



MEDIA RELEASE

Adecco SA reports full year 2002 revenues of CHF 25.1 billion, income before amortisation of CHF 362 million, cash flow from operations of CHF 647 million and net debt reduction of CHF 553 million

Highlights:

Fourth Quarter

- Group revenues up 3%, Adecco Staffing up 5%, Adecco Staffing USA up 12% (all in local currency)
- Income before amortisation of CHF 40 million, affected by higher provisions for bad debt, workers compensation¹ and reorganisation charges
- Cash flow from operations of CHF 359 million

Full Year

- Group revenues for the year down 3% year over year (all in local currency)
- Improving quarterly year over year sales
- Market share up in France
- Lee Hecht Harrison revenues up by 15 %, profits up by 14 % in local currency
- Improved cost management and higher productivity– Group staff 1,000 below last year, despite acquisition of jobpilot and maintenance of branch network capacity
- Average days sales outstanding (DSO) reduced by 3 days or 5%
- Cash-flow from operations of CHF 647 million
- Net debt reduced by CHF 553 million to CHF 2,047 million
- Dividend of CHF 0.60 per share to be proposed to the Annual General Meeting
- Change of reporting currency from Swiss Francs to Euro beginning in 2003

CHESEREX, SWITZERLAND, February 5, 2003 - Adecco SA, the global leader in HR Solutions today announced its results for the fiscal year ended December 29, 2002. Group revenues for the full year were CHF 25.1 billion, down 8% in CHF and down 3 % in local currency. Operating income for the full-year was CHF 662 million, a decrease of 44% in CHF and of 40% in local currency compared to the same period a year ago. Income before amortisation amounted to CHF 362 million, a decline of 48% in CHF and of 44% in local currency over the same period last year. The Group generated cash-flow from operations of CHF 647 million and free cash-flow² of CHF 499 million. Net debt was reduced by CHF 553 million.

In the fourth quarter, the company reported revenues of CHF 6.3 billion, up 3% in local currency, and operating income of CHF 90 million, down 56% in local currency. Net income before amortisation was CHF 40 million, down 65% in local currency. Adecco increased bad debt expenses to 0.6% on sales due to a deterioration of credit quality. In addition, the Group recorded a special charge for workers compensation in the US, following a recent worsening

¹ US work-related injuries insurance

² Free cash-flow: cash-flow from operations minus capital expenditures

of claim history, of CHF 32 million. Reorganisation charges for the quarter also affected the result. Due to the further appreciation of the Swiss Francs, there was a negative currency impact of 5% on revenues and of 2% on profits.

Jérôme Caille, Chief Executive Officer, commented: *"In a challenging year, we improved Group sales sequentially year over year from -9% in Q1, -5% in Q2, -1% in Q3 to +3% in Q4. We have reduced our cost base and reorganised our business, while preserving network capacity. We have over 5,800 branches, the largest network in the industry, which ideally positions us to maximise opportunities in all geographies and fully benefit from the upturn. We have thoroughly revised our business processes, so as to increase the efficiency of our front and back-offices. Adecco is well positioned to benefit in 2003 from the reorganisation work done in 2002"*.

Felix Weber, Chief Financial Officer, added: *"The Adecco Group's cash generation and strong balance sheet will enable us to continue to invest in future growth during challenging times. The free cash-flow generated this year provide leeway to invest in organic growth in the years to come, as well as in selected acquisitions supporting our strategy. The management of working capital, strengthened internal controls and the maintenance of a cost base, which balances long-term growth opportunities and short-term trading pressures remain priorities for the business."*

Divisional Performance

Adecco Staffing reported revenues of CHF 5.6 billion for the fourth quarter, up 1% in CHF and 5% in local currency over the fourth quarter last year. Profits for the quarter were affected by provisions. For the full-year, the division posted revenues of CHF 22.1 billion, 6% below last year's figures in CHF and 1% down in local currency.

Ajilon Professional revenues for the fourth quarter declined to CHF 580 million, down 18% in CHF and down 13% in local currency. Ajilon's four major well established business units, which constitute 70% of the Division's revenues, continued to produce good return on sales. Overall profits were however impacted by strategic investment in reorganization in the twelve countries in Continental Europe where management sees huge long-term potential. Revenues remained stable month over month. Ajilon has adjusted its cost base to expected revenues going forward.

