In 2011 we continued to focus on executing our strategy. Industrial staffing remained the growth driver of our results. With the performance achieved to date we remain on track to reach an EBITA margin above 5.5% mid-term.

Our results

Review of Group results

Highlights for the Adecco Group In 2011 we faced overall good business conditions. Whereas we experienced strong momentum in the first half of the year, tougher comparables and the economic uncertainty related to the sovereign debt crisis in Europe and the USA led to slower growth in the second half of 2011.

Our main markets, France and North America, accounting for 48% of total revenues, respectively grew 10% and 8% organically. Germany & Austria and Italy had very strong growth, both more than 20% in 2011, also driven by their export oriented exposure. The UK & Ireland and Japan, returned to organic growth in 2011. The Emerging Markets continued to expand strongly double-digit.

From a business line perspective, growth was still strongest in the Industrial segment. Growth in Professional Staffing was held back by the IT segment in North America. In 2011, revenues stemming from Professional Staffing and Solutions represented 22% of Group revenues compared to 23% in 2010. The slightly lower proportion of Professional Staffing and Solutions in 2011 compared to 2010 is mainly a result of faster revenue growth in Industrial and Office (General Staffing) in 2011, with growth rates of 13% and 9% respectively. In our Solutions segment, the counter-cyclical career transition business reported an organic decline, while growth in MSP, RPO and VMS was strongly double-digit.

The uncertain and rather muted economic development across the globe meant that companies lacked the confidence to hire human resources on a permanent basis, which fostered demand for flexible workforce solutions. In the automotive, industrial and manufacturing sectors we experienced the strongest demand for staffing services. From a business mix perspective this led to higher growth in the lower-margin Industrial business. Also, we generated higher revenue growth with larger clients and less so with small or medium size clients. This again led to higher growth in the lower margin businesses. Lastly, the precarious debt situation in many countries led to austerity measures that also impacted the HR industry in 2011. In the UK & Ireland, for example, this meant significantly reduced demand for staffing services in the public sector. In France, which is our largest market, the government decided to reduce subsidies granted to employers for their typically lower-skilled employees earning low wages. In order to compensate for the subsidy shortfalls, we needed to raise prices for our services throughout 2011. From a profitability perspective, we therefore experienced some headwinds in 2011. We delivered double-digit revenue growth in 2011 for the second consecutive year, benefiting from a structural shift in demand towards more flexible workforce solutions and we were able to maintain the EBITA margin, through price discipline and tight cost control. This despite the unfavourable business mix and the subsidy cuts in France.

In 2011 we successfully completed the integration of MPS Group which we acquired in January 2010. Initially targeted synergies of EUR 25 million were clearly exceeded. With the acquisition of MPS Group, Adecco attained the worldwide lead in Professional Staffing.

Included in our results since September 1, 2011, is Drake Beam Morin, Inc. (DBM), a career transition (outplacement) and talent development services company. Combining Adecco's Lee Hecht Harrison (LHH) business with DBM created the world's leading career transition and talent development services provider. Having joined forces with DBM considerably enhances LHH's existing geographic footprint. With a strong presence historically in its main markets of the USA and

Key figures at a glance

in EUR millions	2011	2010	variance
Revenues	20,545	18,656	10%
Gross profit	3,566	3,329	7%
Gross margin	17.4%	17.8%	
SG&A	(2,752)	(2,607)	6%
EBITA	814	722	13%
EBITA margin	4.0%	3.9%	
Net income attributable to Adecco shareholders	519	423	23%
Basic EPS	2.72	2.20	
Diluted EPS	2.72	2.17	
Operating cash flow	524	455	15%
Dividend per share in CHF	1.80[1]	1.10	64%

France, LHH through this acquisition also attained a leading position in the UK, Canada and Brazil, which are among the largest markets in the career transition and talent development services sector. This move strengthens Adecco with an effective counter-balance to the temporary and permanent staffing business, given the counter-cyclical nature of the career transition sector.

