Adecco Group

Press Release

Adecco reports solid Q3 2012 results

The Group achieves strong profitability on the back of price discipline and cost control

Third quarter 2012 HIGHLIGHTS

- Revenues of EUR 5.3 billion, flat year-on-year (-5% organically[1])
- Gross margin at 17.9%, up 70 bps year-on-year (+50 bps organically)
- SG&A down 2% year-on-year, organically and excluding restructuring costs
- EBITA[2] excluding restructuring costs at EUR 232 million
- EBITA margin at 4.4%, up 10 bps compared to last year, excluding restructuring costs
- Restructuring costs amounted to EUR 22 million of which EUR 19 million related to France
- Net income of EUR 118 million, down 18%
- Operating cash flow of EUR 284 million in the first nine months of 2012 (EUR 217 million in 2011)

Key figures Q3 2012

in EUR millions	reported	reported growth	constant currency growth
Revenues	5,279	0%	-5%
Gross profit	947	+4%	-1%
EBITA excluding restructuring costs	232	+2%	-3%
EBITA	210	-7%	-12%
Operating income	197	-8%	-12%
Net income	118	-18%	

Zurich, Switzerland, November 6, 2012: Adecco Group, the world's leading provider of Human Resources solutions, today announced results for the third quarter of 2012. Revenues were flat or down 5% organically, to EUR 5.3 billion. The gross margin was 17.9%, an increase of 70 bps versus the prior year and up 50 bps organically. Continued strong cost control resulted in 2% lower SG&A, on an organic basis and excluding restructuring costs. The Q3 2012 EBITA margin excluding restructuring costs was 4.4%, up 10 bps compared to the EBITA margin of Q3 last year. Net income was down 18% to EUR 118 million. The Group generated operating cash flow of EUR 284 million in the first nine months of 2012.

Patrick De Maeseneire, CEO of the Adecco Group said: "*Our focus on price discipline continues to show in our results. I am pleased to report an increase of 50 bps organically of our gross margin to 17.9%. At the same time, we remained disciplined on the cost-side. SG&A was down 2% year-on-year organically and excluding restructuring costs. As a consequence the EBITA margin was up 10 bps to 4.4%, when excluding the restructuring costs. Looking at developments from a geographical viewpoint, we continue to witness diverse trends across our markets. In France, we maintained good profitability despite declining revenues. In North America revenue growth accelerated to 3% organically also driven by good growth in the IT segment. The UK held up well and we outperformed the market in Germany. Organic growth in Japan further weakened, as last year's results included a few large projects. Elsewhere, we performed well in the Benelux against the market and the same holds true for the Nordics. In Italy and Iberia, the revenue decline rate stabilised. Growth of LHH, our career transition and talent development business accelerated to 9% organically in Q3 2012, with strong profitability. While the outlook remains uncertain, we are convinced we have the global reach, a strong combination of businesses and a disciplined approach to pricing and cost control which will get us to our EBITA margin target of above 5.5% midterm.*"

[1] Organic growth is a non US GAAP measure and excludes the impact of currency, acquisitions and divestitures.
[2] EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

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Q3 2012 FINANCIAL PERFORMANCE

Revenues

Group revenues in Q3 2012 were EUR 5.3 billion, flat or down 5% in constant currency. Organically, revenues were down 5%. Permanent placement revenues amounted to EUR 85 million, a decrease of 10% organically, while revenues from the counter-cyclical career transition (outplacement) business totalled EUR 65 million, up 5% organically.

Gross Profit

In Q3 2012, gross profit amounted to EUR 947 million and the gross margin was 17.9%, up 70 bps compared to the prior year's third quarter. Organically the gross margin was up 50 bps in the quarter under review. Temporary staffing had an organic 30 bps positive impact on the gross margin. Organically, permanent placement had a neutral impact on the gross margin, whereas the impact was +10 bps from outplacement and +10 bps from other activities.

