ADECCO S.A.

(incorporated in Switzerland)
(the "**Issuer**")

CHF 125,000,000
2.625 per cent. Notes due 2020

(the "**Notes**")

Issued under the EUR 2,000,000,000 Euro Medium Term Note Programme (the "**Programme**")

The Notes are rated BBB by Standard & Poors' and Baa3 by Moody's.

Issuer:	Adecco S.A., Route de Bonmot 31, CH-1275 Chéserex, Switzerland
Issue Price:	The Joint-Lead Managers will purchase the Notes at the price of 100.780% (before commissions)
Placement Price:	According to demand
Form of Notes:	The Notes will be represented by a Permanent Bearer Global Note. Investors do not have the right to request the printing and physical delivery of individually certificated Notes and Coupons.
Denomination:	CHF 5,000
Interest:	2.625 per cent. p.a., payable annually on 18 December, for the first time on 18 December 2012 (short first coupon). Interest payments are subject to Swiss Withholding Tax of currently 35 per cent. on the interest nominal amount.
Interest Rate Adjustment:	Interest payable in respect of these Notes may be subject to increase or decrease by a Step Up Margin of 1.25% per annum dependent on the ratings of Adecco S.A. as given by Standard & Poor's or Moody's.
Issue Date:	18 July 2012
Maturity Date:	18 December 2020
Further Issues:	The Issuer reserves the right to issue further Notes in accordance with the Terms and Conditions of the Notes.
Status:	Senior Notes
Assurances:	Pari Passu Clause, Cross Default Clause, Negative Pledge Clause, Change of Control Clause
Listing:	The Notes have been provisionally admitted to trading on the SIX Swiss Exchange Ltd as of 16 July 2012 and application will be made for the Notes to be listed on the main segment of the SIX Swiss Exchange Ltd. The last day of trading will be 15 December 2020.
Selling Restrictions:	United States of America and U.S. persons, Public Offer Selling Restriction under the Prospectus Directive, United Kingdom
Governing Law and Jurisdiction:	The Notes will be governed by, and construed in accordance with, English law. Place of jurisdiction will be the English courts.

Barclays Bank PLC, London acting through Barclays Capital, Zurich Branch

Credit Suisse

The Royal Bank of Scotland plc, Edinburgh, Zurich Branch

UBS Investment Bank

Swiss Security Number: 18 927 605 ISIN: CH0189276055 Common Code: 080109504

Prospectus dated 16 July 2012

Selling Restrictions

In particular United States of America and United States Persons, Public Offer Selling Restriction under the Prospectus Directive, United Kingdom.

Please see section “Subscription and Sale” on pages 82 through 84 of the Base Prospectus, with the exception of the Section “Switzerland” on page 84, which shall not apply to the Notes.

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General Information

Notice to Investors

These Notes are issued under the Programme of the Issuer. The specific terms of the Notes contained in the Final Terms dated 16 July 2012 (the "**Final Terms**") must be read in conjunction with the Terms and Conditions of the Notes (the "**Conditions**") contained in the Base Prospectus dated 25 May 2012 (the "**Base Prospectus**") which is reprinted in this Prospectus. Each of the Final Terms and the Base Prospectus is deemed to form part of this Prospectus; provided that the Base Prospectus and the Conditions shall be deemed to be modified or superseded to the extent a statement herein or in the Final Terms is inconsistent with or in addition to any statement made in the Base Prospectus or the Conditions. Capitalized terms used in this Prospectus and not otherwise defined shall have the meanings assigned thereto in the Final Terms or the Base Prospectus, as applicable. Information on the Issuer is also contained in this Prospectus. Investors are advised to familiarise themselves with the entire content of this document.

The financial institutions involved in the issuance and offering of these Notes are banks, which directly or indirectly have participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Authorization

Pursuant to resolutions of the Board of Directors of the Issuer dated 25 June 2012 and the Subscription Agreement dated 16 July 2012 between the Issuer and the Joint-Lead Managers, the Issuer has decided to issue the Notes.

Use of Proceeds

The net proceeds of the Notes, being the amount of CHF 124,687,500 (the "**Net Proceeds**") will be used for the share buyback programme that was announced on 26 June 2012 and/or for general corporate purposes. None of the Joint-Lead Managers shall have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Notes.

Information on the Issuer

For information with respect to the Issuer, please refer to pages 61 to 74 of the Base Prospectus.

Common Stock Dividends paid by the Issuer on a per share basis for the fiscal years:

2011: CHF 1.80
2010: CHF 1.10
2009: CHF 0.75
2008: CHF 1.50
2007: CHF 1.50

Own Equity

As at 12 July 2012 the Issuer owns 18,924,705 treasury shares, as well as, 68,000 own shares repurchased (under a second trading line) for cancellation under the share buyback programme.

Recent Developments

Since the publication of the 2011 Annual Report of the Adecco Group there were no material developments for the Adecco Group except for the announcement on 26 June 2012 of a share buyback programme of up to EUR 400 million on a second trading line, with the aim of subsequent cancellation of the shares and reduction of the share capital. The share buyback commenced on 10 July 2012.

Material changes since the most recent financial statements

Except as disclosed in this Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since 31 December 2011, which would materially affect its ability to carry out its obligations under the Notes.

Court, arbitral and administrative proceedings

In the ordinary course of business, the Adecco Group is involved in various legal actions and claims, including those related to social security charges, other payroll related charges, and various employment related matters. Although the outcome of the legal proceedings cannot be predicted with certainty, the Adecco Group believes it has adequately reserved for such matters.

Representative

In accordance with Article 43 of the listing rules of the SIX Swiss Exchange the Issuer has appointed Credit Suisse AG as its representative to lodge the listing application with SIX Exchange Regulation.

Documents Available

Copies of the Trust Deed are available free of charge from Credit Suisse AG, Uetlibergstrasse 231, CH-8070 Zurich, Switzerland, or may be obtained by telephone (+41 44 333 49 73), by fax (+41 44 333 57 79) or by e-mail to newissues.fixedincome@credit-suisse.com.

Responsibility

The Issuer accepts responsibility for the information contained in this Prospectus, and declares that, having taken all reasonable care to ensure that such is the case, and to best of knowledge, the information contained in this Prospectus is correct and that no material facts or circumstances have been omitted.

Adecco S.A.

Information on the Trustee

BNY Mellon Corporate Trustee Services Limited, One Canada Square, London E14 5AL, United Kingdom acts as trustee (the "**Trustee**") for the Noteholders. The trust deed dated 9 April 2009 (as amended and restated from time to time) (the "**Trust Deed**") is available for viewing as set forth under "Documents Available". The Trust Deed is governed by, and construed in accordance with, English law.

