THE ADECCO GROUP

POSITIVE MOMENTUM AND STRATEGIC PROGRESS IN Q3 2017

Continued strong performance while investing for profitable growth

Summary and highlights

- Revenue growth momentum sustained at 6% organically[1] and trading days adjusted
- Q3 EBITA[2] margin 5.4%; leading conversion ratio maintained, while investing in strategic agenda
- Underlying productivity continues, with FTE employees up only 2% organically
- Streamlining of brand portfolio results in one-time, non-cash charge of EUR 129 million
- Net income attributable to Adecco Group shareholders EUR 123 million
- Strong cash conversion and balance sheet, with 0.8x net debt[3] to EBITDA excluding one-offs[4]
- Launch of YOSS, a new online freelancer platform, co-created with Microsoft
- Revenue growth trend in September and October slightly above Q3 2017

"In Q3 2017, we made excellent progress on our strategic agenda to Perform, Transform and Innovate. We continued to perform, with positive growth momentum and another quarter of strong productivity, as 2% organic growth in FTE employees supported underlying revenue growth of 6%. Cash conversion also remained strong. We achieved this while investing in our key strategic initiatives: GrowTogether and Digital Ventures.

With GrowTogether we are transforming the core of our business, to drive differentiation and enhance productivity. During Q3 we accelerated IT infrastructure investments, beginning the roll-out of a new integrated front-office solution in several key markets. We also strengthened our partnership with Mya Systems, a leading AI player in HR tech, deploying the tool at a number of large US customers. In October, we further illustrated our commitment to innovation with the launch of an exciting new Digital Venture: YOSS. Co-created with Microsoft, YOSS provides a marketplace for freelancers and companies, along with value-added services and best-in-class data protection and security.

At our core we remain a people business, and the commitment of our more than 33,000 colleagues is our greatest asset. We were therefore delighted to be ranked 2nd in the Great Place to Work® – World's Best Workplaces 2017."

Alain Dehaze, Group Chief Executive Officer

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[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 and impairment of goodwill and intangible assets.
[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.
[4] Net debt to EBITDA excluding one-offs is a non-US GAAP measure and is calculated as net debt at period end divided by the last 4 quarters of EBITA excluding one-offs plus depreciation.

Key figures overview

in EUR millions unless stated	Q3 2017	Q3 2016	Variance Reported	Variance Organic	9M 2017	9M 2016	Variance Reported	Variance Organic
Summary of income statement information								
Revenues	**5,901**	5,811	2%	5%[5]	**17,603**	16,839	5%	5%
Gross profit	**1,091**	1,088	0%	4%	**3,260**	3,170	3%	4%
EBITA excluding one-offs[6]	**321**	320	0%	3%	**882**	832	6%	6%
EBITA	**321**	294	9%	12%	**879**	804	9%	10%
Net income attributable to Adecco Group shareholders	**123**	173	-29%		**491**	507	-3%	
Diluted EPS (EUR)	**0.73**	1.02	-28%		**2.89**	2.98	-3%	
Gross margin	**18.5%**	18.7%	-20 bps	-10 bps	**18.5%**	18.8%	-30 bps	-20 bps
EBITA margin excluding one-offs	**5.4%**	5.5%	-10 bps	-10 bps	**5.0%**	4.9%	10 bps	0 bps
EBITA margin	**5.4%**	5.1%	30 bps	30 bps	**5.0%**	4.8%	20 bps	20 bps
Summary of cash flow and net debt information								
Free cash flow[7] before interest and tax paid (FCFBIT)	**234**	277			**698**	534		
Free cash flow (FCF)	**162**	199			**464**	303		
Net debt	**1,072**	1,223			**1,072**	1,223		
Days sales outstanding	**53**	52			**52**	52		
Cash conversion[8]	**93%**	77%			**93%**	77%		
Net debt to EBITDA	**0.8x**	1.0x			**0.8x**	1.0x		

[5] In Q3 2017, organic revenue growth was 5%, or 6% trading days adjusted.

[6] In 9M 2017, SG&A included one-offs of EUR 3 million. In Q3 2016 SG&A included one-offs of EUR 26 million; in 9M 2016, SG&A included one-offs of EUR 28 million.

[7] Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.

