1,484	1,246	19%	19%	5,588	4,806	16%	16%
North America <sup>1</sup>	953	562	70%	54%	3,609	2,316	56%	47%
UK & Ireland <sup>1</sup>	411	275	49%	41%	1,630	947	72%	65%
Japan	336	295	13%	-4%	1,297	1,343	-3%	-12%
Germany & Austria <sup>1</sup>	347	261	33%	33%	1,238	1,033	20%	20%
Benelux <sup>1</sup>	243	205	19%	19%	894	801	12%	12%
Italy	243	180	35%	35%	844	683	24%	24%
Iberia	195	176	11%	11%	733	676	8%	8%
Nordics	205	157	30%	23%	731	596	23%	13%
Australia & New Zealand <sup>1</sup>	122	82	48%	26%	435	288	51%	24%
Switzerland	114	83	38%	22%	399	342	17%	7%
Emerging Markets	340	263	29%	20%	1,258	966	30%	23%
<b>Adecco Group<sup>1</sup></b>	<b>4,993</b>	<b>3,785</b>	<b>32%</b>	<b>26%</b>	<b>18,656</b>	<b>14,797</b>	<b>26%</b>	<b>22%</b>
<b>Operating income<sup>2</sup></b>								
France	60	36	68%	68%	212	68	214%	214%
North America	49	22	109%	89%	174	112	55%	49%
UK & Ireland	4	(12)	n.m.	n.m.	22	(13)	n.m.	n.m.
Japan	17	19	-10%	-23%	69	95	-27%	-34%
Germany & Austria	26	12	114%	114%	84	31	166%	166%
Benelux	16	8	109%	109%	43	6	644%	644%
Italy	11	6	128%	128%	37	5	711%	711%
Iberia	8	1	n.m.	n.m.	27	4	670%	670%
Nordics	11	5	113%	97%	38	4	784%	627%
Australia & New Zealand	3	1	130%	96%	12	4	190%	142%
Switzerland	16	8	92%	69%	42	22	90%	72%
Emerging Markets	11	8	41%	38%	36	28	29%	26%
<b>Total Operating Units</b>	<b>232</b>	<b>114</b>	<b>105%</b>	<b>94%</b>	<b>796</b>	<b>366</b>	<b>118%</b>	<b>107%</b>
Corporate Expenses	(21)	(25)			(74)	(67)		
<b>Operating income before amortisation and impairment of goodwill and intangible assets</b>	<b>211</b>	<b>89</b>	<b>139%</b>	<b>130%</b>	<b>722</b>	<b>299</b>	<b>142%</b>	<b>132%</b>
Amortisation of intangible assets	(14)	(8)			(55)	(42)		
Impairment of goodwill and intangible assets						(192)		
<b>Adecco Group</b>	<b>197</b>	<b>81</b>	<b>145%</b>	<b>136%</b>	<b>667</b>	<b>65</b>	<b>932%</b>	<b>768%</b>

1) In Q4 2010 revenues changed organically in North America by 18% (FY: 14%); UK & Ireland by -1% (FY: -4%); Germany & Austria by 32% (FY: 19%); Benelux by 16% (FY: 8%); Australia & New Zealand by 21% (FY: 15%) and Adecco Group by 17% (FY: 12%).

2) Operating income before amortisation and impairment of goodwill and intangible assets on the operating unit level.