The principal competences (in summary) of the Trustee under the Trust Deed are:

(i) Pursuant to Clause 2.1 of the Trust Deed, receiving from the Issuer a copy of the applicable Final Terms in respect of the Notes.

(ii) Pursuant to Clause 2.2 of the Trust Deed, obtaining the covenants from the Issuer that it will, as and when the Notes become due to be redeemed in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency in immediately available funds the principal amount or, as appropriate, such other amount specified as being payable in accordance with the Conditions in respect of the Notes;

(iii) Pursuant to Clause 11 of the Trust Deed, all moneys received by the Trustee from the Issuer in respect of amounts payable under the Trust Deed for the Notes (including any moneys which represent principal or interest in respect of the Notes or Coupons which have become void under Condition 10 of the relevant Conditions) will be held by the Trustee upon trust to apply them (i) in payment of all costs, charges, expenses and liabilities incurred by the Trustee (including remuneration payable to the Trustee or any Appointee) in carrying out its functions under the Trust Deed in respect of the Notes, (ii) as set out in Condition 3, in or towards payment pari passu and rateably of all principal and interest then due and unpaid in respect of the Notes of that Series, (iii) in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

(iv) Pursuant to Clause 12 of the Trust Deed, the Trustee shall give notice to the Noteholders in accordance with Condition 15 of the relevant Conditions of the day fixed for any payment to them. Such payment may be made in accordance with Condition 7 and any payment so made shall be a good discharge to the Trustee.

(v) Pursuant to Clause 13.1 of the Trust Deed, The Trustee may at is discretion and pending payment invest moneys at any time available for the payment of principal and interest on the Notes in some or one of the investments hereinafter authorised for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments and to accumulate such investments and the resulting interest and other income derived therefrom.

(vi) Granting waivers under the Trust Deed pursuant to Clause 20.1 thereof and modifications under the Trust Deed pursuant to Clause 20.2 thereof, without the consent of the Noteholders.

The Trustee's powers, authorities or discretions, as well limitations on its liability, are further elaborated in (without limitation) Clauses 8, 10, 16, 17, 18 and 19 of the Trust Deed.

The Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any liabilities incurred by reason of such retirement. The Noteholders may by Extraordinary Resolution (as defined in the Trust Deed) remove the Trustee. In such events, the Issuer will use its best endeavours to appoint a new Trustee as soon as reasonably practicable thereafter. The retirement or removal of the Trustee shall not become effective until a successor trustee being a Trust Corporation (as defined in the Trust Deed) is appointed.

Final Terms

16 July 2012

ADECCO S.A.

Issue of CHF 125,000,000 2.625 per cent. Notes due 2020
under the EUR 2,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 25 May 2012 (the **Base Prospectus**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus and the listing prospectus dated 16 July 2012 (the **Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Prospectus. The Base Prospectus and the Prospectus are available for viewing during normal business hours at the office of Credit Suisse AG, Uetlibergstrasse 231, 8070 Zurich, Switzerland.

1. Issuer:	Adecco S.A.
2. (a) Series Number:	5
(b) Tranche Number:	1
3. Specified Currency or Currencies:	Swiss Francs (**CHF**)
4. Aggregate Nominal Amount:	
(a) Series:	CHF 125,000,000
(b) Tranche:	CHF 125,000,000
5. Issue Price:	100.780 per cent. of the Aggregate Nominal Amount
6. (a) Specified Denominations:	CHF 5,000
(b) Calculation Amount:	CHF 5,000
7. (a) Issue Date:	18 July 2012
(b) Interest Commencement Date:	Issue Date
8. Maturity Date:	18 December 2020
9. (a) Interest Basis:	2.625 per cent. Fixed Rate (further particulars specified below)
(b) Interest Step Up/Step Down:	Applicable (further particulars specified in item 31 below)
10. Redemption/Payment Basis:	Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12. Put/Call Options:	Change of Control Put (further particulars specified in item 21(b) below)

13.	(a) Status of the Notes:	Senior
	(b) Status of the Guarantee:	Not Applicable
	(c) Date Board approval for issuance of Notes obtained:	25 June 2012
14.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	2.625 per cent. per annum payable annually in arrear
	(b) Interest Payment Date(s):	18 December in each year up to and including the Maturity Date. There will be a short first coupon in respect of the Fixed Interest Period from, and including, the Interest Commencement Date to, but excluding, 18 December 2012 (the **First Fixed Interest Period**).
	(c) Fixed Coupon Amount(s):	CHF 131.25 per Calculation Amount. In respect of the First Fixed Interest Period, the Fixed Coupon Amount will be CHF 54.6875 per Calculation Amount, payable on the Interest Payment Date falling on 18 December 2012.
	(d) Broken Amount(s): *(Applicable to Notes in definitive form.)*	Not Applicable
	(e) Day Count Fraction:	30/360
	(f) Determination Date(s):	Not Applicable
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Index Linked Interest Note Provisions:	Not Applicable
19.	Dual Currency Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call:	Not Applicable
21.	Put Options:	Applicable
	(a) Investor Put:	Not Applicable
	(b) Change of Control Put:	Applicable
	(i) Optional Redemption Amount and method, if any, of calculation of such amount(s):	CHF 5,000 per Calculation Amount
	(ii) Other conditions relating to the Change of Control Put:	None

22. Final Redemption Amount:	CHF 5,000 per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition [*Redemption and Purchase – Early Redemption Amounts*]):	CHF 5,000 per Calculation Amount
24. Tax Gross-Up:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(a) Form: Bearer

The Notes and all rights in connection therewith are documented in the form of a Permanent Bearer Global Note which shall be deposited with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **Intermediary**). Once the Permanent Bearer Global Note has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act.

Each holder of the Notes shall have a quotal co-ownership interest in the Permanent Bearer Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Bearer Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act, i.e. by entry of the transferred Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Notes held through each participant in that Intermediary. In respect of the Notes held in the form of Intermediated Securities, the holders of the Notes will be the persons holding the Notes in a securities account in their own name and for their own account.

Holders of the Notes do not have the right to effect or demand the conversion of the Permanent Bearer Global Note into, or the delivery of, uncertificated securities or Definitive Notes.

The Permanent Bearer Global Note shall be exchangeable in whole for Definitive Notes only if the Principal Swiss Paying Agent deems the printing of Definitive Notes to be necessary or useful, after consultation with the Issuer, or if, under Swiss or any other applicable laws and regulations, the enforcement of obligations under the Notes can only be ensured by means of effective Definitive Notes. In such case, the Issuer shall provide, at its own cost and expense, for the printing and delivery of Definitive Notes with Coupons attached in accordance with the rules and regulations of the Intermediary.