[8] Cash conversion is a non-US GAAP measure and is calculated as last 4 quarters of FCFBIT divided by last 4 quarters of EBITA excluding one-offs.

Q3 2017 financial performance

Group performance overview

Revenue growth in Q3 2017 was maintained at 6%, organically and trading days adjusted. Growth was driven in particular by strength in France, Italy, Iberia and Benelux. Gross margin declined by 20 bps compared to Q3 2016, or by 10 bps organically. The underlying temporary staffing gross margin declined by approximately 20 bps in Q3, driven by price and mix effects. SG&A excluding one-offs increased by 5% organically, of which approximately half related to investments in our strategic initiatives: GrowTogether and Digital Ventures. Underlying productivity was strong with FTE employees increasing by 2% organically to support trading day adjusted organic revenue growth of 6%. The EBITA margin excluding one-offs decreased by 10 bps compared to the prior year. Cash conversion was 93% for the last four quarters.

Revenues

Q3 2017 revenues were EUR 5,901 million, an increase of 2% on a reported basis. Organically, revenues increased by 5%, or 6% trading days adjusted. Currency fluctuations had approximately a 3% negative impact on revenues compared to last year, while acquisitions/divestments had a negligible impact. Organic revenue growth was broad-based across most service lines: temporary staffing revenues increased by 4% to EUR 5,201 million; permanent placement revenues rose 10% to EUR 123 million; revenues from career transition were EUR 84 million, down 5%; and revenues in outsourcing and other activities grew by 9% compared to the prior year. By business line, revenues were up 6% in General Staffing, were flat in Professional Staffing, and increased by 1% in Solutions, all on an organic basis.

Gross profit

Gross profit in Q3 2017 was EUR 1,091 million, flat on a reported basis and up 4% organically. The gross margin was 18.5%, down 20 bps compared to Q3 2016. Acquisitions/divestments had a negative effect of 10 bps, while currency fluctuations had a negligible effect. On an organic basis, the overall gross margin was therefore down 10 bps compared to Q3 2016. The temporary staffing gross margin declined 20 bps organically, due to pricing and mix effects. Career transition had a 10 bps negative impact on gross margin compared to the prior year, permanent placement had a 10 bps positive effect, and other activities (mainly outsourcing) had a positive impact of 10 bps, all on an organic basis.

Selling, general and administrative expenses (SG&A)

SG&A was EUR 770 million, down 1% sequentially and up 5% compared to the prior year, both organically and excluding Q3 2016 one-offs. In Q3 2017, FTE employees increased 2% organically year-on-year. Strong productivity supported ongoing investments to transform our core operations and expand our solutions into attractive new frontiers by means of our GrowTogether and Digital Ventures initiatives.

EBITA

EBITA was EUR 321 million, up 3% organically, excluding one-offs. The EBITA margin was 5.4%, a decline of 10 bps compared to the 5.5% EBITA margin excluding one-offs in Q3 2016. The EBITA margin in Q3 2017 included approximately 25 bps of investments in our GrowTogether and Digital Ventures strategic initiatives. The EBITA conversion ratio (EBITA excluding one-offs divided by gross profit) was 29.4% in Q3 2017, in-line with Q3 2016.

Amortisation and impairment of intangible assets

Amortisation of intangible assets was EUR 8 million compared to EUR 9 million in Q3 2016. We are streamlining our brand portfolio to focus on building strong, global brands. As a result of this strategy a one-time, non-cash write-down of intangibles (trademarks) of EUR 129 million was recognised in Q3 2017.

Operating income

Operating income was EUR 184 million compared to EUR 285 million in Q3 2016, impacted by the write-down of intangibles (trademarks).

Interest expense and other income/(expenses), net

Interest expense was EUR 12 million compared to EUR 14 million in Q3 2016. Other income/(expenses), net was an income of EUR 4 million in Q3 2017; this compares to an expense of EUR 21 million in Q3 2016, which included losses on disposals related to the divestment of operations in Russia, Ukraine and Venezuela.

Provision for income taxes

The effective tax rate was 30% in Q3 2017 and in Q3 2016.

