

**LEE HECHT
HARRISON**

Career Services Division

Building the HR Consulting Business

Ekkehard Kuppel
President, Career Services Division

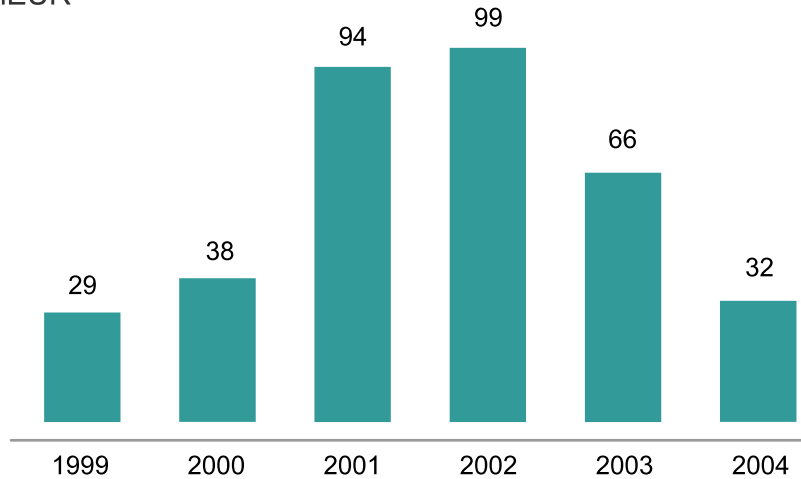
Raymond Soubie
President & CEO, Altedia

Agenda

- 1. Career Services Division**
The division at a glance
Where we are heading
Our product and service offering
- 2. Altedia – 1st step to implement our strategy**
Company profile
Synergies
Case examples

LHH – highly profitable investment for Adecco Group

Total cash flow, LHH
1999-2004, mEUR



Capex (mEUR)	4	3	5	4	3	2
ROS (%)	14	24	33	31	29	5
PAT (mEUR)	15	31	79	79	52	7

Generated 360m EUR of cash flow¹ and 340m EUR of free cash flow for Adecco in past 6 years

Contributed 12% of total reported profit of Adecco Group in past 6 years – at 1% of total net revenue

Career Services Division at a glance

Key indicators 2004 Career Services Division

Key figures in 2004

- Sales in EUR million: 155
- EBITA margin: 17%
- Market share outplacement: 7%
- Market rank outplacement: No. 2

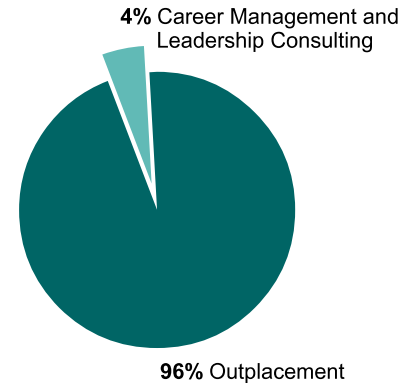
Business numbers 2004

- # of candidates in OP program: 80,000
- # of candidates coached: 1,700

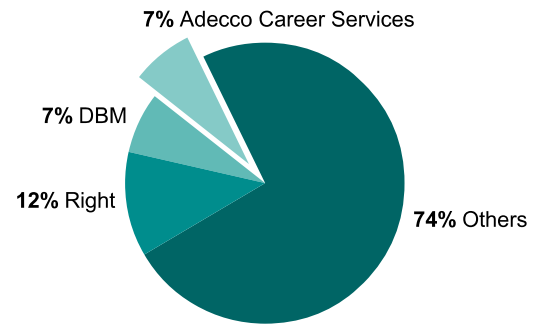
Network end 2004

- # of offices: 260
- # of employees: 825

Sales breakdown by business line %, 2004



Market share in Outplacement (2004 estimate)



Performance Year To Date

June YTD indicators Career Services Division

Key figures (incl. 2 months Altedia operations)

- Sales growth YoY: +11%
- EBITA margin: 13%

Performance vs. market

- Revenue development reflects general conditions in OP market
- Acquisition of Altedia gives Career Services Division No.1 position in French market