Main financial highlights for our company in 2011:

- Revenues up 10% to EUR 20.5 billions (up 10% organically[2])
- Gross margin at 17.4%, down by 40 bps (-60 bps organically)
- SG&A up by 6% (up 4% organically)
- EBITA of EUR 814 million, increased by 13% (14% organically). EBITA in 2011 includes EUR 20 million integration costs (EUR 33 million in 2010)
- EBITA margin of 4.0%, up 10 bps (4.1% before the EUR 20 million integration costs for MPS and DBM)
- Net income attributable to Adecco shareholders of 519 million, up 23%
- Strong operating cash flow of EUR 524 million, up 15%
- Proposed dividend of CHF 1.80[1] per share, up 64%

Other highlights:

- In April 2011, we lengthened the maturity profile of our debt and took advantage of favourable market conditions. EUR 500 million fixed rate notes due in 2018 with a coupon of 4.75% were issued and the proceeds were partly used to refinance an aggregate nominal amount of EUR 311 million of outstanding notes, consisting of EUR 167 million of the EUR 500 million 4.5% notes due 2013 and EUR 144 million of the EUR 500 million 7.625% notes due 2014.
- At the end of August 2011, we successfully completed the acquisition of DBM. We are now the global leader in the career transition (outplacement) and talent development sector, with a significantly expanded global footprint.
- On February 8, 2012, Adecco S.A. placed a 4-year CHF 350 million bond with a coupon of 2.125%. The notes were issued within the framework of the Euro Medium Term Note Programme and are traded on the SIX Swiss Exchange. The proceeds are for general corporate purposes.

Review of operational results

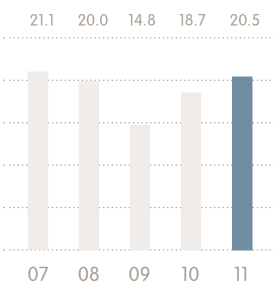
Revenues In 2011, our revenues increased by 10% to EUR 20,545 million, or by 10% organically. Temporary hours sold were up 9% to 1,261 million. Permanent placement revenues amounted to EUR 344 million, an increase of 19% or 18% organically when compared with the prior year. Career transition (outplacement) revenues totalled EUR 206 million, a decline of 8% or 16% organically. Acquisitions had a positive impact of 1% on 2011 revenues. From a business line perspective, revenues in the General Staffing business (Office & Industrial) were up 12%, also in constant currency, while Professional Staffing revenues increased by 5% or also 5% organically. Revenues in Solutions were flat, or down by 6% organically. Whereas the counter-cyclical career transition (outplacement) business was down, revenues in MSP, RPO and VMS were up in solid double digits.

Gross Profit was up 7% to EUR 3,566 million, and by 6% organically. The gross margin was 17.4%, 40 bps lower than in 2010. Organically, the decline in the gross margin was 60 bps. While pricing continued to be rational overall and we continued to practice strict price discipline based on our EVA (Economic Value Added) approach, we were confronted with a declining gross margin largely due to the strong growth in the lower margin Industrial staffing segment, which negatively

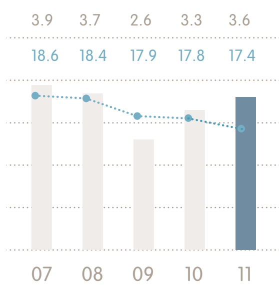
1 Proposed by the Board of Directors.

2 Organic growth is a non-U.S. GAAP measure and excludes the impact of currency and acquisitions.

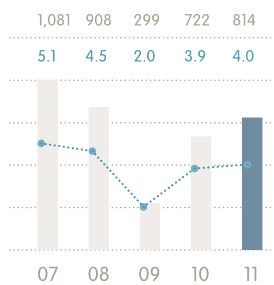
Revenues *in EUR billions*



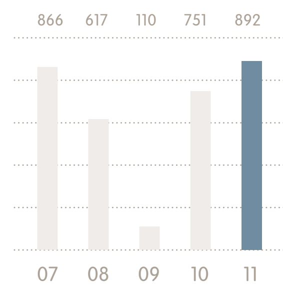
Gross profit *in EUR billions*
Gross margin in %



EBITA *in EUR millions*
EBITA margin in %



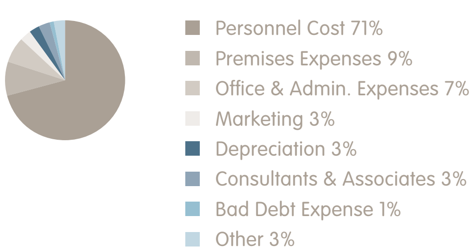
Net debt[3] *in EUR millions*



impacted the business mix. The temporary staffing business had a negative impact of 50 bps organically on the gross margin, whereof a negligible impact related to the French payroll tax subsidy cut. The outplacement business negatively impacted the gross margin by 20 bps organically. The permanent placement business had a positive impact on the gross margin of 10 bps organically.