## Press Release (Annexes)

### Revenues by business line

EUR millions	Q4 2010	Q4 2009	Variance %		FY 2010	FY 2009	Variance %	
			EUR	Constant Currency			EUR	Constant Currency
<b>Revenues<sup>1,2</sup></b>								
Office	986	849	16%	7%	3,726	3,504	6%	0%
Industrial	2,442	1,920	27%	25%	8,971	7,375	22%	20%
<b>Total Office and Industrial</b>	<b>3,428</b>	<b>2,769</b>	<b>24%</b>	<b>19%</b>	<b>12,697</b>	<b>10,879</b>	<b>17%</b>	<b>13%</b>
Information Technology	544	305	79%	65%	2,071	1,099	88%	77%
Engineering & Technical	246	150	64%	54%	948	615	54%	48%
Finance & Legal	182	75	143%	129%	699	322	117%	110%
Medical & Science	96	63	54%	50%	360	245	47%	44%
Sales, Marketing & Events	95	85	13%	8%	357	330	8%	5%
Human Capital Solutions	62	75	-18%	-22%	266	341	-22%	-24%
<b>Total Professional Business Lines</b>	<b>1,225</b>	<b>753</b>	<b>63%</b>	<b>53%</b>	<b>4,701</b>	<b>2,952</b>	<b>59%</b>	<b>52%</b>
<b>Emerging Markets</b>	<b>340</b>	<b>263</b>	<b>29%</b>	<b>20%</b>	<b>1,258</b>	<b>966</b>	<b>30%</b>	<b>23%</b>
<b>Adecco Group</b>	<b>4,993</b>	<b>3,785</b>	<b>32%</b>	<b>26%</b>	<b>18,656</b>	<b>14,797</b>	<b>26%</b>	<b>22%</b>

1) Breakdown of revenues is based on dedicated branches.

The 2010 information includes certain changes in the allocation of branches to business lines. The 2009 information has been restated to conform to the current year presentation.

2) In Q4 revenues changed organically in Office by 6% (FY: -1%); Total Office and Industrial 18% (FY: 13%); Information Technology by 12% (FY: 5%); Engineering & Technical by 22% (FY: 17%); Finance & Legal by 11% (FY: 3%); Medical & Science by 10% (FY: 5%); Sales, Marketing & Events by 5% (FY: 2%); Total Professional Business Lines by 10% (FY: 3%) and Adecco Group by 17% (FY: 12%).

## Consolidated balance sheets

EUR millions	Dec 31 2010	Dec 31 2009
<b>Assets</b>		
Current assets:		
– Cash and cash equivalents	549	1,458
– Short-term investments	5	2
– Trade accounts receivable, net	3,541	2,560
– Other current assets	351	331
<b>Total current assets</b>	<b>4,446</b>	<b>4,351</b>
Property, equipment, and leasehold improvements, net	291	245
Other assets	291	276
Intangible assets, net	578	302
Goodwill	3,273	2,657
<b>Total assets</b>	<b>8,879</b>	<b>7,831</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Current liabilities:		
– Accounts payable and accrued expenses	3,472	2,716
– Short-term debt and current maturities of long-term debt	217	456
<b>Total current liabilities</b>	<b>3,689</b>	<b>3,172</b>
Long-term debt, less current maturities	1,088	1,114
Other liabilities	535	431
<b>Total liabilities</b>	<b>5,312</b>	<b>4,717</b>
<b>Shareholders' equity</b>		
Adecco shareholders' equity:		
– Common shares	118	118
– Additional paid-in capital	2,602	2,597
– Treasury shares, at cost	(532)	(561)
– Retained earnings	1,561	1,229
– Accumulated other comprehensive income/(loss), net	(184)	(271)
<b>Total Adecco shareholders' equity</b>	<b>3,565</b>	<b>3,112</b>
Noncontrolling interests	2	2
<b>Total shareholders' equity</b>	<b>3,567</b>	<b>3,114</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,879</b>	<b>7,831</b>

## Press Release (Annexes)

### Consolidated statements of cash flows

EUR millions	FY 2010	FY 2009
<b>Cash flows from operating activities</b>		
Net income	424	8
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	142	123
– Impairment of goodwill and intangible assets		192
– Other charges	47	(62)
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(667)	577
– Accounts payable and accrued expenses	460	(393)
– Other assets and liabilities	49	32
<b>Cash flows from operating activities</b>	<b>455</b>	<b>477</b>
<b>Cash flows from/(used in) investing activities</b>		
Capital expenditures	(105)	(92)
Acquisition of MPS, net of cash acquired	(831)	
Acquisition of Spring, net of cash acquired		(94)
Cash settlements on derivative instruments	(51)	(35)
Other acquisition and investing activities	(33)	(57)
<b>Cash flows from/(used in) investing activities</b>	<b>(1,020)</b>	<b>(278)</b>
<b>Cash flows from/(used in) financing activities</b>		
Net increase/(decrease) in short-term debt	156	(43)
Borrowings on long-term debt, net of issuance costs		612
Repayment of long-term debt	(478)	(223)
Prepaid forward sale of Adecco S.A. shares		587
Purchase of call spread option on Adecco S.A. shares		(108)
Dividends paid to shareholders	(91)	(173)
Proceeds from sale / (purchase) of treasury shares	28	(3)
Other financing activities		3
<b>Cash flows from/(used in) financing activities</b>	<b>(385)</b>	<b>652</b>
<b>Effect of exchange rate changes on cash</b>	<b>41</b>	<b>33</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(909)</b>	<b>884</b>
Cash and cash equivalents:		
– Beginning of year	1,458	574
– End of year	549	1,458

