Adecco Group

Press Release

Adecco achieves solid profitability in Q1 2012

Gross margin up 80 bps to 18.2% and net income up 12%

First quarter 2012 HIGHLIGHTS

- Revenues of EUR 5.0 billion, up 2% (-1% organically[1])
- Gross margin at 18.2%, up 80 bps year-on-year (+40 bps organically) and up 30 bps sequentially (Q1 12 vs. Q4 11)
- SG&A flat sequentially, on an organic basis and before integration and restructuring costs
- EBITA[2] before integration and restructuring costs at EUR 193 million (+9% in constant currency)
- EBITA margin at 3.8%, up 20 bps year-on-year before integration and restructuring costs
- Net income of EUR 112 million, up 12%
- Strong operating cash flow of EUR 137 million (EUR 22 million in Q1 2011)

Key figures Q1 2012

in EUR millions	reported	reported growth	constant currency growth
Revenues	5,035	+2%	+1%
Gross profit	916	+7%	+5%
EBITA before integration and restructuring costs	193	+11%	+9%
EBITA	182	+6%	+4%
Operating income	168	+7%	+5%
Net income attributable to Adecco shareholders	112	+12%	

Zurich, Switzerland, May 8, 2012: Adecco Group, the world's leading provider of Human Resources solutions, today announced results for the first quarter of 2012. Revenues were up 2% or -1% organically, to EUR 5.0 billion. The gross margin was 18.2%, an increase of 80 bps versus the prior year and up 40 bps organically. Continued strong cost control resulted in flat SG&A sequentially, on an organic basis and before integration and restructuring costs. The Q1 2012 EBITA margin before integration and restructuring costs was 3.8%, up 20 bps compared to the same quarter last year. Net income was up 12% to EUR 112 million. The Group generated strong operating cash flow of EUR 137 million.

Patrick De Maeseneire, CEO of the Adecco Group said: "*We are off to a good start in 2012. Q1 2012 revenues are nearly at the same level as in Q1 2011, a solid result when considering the economic headwinds we face in Europe. Our revenue growth in North America continued to hold up well. Profitability continues to be a clear priority for us in France. Given the economic outlook for France we are convinced that we are taking the right measures to ensure sustainable and leading profitability. In Germany & Austria we are gaining market share at good margins. The Emerging Markets also continued their solid growth path. On the other hand, Southern Europe is clearly slowing: revenues in both Italy and Iberia were in decline in Q1 2012. The business mix is starting to work in our favour. Growth in professional staffing is outpacing general staffing and our gross margin is moving in the right direction, up 80 bps in Q1 2012 at 18.2%. Once again, we maintained SG&A sequentially flat on an organic basis and before one-off costs. This led to solid EBITA growth of 9% before one-off costs and in constant currency and an EBITA margin of 3.8%, up 20 bps compared to last year's Q1. We anticipate a similarly diverging picture geographically for the second quarter with North America holding up, but Europe remaining challenging. Our aim is clear: continued price discipline and tight cost control, while maintaining our focus on profitable organic growth opportunities. This keeps us well on track to reach our EBITA margin target of over 5.5% midterm.*"

[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 of intangible assets.

Adecco Group

Press Release

Q1 2012 FINANCIAL PERFORMANCE

Revenues
Group revenues in Q1 2012 were EUR 5.0 billion, up 2% or 1% in constant currency. Organically, revenues were down 1%. Permanent placement revenues amounted to EUR 90 million, an increase of +2% organically, while revenues from the counter-cyclical career transition (outplacement) business totalled EUR 68 million, a decline of 3% organically.

Gross Profit
In Q1 2012, gross profit amounted to EUR 916 million and the gross margin was 18.2%, up 80 bps compared to the prior year's first quarter. Organically the gross margin was up 40 bps in the quarter under review. Temporary staffing had a positive impact on the gross margin of 30 bps in Q1 2012 (+20 bps excluding acquisitions). Permanent placement had a positive impact of 10 bps on the Q1 2012 gross margin, whereas the impact was +30 bps from outplacement (neutral impact when excluding the acquired DBM business) and +10 bps from other activities. Sequentially, the gross margin was up 30 bps (+20 bps excluding acquisitions).