Selling, general and administrative expenses (SG&A) Strict cost discipline was maintained during 2011 with selective investments in growth markets and segments only after careful evaluation. SG&A increased by 6% or by 4% organically. Integration costs for MPS and DBM amounted to EUR 20 million in 2011 (EUR 33 million for MPS and Spring in 2010). The average number of FTE employees increased by 5% or by 4% organically when comparing 2011 with 2010. Hirings were mostly concentrated in the Emerging Markets, Germany and North America. The average branch network was up 2% or by 1% on an organic basis when comparing 2011 with 2010. Personnel expenses, which comprised 71% of total SG&A, increased 7% in constant currency to EUR 1,954 million. On December 31, 2011, the number of branches and FTE employees exceeded 5,500 and 33,000 respectively.

SG&A breakdown
FY 2011



EBITA In 2011, EBITA increased by 13% to EUR 814 million. On an organic basis, EBITA increased by 14%. The EBITA margin before integration costs was 4.1%, flat when compared with the EBITA margin before integration costs in the prior year. We were able to defend our EBITA margin, despite facing headwinds from a gross margin perspective. The unfavourable business mix, due to the strong growth in lower-margin businesses, was largely compensated by very tight cost control.

Operating income In 2011, operating income increased 14% to EUR 763 million.

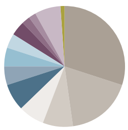
Net income attributable to Adecco shareholders and EPS Net Income attributable to Adecco shareholders in 2011 was EUR 519 million, compared to EUR 423 million in 2010. Basic EPS was EUR 2.72 (EUR 2.20 in 2010).

Cash flow, net debt and DSO Operating cash flow amounted to EUR 524 million in 2011. The Group paid EUR 148 million, net of cash acquired, for the acquisition of DBM, and spent EUR 109 million in capital expenditure. Dividends paid were EUR 149 million in 2011. Net debt[3] at the end of December 2011 was EUR 892 million, compared with EUR 751 million at year-end 2010. In 2011, DSO was at 55 days, compared to 54 days in 2010.

Outlook and priorities in 2012
Year-on-year revenue growth continued to soften during Q4 2011, albeit compared against a strong fourth quarter in 2010. In January 2012, Adecco Group revenues were down 1% compared to the prior year, on an organic basis and adjusted for trading days. Within Europe, revenue growth in Germany & Austria remained double-digit in January 2012. Most other countries slowed further going into the new year. In North America, revenues were up slightly year-on-year in January 2012, adjusted for trading days, while revenue growth in the Emerging Markets continued to be healthy.

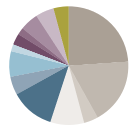
3 Net debt is a non-U.S. GAAP measure and comprises short-term and long-term debt, less cash and cash equivalents and short-term investments.

2011 Revenue split by segment *in %*



- France 30%
- North America 18%
- UK & Ireland 8%
- Japan 7%
- Germany & Austria 7%
- Benelux 5%
- Italy 5%
- Nordics 4%
- Iberia 4%
- Australia & New Zealand 2%
- Switzerland 2%
- Emerging Markets 7%
- LHH 1%

2011 EBITA split by segment *in %*
(operating units)



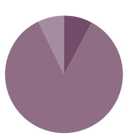
- France 24%
- North America 18%
- UK & Ireland 4%
- Japan 9%
- Germany & Austria 12%
- Benelux 5%
- Italy 7%
- Nordics 2%
- Iberia 3%
- Australia & New Zealand 2%
- Switzerland 5%
- Emerging Markets 5%
- LHH 4%

The Adecco Group is solidly positioned for the future. In an environment of economic uncertainty we will continue to build on our strengths – our leading global position and the diversity of our service offerings. We will continue to take advantage of growth opportunities, with a strong focus on disciplined pricing and cost control to optimise profitability and value creation. Besides the structural changes and related investments of EUR 45 million in France, which would mainly be incurred in the second half of 2012, management expects additional costs of EUR 10 million in the first half of 2012, to further optimise the cost base in other European countries and to protect profitability. We are committed to our strategic priorities and we have the right offering to achieve our EBITA margin target of above 5.5% mid-term.