Selling, General and Administrative Expenses (SG&A)

SG&A in Q3 2012 amounted to EUR 737 million, an increase of 8% or 2% in constant currency compared to Q3 2011. SG&A was 2% lower year-on-year on an organic basis and excluding restructuring costs. Restructuring costs for France and Germany were EUR 20 million in the quarter under review. In addition, restructuring costs incurred for the consolidation of several data centres in North America amounted to EUR 2 million in Q3 2012. Sequentially, SG&A was down 2% on an organic basis and when excluding restructuring costs. Organically, FTE employees decreased by 3% (-1,000) compared to the third quarter of 2011. The branch network, on an organic basis, decreased by 2% (-100 branches) compared with the third quarter of 2011. At the end of the third quarter of 2012, the Adecco Group had close to 33,000 FTE employees and operated a network of over 5,500 branches.

EBITA

In the period under review, EBITA was EUR 210 million compared with EUR 226 million reported in the third quarter of 2011. The Q3 2012 EBITA margin was 4.0% compared to 4.3% in Q3 2011. EBITA excluding restructuring costs was EUR 232 million in Q3 2012 and the margin was 4.4%, up 10 bps compared to the EBITA margin of Q3 2011.

Amortisation of Intangible Assets

Amortisation in Q3 2012 was EUR 13 million, unchanged from Q3 2011.

Operating Income

In Q3 2012, operating income was EUR 197 million. This compares to EUR 213 million in the third quarter of 2011.

Interest Expense and Other Income / (Expenses), net

The interest expense amounted to EUR 19 million in the period under review, the same as in Q3 2011. Other income / (expenses), net was an expense of EUR 1 million in Q3 2012, compared to income of EUR 2 million in the third quarter of 2011. Interest expense is expected to be around EUR 80 million for the full year 2012.

Provision for Income Taxes
The effective tax rate in the period under review was 33% compared to 26% in Q3 2011.

Net Income / Net Income attributable to Adecco shareholders and EPS
In the period under review, net income / net income attributable to Adecco shareholders was EUR 118 million. This compares to EUR 145 million in Q3 2011. Basic EPS in Q3 2012 was EUR 0.62 (Q3 2011: EUR 0.76).

Cash flow, Net Debt[3] and DSO
Cash generated from operating activities amounted to EUR 284 million in the first nine months of 2012 and compares to EUR 217 million in the same period last year. The Group paid dividends of EUR 256 million and capital expenditure amounted to EUR 71 million in the first nine months of 2012. Net debt at the end of September 2012 was EUR 1,101 million compared to EUR 892 million at year end 2011. DSO was 55 days in the third quarter of 2012, compared to 56 days in the same period last year.

Currency Impact
In Q3 2012, currency fluctuations had a positive impact on revenues of approximately 5%.

[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.

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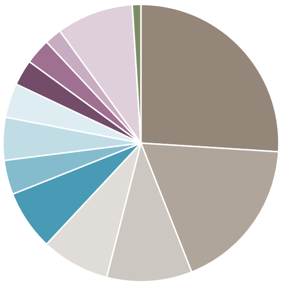
SEGMENT PERFORMANCE

Q3 2012

Revenues in percent



		Revenues		EBITA *	
		EUR m	organic yoy growth	EUR m	margin
26%	France	**1,348**	-16%	**35**	2.6%
18%	North America	**977**	3%	**41**	4.3%
10%	UK & Ireland	**517**	9%	**4**	0.7%
8%	Germany & Austria	**418**	-1%	**35**	8.3%
7%	Japan	**379**	-15%	**23**	6.1%
4%	Italy	**223**	-14%	**13**	5.7%
5%	Benelux	**245**	-3%	**12**	5.1%
4%	Nordics	**215**	6%	**10**	4.6%
3%	Iberia	**166**	-12%	**5**	2.9%
3%	Australia & New Zealand	**132**	-11%	**3**	2.7%
2%	Switzerland	**117**	-11%	**16**	13.5%
9%	Emerging Markets	**466**	9%	**17**	3.5%
1%	LHH	**76**	9%	**19**	24.3%
	Corporate			**(23)**	
	Adecco Group	**5,279**	-5%	**210**	4.0%

*Including restructuring costs of EUR 19 million for France, EUR 2 million for North America and EUR 1 million for Germany.