Selling, General and Administrative Expenses (SG&A)
SG&A in Q1 2012 amounted to EUR 734 million, an increase of 8% or 5% in constant currency compared to Q1 2011 (+1% organically and before restructuring and integration costs). Integration costs amounted to EUR 3 million in the quarter under review and EUR 8 million related to restructuring costs for various European countries. Sequentially, SG&A was flat on an organic basis and when excluding integration and restructuring costs. Organically, FTE employees increased by 1% (+500) compared to the first quarter of 2011. Sequentially, FTE employees were down 2% organically. The branch network, on an organic basis, increased by 1% (+35 branches) compared with the first quarter of 2011. At the end of the first quarter of 2012, the Adecco Group had over 33,000 FTE employees and operated a network of over 5,500 branches.

EBITA
In the period under review, EBITA was EUR 182 million compared with EUR 172 million reported in the first quarter of 2011. The Q1 2012 EBITA margin was 3.6% compared to 3.5% in Q1 2011. EBITA before integration and restructuring costs was EUR 193 million in Q1 2012, up 9% in constant currency and the margin was 3.8%, up 20 bps compared to the Q1 2011 EBITA margin of 3.6% before integration costs.

Amortisation of Intangible Assets
Amortisation in Q1 2012 was EUR 14 million, the same as in Q1 2011.

Operating Income
In Q1 2012, operating income was EUR 168 million. This compares to EUR 158 million in the first quarter of 2011.

Interest Expense and Other Income / (Expenses), net
The interest expense amounted to EUR 18 million in the period under review, EUR 3 million higher than in Q1 2011. Other income / (expenses), net was income of EUR 3 million in Q1 2012 compared to an expense of EUR 1 million in the first quarter of 2011. Interest expense is expected to be around EUR 80 million for the full year 2012.

Provision for Income Taxes
The effective tax rate in the period under review was 27% compared to 29% in Q1 2011.

Net Income attributable to Adecco shareholders and EPS
In the period under review, net income attributable to Adecco shareholders was EUR 112 million. This compares to EUR 100 million in Q1 2011. Basic EPS in Q1 2012 was EUR 0.59 (Q1 2011: EUR 0.52).

Cash flow, Net Debt[3] and DSO
The operating cash flow generated in the first quarter of 2012 was EUR 137 million compared to EUR 22 million in the same period last year. The Group invested EUR 87 million, net of cash acquired, for VSN in Japan and EUR 22 million in capex in Q1 2012. Net debt at the end of March 2012 was EUR 874 million compared to EUR 892 million at year end 2011. DSO was 54 days in the first quarter of 2012, unchanged compared to Q1 2011.

Currency Impact
In Q1 2012, currency fluctuations had a positive impact on revenues of approximately 1%.

[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.

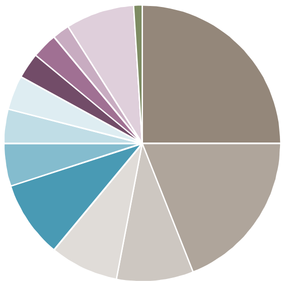
Adecco Group

Press Release

SEGMENT PERFORMANCE

Q1 2012

Revenues in percent



		Revenues EUR m	Revenues organic yoy growth	EBITA EUR m	EBITA margin
25%	France*	**1,268**	-10%	**27**	2.1%
19%	North America	**964**	1%	**42**	4.4%
9%	UK & Ireland	**459**	9%	**11**	2.4%
8%	Germany & Austria*	**400**	10%	**30**	7.5%
9%	Japan	**431**	2%	**25**	5.8%
5%	Italy	**232**	-2%	**12**	5.4%
4%	Benelux*	**225**	-2%	**7**	3.3%
4%	Nordics	**198**	-2%	**4**	2.1%
3%	Iberia*	**165**	-9%	**4**	2.4%
3%	Australia & New Zealand	**134**	3%	**5**	3.6%
2%	Switzerland	**99**	-9%	**7**	7.3%
8%	Emerging Markets	**382**	15%	**11**	2.7%
1%	LHH	**78**	-1%	**21**	26.2%
	Corporate			**(24)**	
	Adecco Group	**5,035**	-1%	**182**	3.6%

*Including restructuring costs of EUR 3 million for France, EUR 3 million for Germany & Austria, EUR 1 million for Benelux and EUR 1 million for Iberia.