## Reconciliation of reported to adjusted results

EUR millions

<b>Q4 2009</b>	<b>reported</b>	<b>impact of French business tax</b>	<b>including impact of French business tax</b>	<b>restructuring expenses; sales tax accrual; reassessment of existing accruals</b>	<b>adjusted<sup>1</sup></b>
<b>Revenues</b>	<b>3,785</b>		<b>3,785</b>		<b>3,785</b>
<b>Direct costs of services</b>	<b>(3,120)</b>	<b>15</b>	<b>(3,105)</b>	<b>(7)</b>	<b>(3,112)</b>
<b>Gross profit</b>	<b>665</b>	<b>15</b>	<b>680</b>	<b>(7)</b>	<b>673</b>
<i>Gross margin</i>	<i>17.6%</i>		<i>18.0%</i>		<i>17.8%</i>
<b>SG&amp;A</b>	<b>(576)</b>	<b>1</b>	<b>(575)</b>	<b>30</b>	<b>(545)</b>
<i>% of revenues</i>	<i>15.2%</i>		<i>15.2%</i>		<i>14.4%</i>
<b>EBITA<sup>2</sup></b>	<b>89</b>	<b>16</b>	<b>105</b>	<b>23</b>	<b>128</b>
<i>% margin</i>	<i>2.3%</i>		<i>2.8%</i>		<i>3.4%</i>

<b>FY 2009</b>	<b>reported</b>	<b>impact of French business tax</b>	<b>including impact of French business tax</b>	<b>restructuring expenses; sales tax accrual; reassessment of existing accruals</b>	<b>adjusted<sup>1</sup></b>
<b>Revenues</b>	<b>14,797</b>		<b>14,797</b>		<b>14,797</b>
<b>Direct costs of services</b>	<b>(12,148)</b>	<b>60</b>	<b>(12,088)</b>	<b>(18)</b>	<b>(12,106)</b>
<b>Gross profit</b>	<b>2,649</b>	<b>60</b>	<b>2,709</b>	<b>(18)</b>	<b>2,691</b>
<i>Gross margin</i>	<i>17.9%</i>		<i>18.3%</i>		<i>18.2%</i>
<b>SG&amp;A</b>	<b>(2,350)</b>	<b>4</b>	<b>(2,346)</b>	<b>121</b>	<b>(2,225)</b>
<i>% of revenues</i>	<i>15.9%</i>		<i>15.9%</i>		<i>15.0%</i>
<b>EBITA<sup>2</sup></b>	<b>299</b>	<b>64</b>	<b>363</b>	<b>103</b>	<b>466</b>
<i>% margin</i>	<i>2.0%</i>		<i>2.5%</i>		<i>3.1%</i>

<sup>1</sup> Adjusted is a non US GAAP measure excluding in 2009, for better comparison, the French business tax of EUR 60 million (Q4 09 EUR 15 million) in costs of services and EUR 4 million (Q4 09 EUR 1 million) in SG&A as those business tax components are shown as income tax as of 2010. It also excludes in 2009 the positive impact on gross profit of EUR 25 million (Q4 09 EUR 14 million) due to favorable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million (Q4 09 EUR 7 million) on gross profit due to a sales tax accrual in the UK related to prior years, as well as the negative impact on SG&A of EUR 121 million (Q4 09 EUR 30 million) associated with restructuring costs.

<sup>2</sup> EBITA is a non US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.