Business numbers

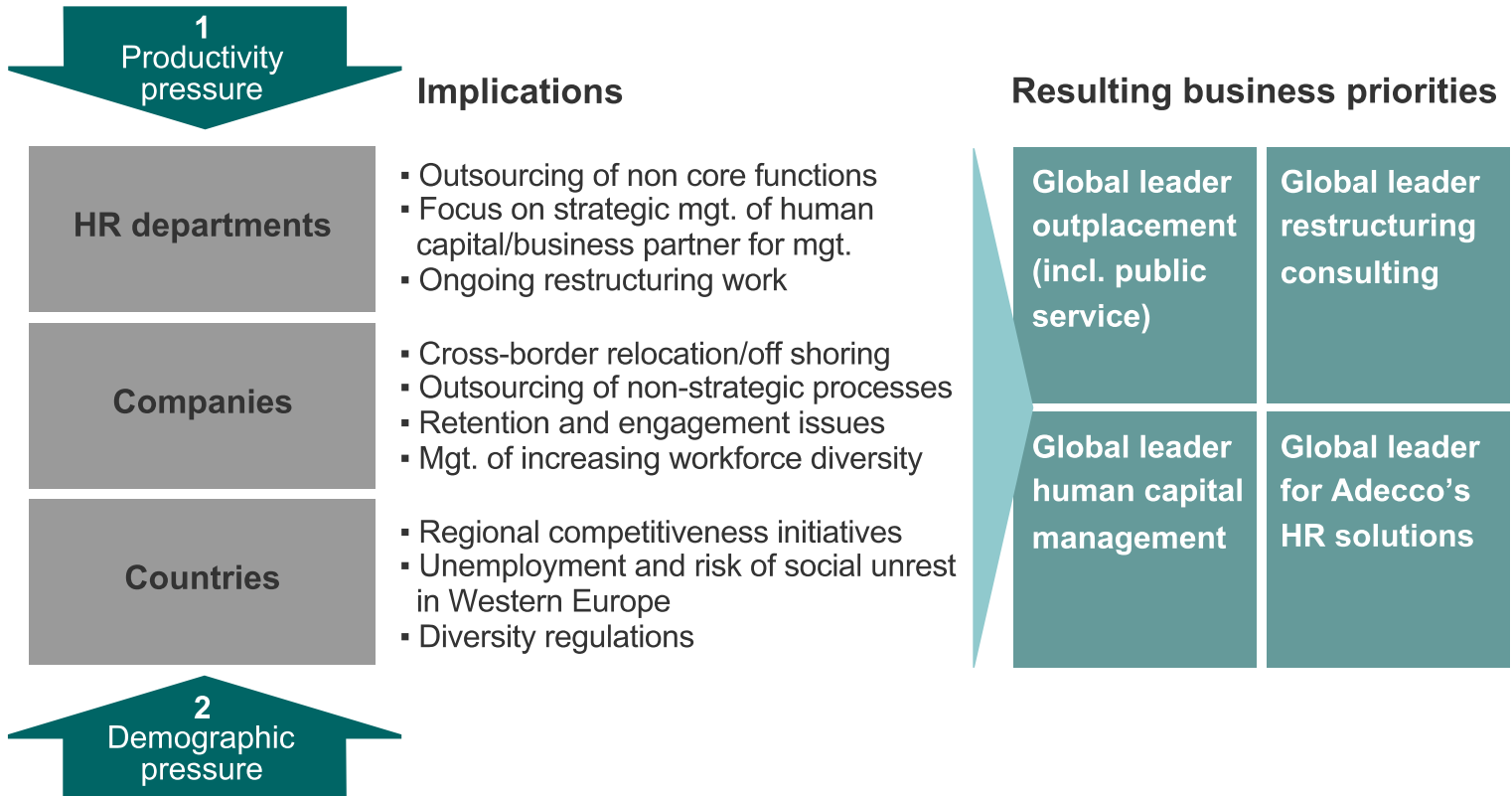
- # of candidates in OP program: 40,000
- # of candidates coached: 900

Network

- Branches added over same period last year: ~50
- FTEs added over same period last year: ~600

Where we are heading

Major HR challenges as drivers of strategic direction



Our Products and Services

Focus on 4 service areas

Goal	Leading Global HR Consulting Firm			
Product/ service offering	Outplacement <ul style="list-style-type: none">▪ Individual▪ Group Public Service <ul style="list-style-type: none">▪ Placement of unemployed▪ Employee agency consulting▪ Labour legislation	Restructuring Cons <ul style="list-style-type: none">▪ Restructuring consulting▪ Change mgmt.▪ Communication consulting (internal/external)▪ HR due diligence/audit▪ BPO consulting▪ HR organiz. design▪ HR interim mgmt.	Human Capital Management <ul style="list-style-type: none">▪ Assessment▪ Onboarding▪ Compensation & benefits▪ Training▪ Coaching/ leadership consulting▪ Employee engagement▪ Career mgmt.▪ Succession planning▪ Aging work force & LifeLongLearning▪ Retirement	HR Solutions Orchestrator <ul style="list-style-type: none">▪ Consultative selling arm of Adecco Group▪ Coordination of complex projects requiring service delivery of all three divisions▪ Strengthen access and relationship to Head of HR and top mgmt level

Existing offering

New offering at a global level

Recent case examples

- **Career management for a major Financial institution**

Challenge: Refocusing of business line portfolio with impact on recruiting and severance

Approach: Comprehensive career transition and redeployment program

Impact: 70% transition success, 3,000 employees redeployed, shift of corporate culture to employee ownership of career

- **Assessment and succession planning for a global service company**

Challenge: Recent re-organization and centralization to achieve service line growth

Approach: profiling of future leadership behaviours, behavioural/ competency/in-depth business simulation, assessments of 250 managers in 15 countries

Impact: Defined future leadership profile, objective assessment on past performance and future potential of top executives, succession and international mobility candidates