LHH Career Services reported revenues of CHF 108 million for the quarter, down 8% in CHF and flat on record fourth quarter 2001 in local currency. Profit margins continued to increase in the fourth quarter compared to the third quarter, leading to higher local currency profit contribution of this business. In the twelve months, the division reported a revenue increase of 15% in local currency to CHF 436 million.

jobpilot e-HR reported revenues of CHF 7 million for the quarter and CHF 21 million for the full year following the acquisition of jobpilot in May 2002.

"The Adecco Staffing division showed even faster sequential sales growth than the Group in 2002", continued **Jérôme Caille**. *"In the fourth quarter, the Division grew sales by 5% and showed positive, increasing year-over-year growth in eight of the top eleven major markets. The performance of the US team was particularly impressive in Q4 with Adecco Staffing US growing at 12%. Adecco Japan also posted outstanding performance, growing 10% in the quarter and 9% for the full year. Adecco Staffing UK opened 50 branches in 2002, which performed well. The Adecco network in France outperformed the market in 2002. Adecco Spain posted an increase in contribution of over 30% in 2002, setting a new standard in operational efficiency. Ajilon continued to adapt its cost structure to the ongoing lower level of activities. The division's much lower cost base will ensure high operating gearing in the upturn. Lee Hecht Harrison had a strong performance, growing 15% in local currency over an already strong 2001"*.

Technology Update

Adecco's Global IT strategy initiated five years ago continued to deliver results. Following Italy and Spain, the company has successfully deployed its standard web-centric technology platform in France and will extend it to an-

other 28 business units in 2003. Now around three quarters of our revenues are supported by new, web-enabled systems.

Jérôme Caille commented: *“The sharing of candidates among branches will allow us to generate additional sales with our customers, provide better service to our candidates and enable our colleagues to spend more time with people, rather than paperwork.”*

Outlook

“Despite uncertainty in the development of the world economy, we will adhere to our strategy of strengthening our market position and gaining share. In case of market improvement we are in a strong position to fully exploit such a situation. In case of continued sluggish economy we have the systems in place to further reduce cost accordingly.”, said **Jérôme Caille**.

Change of Reporting Currency

Beginning in 2003 the Adecco Group will change its reporting currency from the Swiss Franc to the Euro. This change is expected to reduce, but not eliminate the effects of currency fluctuations on the consolidated statements of operations. However, in the 2002 annual report, which is scheduled to be published in April 2003, consolidated results will still be reported in CHF, and the change of reporting currency will be reflected in the future quarterly releases and in the Annual Report 2003.

“By reporting in Euro, we expect to eliminate a substantial amount of currency-related volatility from our reported results”, explained **Felix Weber**, Chief Financial Officer. *“We generate approximately 50% of our revenue and have a similar share of costs in Euros, which makes it sensible in future to report in this currency. Certain key figures in the annual report will also be shown in USD and in Swiss Francs. The accounts of Adecco S.A., the Swiss Holding Company, will continue to be reported in Swiss Francs.”*

Dividend to be proposed at the Annual General Meeting

The Board of Directors of Adecco will propose a dividend of **CHF 0.60** per share (CHF 1.00 in 2001) for the approval of shareholders at the Annual General Meeting scheduled to take place on April 16, 2003. The dividend will be paid on April 28, 2003 to shareholders of record on that date.

US GAAP Results

For the full-year ended December 29, 2002, Adecco reported under **US Generally Accepted Accounting Principles (US GAAP)** revenues of CHF 25.1 billion and a net income of CHF 354 million, including CHF 8 million amortisation of other intangibles.

According to Chief Financial Officer, **Felix Weber**, *“Adecco continues to consider **operating income and income before amortisation** 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 distribute dividends.”*

Effective from fiscal year 2002, Adecco has adopted SFAS No. 142 and ceased amortisation of goodwill. Based on the impairment tests performed, there was no impairment charge in 2002.

Statements made in this press release, other than those concerning historical information, should be considered forward-looking and subject to risks and uncertainties. The Adecco Group'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 Adecco Group's reports on Form 20-F made pursuant to the Securities Exchange Act of 1934. For instance, the Adecco Group'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 the Adecco Group 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 Adecco Group'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 S.A. is a Forbes 500 company and the global leader in HR Solutions. The Adecco network connects over **650,000 associates** with business clients each day through its network of over **29,000 employees** and over **5,800 offices** in **63 countries** around the world. Registered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, the Adecco Group delivers an unparalleled range of flexible staffing and career resources to corporate clients and qualified associates.