(b) New Global Note: No

26. Additional Financial Centre(s) or other special provisions relating to Payment Days:	Not Applicable
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29. Details relating to Instalment Notes:	
(a) Instalment Amount(s):	Not Applicable
(b) Instalment Date(s):	Not Applicable
30. Redenomination applicable:	Redenomination not applicable
31. Step Up Margin	Applicable
	1.25 per cent. per annum
32. Other final terms:	
(i) Payments:	The receipt by the Principal Swiss Paying Agent of the due and punctual payment of the funds in Swiss Francs in Zurich, in the manner provided by the Conditions and these Final Terms, shall release the Issuer from its obligations under the Notes and Coupons for the payment of interest and principal due on the respective Interest Payment Date and on the Maturity Date to the extent of such payment. Condition 7 of the Conditions of the Notes shall be construed accordingly.
(ii) Notices:	So long as the Notes are listed on the SIX Swiss Exchange Ltd and so long as the rules of the SIX Swiss Exchange Ltd so require, all notices in respect of the Notes will be validly given through the Principal Swiss Paying Agent by means of electronic publication on the internet website of the SIX Swiss Exchange Ltd (www.six-swiss-exchange.com/information/official_notices/search_en.html). If the Notes, for any reason, cease to be listed on the SIX Swiss Exchange Ltd, all notices in respect of the Notes will be deemed to be validly given if (i) in the case of Notes represented by a Permanent Bearer Global Note, delivered to the Intermediary for communication by it to the persons shown in its records as having interests therein or (ii) in the case of definitive Notes, published in a leading daily newspaper with national circulation in Switzerland (which is expected to be the Neue Zuercher Zeitung). Condition 15 of the Conditions of the Notes shall be construed accordingly.

DISTRIBUTION

33. (a) If syndicated, names of Managers:	Barclays Bank PLC, London acting through Barclays Capital, Zurich Branch of Barclays Bank PLC, London Credit Suisse AG The Royal Bank of Scotland plc, Edinburgh, Zurich Branch UBS AG
(b) Date of Subscription Agreement:	16 July 2012
(c) Stabilising Manager(s) (if any):	Not Applicable
34. If non-syndicated, name of relevant Dealer:	Not Applicable
35. U.S. Selling Restrictions:	TEFRA D Rules are applicable in accordance with usual Swiss practice
36. Additional selling restrictions:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the SIX Swiss Exchange of the Notes described herein pursuant to the EUR 2,000,000,000 Euro Medium Term Note Programme of Adecco S.A. and Adecco International Financial Services B.V.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.
Signed on behalf of **ADECCO S.A.**

By: ____

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and Admission to trading:	Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the SIX Swiss Exchange with effect from 16 July 2012 until 15 December 2020. Application will be made for the listing of the Notes on the SIX Swiss Exchange.
(ii) Estimate of total expenses related to admission to trading:	CHF 8,250

2. RATINGS

Ratings:	The Notes to be issued have been rated: S & P: BBB Moody's: Baa3

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint-Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD *(Fixed Rate Notes only)*

Indication of yield:	2.522 per cent. per annum The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX / FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index-linked Notes only)*

Not Applicable

7. PERFORMANCE OF RATE[S] OF EXCHANGE *(Dual Currency Notes only)*

Not Applicable

8. OPERATIONAL INFORMATION

(i) ISIN Code:	CH0189276055
(ii) Common Code:	080109504
(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	SIX SIS Ltd, Olten, Switzerland Swiss Security Number: 18 927 605
(iv) Delivery:	Delivery against payment

(v) Names and addresses of additional Paying Agent(s) (if any):	Credit Suisse AG, Paradeplatz 8, 8001 Zurich, Switzerland, shall act as issuing and principal paying agent in Switzerland (the **Principal Swiss Paying Agent**) in respect of the Notes. The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch and UBS AG shall act as paying agents in Switzerland (together with the Principal Swiss Paying Agent, the **Swiss Paying Agents**) in respect of the Notes. All references in the Conditions of the Notes to the Agent and to the Paying Agents shall be deemed to be references to the Principal Swiss Paying Agent and to the Swiss Paying Agents, respectively.
(vi) Intended to be held in a manner which would allow Eurosystem eligibility:	No
9. Swiss federal withholding tax:	Payments of interest on Notes (but not repayment of principal) will be subject to Swiss federal withholding tax at a rate of currently 35%. The holder of a Note residing in Switzerland who, at the time the payment of interest is due, is the beneficial owner of the payment of interest and who duly reports the gross payment of interest in his or her tax return and, as the case may be, income statement, is entitled to a full refund or a full tax credit for the Swiss federal withholding tax. A holder of a Note who is not resident in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of an applicable double taxation treaty.

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Base Prospectus dated 25 May 2012

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ADECCO S.A.

(*incorporated with limited liability in Switzerland*)

ADECCO INTERNATIONAL FINANCIAL SERVICES B.V.

(incorporated with limited liability in The Netherlands)

EUR 2,000,000,000
Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by
ADECCO S.A.

(*incorporated with limited liability in Switzerland*)

Under this EUR 2,000,000,000 Euro Medium Term Note Programme (the **Programme**), Adecco S.A. (in its capacity as Issuer, **Adecco**, and in its capacity as guarantor of Notes issued by AIFS or any New Issuer (each as defined below), the **Guarantor**), Adecco International Financial Services B.V. (**AIFS**) and any of Adecco's other subsidiaries subsequently appointed as an issuer (each a **New Issuer** and together with Adecco and AIFS, the **Issuers**, and each an **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). References in this Base Prospectus to the **relevant Issuer** shall, in relation to any issue or proposed issue of Notes, be references to whichever of Adecco, AIFS or any New Issuer is specified as the Issuer of such Notes in the applicable final terms document (the **Final Terms**). For details of how a New Issuer will be added to the Programme see "*Overview of the Programme – New Issuer*" on page 1.

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Adecco (except where Adecco is the issuer).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Payments on Notes issued by Adecco will be subject to Swiss withholding tax and will not be subject to the gross-up provisions of Condition 9 – see "*Overview of the Programme – Taxation*" on page 3 and "*Taxation – Switzerland*" on pages 78 to 81.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (**FSMA**) (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.

References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's Regulated Market and have been admitted to the Official List. The London Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

The Adecco Group has been assigned a long term credit rating of Baa3 by Moody's Investors Service, Ltd. (**Moody's**) and of BBB (stable) by Standard & Poor's Credit Market Services Europe Ltd. (**S&P**). The Programme has been assigned a rating of (P) Baa3 by Moody's and of BBB by S&P. Both Moody's and S&P are established in the EU and registered under Regulation (EC) No 1060/2009 (as amended) (the **CRA Regulation**). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Where a Series of Notes is rated, such rating will not necessarily be the same as the ratings assigned to either the Adecco Group or the Programme. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to trading on the London Stock Exchange's Regulated Market and to be listed on the Official List will be delivered to the UK Listing Authority and the London Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The relevant Issuer and the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger

Credit Suisse

Dealers

Barclays
BofA Merrill Lynch
Credit Suisse
BNP PARIBAS
Deutsche Bank
Société Générale Corporate & Investment Banking

NATIXIS **The Royal Bank of Scotland**

UBS Investment Bank

The date of this Base Prospectus is 25 May 2012

This document (the Adecco Prospectus) comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/ EC (the Prospectus Directive). Adecco (in its capacity as an Issuer and Guarantor) accepts responsibility for the information contained in the Adecco Prospectus. The information contained in the Adecco Prospectus is, to the best of the knowledge of Adecco (having taken all reasonable care to ensure that such is the case), in accordance with the facts and does not omit anything likely to affect the import of such information.