Revenues in **France** amounted to EUR 1.3 billion, down 10% compared to Q1 2011. Permanent placement revenues were down 7%. In the quarter under review EBITA was EUR 27 million compared to EUR 37 million in Q1 2011, a decline of 26% year-on-year. The EBITA margin was 2.1% in Q1 2012, down 50 bps compared to the prior year's first quarter. The plan in France to merge the networks of Adecco and Adia under the single Adecco brand is on track. Talks with the French Works Councils have progressed as expected to date. Included in the results of Q1 2012 are EUR 3 million costs associated with the aforementioned plan. Excluding these costs, the adjusted EBITA margin was 2.3% in Q1 2012, compared to 2.6% a year ago.

In **North America**, Adecco's revenues increased by 1% in constant currency to EUR 964 million in Q1 2012. General staffing revenues grew by 3% in constant currency. Professional staffing revenues were flat year-on-year, still held back by the IT staffing business, but revenue developments are showing a stabilising trend. Growth in the US IT professional staffing segment improved and was close to flat year-on year in Q1 2012, while growth in Canada remained weak. On the other hand, revenues developed very well in Finance & Legal and Medical & Science, as both segments grew double-digit. The Engineering & Technical segment was down 1% in constant currency, compared against strong growth in the same period last year (Q1 2011: +23% organically). Permanent placement revenues continued to develop solidly, up 14% in constant currency. Profitability in Q1 2012 was strong. EBITA increased 18% in constant currency to EUR 42 million and the EBITA margin was 4.4% up 70 bps compared to Q1 2011. Integration costs related to MPS amounted to EUR 2 million in Q1 2011.

In the **UK & Ireland,** revenues were up 9% in constant currency to EUR 459 million. Permanent placement revenues were down 10% in constant currency, compared against a very strong first quarter in 2011, when permanent placement revenues were up 40% organically. EBITA was EUR 11 million in the quarter under review, and the EBITA margin was 2.4%, up 60 bps compared to Q1 2011. Integration costs related to MPS amounted to EUR 1 million in Q1 2011.

In **Germany & Austria,** Q1 2012 revenue growth continued to be solid and ahead of the market. Revenues increased by 12% or 10% organically to EUR 400 million, even compared against the very strong base of last year (Q1 2011: +38% year-on-year revenue growth). General staffing grew 10% organically and professional staffing was up 14% year-on-year. EBITA amounted to EUR 30 million and the EBITA margin was 7.5%. Results included EUR 3 million restructuring costs, hence on an adjusted basis the EBITA margin was 8.3%, up 20 bps compared to the Q1 2011 EBITA margin of 8.1%.

In **Japan,** revenues increased by 13% in constant currency to EUR 431 million. Organically, revenues were up 2%. EBITA was EUR 25 million and the EBITA margin was 5.8%. Results of the acquired company VSN Inc. were included for the full first quarter of 2012. VSN added 60 bps to the EBITA margin in Q1 2012.

Revenues in **Italy** declined by 2% in Q1 2012. Demand was impacted by the economic uncertainties in the country. Italy achieved an EBITA margin of 5.4% in Q1 2012, up 10 bps year-on-year.

In Q1 2012, revenues in **Benelux** decreased by 2%. Revenue development was in-line with the market in the Netherlands, but ahead of the market in Belgium. The EBITA margin was 3.3% in the quarter under review, impacted by restructuring costs of EUR 1 million. Excluding these costs, the adjusted EBITA margin was 3.9%.

Revenues in the **Nordics** were down 2% in constant currency. Revenue growth in Sweden was flat in Q1 2012, while revenues in Norway declined year-on-year, both in constant currency. The EBITA margin in Q1 2012 was 2.1%.

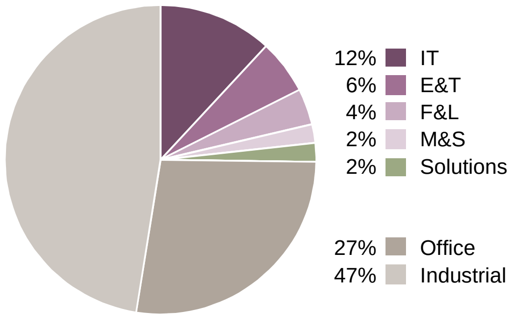
In **Iberia** revenues declined by 9% as economic conditions in the region remained challenging. Revenues in **Australia & New Zealand** were up 3% in constant currency this quarter with an EBITA margin of 3.6%, up 90 bps compared to Q1 2011. In **Switzerland** revenues declined by 9% in Q1 2012 in constant currency, while profitability remained solid with an EBITA margin of 7.3%.