Revenues in **France** amounted to EUR 1.3 billion, down 16% compared to Q3 2011. Permanent placement revenues were down 15%. In the quarter under review, EBITA was EUR 35 million compared to EUR 64 million in Q3 2011. The EBITA margin was 2.6% in Q3 2012, down 140 bps compared to the prior year's third quarter. Excluding EUR 19 million restructuring costs incurred in Q3 2012, the EBITA margin was at a solid 4.1%, compared to 4.0% a year ago. The plans to combine the business of the Adecco and Adia brands under the single brand of Adecco are fully on track.

In **North America**, Adecco's revenues increased 3% organically to EUR 977 million in Q3 2012. General Staffing revenues increased 2% in constant currency and Professional Staffing revenues grew by 5% organically. The North American IT Professional Staffing segment grew 6% year-on-year organically in Q3 2012, driven by solid growth in the US of 8% organically. Revenues developed solidly in Finance & Legal and Medical & Science, up 6% and 20% respectively year-on-year, both in constant currency. The Engineering & Technical segment was flat in constant currency. Permanent placement revenues continued to develop strongly, up 15% organically. EBITA was EUR 41 million and the EBITA margin was 4.3%, up 20 bps compared to Q3 2011. Excluding EUR 2 million restructuring costs incurred for the consolidation of several data centres in North America, the EBITA margin was at 4.4% in Q3 2012.

In the **UK & Ireland,** revenues were up 9% in constant currency to EUR 517 million. Permanent placement revenues were down 31% in constant currency, compared with a strong third quarter in 2011. EBITA was EUR 4 million in Q3 2012, and the EBITA margin was 0.7% compared to an EBITA margin of 2.9% in Q3 2011. In the quarter under review profitability was impacted by the sponsorship costs for the London Summer Olympics.

In **Germany & Austria,** Q3 2012 revenue development continued to be ahead of the market. Revenues declined by 1% organically to EUR 418 million, compared against a strong base last year (Q3 2011: +23% year-on-year revenue growth). EBITA amounted to EUR 35 million and the EBITA margin was 8.3% compared to 9.6% in Q3 2011. Restructuring costs to optimise the cost base amounted to EUR 1 million in the quarter under review. Excluding these costs, the Q3 2012 EBITA margin was 8.5%.

In **Japan,** revenues were down 5% in constant currency to EUR 379 million. Organically revenues were down 15% and were impacted by the completion of several outsourcing projects. Profitability remained strong. EBITA was EUR 23 million and the EBITA margin was 6.1%, up 60 bps compared to the third quarter of 2011. The acquired company VSN Inc. continued to develop well. VSN added 20 bps to the EBITA margin in Japan in Q3 2012.

Revenues in **Italy** declined by 14% in Q3 2012, compared against a high base of Q3 last year when revenues increased +19% year-on-year. Italy achieved a strong EBITA margin of 5.7% in Q3 2012, down only 60 bps year-on-year, despite the decline in revenues.

In Q3 2012, revenues in **Benelux** decreased by 3%. Revenue development was in line with the market in the Netherlands, but ahead of the market in Belgium. The region achieved solid profitability with an EBITA margin of 5.1% in Q3 2012, driven by both the Netherlands and Belgium.

Revenues in the **Nordics** were up 6% in constant currency. Revenues in Sweden were down single-digit year-on-year in Q3 2012, but solidly increased in Norway, Denmark and Finland. The EBITA margin in Q3 2012 was 4.6%.

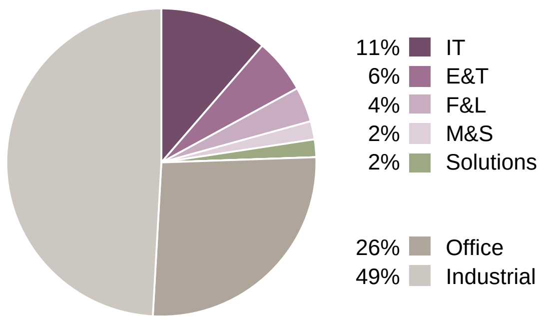
In **Iberia** revenues declined by 12% as economic conditions in the region remained challenging. Revenues in **Australia & New Zealand** as well as in **Switzerland** declined 11% in constant currency in Q3 2012.