Review of main markets

France

Country revenue split by business line



- Office
- Industrial
- Professional Staffing & Solutions

General Staffing

in EUR millions	2011	2010	variance[4]
Revenues	6,066	5,494	10%
EBITA	220	199	10%
EBITA margin	3.6%	3.6%	

Within Europe, France is a key market for staffing, with an approximate share of 7%[5] of the global market. While the staffing industry in general shows a high degree of fragmentation, the French market is significantly concentrated: the three major players hold a total market share of 70%[5]. Adecco is the market leader in France, with a market share of 31%[5]. France is a key market for our Company, where we generated 30% of our total revenues in 2011. Since August, the Regional Head is Alain Dehaze who previously led Adecco's operations in Benelux and the Nordics. Approximately 90% of revenues stemmed from the General Staffing business, the largest part of which comprises blue-collar industrial staffing. Professional Staffing still represents a minor part of our business in France, but continues to deliver very solid revenue growth. Steady deregulation of the temporary staffing industry in France has opened up opportunities for our Company. Since 2005, permanent placements have been permitted, which has led to strong growth in that segment. In 2009, the French parliament voted in favour of opening up the public sector to temporary staffing services, paving the way for temporary staffing in hospitals, as well as in state and local administrations. Until now, given the rigid structure of the public sector, using private agencies for temporary staffing has evolved only slowly. However, the public sector represents an attractive long-term opportunity for the industry. Apart from the increased need of companies for a more flexible workforce, the opening of the public sector to temporary staffing is seen as a driver for higher peak penetration rates in the French market.

Adecco's business in France experienced strong growth in the first six months in 2011. A tougher comparison base and the uncertainty related to the European debt crisis led to slower growth in the second half of the year. Revenues increased 10% compared with the previous year. Growth was driven by the Industrial segment, which increased 11%. EBITA increased by 10% to EUR 220 million. The EBITA margin was 3.6%, flat compared to the prior year. The flat EBITA margin development is mainly the result of higher growth in the lower-margin large

4 In constant currency.
5 Adecco estimate.

account business, negatively impacting the client mix. Since January 2011, the subsidies for employees earning low wages have been reduced. To offset the negative impact on our gross profit, we needed to renegotiate the contracts with our clients and for the full year 2011, we managed to minimise the negative impact to less than 10 bps on the Gross Margin. Pricing remained rational in the market.

In order to further strengthen the Group's position in France and to ensure sustainable profitability, Adecco is informing and consulting the French Works Councils on its plans to unite the networks of Adecco and Adia under the Adecco brand. Combining the expertise of both general staffing businesses under a single roof would facilitate an even better offering for clients, candidates and colleagues. At the same time, the cost base would be further optimised through the planned reduction of over 500 full-time equivalents (FTEs), further branch network consolidation and introducing the shared service centre concept. Adecco expects to invest approximately EUR 45 million, the majority of which would be incurred during the second half of 2012.

North America

Country revenue split by business line

in EUR millions	2011	2010	variance[4]
Revenues	3,646	3,488	10%
EBITA	161	134	28%
EBITA margin	4.4%	3.8%	

The US market, which represents 31%[5] of the global staffing market, is the largest worldwide. It is highly fragmented, and while we are the largest publicly listed player, our market share is only about 4%[5]. From a regulatory perspective, this market is amongst the most liberalised in our industry.

The region represented 18% of the Group's total revenues in 2011. The share of revenues generated in the Professional Staffing segment is amongst the highest when compared with our other markets. Professional Staffing and Solutions revenues were roughly 50% of total revenues while 50% stemmed from the General Staffing segment. The region's growing demand for temporary jobs was in stark contrast to the slow progression in the creation of permanent positions and a persisting high level of unemployment. Of the approximately 900,000 temporary staffing jobs lost during the recession in 2008 and 2009, over 600,000 were recovered by the end of 2011. As a result, the penetration rate increased from the trough of 1.33%[6] in 2009 to 1.81%[6] at the end of 2011. Growth in 2011 was strongest in the Office business with 20% constant currency growth, but also the Industrial segment held up very well with 7% constant currency growth despite running against a tough comparison base in 2010. Professional Staffing was up 8% in constant currency or by 3% organically, held back by the IT segment. The integration of MPS was successfully completed during the first half of 2011 and the targeted synergies were clearly exceeded. In IT Professional Staffing, our revenue growth lagged behind the market in 2011. The main reasons were the intense focus on the MPS integration and insufficient internal resources to capture the market potential. Hiring of additional specialised consultants started in summer 2011 and is expected to show a positive contribution in 2012.