Net income attributable to Adecco Group shareholders and EPS

Net income attributable to Adecco Group shareholders was EUR 123 million compared to EUR 173 million in Q3 2016. Basic EPS was EUR 0.73 compared to EUR 1.02 in the prior year. In Q3 2017, net income and EPS were both negatively impacted by the non-cash write-down of intangibles (trademarks).

Cash flow and net debt

Cash flow from operating activities was EUR 189 million in Q3 2017 compared to EUR 217 million in Q3 2016. Cash conversion was 93% for the last four quarters. DSO was 53 days in Q3 2017, an increase of 1 day compared to Q3 2016, due to mix and the unfavourable timing of certain payments. In Q3 2017, capex was EUR 27 million, up from EUR 18 million in the same period of 2016, mainly driven by investments in IT and Digital Ventures. Net debt was EUR 1,072 million at 30 September 2017 compared to EUR 1,223 million at 30 September 2016. Net debt to EBITDA excluding one-offs was 0.8x at 30 September 2017, compared to 1.0x at 30 September 2016.

Q3 2017 segment operating performance

Revenues and revenue growth

	Revenues		Variance			% of revenues
In EUR millions	Q3 2017	Q3 2016	Reported	Organic	Organic TDA[9]	Q3 2017
France	1,384	1,301	6%	6%	8%	23%
N. America, UK & I. General Staffing	732	770	-5%	0%	2%	12%
N. America, UK & I. Professional Staffing	853	944	-10%	-3%	-2%	14%
Germany, Austria, Switzerland	564	564	0%	1%	2%	10%
Benelux and Nordics	536	487	10%	9%	11%	9%
Italy	458	372	23%	23%	25%	8%
Japan	306	334	-9%	4%	4%	5%
Iberia	284	256	11%	11%	14%	5%
Rest of World	687	678	1%	6%	6%	12%
Lee Hecht Harrison	97	105	-8%	-5%	-5%	2%
Adecco Group	**5,901**	**5,811**	**2%**	**5%**	**6%**	100%

[9] TDA = trading days adjusted

EBITA and EBITA margin excluding one-offs

	EBITA excluding one-offs		EBITA margin excluding one-offs			% of EBITA[10]
In EUR millions	Q3 2017	Q3 2016	Q3 2017	Q3 2016	Variance	Q3 2017
France	94	94	6.7%	7.2%	(50) bps	27%
N. America, UK & I. General Staffing	24	29	3.3%	3.8%	(50) bps	7%
N. America, UK & I. Professional Staffing	46	57	5.4%	6.0%	(60) bps	13%
Germany, Austria, Switzerland	40	41	7.1%	7.2%	(10) bps	11%
Benelux and Nordics	24	22	4.6%	4.6%	0 bps	7%
Italy	38	30	8.2%	8.3%	(10) bps	11%
Japan	19	20	6.4%	6.1%	30 bps	6%
Iberia	15	9	5.4%	3.4%	200 bps	4%
Rest of World	26	19	3.7%	2.7%	100 bps	7%
Lee Hecht Harrison	26	27	25.9%	25.3%	60 bps	7%
Corporate	(31)	(28)				
Adecco Group	**321**	**320**	**5.4%**	**5.5%**	**(10) bps**	100%

[10] % of EBITA excluding one-offs and before Corporate

Note: all revenue growth rates in this section are year-on-year on an organic basis, unless otherwise stated

In **France**, revenues were EUR 1,384 million, up 6% or up 8% trading days adjusted. Revenues increased by 7% in General Staffing, which accounts for over 90% of revenues, and declined by 1% in Professional Staffing. Revenue growth was broad based, with logistics, manufacturing and automotive making the biggest contribution. Permanent placement revenues in France were up 11%. EBITA was EUR 94 million and the EBITA margin was 6.7%, down 50 bps compared to Q3 2016. As previously disclosed, the prior year included favourable items that added approximately 30 bps to EBITA margin.

In **North America, UK & Ireland General Staffing**, revenues were EUR 732 million, flat or up 2% trading days adjusted. North America General Staffing, which accounts for approximately 75% of revenues, was down 5% or down 3% trading days adjusted. UK & Ireland General Staffing represents approximately 25% of revenues, and was up 17% or up 19% trading days adjusted, with continued strong growth in e-commerce and local government. Permanent placement revenues were up 5% in North America General Staffing and declined by 12% in UK & Ireland General Staffing. Overall EBITA was EUR 24 million representing an EBITA margin of 3.3%, compared to 3.8% excluding one offs in Q3 2016. The margin this quarter was impacted by investments in strategic initiatives, in particular IT investments.