With the exception of (i) the information contained in the sections entitled "Description of Adecco S.A." on pages 61 to 74 (ii) the information contained in the documents referred to in paragraphs (a) and (b) of the section entitled ''Documents Incorporated by Reference'' on page 14 and (iii) the information contained in paragraph (b) under the heading "Authorisation" on page 85, (a) under the heading "Significant or Material Change" on page 86 and (a) under the heading "Litigation" on page 86, in each case of the section entitled ''General Information'', this document (the AIFS Prospectus and together with the Adecco Prospectus, defined throughout as the Base Prospectus) comprises a base prospectus for the purposes of the Prospectus Directive. AIFS accepts responsibility for the information contained in the AIFS Prospectus. The information contained in the AIFS Prospectus is, to the best of the knowledge of AIFS (having taken all reasonable care to ensure that such is the case), in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

Copies of Final Terms will be available from the registered office of the relevant Issuer and the specified office set out below of each of the Paying Agents (as defined below).

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuers, the Guarantor or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, any of the Dealers or the Trustee.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuers, the Guarantor, any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer or the Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or

affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuers, the Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands), Japan and Switzerland, see "*Subscription and Sale*".

Any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for any Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuers nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

All references in this document to *U.S. dollars*, *U.S.$* and *$* are to United States dollars; references to *CHF* are to Swiss Francs; references to *GBP* and *£* are to UK pounds Sterling; references to *NOK* are to Norwegian Kroner; references to *AUD* and *A$* are to Australian dollars; references to *CAD* are to Canadian dollars; references to *euro, EUR* and *€* are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) **have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;**

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the Stabilising Manager(s)) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor (if any) and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Base Prospectus will be published.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

Issuers:	Adecco S.A. Adecco International Financial Services B.V.
New Issuer:	As at the date of this Base Prospectus, the only entities which are Issuers in relation to the Programme are Adecco and AIFS. Any subsidiary of Adecco S.A. may be appointed as an Issuer of Notes under the Programme Agreement pursuant to a letter of accession in the form provided in the Programme Agreement. If a New Issuer is appointed under the Programme, a supplemental Base Prospectus will be published which will contain details of the New Issuer.
Risk factors:	There are certain factors that may affect an Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the guarantee (the **Guarantee**) contained in the Trust Deed. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Guarantor:	Adecco S.A. The Guarantor will guarantee issues of Notes of AIFS and any New Issuer.
Description:	Euro Medium Term Note Programme
Arranger:	Credit Suisse Securities (Europe) Limited
Dealers:	Barclays Bank PLC BNP Paribas Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Merrill Lynch International NATIXIS Société Générale The Royal Bank of Scotland plc UBS Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the

	purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale*").
Issuing and Principal Paying Agent:	The Bank of New York Mellon
Registrar:	The Bank of New York Mellon (Luxembourg) S.A.
Programme Size:	Up to EUR 2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Interest Provisions:	As indicated in the applicable Final Terms, interest payable in respect of a particular series of Notes may be subject to increase or decrease dependent on the ratings of Adecco as given by Moody's or S&P. – *see Condition 6 for further details*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate

	Notes.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer. As indicated in the applicable Final Terms, Notes may be redeemable on the occurrence of a change of control of the Guarantor – *see Condition 8.4(b) for further details*. The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	Other than for issues of Notes by Adecco as described below, all payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in

	Condition 9 unless such withholding or deduction is required by law. If "Tax Gross Up" is specified in the applicable Final Terms, in the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor (if any) will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted. Payments on Notes issued by Adecco will be made subject to withholding tax imposed by Switzerland to the extent required by law. No additional amounts as described in Condition 9 will be paid by Adecco in respect of any such withholding.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 11.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.
Guarantee:	The Notes (except where the Issuer is Adecco) will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.
Rating:	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.
Listing and admission to trading:	Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands), Japan, Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.
Representation of Noteholders:	BNY Mellon Corporate Trustee Services Limited will act as trustee.

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Factors that may affect AIFS' ability to fulfil its obligations under Notes issued under the Programme

AIFS' principal purpose is to provide funding, through the international capital markets, to the subsidiaries of the Guarantor outside of Switzerland. Therefore, AIFS' ability to fulfil its obligations under the Notes is entirely dependent on the performance of the Guarantor and its subsidiaries, as a result of which the risk factor analysis set out below is mostly meaningful for and focused on the Guarantor and its subsidiaries (**Adecco Group**).

Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee

In an economic downturn, companies may use fewer temporary employees, which could materially adversely affect the Adecco Group, which comprises Adecco S.A., a Swiss Corporation, its consolidated subsidiaries as well as variable interest entities in which Adecco is considered the primary beneficiary.

Demand for personnel services is sensitive to changes in the level of economic activity. For example, when economic activity begins to increase, temporary employees are often added before full-time employees are hired. During expansions, there is also increased competition among temporary services firms for qualified temporary personnel.

As economic activity slows, companies tend to reduce their use of temporary employees before undertaking layoffs of their regular employees, resulting in decreased demand for temporary personnel.

Furthermore, in some countries where the Adecco Group operates, the Adecco Group has the obligation to pay wages even when associates are not seconded to clients. A significant economic downturn, particularly in France or North America where the Adecco Group collectively derived 47% of its 2011 revenues, could have a material adverse effect on the Adecco Group operating margin, results of operations, financial condition or liquidity.

In an economic downturn, clients may delay payments for the Adecco Group's services which could materially adversely affect the cash-flows and liquidity of the Adecco Group.

Cash collection trends measured by days sales outstanding (**DSO**) have a material impact on the cash receipts and, consequently, on the Adecco Group's cash flows. DSO varies significantly within the various countries in which the Adecco Group has operations, due to the various market practices within these countries. In general, a deterioration of DSO increases the balance of trade accounts receivable resulting in less cash inflows from operating activities. In 2011, DSO increased by 1 day, compared to 2010, up to 55 days; in addition, due to the current still challenging economic environment, DSO may further increase, and that will have an adverse effect on the Adecco Group's liquidity.

