



PRESS RELEASE

Adecco SA reports 21% operating income growth for the first half of 2001

Highlights:

- Revenue growth of 15% to CHF 13.8 billion, 17% in local currency
- Operating income growth of 21% to CHF 617 million, 23% in local currency
- Double-digit revenue growth in 9 of the 12 main markets
- Operating margin improvement from 4.2% to 4.5%
- Income before amortization of goodwill, restructuring costs and one-time items growth of 16% to CHF 367 million
- Continuing strong performance in outplacement and career management

CHESEREX, SWITZERLAND, July 26, 2001 – Adecco SA, the worldwide leader in personnel services, reported today results for the six months ended July 1, 2001. Group **revenues** increased by 15% to CHF 13.8 billion in the first half of 2001. In local currency, revenues increased by 17%. **Operating income** continued to grow faster than revenues rising to CHF 617 million in the first half of 2001, a 21% growth over last year's figures for the same period. This increase reflected the company's continuing focus on profit growth and profit margin enhancements. In local currency, operating income grew 23%. **Income before amortization of goodwill, restructuring costs and one-time items** grew by 16% to CHF 367 million. Excluding the impact of the tax rate changes and the tax effect of one-time extraordinary charges, income before amortization of goodwill, restructuring costs and one-time items increased by 20%. Currency fluctuations had a 2% negative impact on consolidated results.

In local currency, revenues grew approximately 6% organically, while operating income grew approximately 18% organically.

The second quarter showed like-for-like revenue growth of 4% in local currency, reflecting the economic slowdown in particular in North America. Nevertheless, like-for-like operating profits increased by 11% in the second quarter in local currency. Like-for-like income before amortization of goodwill, restructuring costs and one-time items, i.e. excluding the impact of the tax rate changes and the tax effect of one-time extraordinary charges, grew by 15%.

*“Our results show undeniable strength in light of the current global economic landscape”, said **John Bowmer**, Adecco's CEO. “Despite markets weaker than a year ago, we managed to achieve double-digit revenue growth, while improving substantially group operating margins by 30 basis points. During the second quarter we experienced lower sales growth as the market slowed, but we maintained our margin growth. We continued building capacity to enable a swift response when the economic upturn takes place. By end of June, we had increased our branch capacity by about 10%, which will give us an excellent basis for the upturn.”*

Regional and Business Line Performance

North America posted 12% revenue growth in CHF and 9% in local currency in the first half of 2001 compared to last year's first half. Despite market adversities, North America enhanced profitability in the first half, which was coupled with a substantial operating income increase, both organically and in total.

Revenues in **Europe** grew 15% in CHF and 20% in local currency, strongly driven by Italy, France and the UK. Operating income in Europe grew faster than revenues, both in CHF and in local currency, with improved operating margins. **Asia Pacific** posted revenue growth of 11% in CHF and 22% in local currency, strongly driven by Japan. Currency fluctuations played an important role in the region due to the weakness of the Australian dollar and the Japanese yen. As in other regions, operating income grew faster than revenues with enhanced operating margins. **The Rest of the World** continued to post strong results. Revenues grew by 42% in CHF and 46% in local currency, with operating income growing substantially faster than revenues. Operating margins in the region were also improved.

Strongest growth in revenue was in Japan, Italy and the UK. Major contributors to operating income growth were the USA, UK, Italy, Germany, and Japan.

Specialty brands posted revenue growth of 8% and an operating income increase of 11% both in CHF.

“We posted double-digit revenue growth in 9 of the 12 main countries and continue to see substantial enhancements in profits and margins in most business units”, commented Mr Bowmer. “This results from the combined effect of synergies from the Olsten merger, the very positive development of the outplacement business and internal efficiency gains achieved through our cost management program. Operating margins increased throughout the regions. Lee Hecht Harrison, our career management arm, continues to post superb results. Once again our continued strong consolidated results on the background of a weaker economy illustrate the benefits of business and regional diversification. This spread of geography and business lines together with our market leadership has allowed us to perform better than the competition.”

Internet Update

“Our Internet developments are well on track.”, stated Felix Weber, Adecco’s CFO. “The results prove our original belief that a combination of our branch network with the Internet enhances value to customers and lowers our internal costs. Idealjob, our Job Board and ASP application, is now rolled out in most European countries, introduced with much lower promotion costs than needed for a standalone new brand. The achievements give us great confidence that we can achieve and maintain a strong leadership position in Internet recruitment without spending the amounts of promotion money invested by pure play Internet portals.”

Outlook

“Our performance has clearly been affected by the world economic slowdown.”, said Mr Bowmer. “However, we have learned our lessons from the market slowdown in the early nineties: Market leaders are less affected by an economic slowdown, while a weak market position leads to over-proportional sales and profit losses. We have strongly invested in capacity growth. We expect the market leaders to benefit most from the upturn, and we will continue building and shaping our organization to ensure that we will be in a privileged competitive position when markets rebound.”