In **North America, UK & Ireland Professional Staffing**, revenues were EUR 853 million, down 3% or down 2% trading days adjusted. North America Professional Staffing represents approximately 65% of revenues and was flat or up 2% trading days adjusted. Strong growth in Engineering & Technical was partly offset by mid-single-digit declines in IT and Medical & Science. UK & Ireland Professional Staffing represents approximately 35% of revenues and was down 9% or down 8% trading days adjusted, driven by declines in IT. Permanent placement revenues increased by 4% in North America Professional Staffing and declined by 27% in UK & Ireland Professional Staffing. Overall EBITA was EUR 46 million with a margin of 5.4%, compared to 6.0% excluding one offs in Q3 2016. EBITA margin in Q3 2017 was negatively impacted by strategic IT investments and challenging conditions in UK permanent placement.

In **Germany, Austria, Switzerland**, revenues were EUR 564 million, up 1% or up 2% trading days adjusted. In Germany & Austria, revenues were flat or up 1% trading days adjusted. In Switzerland, revenues were up 4% or up 5% trading days adjusted. For the region, EBITA was EUR 40 million, with an EBITA margin of 7.1%, down 10 bps compared to Q3 2016 EBITA margin excluding one-offs.

In **Benelux and Nordics**, revenues were EUR 536 million, an increase of 9% or 11% trading days adjusted. In the Nordics, revenue growth was 5%, or 6% trading days adjusted, driven by strong growth in Norway. Revenues in Benelux were up 12% or up 14% trading days adjusted. The Netherlands sustained double-digit revenue growth, while growth in Belgium also remained robust. In Benelux and Nordics, the EBITA margin was flat year-on-year at 4.6%.

In **Italy**, revenues were EUR 458 million, up 23% or up 25% trading days adjusted. Growth continued to be broad-based across service lines, including temporary staffing, permanent placement and training. EBITA was EUR 38 million and the EBITA margin was 8.2%, down 10 bps compared to Q3 2016.

In **Japan**, revenues were EUR 306 million, up 4%, including good growth in professional staffing and in permanent placement. EBITA was EUR 19 million and the EBITA margin was up 30 bps year-on-year at 6.4%.

In **Iberia**, revenues were EUR 284 million, with growth of 11% or 14% trading days adjusted. The EBITA margin was up 200 bps year-on-year to 5.4%, driven by strong operating leverage, business mix and an easier comparison base due to reorganisation costs in the prior year, which impacted the margin by approximately 100 bps in Q3 2016.

In **Rest of World**, revenues grew by 6% to EUR 687 million. Revenue growth was 9% in Australia & New Zealand, 9% in Latin America, 2% in Eastern Europe & MENA, 3% in Asia, and 5% in India. For the region, the EBITA margin was 3.7%, up 100 bps compared to last year's EBITA margin excluding one-offs. The margin improvement was driven by strong price discipline, operating leverage, and an easier comparison base due mainly to a bad debt charge in the prior year.

In **Lee Hecht Harrison**, revenues were EUR 97 million. Organically, revenues declined by 5%, reflecting the counter-cyclical nature of Career Transition. Declines in the USA and UK were partly offset by good growth in Canada. The EBITA margin was 25.9%, up 60 bps compared to the EBITA margin excluding one-offs in Q3 2016.

Update on operational and strategic initiatives

The Adecco Group continues to make progress on its strategic agenda. Recent developments include:

- **Launch of YOSS, a new platform for freelancers and enterprises**
  Co-created by the Adecco Group and Microsoft, YOSS is a single platform offering a 'search and match' marketplace, daily business support, and end-to-end administration for freelancers and companies. For enterprises, YOSS provides performance monitoring, allows companies to chat and share documents directly with freelancers and brings Microsoft-enabled data protection and security. For freelancers, YOSS offers value-added services such as payment within three days, insurance, and legal and accounting advice. The YOSS platform beta version goes live in France in November 2017, before transitioning to the full version in early 2018 and then beginning its international expansion.