Current capital market conditions

The problems that have been affecting the banking system and financial markets generally for all companies since 2007 and concerns about credit risk (including that of sovereigns) and the eurozone crisis have resulted in major financial institutions consolidating or going out of business, the tightening of credit markets, significantly lower liquidity in most financial markets, and extreme volatility in fixed income, credit, currency and equity markets. As a result the cost of capital has increased significantly and, in particular, made issuance of new debt capital more expensive and difficult.

Adverse and continued constraints in the supply of liquidity may adversely affect the cost of funding to the Adecco Group and could materially and adversely affect the Adecco Group's business, which could in turn affect the Adecco Group's ability to meet its payments under the Notes.

The worldwide staffing services market is highly competitive with few barriers to entry, potentially limiting the Adecco Group's ability to maintain or increase its client base and market share or margins.

The worldwide staffing services market is highly fragmented and competitive with few barriers to entry. The Adecco Group competes on a local and national basis in markets throughout North America, Europe, Australia, Asia, South America and Africa with full-service and specialised temporary service agencies. Moreover, there is also some competition from internet-based sources. While the majority of the Adecco Group's competitors are significantly smaller than the Adecco Group, several competitors have substantial marketing and financial resources. Price competition in the staffing industry is significant, for the provision of office clerical and light industry personnel in particular, and pricing pressure from competitors and customers is increasing. The Adecco Group expects that the level of competition will remain high in the future and may even increase due to the difficult economic situation. This could limit the Adecco Group's ability to retain existing or attract new clients. As a consequence, the Adecco Group may not be able to maintain or increase its market share or margins.

The Adecco Group's success depends upon its ability to attract and retain qualified temporary personnel.

The Adecco Group depends upon its ability to attract and retain temporary personnel who possess the skills and experience necessary to meet the staffing requirements of its clients. The Adecco Group must continually evaluate and upgrade its base of available qualified personnel to keep pace with changing client needs and emerging technologies. Competition for individuals with proven professional skills or special industry know-how may be expected in periods of high demands for these individuals. There can be no assurance that qualified personnel will continue to be available to the Adecco Group in sufficient numbers and on terms of employment acceptable to the Adecco Group and its clients. The Adecco Group's success will depend on its ability to recruit qualified temporary personnel and retain them.

If the Adecco Group loses its key personnel, its business may suffer.

The Adecco Group's operations are dependent on the continued efforts of its key personnel at group level. In addition, the Adecco Group is dependent on the performance and productivity of its local managers and field personnel. The Adecco Group's ability to attract and retain business is significantly affected by local relationships and the quality of service rendered. The loss of key personnel at group level who have acquired experience in operating a staffing service company on an international level may cause a significant disruption to the Adecco Group's business. Moreover, the loss of the Adecco Group's key local managers and field personnel may jeopardise existing customer relationships with businesses that continue to use the Adecco Group's staffing services based upon past direct relationships with these local managers and field personnel. Either of these types of losses could adversely affect the Adecco Group's operations, including its ability to establish and maintain customer relationships.

The Adecco Group may be exposed to employment-related claims and costs that could materially adversely affect its business.

The Adecco Group is in the business of employing people and placing them in the workplace of other businesses. Attendant risks of these activities include possible claims by customers or third parties of fraudulent employee activities or of employee misconduct or negligence, claims by employees of discrimination or harassment (including claims relating to actions of the Adecco Group's customers), claims related to the inadvertent employment of illegal aliens or unlicensed personnel, payment of workers' compensation claims and other similar claims. In addition, certain agreements with customers of the Adecco Group contain indemnifications and hold harmless obligations in favour of the customers. These risks are especially prevalent in the United States where the legal systems favour class actions and claims for substantial damages. The Adecco Group is not always able to contractually exclude or limit such potential claims and certain of its contracts therefore bear the risk of uncapped liability. There can be no assurance that the Adecco Group will not experience these problems in the future, that the insurance will cover all claims that may be asserted against the Adecco Group or that the Adecco Group may not incur fines or other losses or negative publicity with respect to these problems that could have a material adverse effect on the Adecco Group's business.

Litigation and regulatory investigations and audits to which the Adecco Group is currently, or may become, subject to could materially adversely affect its business, financial condition, results of operations or cash flows.

In the ordinary course of business, the Adecco Group is involved in various legal actions and claims, including those related to social security charges, other payroll related charges and various employment related matters.

Also in the ordinary course of a global business, there are many transactions for which the ultimate tax outcome is uncertain. Many of these uncertainties arise as a consequence of intercompany transactions and arrangements as well as operations within multiple tax jurisdictions. At any given time, the Adecco Group is undergoing tax audits in several tax jurisdictions covering multiple years.

There can be no assurance that the resolution of any of these matters or other litigation or investigations will not have a material adverse effect on the Adecco Group's financial position, results of operations or cash flows.

Risks associated with the Adecco Group's financial reporting may adversely affect the Adecco Group's business.

Failure to comply with external reporting requirements due to failure of internal controls and lack of knowledge of external reporting requirements relating to accounting and reporting may have an adverse effect on the Adecco Group's business. The Adecco Group has robust internal controls in place to reasonably cover such external reporting requirements and regularly reviews such internal controls, but no assurance can be given to their effectiveness going forward.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that any of the Issuers or the Adecco Group will be unable to comply with its obligations as a company with securities admitted to the Official List.

Government regulations may result in the prohibition or restriction of certain types of employment services or the imposition of additional licensing or tax requirements that may adversely affect the Adecco Group's business and results of operations.

In many jurisdictions in which the Adecco Group operates, the temporary employment industry is heavily regulated. There can be no assurance that the countries in which the Adecco Group operates will not:

- create additional regulations that prohibit or restrict types of employment services the Adecco Group currently provides;
- require the Adecco Group to obtain additional licensing to provide staffing services; or
- increase taxes payable by the providers of staffing services.

Future changes in regulations may make it more difficult or expensive for the Adecco Group to continue to provide its staffing services and may have an adverse effect on the Adecco Group's financial condition, results of operations and liquidity.

The Adecco Group's failure to comply with restrictive covenants under its credit facilities or debt could trigger default.

The Adecco Group's failure to comply with restrictive covenants under its credit facilities or debt could result in a situation of default that, if not cured, could lead the Adecco Group to be required to repay such borrowings before their due date. The need to refinance these borrowings on less favourable terms could adversely affect the Adecco Group's results of operations and financial condition. The same applies for financing agreements that require the Adecco Group to maintain a certain credit rating.

Risks associated with the Adecco Group's international operations, including currency fluctuations, may adversely affect the Adecco Group's business or operating results.

The Adecco Group's operations are conducted around the world. Operations in the Adecco Group's markets are subject to risks inherent in international business activities, including, but not limited to:

- foreign currency fluctuation;
- varying political conditions;
- cultures and business practices in different regions;
- overlapping of different tax structures;
- accounting and reporting requirement compliance;
- changing and, in some cases, complex or ambiguous laws and regulations; and

- litigation claims and judgments.