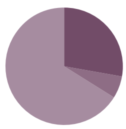
Overall, revenues in the region amounted to EUR 3,646 million, up 10% in constant currency, or 8% organically. EBITA increased by 20% to EUR 161 million, or 28% on a constant currency basis. The EBITA margin was 4.4%, 60 bps above the prior year. Integration costs related to MPS amounted to EUR 4 million in 2011 and EUR 20 million in 2010.

The focus in North America in 2012 will be on Professional Staffing, notably the IT segment, and closing the gap to the market in terms of growth, without sacrificing profitability. Furthermore, we will continue to expand our successful General Staffing business.

6 Source: Bureau of Labor Statistics (BLS).

UK & Ireland

Country revenue split by business line



Office
Industrial
Professional Staffing & Solutions
General Staffing

in EUR millions	2011	2010	variance[4]
Revenues	1,707	1,630	6%
EBITA	32	22	50%
EBITA margin	1.9%	1.4%	

Representing 8%[5] of global staffing revenues, the UK is the third-largest market in the industry worldwide. As in the USA, the UK staffing market is highly fragmented and the labour market is fairly liberalised. With a market share of 8%[5] we are the market leader in the UK.

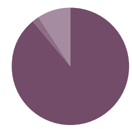
In 2011, our revenues amounted to EUR 1,707 million, up 6% in constant currency and up 5% organically. This represented 8% of the Group's total revenues. From a business mix perspective, roughly 66% of our revenues stemmed from the Professional Staffing segment, while 34% were generated in General Staffing. EBITA increased by 46% to EUR 32 million. In constant currency, EBITA increased by 50%. The EBITA margin was 1.9% in 2011, up 50 bps compared with the prior year. Integration costs related to MPS amounted to EUR 2 million in 2011 and EUR 13 million in 2010 (for Spring and MPS).

Whereas the UK recovery was lagging behind other countries in 2010, the market returned to low single-digit growth in 2011. Austerity measures in the UK meant reduced government spending in temporary staffing. This led to a strong double-digit decline in our revenues generated in the public sector, which represented approximately 10% of our total UK & Ireland revenues in the last quarter of 2011. After strong growth in the permanent placement business in 2010, the good momentum continued in 2011 with revenues up 22% in constant currency, but we are still clearly below prior peaks.

In a challenging business environment we successfully completed the integration of MPS in 2011 and slightly exceeded the targeted synergies. Going forward, we will continue to focus on leveraging our market-leading position and enhancing our profitability. Top priorities remain the continuing improvement of service delivery models and a systematic approach to client attraction and retention.

Japan

Country revenue split by business line



Office
Industrial
Professional Staffing & Solutions
General Staffing

in EUR millions	2011	2010	variance[4]
Revenues	1,406	1,295	4%
EBITA	80	69	12%
EBITA margin	5.7%	5.3%	

The Japanese market is the second-largest staffing market in the world, representing roughly 17%[5] of the global market. This market has had robust growth since the beginning of liberalisation in 1996. Fragmentation is high, with the five largest players representing less than 20%[5] of the market, while the remainder is dominated by numerous small regional staffing firms. Adecco is currently the fourth-largest player in the Japanese market.

In 2011 the Japanese market remained in negative territory. Adecco has a high exposure to late-cyclical office and clerical business and approximately 90% of our total Japanese revenues are generated in this segment. The demand for temporary staffing services in Japan was still negatively impacted by an uncertain regulatory environment. Since early 2010, the Japanese government had considered revising the regulations on temporary staffing. At the beginning of March 2012, a draft legislation was passed in the House of Representatives and is expected to be passed in the House of Councilors. The enforcement is expected several months after the completion of further necessary legislative steps. Anticipated changes could include a minimum assignment length. In addition, the Labour Ministry will be ordered to clarify the rules for the 26 predefined skill categories where temporary staffing will be allowed, as well as providing clarity on outsourcing services. It is anticipated that customer hesitancy to use temporary agencies will diminish over time as regulatory uncertainties are removed. The impact on Adecco is expected to be limited and manageable. In 2011, thanks to outsourcing contracts won at the end of 2010 and during 2011, we more than compensated declining trends in the temporary staffing business. The earthquake and tsunami had only a very limited impact on our business, since our exposure to the affected industries is very minor.