- **Strengthening our global partnership with Mya Systems**
  Mya Systems is the creator of Mya, an AI-enabled chatbot that automates outreach, screening, and communications with jobseekers. The Adecco Group and Mya Systems have a global partnership agreement, under which Mya Systems' tools are being integrated into the Adecco Group's solutions. During Q3, Mya was rolled out to a number of large Adecco customers in the US. In October, Mya Systems completed its USD 18 million Series B funding round, allowing it to open new offices in Europe and to expand its solution into new job categories.

- **Buy-and-build acquisitions in Professional Staffing and Solutions**
  The Adecco Group has continued its buy-and-build approach to add acquisitions that accelerate strategic development and bring synergies with its existing operations. The acquisition of BioBridges in the USA enhances the Group's global life sciences presence, managing the careers of highly skilled professionals in the biotech, pharmaceutical and medical device industries. Lee Hecht Harrison's leading global offering was strengthened with the acquisition of Mullin International, a New York-based provider of career transition, redeployment solutions, and executive coaching.

- **Strengthening brand portfolio to maximise impact with candidates and clients**
  During Q3 further steps were taken to strengthen the Adecco Group's brand portfolio. Strong global lead brands allow the Group to better leverage digital channels, achieve economies of scale and drive differentiation, increasing candidate and client impact. General Staffing activities will operate under a single global 'Adecco' brand. Professional Staffing and Solutions will focus on global lead brands, targeted on specific skill sets and services. All brands are brought together under the Adecco Group, for which a distinct corporate identity and brand positioning was launched in January 2017.

- **Capital Markets Day in London: strategy refined and financial commitments updated**
  On 22 September 2017, Alain Dehaze shared his vision of the megatrends shaping the industry, and how the Adecco Group is capturing these opportunities by leveraging its strengths and creating true differentiation. Two key pillars underpin the strategy. GrowTogether will drive revenue growth and strengthen profitability by transforming the core of the business, enriching the client and candidate experience, and improving productivity. Digital Ventures will capture new revenue opportunities and enhance profitability by expanding the Group's activities into higher-margin 'new frontiers'.

  At the Capital Markets Day, updated financial commitments were presented:
  (1) Accelerate structural organic revenue growth, and increase the growth GDP multiplier from 3x to 4x by 2020;
  (2) Achieve sustained EBITA margin improvement, and deliver SG&A productivity savings of EUR 250 million per annum by 2020 (a 100bps reduction in SG&A/revenues), with EUR 50 million to be achieved in 2018
  (3) Maintain a progressive dividend policy, even in a recession, and deliver continued strong free cash flow while making strategic investments.

  Further details of the Capital Markets Day can be found here.

Share buyback programme

On 2 March 2017, the Adecco Group announced the launch of a share buyback programme of up to EUR 300 million. This programme reflects the Adecco Group's commitment to invest in the business, maintain financial flexibility, and manage its capital structure for the benefit of its stakeholders. Shares repurchased under the programme are intended for subsequent cancellation, following shareholder approval. As of 31 October 2017, the Adecco Group has acquired 3,083,500 shares under this programme for EUR 203 million.

Management outlook

In Q3 2017, revenue growth was 6%, a continuation of the 6% growth achieved in Q2 2017, organically and trading days adjusted. Revenues in September 2017 were 8% above the prior year, organically and trading days adjusted. Positive momentum continued at the start of Q4 2017 but the comparison base is more challenging this quarter.

For further information please contact:

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Q3 2017 results conference calls

There will be a media conference call at 9.00 am CET and an analyst and investor conference call at 11.00 am CET. The conference calls can be followed either via webcast or via telephone call:

UK/Global	+ 44 (0)207 107 0613
United States	+ 1 (1)631 570 56 13
Cont. Europe	+ 41 (0)58 310 50 00

The Q3 2017 results presentation will be available through the webcasts and will be published on the Investor Relations section on our website.