US GAAP Results

For the six months ended July 1, 2001 Adecco reported under **US Generally Accepted Accounting Principles (GAAP)** revenues of CHF 13.8 billion and a net loss of CHF 293 million after charging goodwill amortization of CHF 637 million and one-time charges of CHF 23 million incurred in the first quarter of 2001, of which CHF 15 million relates to Internet investment write-down and CHF 8 million (net of tax) for cumulative effect of accounting changes resulting from the adoption of the Financial Accounting Standards Board statement no. 133, as amended, “Accounting for Derivative Instruments and Hedging Activity”.

According to Chief Financial Officer, Felix Weber, *“This net result reflects the accounting principles of US GAAP and Adecco’s chosen goodwill amortization schedule of five years. Adecco considers operating*

income and income before amortization of goodwill, restructuring charges and one-time items to be the most relevant benchmarks of the company's financial performance, as they measure our operational performance and our ability to fund growth and to distribute dividends."

Statements made in this press release, other than those concerning historical information, should be considered forward-looking and subject to risks and uncertainties. The Company's actual results may differ materially from the results anticipated in these forward-looking statements as a result of certain factors as set forth in the Company's reports on Form 20-F made pursuant to the Securities Exchange Act of 1934. For instance, the Company's results of operations may differ materially from those anticipated in the forward-looking statements due to, among other things: Our ability to successfully implement our growth and operating strategies, fluctuations in interest rates or foreign currency exchange rates, changes in economic conditions, changes in the law or government regulations in the countries in which Adecco operates, instability in domestic and foreign markets, our ability to obtain commercial credit, and changes in general political, economic and business conditions in the countries or regions in which Adecco operates. In addition, the market price of the Company's stock may be volatile from time to time as a result of, among other things: the Company's operating results, the operating results of other staffing service providers, and changes in the performance of global stock markets in general.

About Adecco

Adecco SA is the global leader in personnel services, connecting up to **700,000 associates** with business clients each day through its network of over **30,000 employees** and over **5,500 offices** in **58 countries** around the world. Registered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, Adecco delivers an unparalleled range of flexible staffing and career resources to corporate clients and qualified associates.

Adecco provides clients with staffing services and solutions covering all major industries as well as specific professions. The worldwide **Adecco** brand network focuses on global industries in transition, including automotive, banking, electronics, logistics, and telecommunications. **Adecco** is also positioned as a worldwide leader in each of the major professional staffing segments with several world-class business lines: **aoc** (Accountants on Call) and **Jonathan Wren** for Finance, Banking and Accounting; **Ajilon** and **Computer People** for high-end Information Technology, **TAD** and **Roevin** for Engineering and Technical. These **Adecco** businesses provide their clients with a broad range of staffing solutions, from temporary work to permanent placement, to consulting and managed services. **Adecco** also offers a range of HR solutions with **Econova/Lee Hecht Harrison**, delivering outplacement and career management services. **Adecco** clients retain this unique range of services through local, national and multinational contracts.

Adecco SA is listed on the Swiss Exchange (ADEN / trading on Virt-x: 1213860), NYSE (ADO), Euronext Premier Marché (12819).

Further information can be found at the Investors page at www.adecco.com.

Contacts:

Corporate Investor Relations

investor.relations@adecco.com or ++41 21 321 6640

Chief Financial Officer

felix.weber@adecco.com or ++41 1 878 8880

Financial Highlights (Unaudited)

CHF millions	Six Months Ended		% Change
	July 1, 2001	July 2, 2000	
Net service revenues	13,833	12,070	15%
Operating Income	617	510	21%
Income before amortisation of goodwill, restructuring costs and one-time items	367	316	16%
Restructuring Costs	-	(63)	
Amortisation of goodwill	(637)	(486)	
One-time items (1)	(23)	-	
Net loss	(293)	(233)	
Income per share before amortisation of goodwill, restructuring costs and one-time items (basic)	1.98	1.73	14%
Income per share before amortisation of goodwill, restructuring costs and one-time items (fully diluted)	1.92	1.67	15%

(1) One-time items includes Internet investment write-down of CHF 15 million and cumulative effect of accounting changes, net of tax of CHF 8 million, in the first quarter of 2001.

All share and per share amounts reflect a ten-for-one stock split in May 2001.

Income before amortisation of goodwill, restructuring costs and one-time items is not meant to portray net income or cash flow in accordance with U.S. generally accepted accounting principles. Goodwill amortisation is a non-cash charge to operating income; however, income before amortisation of goodwill, restructuring costs and one-time items does not represent cash available to shareholders. This may not be comparable to similarly entitled items reported by other companies. Adecco amortises goodwill over its estimated life of five years.

Net Service Revenues by Geographic Segment (Unaudited)

CHF Millions	Six Months Ended		% Change
	July 1, 2001	July 2, 2000	
North America	3,952	3,526	12%
Europe	8,321	7,215	15%
Asia Pacific	1,177	1,059	11%
Rest of World	383	270	42%
Total Adecco	13,833	12,070	15%
Specialty Brands	1,793	1,653	8%

Additional information available upon request.