



Press Release

Adecco SA Reports a 46% Increase in Sales for the First Nine Months of 2000

Operating Income Increased by 49%

CHESEREX, SWITZERLAND, October 26, 2000 – Adecco SA, the world's leading provider of personnel services, today announced strong financial results for the first nine months of 2000 that once again confirm the effectiveness of the company's global growth strategy.

Adecco's unaudited results for the nine-month period of 2000 include **revenues** of CHF 19.4 billion, a 46% increase over the CHF 13.3 billion reported in the corresponding nine-month period of 1999. Approximately 20% of total revenue growth was organic. **Operating income** for the first nine months grew strongly from CHF 603 million in 1999 to CHF 900 million this year, a 49% increase of which 25% was organic. **Operating margin** increased by over 10 basis points from 4.5% to 4.6% despite cumulated CHF 44 million **integration costs** for the Olsten acquisition, which were recorded as ordinary operating expenses. **Income before amortization of goodwill and restructuring charges** was CHF 549 million in the first nine months of 2000, a 44% increase over the CHF 382 million achieved in the same period of 1999.

Year-to-date, Adecco has marginally benefited from currency impact. Currency fluctuations had a 6% positive impact on **revenues** and **operating income**. However, the appreciation of the US dollar against the Swiss franc continued to adversely affect interest charges partially offsetting the positive impact of currency fluctuations on income before amortization of goodwill and restructuring charges. Net currency impact on **income before amortization of goodwill and restructuring charges** was a positive 1.5% or CHF 8 million.

Minor additional **restructuring charges** of CHF 1.7 million were incurred in the third quarter, mainly related to the relocation of the Adecco head office in Germany.

*"Our nine-month results were again excellent", said **John Bowmer**, Adecco's Chief Executive Officer. "Despite integration costs of CHF 44 million incurred during the first nine months, our operating income continued to grow faster than revenues, increasing our operating margin by 10 basis points. Excluding Olsten integration costs, which were recorded as ordinary operating expenses, we would have achieved a 4.9% operating margin.*

Representing 13% of total Group revenues, **Specialty brands** contributed CHF 2.6 billion to the nine months results this year, a 33% growth over last year's nine months. The accounting/finance and career management business segments that were the major drivers, posted strong revenue increases of over 40%

and 30% respectively, each with a corresponding major increase in profitability. This growth helped to alleviate the impact of the still sluggish recovery of the IT business. We have clearly been able to offset this disappointment because of the geographic and product diversity of Adecco.

Progress Across the Globe

A local currency comparison of the first nine months of 2000 to the same period of 1999 shows revenue increases of 34% in **France**, 43% in **North America**, 18% in the **UK**, 55% in the **Rest of Europe**, and 58% in the **Rest of World**. The impact of currency fluctuation varied from region to region. The growth countries in Europe were **Italy**, which grew over threefold last year's revenues for the same period, and **Belgium**. In the Rest of World, **Japan** more than doubled its 1999 nine months revenues.

France, **North America** and the **UK** posted operating income growth close to the Group average. In both UK and France, increases resulted from a major improvement in operating margins of over 60 basis points demonstrating the positive synergy impact achieved in the ongoing integration. In North America, the increase was achieved despite the non-recurring Olsten integration costs included in operating expenses.

Commenting on the performance by region, **Mr Bowmer** stated, *"Our regional performance remained strong, with all regions showing much better profits – total and organic – than last year. The IT sector apart, which has not yet recovered as expected, organic revenue growth ranged between 4% and 36% for the nine months of 2000. In most countries, organic growth exceeded our expectations, and was achieved despite the ongoing Olsten integration process, which is running on or ahead of schedule. The branch conversion in France is completed and the majority of the US branches have also already been converted to the new field system. We anticipate that the integration will be completed comfortably before the end of the first quarter 2001, a fine achievement by our staff around the world. This is well ahead of our expectations at the closing of the Olsten deal in April 2000."*

US GAAP Results

For the nine months ended October 1, 2000 Adecco reported under US Generally Accepted Accounting Principles (US GAAP) revenues of CHF 19.4 billion and a net loss of CHF 308 million after charging goodwill amortization of CHF 792 million and restructuring charges of CHF 65 million.

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 and restructuring charges** 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. It is important to note that the acquisitions integrated last year have created a positive operating income, thus having contributed positively already in the first year."*

About Adecco

Adecco SA is the global leader in personnel services. With the addition of Olsten, the Adecco network connects up to **600,000 associates** with business clients each day through its network of over **28,000 employees** and over **4,500 offices in 60 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 [ADECCO N (ADEN 700'939)], NYSE [ADO], the Bourse de Paris [RM 12819].

Further information can be found at www.adecco.com.

ADECCO SA
Financial Highlights

<i>In CHF Millions</i>	Nine Months Ended October 1, 2000	Nine Months Ended October 3, 1999	Change
Net Service Revenues	19,362	13,297	46%
Operating Income	900	603	49%
Income Before Amortization of Goodwill and Restructuring Charges	549	382	44%
Restructuring Charges	65	-	
Amortization of Goodwill	792	508	
Net Loss	308	126	

Net Service Revenues by Region

<i>In CHF Billions</i>	Nine Months Ended October 1, 2000	Nine Months Ended October 3, 1999	Change
France	6.6	5.1	31%
North America	5.8	3.6	59%
UK	1.6	1.3	25%
Rest of Europe	3.3	2.1	52%
Rest of World	2.1	1.2	76%
	19.4	13.3	46%
Specialist/Career Services Brands <i>(included in geographic regions)</i>	2.6	1.9	33%

Income before amortization of goodwill and restructuring charges is not meant to portray net income or cash flow in accordance with U.S. generally accepted accounting principles. Goodwill amortization is a non-cash charge to operating income; however, income before amortization of goodwill does not represent cash available to shareholders. This may not be comparable to similarly entitled items reported by other companies. Adecco amortizes goodwill over its estimated life of five years. Further, statements made in this press release, other than those concerning historical information, should be considered forward-looking and subject to various 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:

management's ability to effectively integrate Olsten Corporation into the Company's existing operations; the Company's ability to continue to mitigate the effects of legislation in France upon gross margins; increased price competition, the general level of economic health and activity in the markets and countries in which the Company operates; the impact of changes in foreign currency exchange rates; changes in interest rates; and the continued availability of qualified personnel. 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.

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