The **Emerging Markets** maintained double-digit revenue growth of 15% in constant currency. The EBITA margin was 2.7%, flat when compared to the same period last year, as Adecco continues to invest to be well positioned for the attractive growth potential in the years to come.

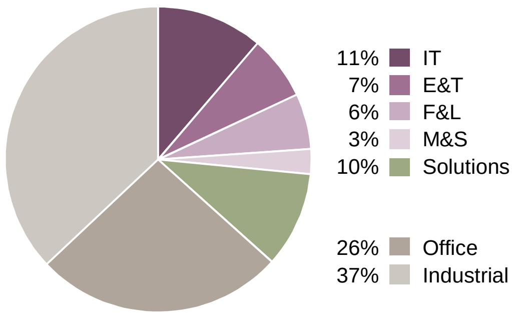
Revenues of **Lee Hecht Harrison (LHH)**, Adecco's career transition and talent development business, were EUR 78 million, up 35% in constant currency and down 1% organically compared to Q1 2011. EBITA was EUR 21 million and profitability remained strong, as the EBITA margin increased to 26.2% from 19.8% in Q1 2011. Integration related costs for DBM amounted to EUR 3 million in Q1 2012. For Q2 2012, integration costs are expected to amount to approximately EUR 3 million. The targeted EUR 20 million synergies are expected to be fully realised by the end of 2012.

BUSINESS LINE PERFORMANCE

Q1 2012 Revenue split



Q1 2012 Gross profit split



Adecco's revenues in the **General Staffing** business (Office & Industrial) decreased by 1% in constant currency to EUR 3.8 billion (-2% on an organic basis). Revenues in the **Industrial** business were down 4% in constant currency. Revenue growth in Germany & Austria remained strong, up 11% organically year-on-year. In France, revenues declined 11% in Q1 2012 and Italy declined by 3%. Revenues in North America in constant currency held up well and were flat after a 6% decline in Q4 2011. In the **Office** business, revenues increased 3% in constant currency. In Japan revenues were up 2% and in North America up 6%, whereas revenues in the UK & Ireland were down 1% and in the Nordics down 5%, all in constant currency. Revenues in France declined by 11%.

Professional Staffing[4] revenues increased 6% in constant currency (3% organically). Germany & Austria and UK & Ireland continued to deliver double-digit revenue growth in constant currency. Revenues in North America were flat in constant currency, while revenues in France were down 2%.

In **Information Technology (IT)**, revenues increased 8% in constant currency (4% organically). In North America, revenues declined by 7% in constant currency. On the other hand, revenues in the UK & Ireland developed strongly, increasing double-digit in constant currency, driven by a few larger project wins.

Adecco's **Engineering & Technical (E&T)** business was up 10% in constant currency (4% organically). Growth was again solid in Germany & Austria and France with revenues up 14% and 9% respectively. In North America, revenues declined by 1% in constant currency, compared to a strong Q1 last year, when revenues increased by 23% organically.

In **Finance & Legal (F&L)**, revenues were flat in constant currency. Revenues in North America increased 11%, while business in the UK & Ireland remained difficult with revenues declining by 18% in Q1 2012, all in constant currency.

In Q1 2012, revenues in **Medical & Science (M&S)** were flat in constant currency (-2% organically). While revenues in North America were up double-digit, revenues in the Nordics declined, both in constant currency. Revenues in France were down 3% in the quarter under review.

In the first quarter of 2012, revenues in **Solutions**[5] were up 28% in constant currency (1% organically), mainly still held back by the counter-cyclical career transition (outplacement) business. Revenue growth in MSP (Managed Service Programmes) and VMS (Vendor Management Systems) was strongly double-digit in constant currency.

[4] Professional Staffing refers to Adecco's Information Technology, Engineering & Technical, Finance & Legal, and Medical & Science businesses.
[5] Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management System (VMS).

Press Release

MANAGEMENT OUTLOOK

The Adecco Group exited the first quarter of 2012 with an organic revenue decline of 1% in March, adjusted for business days. Revenue developments in April were a touch weaker. North America continued to hold up well, while the revenue development in France remained similar as in Q1 2012. Elsewhere, the picture is also diverse. Within Europe, revenue growth in Germany & Austria and in UK & Ireland remained in positive territory, while Italy slowed further. In the Emerging Markets revenue growth continues to be robust.