The Adecco Group funds its subsidiaries in various currencies and has issued bonds and long-term notes in various currencies. The Adecco Group's local operations are reported in the applicable foreign currencies and then translated into Euro at the applicable foreign currency exchange rates for inclusion in the Adecco Group's consolidated financial statements. Exchange rates for currencies may fluctuate in relation to the Euro and these fluctuations may have an adverse effect on the Adecco Group's operating results when foreign currencies are translated into Euro.

Failure of the Adecco Group's IT-systems may result in an adverse impact on operations.

The Adecco Group relies on IT systems to manage the temporary personnel, the provision of its services to the clients, its finance and accounting systems and other material functions. Failure of these systems could have an adverse impact on the Adecco Group's results of operations.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuers will be unable to comply with their obligations as companies with securities admitted to the Official List.

The Adecco Group's acquisition strategy may have an adverse effect on the Adecco Group's business.

The Adecco Group has a strategy of growing in part by acquisitions and has made and may make material acquisitions in the future.

Acquisitions may involve significant risks, including but not limited to:

- difficulties in the assimilation or integration of the operations, services and corporate culture of the acquired companies;
- failure to achieve expected synergies and other benefits;
- insufficient indemnification from the selling parties for liabilities incurred by the acquired companies prior to the acquisitions; and
- diversion of management's attention from other business concerns.

In January 2012, the Adecco Group acquired 100% of the shares of VSN Inc. (**VSN**), a leading provider of professional staffing services in Japan, for an enterprise value of EUR 90 million. On 31 August 2011, the Adecco Group acquired 100% of the shares of the career transition (outplacement) and talent development services company, Drake Beam Morin Inc. (**DBM**), for EUR 148 million, net of cash acquired. In January 2011, the Adecco Group established a joint venture in Shanghai with FESCO (one of the leading human resource service companies in China) under the name of FESCO-Adecco Human Resources Services (Shanghai) Co. Ltd. and owned by FESCO and the Adecco Group on a 51% and 49% basis, respectively. In October 2009, the Adecco Group acquired 100% of the outstanding shares of Spring Group plc. (**Spring**), for EUR 94 million, net of cash acquired. Spring is a multibranded recruitment service provider with operations in the UK, Europe, the US and Asia Pacific. On 20 October 2009, the Adecco Group announced an offer to acquire MPS Group (**MPS**), a leading provider of professional staffing services, for an enterprise value of EUR 782 million, or USD 13.80 per share. The acquisition of MPS was successfully closed on 19 January 2010.

The realisation of risks inherent in acquisitions could result in impairment charges. In addition, further acquisitions would likely result in the incurrence of debt, and contingent liabilities and may result in the issuance of additional shares and an increase in interest expense and amortisation expense related to intangible assets. Both possible results of acquisitions could have a material adverse effect on the Adecco Group's results of operations, financial condition or liquidity.

The Adecco Group's major shareholders, which includes a member of the Board of Directors, could have a significant impact on decisions taken by a meeting of shareholders.

As of 31 December 2011, 35,313,579 shares representing 18.66% of Adecco S.A.'s total registered share capital, were held by a shareholder group with pooled voting rights, consisting, as notified to Adecco S.A. on 26 August 2011, of Jacobs Holding AG, Zurich, Switzerland; Jacobs Stiftung, Zurich, Switzerland; Renata I. Jacobs, St. Moritz, Switzerland; Lavinia Jacobs, London, UK; Nicolas Jacobs, Kusnacht, Switzerland; Philippe Jacobs, London, UK; Nathalie Jacobs, Kusnacht, Switzerland; Christian Jacobs, Hamburg, Germany; Andreas Jacobs, Hamburg, Germany; Verein Jacobs Familienrat, Zurich, Switzerland; Sentosa Beteiligungs GmbH, Germany (controlled by Christian Jacobs, Hamburg, Germany); Niantic Finance AG, Zurich, Switzerland (controlled by Andreas Jacobs, Hamburg, Germany); Jacobs Venture AG, Baar, Switzerland; and Triventura AG, Baar, Switzerland.

Andreas Jacobs, the Chairman of Jacobs Holding AG, is a member of the Board of Directors of Adecco. The ownership of the aforementioned group of a substantial percentage of the outstanding ordinary shares of Adecco could have a significant impact on decisions taken by a meeting of shareholders.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to payments of interest on Notes issued by Adecco

Payments on Notes issued by Adecco will be subject to withholding tax in Switzerland such that Noteholders thereof will receive payments of interest net of withholding tax at the applicable rate and Noteholders will not receive additional amounts in respect of such withholding.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the relevant interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person located within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland at a rate of 35 per cent., with the option of the individual to have the paying agent, through the Swiss Federal Tax Administration, provide to the tax authorities of the Member State the details of the interest payments in lieu of the withholding. Neither AIFS, Adecco nor the Paying Agent nor any other person would be obliged to pay any additional amounts with respect to the Notes as a result of such deduction or withholding).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuers are required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

Each Issuer will pay principal and interest on the Notes and the Guarantor (if applicable) will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Potential changes in Swiss withholding tax legislation

On 24 August 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note issued by a Swiss or a foreign debtor to an individual resident in Switzerland and in respect of a Note issued or guaranteed by a Swiss entity to a person resident abroad. If this legislation or similar legislation were enacted and a payment in respect of a Note were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the respective Issuer, nor the Guarantor nor any paying agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Base Prospectus:

(a) the auditors' report and audited consolidated annual financial statements of Adecco for the financial year ended 31 December 2011 as set out on pages 60 to 107 of the 2011 Annual Report of the Adecco Group;

(b) the auditors' report and audited consolidated annual financial statements of Adecco for the financial year ended 31 December 2010 as set out on pages 112 to 159 of the 2010 Annual Report of the Adecco Group;

(c) the auditors' report and audited non-consolidated annual financial statements of AIFS for the financial year ended 31 December 2011;

(d) the auditors' report and audited non-consolidated annual financial statements of AIFS for the financial year ended 31 December 2010;

(e) the terms and conditions of the notes as contained in the base prospectus dated 25 March 2011 at pages 32 to 59;

(f) the terms and conditions of the notes as contained in the base prospectus dated 9 April 2010 at pages 31 to 59; and

(g) the terms and conditions of the notes as contained in the base prospectus dated 9 April 2009 at pages 31 to 59.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and the Guarantor and approved by the UK Listing Authority in accordance with Section 87 G of the FSMA. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered offices of the Issuers and from the specified office of the Paying Agent for the time being in London.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form or registered form.