The **Emerging Markets** grew 9% in constant currency to EUR 466 million, mainly driven by Latin America. The EBITA margin was 3.5%, up 80 bps when compared to the same period last year.

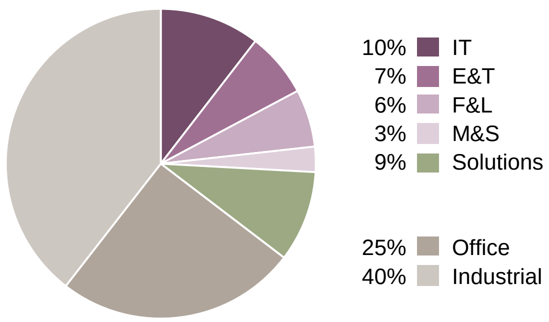
Revenues of **Lee Hecht Harrison (LHH)**, Adecco's career transition and talent development business were EUR 76 million, up 34% in constant currency and up 9% organically compared to Q3 2011. EBITA was EUR 19 million and profitability remained strong, as the EBITA margin reached 24.3%. The integration of DBM, which the Group acquired and included in the results since September last year, has been successfully completed and no further integration costs have been incurred during Q3 2012.

BUSINESS LINE PERFORMANCE

Q3 2012 Revenue split



Q3 2012 Gross profit split



Adecco's revenues in the **General Staffing** business (Office & Industrial) decreased by 7% organically to EUR 4.0 billion. Revenues in the **Industrial** business were down 9% in constant currency (-10% organically). In France, revenues declined by 16% organically in Q3 2012 and in Italy by 15%. Germany & Austria was down 2% organically year-on-year. In constant currency, revenues in Industrial in North America grew 1% in Q3 2012. In the **Office** business, revenues were down 2% in constant currency. Whereas revenues in Japan were down 17%, revenues in North America continued to hold up well and were up 4% and in the UK & Ireland revenues increased double-digit, all in constant currency.

Professional Staffing[4] revenues increased 2% in constant currency (1% organically). Revenues in North America were up 5% organically, same as in the UK & Ireland, where revenues were up 5% in constant currency. Revenues in France were down 9%.

In **Information Technology (IT)**, revenues were flat in constant currency (+2% organically). In North America, revenues grew by 6% organically, with the US IT Professional Staffing segment growing by 8% organically. Revenues in the UK & Ireland grew by 6% in constant currency.

Adecco's **Engineering & Technical (E&T)** business was up 9% in constant currency (3% organically). In Germany & Austria revenues grew by 5%, while in France revenues grew by 6%. In North America revenues were flat compared to the same period last year, whereas the UK & Ireland grew strongly double-digit, both in constant currency.

In **Finance & Legal (F&L)**, revenues were down 2% in constant currency. Revenues in North America increased 6%, while business in the UK & Ireland remained difficult, with revenues declining by 15% in Q3 2012, all in constant currency.

In Q3 2012, revenues in **Medical & Science (M&S)** were down 1% in constant currency (-3% organically). While revenues in North America were up 20%, revenues in the Nordics declined by 16%, both in constant currency. Revenues in France were down 15% in the quarter under review.

In the third quarter of 2012, revenues in **Solutions**[5] were up 26% in constant currency or up 8% organically. Revenue growth in MSP (Managed Service Programmes) and VMS (Vendor Management System) continued to be double-digit in constant currency.

[4] Professional Staffing refers to Adecco's Information Technology, Engineering & Technical, Finance & Legal, and Medical & Science businesses.
[5] Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management System (VMS).

Press Release

MANAGEMENT OUTLOOK

Developments continue to be diverse across the different geographies. In September, revenues declined by 3% organically and adjusted for business days. Revenue growth at the beginning of the fourth quarter slightly weakened from the -5% organically seen in Q3 2012, driven by the UK, Germany, and the Emerging Markets. The revenue decline rate in France and Japan stabilised. In North America revenue growth continued to develop well driven by both General and Professional Staffing.