The business mix is moving in the right direction. The gross margin improvement in Q1 2012 was strong, reflecting our focus on disciplined pricing and cost control to further optimise profitability and value creation. SG&A in the second quarter of 2012 is expected to remain approximately in line with Q1 2012, on an organic basis and before one-off costs. Our plan in France, to merge the networks of Adecco and Adia under the single Adecco brand, is on track. We are convinced that our planned investments of EUR 45 million in France will result in an even better offering for our customers and will ensure sustainable and leading profitability.

Building on our strategic priorities we continue to focus our efforts on constantly improving our HR solutions, delivery models and the cost base, and we remain convinced that we will achieve an EBITA margin of over 5.5% midterm.

Adecco Group

Press Release

For further information please contact:

Adecco Corporate Investor Relations
Investor.relations@adecco.com or +41 (0) 44 878 89 89

Adecco Corporate Press Office
Press.office@adecco.com or +41 (0) 44 878 87 87

Q1 2012 Results Conference Calls
There will be a media conference call at 9 am CEST as well as an analyst conference call at 11 am CEST, details of which can be found on our website in the Investor Relations section at http://webcast.adecco.com

UK / Global	+ 44 (0)203 059 58 62
United States	+ 1 866 291 41 66
Cont. Europe	+ 41 (0)91 610 56 00

Financial Agenda 2012

• Q2 2012 results	August 9, 2012
• Investor Days	September 19/20, 2012
• Q3 2012 results	November 6, 2012

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 S.A. 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, based in Zurich, Switzerland, is the world's leading provider of HR solutions. With more than 33,000 FTE employees and over 5,500 branches, in over 60 countries and territories around the world, Adecco Group offers a wide variety of services, connecting around 700,000 associates with over 100,000 clients every day. The services offered fall into the broad categories of temporary staffing, permanent placement, career transition and talent development, as well as outsourcing and consulting. The Adecco Group is a Fortune Global 500 company.

Adecco S.A. is registered in Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

Press Release (Annexes)

Consolidated statements of operations
(unaudited)

EUR millions except share and per share amounts	Q1 2012	Q1 2011	Variance % EUR	Variance % Constant Currency
Revenues	5,035	4,915	2%	1%
Direct costs of services	(4,119)	(4,061)		
Gross profit	**916**	**854**	7%	5%
Gross margin	*18.2%*	*17.4%*		
Selling, general, and administrative expenses	(734)	(682)	8%	5%
As a percentage of revenues	*14.6%*	*13.9%*		
Amortisation of intangible assets	(14)	(14)		
Operating income	**168**	**158**	7%	5%
Operating income margin	*3.3%*	*3.2%*		
Interest expense	(18)	(15)		
Other income / (expenses), net	3	(1)		
Income before income taxes	**153**	**142**	8%	
Provision for income taxes	(41)	(41)		
Net income	**112**	**101**	12%	
Net income attributable to noncontrolling interests		(1)		
Net income attributable to Adecco shareholders	**112**	**100**	12%	
Net income margin attributable to Adecco shareholders	*2.2%*	*2.0%*		
Basic earnings per share	**0.59**	**0.52**		
Basic weighted-average shares	188,883,346	192,631,212		
Diluted earnings per share	**0.59**	**0.52**		
Diluted weighted-average shares	189,046,755	192,771,705		

Adecco Group

Press Release (Annexes)

Revenues and operating income by segment

(unaudited)

EUR millions	Q1 2012	Q1 2011	Variance % EUR	Variance % Constant Currency
Revenues				
France	1,268	1,408	-10%	-10%
North America	964	921	5%	1%
UK & Ireland	459	411	12%	9%
Germany & Austria[1]	400	356	12%	12%
Japan[1]	431	352	23%	13%
Italy	232	237	-2%	-2%
Benelux	225	230	-2%	-2%
Nordics	198	200	-1%	-2%
Iberia	165	181	-9%	-9%
Australia & New Zealand	134	120	11%	3%
Switzerland	99	104	-4%	-9%
Emerging Markets	382	338	13%	15%
LHH[1]	78	57	38%	35%
Adecco Group[1]	**5,035**	**4,915**	**2%**	**1%**
Operating income				
France	27	37	-26%	-26%
North America	42	34	22%	18%
UK & Ireland	11	8	49%	45%
Germany & Austria	30	29	4%	4%
Japan	25	19	29%	19%
Italy	12	13	-2%	-2%
Benelux	7	11	-31%	-31%
Nordics	4	3	69%	71%
Iberia	4	5	-22%	-22%
Australia & New Zealand	5	3	48%	35%
Switzerland	7	9	-23%	-27%
Emerging Markets	11	9	13%	15%
LHH	21	11	82%	77%
Corporate Expenses	(24)	(19)		
EBITA[2]	**182**	**172**	**6%**	**4%**
Amortisation of intangible assets	(14)	(14)		
Adecco Group	**168**	**158**	**7%**	**5%**

1) In Q1 2012 revenues changed organically in Germany & Austria by 10%, in Japan by 2%, in LHH by -1% and in Adecco Group by -1%.