Bearer Notes

Notes issued in bearer form will be initially issued in the form of a temporary bearer global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent bearer global note (a **Permanent Global Note**, and together with the Temporary Global Note, the **Bearer Global Notes**) which, in either case, will:

(i) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and

(ii) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of a Bearer Exchange Event. For these purposes, **Bearer Exchange Event** means that the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available. The relevant Issuer, or as appropriate, the Guarantor, will promptly give notice to Noteholders in accordance with Condition 15 if a Bearer Exchange Event occurs. In the event of the occurrence of a Bearer Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of a Bearer Exchange Event, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 1 year and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The registered Notes will initially be represented by a global note in registered form (a **Registered Global Note**).

Payments of principal, interest and any other amount in respect of a Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of a Registered Global Note. None of the relevant Issuer, the Guarantor, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of interest in respect of Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of a Registered Exchange Event. For these purposes, **Registered Exchange Event** means that the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available. The relevant Issuer, or as appropriate, the Guarantor, will promptly give notice to Noteholders in accordance with Condition 15 if a Registered Exchange Event occurs. In the event of the occurrence of a Registered Exchange Event, Euroclear and/ or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of a Registered Exchange Event as described above, the relevant Issuer, or as appropriate, the Guarantor, may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).

[*Date*]

[ADECCO S.A./ ADECCO INTERNATIONAL FINANCIAL SERVICES B.V.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed by ADECCO S.A.]
under the EUR 2,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 25 May 2012 [and the supplemental Prospectus dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Prospectus] [is/are] available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) contained in the Trust Deed dated [*original date*] and set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Base Prospectus dated [*current date*] and are attached hereto [and the supplemental Prospectus dated [*date*]] and incorporated by reference into the Base Prospectus dated [*date*] and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated [*date*] [and the supplemental Prospectus dated [*date*]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. The Base Prospectuses [and the supplemental Prospectus] are available for viewing [at [website]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*]

[*When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.*]

1.	(a)	Issuer:	[Adecco S.A./ Adecco International Financial Services B.V., with its corporate seat at Utrecht, The Netherlands]
	[(b)	Guarantor:	Adecco S.A.]
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ] (*If fungible with an existing Series, details of that*

			Series, including the date on which the Notes become fungible)
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[ ]
			(N.B. Following the entry into force of the 2010 PD Amending Directive on 31 December 2010, Notes to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than 1 July 2012) must have a minimum denomination of EUR 100,000 (or equivalent) in order for the relevant Issuer to benefit from Transparency Directive exemptions in respect of wholesale securities. Similarly, Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)
			(*Note – where multiple denominations above [EUR 100,000] or equivalent are being used the following sample wording should be followed:*
			"[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000].")
			(*N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the [EUR 100,000] minimum denomination is not required.*)
	(b)	Calculation Amount:	[ ]
			(*If only one Specified Denomination, insert the Specified Denomination.*
			If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]

		(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.	Maturity Date:	[*Fixed rate – specify date/* *Floating rate* – Interest Payment Date falling in or nearest to [*specify month*]]
9.	(a) Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
	(b) Interest Step Up/ Step Down:	[Applicable/Not Applicable] [(*Further particulars specified in item 31 below*)]
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*] (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
11.	Change of Interest Basis or Redemption/ Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(a) Status of the Notes:	Senior
	(b) Status of the Guarantee:	Senior
	(c) [Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
14.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition [Interest]*)

	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]/[*specify other*] (*N.B. This will need to be amended in the case of long or short coupons*)
	(c)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form.*)	[ ] per Calculation Amount
	(d)	Broken Amount(s): (*Applicable to Notes in definitive form.*)	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or [*specify other*]]
	(f)	[Determination Date(s):	[ ] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
16.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	
		● Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement*)
		● Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each*

			Interest Period if EURIBOR or euro LIBOR)
		● Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	(g)	ISDA Determination:	
		● Floating Rate Option:	[ ]
		● Designated Maturity:	[ ]
		● Reset Date:	[ ]
	(h)	Margin(s):	[+/-] [ ] per cent. per annum
	(i)	Minimum Rate of Interest:	[ ] per cent. per annum
	(j)	Maximum Rate of Interest:	[ ] per cent. per annum
	(k)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) *Other*] (*See Condition [Interest] for alternatives*)
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7.6 (c) and 7.11 apply/*specify other*] (*Consider applicable day count fraction if not U.S. dollar denominated*)
18.	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent	[*give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus*

		Directive Regulation applies, address)]
(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[ ]
(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*Include a description of market disruption or settlement disruption events and adjustment provisions*]
(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
(g)	Additional Business Centre(s):	[ ]
(h)	Minimum Rate of Interest:	[ ] per cent. per annum
(i)	Maximum Rate of Interest:	[ ] per cent. per annum
(j)	Day Count Fraction:	[ ]

19.	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*Give or annex details*]
(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*Include a description of market disruption or settlement disruption events and adjustment provisions*]
(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ] per Calculation Amount
	(ii) Maximum Redemption Amount:	[ ] per Calculation Amount
(d)	Notice period (if other than as set out in the Conditions):	[ ]

			(*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee*)
21.	Put Options:		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Investor Put:	
		(i) Optional Redemption Date(s):	[ ]
		(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
		(iii) Notice period (if other than as set out in the Conditions):	[ ]
			(*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee*)
	(b)	Change of Control Put:	[Applicable/Not Applicable]
		(i) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
		(ii) Other conditions relating to the Change of Control Put:	[None/*specify other*/see Appendix]
			(*When adding any other conditions consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)
22.	Final Redemption Amount:		[[ ] per Calculation Amount/*specify other*/see Appendix]
			(*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition [*Redemption and Purchase – Early Redemption Amounts*]):		[[ ] per Calculation Amount/*specify other*/see Appendix]

24.	Tax Gross-Up:	[Applicable[1]/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	
	(a) Form:	[Bearer [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon a Bearer Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes only upon a Bearer Exchange Event] [Registered Registered Global Note exchangeable for definitive Registered Notes only upon a Registered Exchange Event] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "*[*EUR 100,000*] *and integral multiples of* [*EUR 1,000*] *in excess thereof up to and including* [*EUR 199,000*]." *Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Bearer Notes.*)
	(b) [New Global Note:	[Yes][No]]
26.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(c) and 18(g) relate*)
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]

1 Applicable in all cases, except where Adecco S.A. is the Issuer.

	(b) Instalment Date(s):	[Not Applicable/*give details*]
30.	Redenomination applicable:	Redenomination [not] applicable [(*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates*))][(*if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms*)]
31.	Step Up Margin	[Applicable/Not Applicable] [ ] per cent. per annum *Only applicable if item 9(b) is Applicable.*
32.	Other final terms:	[Not Applicable/*give details*] [(*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive*.)] (*Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers*.)