Given current trends, we continue to focus on price discipline and the tight alignment of the cost base to revenue developments. Consequently, in Q4 2012, we anticipate further EUR 15 million investments to optimise the cost base, in addition to the already announced EUR 65 million for 2012 (EUR 45 million for France, EUR 10 million for other countries, EUR 10 million for the data centre consolidation in North and South America), of which EUR 37 million have been incurred in the first 9 months of this year. SG&A in Q4 2012 is expected to remain approximately in line with the third quarter of 2012, on an organic basis and when excluding restructuring costs.

With the disciplined approach to pricing and cost control and building further on Adecco's strategic priorities, we remain convinced that we are on track to reach an EBITA margin of above 5.5% midterm.

Management changes

Mark Du Ree, the current Regional Head of Japan is retiring at the end of 2012. The Board of Directors and the Executive Committee would like to thank Mark for his achievements and for his commitment to the Adecco Group over the past 27 years. Mark has been the Country Manager of Adecco Japan since 2002 and he led the successful build-up and strong profitability of Adecco in Japan during this time.

Effective as of January 1, 2013, Christophe Duchatellier will take on an extended role as the Regional Head of Asia and Japan and will join the Adecco Group Executive Committee. Christophe joined the Adecco Group in 2010, after 18 years with Michael Page, where in his latest role he was the Regional Managing Director of Europe and member of the Executive Board. Upon joining Adecco, Christophe initially managed the Professional Staffing business in France and at the beginning of 2012 was appointed Regional Head of Asia.

Update on the share buyback programme

In June 2012, the Company launched a share buyback programme of up to EUR 400 million on a second trading line with the aim of subsequently cancelling the shares and reducing the share capital. The share buyback commenced in mid-July 2012. To date, the Company has acquired 2 million shares for a total consideration of EUR 76 million under this programme.

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Press Release

Q3 2012 Results Conference Calls

There will be a media conference call at 9 am CEST as well as an analyst conference call at 11 am CEST, details of which can be found in the Investor Relations section on our website.

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Financial Agenda 2012/2013

• Q4/FY 2012 results	March 13, 2013
• Annual General Meeting	April 18, 2013
• Q1 2013 results	May 7, 2013
• Q2/1H 2013 results	August 8, 2013
• Q3 2013 results	November 6, 2013

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 close to 33,000 FTE employees and over 5,500 branches, in over 60 countries and territories around the world, Adecco Group offers a wide variety of services, connecting close to 700,000 associates with over 100,000 clients every day. The services offered fall into the broad categories of temporary staffing, permanent placement, career transition and talent development, as well as outsourcing and consulting. 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).

Adecco Group

Press Release (Annexes)

Consolidated statements of operations
(unaudited)

EUR millions except share and per share amounts	Q3 2012	Q3 2011	Variance % EUR	Variance % Constant Currency	9M 2012	9M 2011	Variance % EUR	Variance % Constant Currency
Revenues	5,279	5,270	0%	-5%	15,509	15,351	1%	-2%
Direct costs of services	(4,332)	(4,364)			(12,729)	(12,715)		
Gross profit	**947**	**906**	4%	-1%	**2,780**	**2,636**	5%	1%
Gross margin	*17.9%*	*17.2%*			*17.9%*	*17.2%*		
Selling, general, and administrative expenses	(737)	(680)	8%	2%	(2,203)	(2,039)	8%	4%
As a percentage of revenues	*14.0%*	*12.9%*			*14.2%*	*13.3%*		
Amortisation of intangible assets	(13)	(13)			(40)	(40)		
Operating income	**197**	**213**	-8%	-12%	**537**	**557**	-4%	-7%
Operating income margin	*3.7%*	*4.1%*			*3.5%*	*3.6%*		
Interest expense	(19)	(19)			(56)	(51)		
Other income / (expenses), net	(1)	2			(12)	(9)		
Income before income taxes	**177**	**196**	-10%		**469**	**497**	-6%	
Provision for income taxes	(59)	(51)			(126)	(110)		
Net income	**118**	**145**	-18%		**343**	**387**	-11%	
Net income attributable to noncontrolling interests					(1)	(1)		
Net income attributable to Adecco shareholders	**118**	**145**	-18%		**342**	**386**	-11%	
Net income margin attributable to Adecco shareholders	*2.2%*	*2.7%*			*2.2%*	*2.5%*		
Basic earnings per share	**0.62**	**0.76**			**1.81**	**2.02**		
Basic weighted-average shares	188,922,152	189,768,463			189,071,270	191,158,112		
Diluted earnings per share	**0.62**	**0.76**			**1.81**	**2.02**		
Diluted weighted-average shares	189,095,960	189,849,973			189,197,877	191,268,713		