2) EBITA is a non US GAAP measure and refers to operating income before amortisation of intangible assets.

Adecco Group

Press Release (Annexes)

Revenues by business line

(unaudited)

EUR millions	Q1 2012	Q1 2011	Variance %	
			EUR	Constant Currency
Revenues[1]				
Office	1,374	1,302	6%	3%
Industrial	2,391	2,467	-3%	-4%
General Staffing[2]	**3,765**	**3,769**	**0%**	**-1%**
Information Technology[2]	597	536	11%	8%
Engineering & Technical[2]	286	252	13%	10%
Finance & Legal	190	187	2%	0%
Medical & Science[2]	98	96	2%	0%
Professional Staffing[2]	**1,171**	**1,071**	**9%**	**6%**
Solutions[2]	**99**	**75**	**31%**	**28%**
Adecco Group[2]	**5,035**	**4,915**	**2%**	**1%**

1) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, and Medical & Science is based on dedicated branches. Solutions include revenues from Human Capital Solutions, Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO), and Vendor Management System (VMS).

2) In Q1 2012 revenues changed organically in General Staffing by -2%, in Information Technology by 4%, in Engineering & Technical by 4%, in Medical & Science by -2%, in Professional Staffing by 3%, in Solutions by 1% and in Adecco Group by -1%.

Adecco Group

Press Release (Annexes)

Consolidated balance sheets

EUR millions	Mar 31 2012 (unaudited)	Dec 31 2011
Assets		
Current assets:		
– Cash and cash equivalents	888	532
– Short-term investments	2	2
– Trade accounts receivable, net	3,653	3,725
– Other current assets	389	424
Total current assets	**4,932**	**4,683**
Property, equipment, and leasehold improvements, net	308	313
Other assets	329	310
Intangible assets, net	611	593
Goodwill	3,499	3,455
Total assets	**9,679**	**9,354**

	Mar 31 2012 (unaudited)	Dec 31 2011
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
– Accounts payable and accrued expenses	3,504	3,545
– Short-term debt and current maturities of long-term debt	284	236
Total current liabilities	**3,788**	**3,781**
Long-term debt, less current maturities	1,480	1,190
Other liabilities	569	572
Total liabilities	**5,837**	**5,543**
Shareholders' equity		
Adecco shareholders' equity:		
– Common shares	118	118
– Additional paid-in capital	2,449	2,459
– Treasury shares, at cost	(692)	(706)
– Retained earnings	2,192	2,080
– Accumulated other comprehensive income/(loss), net	(228)	(143)
Total Adecco shareholders' equity	**3,839**	**3,808**
Noncontrolling interests	3	3
Total shareholders' equity	**3,842**	**3,811**
Total liabilities and shareholders' equity	**9,679**	**9,354**

Adecco Group

Press Release (Annexes)

Consolidated statements of cash flows
(unaudited)

EUR millions	Q1 2012	Q1 2011
Cash flows from operating activities		
Net income	112	101
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	41	37
– Other charges	4	(3)
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	56	(153)
– Accounts payable and accrued expenses	(48)	62
– Other assets and liabilities	(28)	(22)
Cash flows from operating activities	**137**	**22**
Cash flows from investing activities		
Capital expenditures	(22)	(24)
Acquisition of VSN, net of cash acquired	(87)	
Cash settlements on derivative instruments	(22)	(20)
Other acquisition and investing activities	(17)	1
Cash used in investing activities	**(148)**	**(43)**
Cash flows from financing activities		
Net increase in short-term debt	47	58
Borrowings of long-term debt, net of issuance costs	288	
Purchase of treasury shares		(36)
Other financing activities	(4)	
Cash flows from financing activities	**331**	**22**
Effect of exchange rate changes on cash	**36**	**(9)**
Net increase/(decrease) in cash and cash equivalents	**356**	**(8)**
Cash and cash equivalents:		
– Beginning of year	532	549
– End of period	888	541