- **First career step for university graduates**

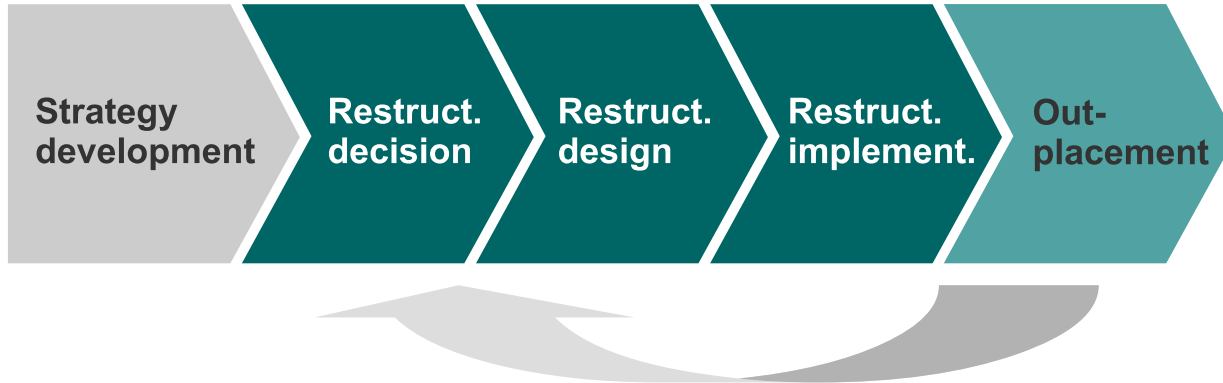
Challenge: Improve placement rate of international MBA students

Approach: Modified (age/ experience sensitive) career transition services, coaching

Impact: First year placement rate increased from 65% to 80% (90 days post graduation)

Upgrading the Career Services Division

1. Move towards upstream business



2. Access at head of HR and top executive level

3. Suite of services supporting long term customer relationship

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Profile Altedia

Major player in French and Global HR Consulting market

- **Founded 1992 by Raymond Soubie, Philippe Kienast, Danielle Deruy**
- **Major French player in HR consulting**
- **Strong expertise in three fields:**
 - Reorganizations, mobility and social engineering
 - Human capital
 - External communications and public affairs
- **756 employees, including 534 consultants**
- **Over 70 offices throughout France and Europe (incl. LHH France & Spain)**
 - More than 30 permanent offices in France, Belgium, Spain, Portugal

Profile Altedia

Altedia's specific positioning

- **Combination of upstream consulting and downstream services**
- **Integration of HR/Communications into Change Management**
- **Growth markets, at the heart of corporate strategic issues: restructurings, motivational policies, skills, change implementation**
- **A portfolio of activities that are affected differently by economic cycles**

Altedia, a major player in HR Consulting

Reorganisations, mobility and social engineering

- Operational assistance with restructuring, HR change engineering, industrial relations management and HR due diligence

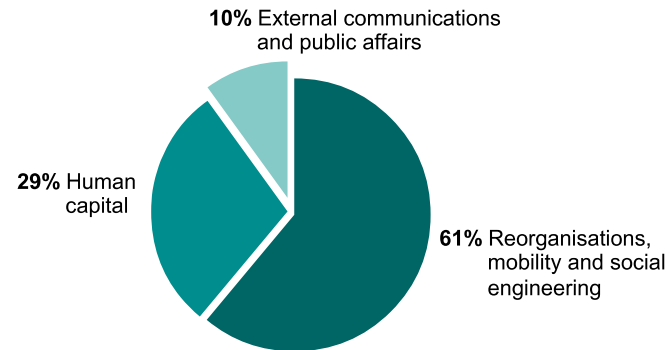
Human capital

- Motivational policies: performance-based remuneration (stock-option plans, compensation and benefits, employee shareholding)
- HR Process Consulting
- Leadership, coaching, training, internal communication and recruitment

External communications and public affairs

- External communications targeting stakeholders (shareholders, clients, decision makers, opinion leaders)

2004 sales breakdown



Adecco/Altedia synergies

Major synergies being leveraged

- **Proposing European HR consulting to Adecco's and LHH's American clients having difficulties to apprehend continental European specificities**
- **Fuelling downstream services thanks to upstream consulting**
- **Adecco and Altedia to build a new offer so as to respond to:**
 - The undergoing legislation changes in the continental European labor market
 - The needs of multinational companies for outsourcing and relocation services
- **Use of the Adecco network to develop Altedia activities**
- **Association between the Altedia know-how in acquisition of HR Consulting companies and the multinational group's power and its network to build a European leader in HR Consulting business**

Recent case examples

- **Restructuring**

Target: closing down of EMEA headquarters by the end of first semester 2005

Altedia's mission: upstream consulting, project redefinition, social measures, negotiations with trade unions, relations with medias. Downstream : outplacement

- **Employee shareholding**

Target: successful employee shareholding operation within IPO

Altedia's mission: offer structuring, project management, internal communications

- **Placement of unemployed**

Target: experimental outplacement of unemployed people by private companies

Altedia's mission: outplacement in Provence-Alpes Côte d'Azur area, Adecco/LHH being in charge of Rhône-Alpes area

Thank you

Any Questions?