Financial Agenda

- Q4 2017 results 1 March 2018
- Annual General Meeting 19 April 2018
- Q1 2018 results 8 May 2018
- Q2 2018 results 9 August 2018
- Q3 2018 results 6 November 2018

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 Group AG 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 is the world's leading workforce solutions partner. We provide more than 700,000 people with permanent and flexible employment every day. With more than 33,000 employees in 60 countries, we transform the world of work one job at a time. Our colleagues serve more than 100,000 organisations with the talent, HR services and cutting-edge technology they need to succeed in an ever-changing global economy. As a Fortune Global 500 company, we lead by example, creating shared value that meets social needs while driving business innovation. Our culture of inclusivity, fairness and teamwork empowers individuals and organisations, fuels economies, and builds better societies. These values resonate with our employees, who voted us number 2 on the Great Place to Work® - World's Best Workplaces 2017 list. We make the future work for everyone.

The Adecco Group is based in Zurich, Switzerland. Adecco Group AG is registered in Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN). The group is powered by seven lead brands: Adecco, Modis, Badenoch & Clark, Spring Professional, Lee Hecht Harrison, Pontoon and Adia.

THE ADECCO GROUP

Revenues by segment and by business line

Revenues by segment EUR millions	Q3 **2017**	Q3 2016	Variance % EUR	Variance % Constant currency	9M **2017**	9M 2016	Variance % EUR	Variance % Constant currency
France	1,384	1,301	6%	6%	3,949	3,667	8%	8%
N. America, UK & I. General Staffing	732	770	-5%	0%	2,230	2,257	-1%	1%
N. America, UK & I. Professional Staffing[1)]	853	944	-10%	-5%	2,755	2,856	-4%	0%
Germany, Austria, Switzerland	564	564	0%	1%	1,634	1,626	1%	1%
Benelux and Nordics[1)]	536	487	10%	10%	1,531	1,396	10%	10%
Italy	458	372	23%	23%	1,334	1,065	25%	25%
Japan	306	334	-9%	4%	967	946	2%	4%
Iberia	284	256	11%	11%	796	722	10%	10%
Rest of World[1)]	687	678	1%	4%	2,081	1,982	5%	4%
Lee Hecht Harrison[1)]	97	105	-8%	-5%	326	322	1%	1%
Adecco Group[1)]	**5,901**	**5,811**	**2%**	**4%**	**17,603**	**16,839**	**5%**	**5%**

Revenues by business line[2)] EUR millions	Q3 **2017**	Q3 2016[3)]	Variance % EUR	Variance % Constant currency	9M **2017**	9M 2016[3)]	Variance % EUR	Variance % Constant currency
Office	1,344	1,355	-1%	4%	4,200	3,984	5%	7%
Industrial	3,174	2,998	6%	7%	9,041	8,484	7%	7%
General Staffing	**4,518**	**4,353**	**4%**	**6%**	**13,241**	**12,468**	**6%**	**7%**
Information Technology	600	651	-8%	-3%	1,922	1,965	-2%	2%
Engineering & Technical	285	284	0%	5%	855	830	3%	3%
Finance & Legal[4)]	249	254	-2%	2%	752	750	0%	2%
Medical & Science[4)]	111	108	2%	6%	373	339	10%	10%
Professional Staffing[4)]	**1,245**	**1,297**	**-4%**	**1%**	**3,902**	**3,884**	**0%**	**3%**
CTTD[4)]	97	105	-8%	-5%	326	322	1%	1%
BPO[4)]	41	56	-27%	-23%	134	165	-19%	-18%
Solutions[4)]	**138**	**161**	**-15%**	**-11%**	**460**	**487**	**-6%**	**-6%**
Adecco Group[4)]	**5,901**	**5,811**	**2%**	**4%**	**17,603**	**16,839**	**5%**	**5%**

1) In Q3 2017 revenues changed organically in N. America, UK & I. Professional Staffing by -3%, in Benelux and Nordics by 9%, in Rest of World by 6%, and in the Adecco Group by 5%. In the first 9 months of 2017 revenues changed organically in Benelux and Nordics by 8%, in Rest of World by 7%, and in Lee Hecht Harrison by -2%.

2) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, and Medical & Science is based on dedicated branches. CTTD comprises Career Transition & Talent Development services. BPO comprises Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Digital. BPO included Vendor Management System (VMS) until December 2016, when VMS activities were deconsolidated following the merger with IQNavigator.

3) Certain reclassifications have been made in order to conform to the current period presentation.