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Press Release (Annexes)

Revenues and operating income by segment

(unaudited)

EUR millions	Q3 2012	Q3 2011	Variance %		9M 2012	9M 2011	Variance %	
Revenues			EUR	Constant Currency			EUR	Constant Currency
France	1,348	1,604	-16%	-16%	3,994	4,608	-13%	-13%
North America[1,2]	977	848	15%	0%	2,853	2,576	11%	1%
UK & Ireland	517	424	22%	9%	1,446	1,241	17%	9%
Germany & Austria[1]	418	413	1%	1%	1,204	1,151	5%	5%
Japan[1]	379	350	8%	-5%	1,189	1,032	15%	3%
Italy	223	259	-14%	-14%	700	779	-10%	-10%
Benelux	245	253	-3%	-3%	697	722	-4%	-4%
Nordics	215	194	11%	6%	623	594	5%	2%
Iberia	166	188	-12%	-12%	497	555	-11%	-11%
Australia & New Zealand	132	135	-2%	-11%	398	380	5%	-3%
Switzerland	117	134	-13%	-11%	325	355	-9%	-11%
Emerging Markets[2]	466	415	12%	9%	1,350	1,196	13%	12%
LHH[1]	76	53	44%	34%	233	162	44%	37%
Adecco Group[1]	**5,279**	**5,270**	**0%**	**-5%**	**15,509**	**15,351**	**1%**	**-2%**
Operating income								
France	35	64	-44%	-44%	103	158	-35%	-35%
North America[2]	41	35	21%	5%	124	101	23%	12%
UK & Ireland	4	12	-70%	-73%	18	27	-33%	-38%
Germany & Austria	35	40	-12%	-12%	78	88	-11%	-11%
Japan	23	19	20%	5%	71	59	19%	6%
Italy	13	16	-23%	-23%	39	50	-23%	-23%
Benelux	12	13	-3%	-3%	27	33	-17%	-17%
Nordics	10	5	128%	110%	23	11	118%	112%
Iberia	5	5	-14%	-14%	15	16	-8%	-8%
Australia & New Zealand	3	5	-35%	-41%	13	12	8%	-1%
Switzerland	16	14	16%	19%	32	34	-7%	-9%
Emerging Markets[2]	17	11	47%	37%	45	39	15%	14%
LHH	19	8	130%	105%	61	29	107%	94%
Corporate Expenses	(23)	(21)			(72)	(60)		
EBITA[3]	**210**	**226**	**-7%**	**-12%**	**577**	**597**	**-3%**	**-7%**
Amortisation of intangible assets	(13)	(13)			(40)	(40)		
Adecco Group	**197**	**213**	**-8%**	**-12%**	**537**	**557**	**-4%**	**-7%**

1) In Q3 2012 revenues changed organically in North America by 3% (9M: 2%), in Germany & Austria by -1% (9M: 2%), in Japan by -15% (9M: -8%), in LHH by 9% (9M: 3%) and in Adecco Group by -5% (9M: -3%).

2) Mexico, previously reported together with North America, is since Q2 2012 reported under Emerging Markets. The 2011 information has been restated to conform to the current year presentation.

3) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

Adecco Group

Press Release (Annexes)

Revenues by business line

(unaudited)

EUR millions	Q3 2012	Q3 2011	Variance %		9M 2012	9M 2011	Variance %	
Revenues[1]			EUR	Constant Currency			EUR	Constant Currency
Office	1,395	1,325	5%	-2%	4,117	3,931	5%	-1%
Industrial[2]	2,593	2,813	-8%	-9%	7,552	8,029	-6%	-7%
General Staffing	**3,988**	**4,138**	**-4%**	**-7%**	**11,669**	**11,960**	**-2%**	**-5%**
Information Technology[2]	596	534	11%	0%	1,792	1,591	13%	5%
Engineering & Technical[2]	302	250	21%	9%	878	754	16%	9%
Finance & Legal	194	179	8%	-2%	572	541	6%	-1%
Medical & Science[2]	101	98	4%	-1%	301	287	5%	2%
Professional Staffing[2]	**1,193**	**1,061**	**12%**	**2%**	**3,543**	**3,173**	**12%**	**4%**
Solutions[2]	**98**	**71**	**38%**	**26%**	**297**	**218**	**37%**	**29%**
Adecco Group[2]	**5,279**	**5,270**	**0%**	**-5%**	**15,509**	**15,351**	**1%**	**-2%**

1) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, and Medical & Science is based on dedicated branches. Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO), and Vendor Management System (VMS).

2) In Q3 2012 revenues changed organically in Industrial by -10% (9M: -7%), in Information Technology by 2% (9M: 3%), in Engineering & Technical by 3% (9M: 3%), in Medical & Science by -3% (9M: -1%), in Professional Staffing by 1% (9M: 2%), in Solutions by 8% (9M: 4%) and in Adecco Group by -5% (9M: -3%).

Adecco Group

Press Release (Annexes)

Consolidated balance sheets

EUR millions	September 30 2012 *(unaudited)*	December 31 2011
Assets		
Current assets:		
– Cash and cash equivalents	906	532
– Short-term investments	2	2
– Trade accounts receivable, net	3,863	3,725
– Other current assets	390	424
Total current assets	**5,161**	**4,683**
Property, equipment, and leasehold improvements, net	303	313
Other assets	325	310
Intangible assets, net	588	593
Goodwill	3,568	3,455
Total assets	**9,945**	**9,354**
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
– Accounts payable and accrued expenses	3,543	3,545
– Short-term debt and current maturities of long-term debt	557	236
Total current liabilities	**4,100**	**3,781**
Long-term debt, less current maturities	1,452	1,190
Other liabilities	515	572
Total liabilities	**6,067**	**5,543**
Shareholders' equity		
Adecco shareholders' equity:		
– Common shares	118	118
– Additional paid-in capital	2,200	2,459
– Treasury shares, at cost	(761)	(706)
– Retained earnings	2,419	2,080
– Accumulated other comprehensive income/(loss), net	(101)	(143)
Total Adecco shareholders' equity	**3,875**	**3,808**
Noncontrolling interests	3	3
Total shareholders' equity	**3,878**	**3,811**
Total liabilities and shareholders' equity	**9,945**	**9,354**

Adecco Group

Press Release (Annexes)

Consolidated statements of cash flows

(unaudited)

EUR millions	**9M 2012**	**9M 2011**
Cash flows from operating activities		
Net income	343	387
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	119	110
– Other charges	56	22
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(107)	(354)
– Accounts payable and accrued expenses	(51)	99
– Other assets and liabilities	(76)	(47)
Cash flows from operating activities	**284**	**217**
Cash flows from investing activities		
Capital expenditures	(71)	(78)
Acquisition of VSN, net of cash acquired	(87)	
Acquisition of DBM, net of cash acquired		(128)
Cash settlements on derivative instruments	4	(74)
Other acquisition and investing activities	(10)	(1)
Cash used in investing activities	**(164)**	**(281)**
Cash flows from financing activities		
Net increase in short-term debt	29	94
Borrowings of long-term debt, net of issuance costs	599	330
Repayment of long-term debt	(49)	(214)
DBM debt repayment		(13)
Dividends paid to shareholders	(256)	(149)
Purchase of treasury shares, net of disposals	(57)	(156)
Other financing activities	2	(2)
Cash flows from/(used in) financing activities	**268**	**(110)**
Effect of exchange rate changes on cash	**(14)**	**(10)**
Net increase/(decrease) in cash and cash equivalents	**374**	**(184)**
Cash and cash equivalents:		
– Beginning of year	532	549
– End of period	906	365