The Adecco Group comprises four Divisions, Adecco Staffing, Ajilon Professional, LHH Career Services and jobpilot e-HR Services. In **Adecco Staffing**, the Adecco staffing network focuses on flexible staffing solutions for global industries in transition, including automotive, banking, electronics, logistics and telecommunications; **Ajilon Professional** offers an unrivalled range of specialized branded businesses; **LHH Career Services** encompasses our portfolio of outplacement and coaching; **jobpilot e-HR** focuses on online recruiting activities for the Adecco Group.

Adecco S.A. is registered in Switzerland and 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 Investor Relations page at www.adecco.com.

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Selected Financial Highlights

| CHF millions | Three months ended | | % change | |
|--------------------------------------------------|----------------------|----------------------|----------|----------|
| | December 29, 2002 | December 30, 2001 | CHF | Constant |
| Net service revenues | 6,278 | 6,377 | -2% | 3% |
| Operating income | 90 | 215 | -58% | -56% |
| Income before amortisation and one-time items(1) | 40 | 123 | -67% | -65% |
| Net income / (loss) (2) | 37 | (85) | | |

| CHF millions | Twelve months ended | | % change | |
|--------------------------------------------------|----------------------|----------------------|----------|----------|
| | December 29, 2002 | December 30, 2001 | CHF | Constant |
| Net service revenues | 25,086 | 27,247 | -8% | -3% |
| Operating income | 662 | 1,179 | -44% | -40% |
| Income before amortisation and one-time items(1) | 362 | 702 | -48% | -44% |
| Net income / (loss) (2) | 354 | (427) | | |

| Income per share before amortisation of intangibles and one-time items (1) | | | | |
|----------------------------------------------------------------------------|------|------|------|--|
| | | | | |
| Basic | 1.94 | 3.77 | -48% | |
| Diluted | 1.91 | 3.68 | -48% | |

| | | | | |
|-------------------------|-------------|-------------|--|--|
| Weighted average shares | 186,527,178 | 185,880,663 | | |
| Diluted shares | 193,469,123 | 192,832,231 | | |

(1) In the first quarter 2001, one-time items include internet investment write-down of CHF 15 million and the cumulative effect of change in accounting principles, net of tax, of CHF 8 million.

(2) For the twelve months ended December 30, 2001, net income / (loss) and net income / (loss) per share include goodwill amortisation. For the twelve months ended December 30, 2001, the adjusted net income (under SFAS No. 142) is CHF 561 million; the adjusted basic EPS is CHF 3.02 and the adjusted diluted EPS is CHF 2.95.

Income before amortisation of intangibles and one-time items is not meant to portray net income or cash flow in accordance with U.S. generally accepted accounting principles. Amortisation is a non-cash charge to operating income; however, income before amortisation of intangibles and one-time items does not represent cash available to shareholders. This may not be comparable to similarly entitled items reported by other companies. Up to December 30, 2001, Adecco amortised goodwill over its estimated life of five years. In fiscal year 2002, goodwill is no longer amortised.

Revenues by Division and Geographical Segment

| Net Services Revenues | Three months ended | | % change | |
|-----------------------|----------------------|----------------------|------------|-----------|
| | December 29, 2002 | December 30, 2001 | CHF | Constant |
| By Division | | | | |
| Adecco Staffing | 5,583 | 5,554 | 1% | 5% |
| Ajilon Professional | 580 | 705 | -18% | -13% |
| Career Services | 108 | 117 | -8% | 0% |
| e - HR & Others | 7 | 1 | n.m. | n.m. |
| By Region | | | | |
| Europe | 3,841 | 3,816 | 1% | 1% |
| North America | 1,653 | 1,733 | -5% | 5% |
| Asia Pacific | 626 | 611 | 2% | 11% |
| Rest of World | 158 | 217 | -27% | -1% |
| Total | 6,278 | 6,377 | -2% | 3% |

| Net Services Revenues | Twelve months ended | | % change | |
|-----------------------|----------------------|----------------------|------------|------------|
| | December 29, 2002 | December 30, 2001 | CHF | Constant |
| By Division | | | | |
| Adecco Staffing | 22,119 | 23,476 | -6% | -1% |
| Ajilon Professional | 2,510 | 3,363 | -25% | -21% |
| Career Services | 436 | 406 | 7% | 15% |
| e - HR & Others | 21 | 2 | n.m. | n.m. |
| By Region | | | | |
| Europe | 15,364 | 16,471 | -7% | -4% |
| North America | 6,652 | 7,559 | -12% | -5% |
| Asia Pacific | 2,391 | 2,423 | -1% | 8% |
| Rest of World | 679 | 794 | -14% | 10% |
| Total | 25,086 | 27,247 | -8% | -3% |

Additional information available upon request.