4) In Q3 2017 revenues changed organically in Finance & Legal by 0%, in Medical & Science by 4%, in Professional Staffing by 0%, in BPO by 20%, in Solutions by 1%, and in the Adecco Group by 5%. In the first 9 months of 2017 revenues changed organically in Finance & Legal by -4%, in Medical & Science by 9%, in Professional Staffing by 1%, in CTTD by -2%, in BPO by 17%, and in Solutions by 3%.

EBITA[1] and EBITA margin by segment

EBITA	Q3		Variance %		9M		Variance %	
EUR millions	**2017**	2016	EUR	Constant currency	**2017**	2016	EUR	Constant currency
France	94	94	-1%	-1%	255	236	8%	8%
N. America, UK & I. General Staffing	24	27	-10%	-5%	70	78	-9%	-8%
N. America, UK & I. Professional Staffing	46	54	-14%	-10%	157	158	-1%	0%
Germany, Austria, Switzerland	40	28	44%	45%	80	78	3%	3%
Benelux and Nordics	24	22	10%	10%	57	52	10%	10%
Italy	38	30	22%	22%	105	83	25%	25%
Japan	19	20	-4%	8%	68	63	9%	10%
Iberia	15	9	77%	77%	39	28	42%	42%
Rest of World	26	14	83%	89%	68	49	38%	41%
Lee Hecht Harrison	26	24	8%	13%	91	86	6%	5%
Corporate	(31)	(28)	12%	14%	(111)	(107)	5%	4%
Adecco Group	**321**	**294**	**9%**	**12%**	**879**	**804**	**9%**	**10%**

	Q3			9M		
EBITA margin	**2017**	2016	Variance bps	**2017**	2016	Variance bps
France	6.7%	7.2%	(50)	6.5%	6.4%	10
N. America, UK & I. General Staffing	3.3%	3.5%	(20)	3.2%	3.4%	(20)
N. America, UK & I. Professional Staffing	5.4%	5.7%	(30)	5.7%	5.5%	20
Germany, Austria, Switzerland	7.1%	4.9%	220	4.9%	4.8%	10
Benelux and Nordics	4.6%	4.6%	0	3.7%	3.7%	0
Italy	8.2%	8.3%	(10)	7.8%	7.9%	(10)
Japan	6.4%	6.1%	30	7.1%	6.6%	50
Iberia	5.4%	3.4%	200	4.9%	3.8%	110
Rest of World	3.7%	2.0%	170	3.2%	2.5%	70
Lee Hecht Harrison	25.9%	22.1%	380	27.8%	26.6%	120
Adecco Group	**5.4%**	**5.1%**	**30**	**5.0%**	**4.8%**	**20**

1) EBITA is non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

Consolidated statements of operations

EUR millions except share and per share information	Q3 2017	Q3 2016	Variance % EUR	Variance % Constant currency	9M 2017	9M 2016	Variance % EUR	Variance % Constant currency
Revenues	**5,901**	5,811	**2%**	**4%**	**17,603**	16,839	**5%**	**5%**
Direct costs of services	(4,810)	(4,723)			(14,343)	(13,669)		
Gross profit	**1,091**	**1,088**	**0%**	**3%**	**3,260**	**3,170**	**3%**	**3%**
Selling, general, and administrative expenses	(770)	(794)	-3%	0%	(2,381)	(2,366)	1%	1%
EBITA[1]	**321**	**294**	**9%**	**12%**	**879**	**804**	**9%**	**10%**
Amortisation of intangible assets	(8)	(9)			(23)	(27)		
Impairment of intangible assets	(129)				(129)			
Operating income	**184**	**285**	**-36%**	**-34%**	**727**	**777**	**-7%**	**-6%**
Interest expense	(12)	(14)			(38)	(45)		
Other income/(expenses), net	4	(21)			6	(16)		
Income before income taxes	**176**	**250**	**-30%**		**695**	**716**	**-3%**	
Provision for income taxes	(52)	(76)			(202)	(207)		
Net income	**124**	**174**	**-29%**		**493**	**509**	**-3%**	
Net income attributable to noncontrolling interests	(1)	(1)			(2)	(2)		
Net income attributable to Adecco Group shareholders	**123**	**173**	**-29%**		**491**	**507**	**-3%**	
Basic earnings per share[2]	0.73	1.02	-28%		2.90	2.98	-3%	
Diluted earnings per share[3]	0.73	1.02	-28%		2.89	2.98	-3%	
Gross margin	*18.5%*	*18.7%*			*18.5%*	*18.8%*		
SG&A as a percentage of revenues	*13.1%*	*13.7%*			*13.5%*	*14.1%*		
EBITA margin	*5.4%*	*5.1%*			*5.0%*	*4.8%*		
Operating income margin	*3.1%*	*4.9%*			*4.1%*	*4.6%*		
Net income margin attributable to Adecco Group shareholders	*2.1%*	*3.0%*			*2.8%*	*3.0%*		