Against a still declining market in Japan, our revenues for the full year 2011 increased 4% in constant currency, to EUR 1,406 million. Management continued to excel in terms of cost control and execution. While EBITA increased by 16% to EUR 80 million or 12% in constant currency, the EBITA margin was 5.7% in 2011, up 40 bps compared to the previous year. We continued to be the cost leader in the market, delivering the highest profitability compared with our mainly local peers.

Our efficient service model is the main differentiating factor in the Japanese market. We have modified our traditional branch model, mainly in major urban areas, by separating the sales and recruitment processes. The aim was to attract a higher number of candidates in a market characterised by supply shortage as well as to improve client service. Our presence at high-traffic locations enables us to funnel a large number of candidates into an efficient screening process. The sales process, on the other hand, is centralised in contact centres in various cities, while a comprehensive database hosting client and candidate information forms the link between the job and the contact centres. In terms of the business mix between Professional and General Staffing, approximately 9% of our revenues stem from the Professional Staffing segment, while roughly 91% are generated in General Staffing.

The outlook for the Japanese staffing market is expected to remain muted due to the still unclear situation with regards to the proposed regulatory changes for temporary staffing services. Adecco, however, believes that the structural growth potential is unchanged. The acquisition of VSN Inc. in January 2012 will double the contribution of Professional Staffing to the company's revenues in Japan and reinforce the strong market position.

Germany & Austria

Country revenue split by business line

in EUR millions	2011	2010	variance[4]
Revenues	1,544	1,231	25%
EBITA	110	82	34%
EBITA margin	7.1%	6.7%	

Globally and within Europe, Germany is a key market for staffing, with a roughly 7%[5] share of the total global market. Our market share, in what we continue to view as one of the most attractive markets, is 9%[5], making us the number two in Germany. In 2011, the German economy witnessed good economic growth and withstood the European debt crisis. The prior peak penetration rate (the number of temporary employees as a percentage of the overall workforce) of 1.9%[7], reached in 2008, was surpassed during 2011 and it is a reflection of the strong cyclical recovery and structural growth the German temporary staffing market offers. Also mid-term, Germany remains an attractive structural growth market in our view, as greater acceptance of temporary staffing and the need for flexibility will result in higher penetration rates. Companies strive to further increase their flexible workforce and the European Directive requires the lifting of all restrictions on temporary agency work. This offers additional revenue potential for our industry. What's more, in the German construction sector, which today is still closed to temporary labour, restrictions should eventually be lifted.

Germany's exposure to export-oriented sectors such as the capital goods industry and the automotive sector, coupled with resilient domestic consumption, resulted in above-average GDP growth in a European context. In 2011, our revenues in Germany & Austria increased by 25% to EUR 1,544 million. The improvement in revenue growth in Germany & Austria was the highest within the Adecco Group. From a business line perspective, Professional Staffing revenues represented approximately 16% of our revenues in Germany & Austria, while General Staffing contributed 84%. Compared with 2010, EBITA increased by 34% to EUR 110 million. This resulted in an EBITA margin of 7.1%, up 40 bps compared with the prior year.

The comparatively higher profitability in Germany is attributable to the fact that temporary employees are on our own payroll – a regulation particular to the German and Swedish markets, where temporary employees are effectively permanent employees of the staffing firm. Employing associates on a permanent basis is in stark contrast to most other European countries, where the employment contract signed with temporary staff is limited to the duration of a certain assignment at the client. While having the temporary associates on our own payroll is to some extent a liability during economically difficult times, it also allows for premium pricing to factor in this risk, resulting in higher overall operating margins.

In 2012, our focus will be on further developing our business with small and medium enterprises. We aim to achieve this through better segmentation and with an optimised delivery model. We are the leader in Professinal Staffing and our organisation is well positioned to benefit from both the structural and cyclical growth potential in the German market. At the same time, we will further work on increasing our profitability, through strict price discipline and strong cost control.

Further information on countries and regions can be found in the Financial Review, starting on page 43.

7 Source: Ciett (International Confederation of Private Employment Agencies).