1) EBITA is non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) Basic weighted-average shares were 168,390,299 in Q3 2017 and 169,385,680 in 9M 2017 (170,335,422 in Q3 2016 and 170,275,995 in 9M 2016).

3) Diluted weighted-average shares were 168,739,689 in Q3 2017 and 169,726,222 in 9M 2017 (170,521,670 in Q3 2016 and 170,467,612 in 9M 2016).

Consolidated balance sheets

EUR millions	30 September 2017	31 December 2016
Assets		
Current assets:		
– Cash and cash equivalents	959	1,123
– Short-term investments	5	5
– Trade accounts receivable, net	4,459	4,268
– Other current assets	251	214
Total current assets	**5,674**	**5,610**
Property, equipment, and leasehold improvements, net	173	167
Equity method investments	176	189
Other assets	526	554
Intangible assets, net	372	528
Goodwill	2,909	3,051
Total assets	**9,830**	**10,099**
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
– Accounts payable and accrued expenses	4,073	4,031
– Short-term debt and current maturities of long-term debt	719	345
Total current liabilities	**4,792**	**4,376**
Long-term debt, less current maturities	1,317	1,670
Other liabilities	303	331
Total liabilities	**6,412**	**6,377**
Shareholders' equity		
Adecco Group shareholders' equity:		
– Common shares	11	106
– Additional paid-in capital	576	581
– Treasury shares, at cost	(221)	(40)
– Retained earnings	3,315	3,058
– Accumulated other comprehensive income/(loss), net	(271)	10
Total Adecco Group shareholders' equity	**3,410**	**3,715**
Noncontrolling interests	8	7
Total shareholders' equity	**3,418**	**3,722**
Total liabilities and shareholders' equity	**9,830**	**10,099**

Consolidated statements of cash flows

EUR millions	Q3 2017	Q3 2016[1]	9M 2017	9M 2016[1]
Cash flows from operating activities				
Net income	124	174	493	509
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	26	30	80	90
– Impairment of intangible assets	129		129	
– Other charges	(39)	45	(20)	47
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	(107)	(114)	(360)	(400)
– Accounts payable and accrued expenses	82	145	204	136
– Other assets and liabilities	(26)	(63)	6	(29)
Cash flows from operating activities	**189**	**217**	**532**	**353**
Cash flows from investing activities				
Capital expenditures	(27)	(18)	(68)	(50)
Acquisition of Penna, net of cash acquired				(122)
Acquisition of BioBridges, net of cash acquired	(37)		(37)	
Cash settlements on derivative instruments	5	4	5	60
Other acquisition and investing activities, net	(7)	(16)	(13)	(23)
Cash flows used in investing activities	**(66)**	**(30)**	**(113)**	**(135)**
Cash flows from financing activities				
Net increase/(decrease) in short-term debt	(21)	(89)	51	293
Repayment of long-term debt				(316)
Dividends paid to shareholders	(139)		(374)	(372)
Purchase of treasury shares	(88)		(188)	(20)
Other financing activities, net	(1)		(1)	(1)
Cash flow used in financing activities	**(249)**	**(89)**	**(512)**	**(416)**
Effect of exchange rate changes on cash	**(23)**	**(6)**	**(71)**	**(16)**
Net increase/(decrease) in cash and cash equivalents	**(149)**	**92**	**(164)**	**(214)**
Cash and cash equivalents:				
– Beginning of period	1,108	831	1,123	1,137
– End of period	959	923	959	923

1) Certain reclassifications have been made to prior period amounts or balances in order to conform to the current period presentation.