DISTRIBUTION

33.	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Date of [Subscription] Agreement:	[ ]
	(c) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
34.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
35.	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
36.	Additional selling restrictions:	[Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange's Regulated Market and the Official List of the UK Listing Authority of the Notes described herein pursuant to the EUR 2,000,000,000 Euro Medium Term Note Programme of Adecco S.A. and Adecco International Financial Services B.V.

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[Signed on behalf of [**ADECCO S.A./**
ADECCO INTERNATIONAL FINANCIAL SERVICES B.V.]

By: ....]

Duly authorised

[Signed on behalf of **ADECCO S.A.**

By: ....]

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's Regulated Market and for listing on the Official List of the UK Listing Authority) with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and for listing on the Official List of the UK Listing Authority) with effect from [ ].] [Not Applicable.]
(ii) Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	The Notes to be issued have been rated: [S & P: [ ]] [Moody's: [ ]] [Fitch: [ ]] [[Other]: [ ]] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)
	[*[Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)**.**]
	[*[Insert the legal name of the relevant non-EU credit rating agency entity]* is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended).
	[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union and is registered under the CRA Regulation, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated

that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 30 April 2012.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation].

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority].

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer	[ ]
[(ii)] Estimated net proceeds:	[ ]
[(iii)] Estimated total expenses:	[ ]]
	(*N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.*)]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ]
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-linked Notes only*)

[*Need to include details of where past and future performance and volatility of the index/formula can be obtained.*]

[*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.*]

[*Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.*]

[(*When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

(*N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.*)

7. PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)

[*Need to include details of where past and future performance and volatility of the relevant rates can be obtained.*]

[(*When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

(*N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.*)

8. OPERATIONAL INFORMATION

(i) ISIN Code:	[ ]
(ii) Common Code:	[ ]
(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification	[Not Applicable/*give name(s) and number(s)*]

	number(s):	
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes]/[No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Adecco International Financial Services B.V. (**AIFS**) or Adecco S.A. (**Adecco**) or any of Adecco's other subsidiaries which has been appointed as an issuer (each a **New Issuer** and, together with Adecco and AIFS, the **Issuers** and each an **Issuer**) constituted by a Trust Deed dated 9 April 2009 as supplemented by a First Supplemental Trust Deed dated 25 March 2011 and a Second Supplemental Trust Deed dated 25 May 2012 and made between the Issuers, Adecco as guarantor (the **Guarantor**) and BNY Mellon Corporate Trustee Services Limited (the **Trustee**, which expression shall include any successor as Trustee) (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**).

References herein to the **relevant Issuer** shall be references to whichever of Adecco, AIFS or any New Issuer is specified as Issuer in the applicable Final Terms (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 25 May 2012 and made between the Issuers, the Guarantor, the Trustee, The Bank of New York Mellon as issuing and principal paying agent and agent bank (the **Agent** or the **Principal Paying Agent**, which expression shall include any successor agent), The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of this Note (except where the relevant Issuer is Adecco) have been guaranteed by the Guarantor pursuant to a guarantee contained in the Trust Deed.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the bearers for the time being of the Notes and (in the case of Registered Notes) the persons in whose name the Notes for the time being are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at One Canada Square, London, E14 5AL and at the specified office of each of the Paying Agents and the Registrar. Copies of the applicable Final Terms are available for viewing at the registered office of the relevant Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or registered form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The relevant Issuer, the Guarantor, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant **Bearer Global Note** or the registered holder of the relevant **Registered Global Note** shall be treated by the relevant Issuer, the Guarantor, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Agent and the Trustee.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraph 2.5 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the relevant Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the relevant Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3. STATUS OF THE NOTES AND THE GUARANTEE

3.1 Status of the Notes

The Notes and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

3.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed (except where the relevant Issuer is Adecco) has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Guarantee**). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

4. NEGATIVE PLEDGE

So long as any Note, Coupon or Receipt remains outstanding (as defined in the Trust Deed), neither the relevant Issuer nor the Guarantor will, and the Guarantor will procure that no other Subsidiary (as defined in the Trust Deed) of the Guarantor will, create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, property, assets or revenues, present or future (including any uncalled capital), to secure any Relevant Debt of itself or another (or to secure any guarantee or indemnity in respect of any Relevant Debt of itself or another) unless, at the same time or prior thereto, the relevant Issuer's or, as the case may be, the Guarantor's obligations under the Notes (in the case of an Issuer), the Guarantee (in the case of the Guarantor) and the Trust Deed (in both cases) (a) are secured equally and rateably therewith by such encumbrance or security interest to the satisfaction of the Trustee, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition, **Relevant Debt** means any present or future indebtedness in the form of, or represented or evidenced by, notes, bonds, debentures or other securities which in connection with their initial distribution are or are intended to be quoted, listed or traded on any stock exchange, over-the-counter or other securities market.

5. REDENOMINATION

5.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the relevant Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders but after prior consultation with the Trustee, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the relevant Issuer determines, with the agreement of the Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the relevant Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of EUR 100,000 and/or such higher amounts as the Agent may determine and notify to the Noteholders and any remaining amounts less than EUR 100,000 shall be redeemed by the relevant Issuer and paid to the Noteholders in euro in accordance with Condition 7; and (ii) in the case of Notes which are not Relevant Notes, in the denominations of EUR 1,000, EUR 10,000, EUR 100,000 and (but only to the extent of any remaining amounts less than EUR 1,000 or such smaller denominations as the Agent and the Trustee may approve) EUR 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro- denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

(ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

5.2 Definitions

In the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

Relevant Notes means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least EUR 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

Treaty means the Treaty on the Functioning of the European Union, as amended.

6. INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

    (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

    (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

        (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

        (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant

ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(A) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the relevant Issuer, the Guarantor, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Interest Step Up / Step Down Provisions

If Interest Step Up / Step Down is so specified in the applicable Final Terms, the Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change, as the case may be.

(a) Subject to Condition 6.3(d), from and including the first Interest Payment Date following the date of a Step Up Rating Change, if any, the Rate of Interest payable on the Notes shall be increased by the Step Up Margin as specified in the Final Terms.

(b) Furthermore, subject to Condition 6.3(d), in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date following the date of such Step Down Rating Change, the Rate of Interest payable on the Notes shall be decreased by the Step Up Margin.

(c) In the event that a Step Up Rating Change and, subsequently, a Step Down Rating Change (or vice versa) occur during the same Interest Period, the Rate of Interest payable on the Notes shall neither be increased nor decreased as a result of either such event on the first Interest Payment Date following the date of such events.

(d) For so long as the Notes remain outstanding, Adecco shall use all reasonable efforts to maintain corporate credit ratings for itself from Moody's Investors Service, Ltd. (**Moody's**) or Standard & Poor's Credit Market Services Europe Ltd. (**S&P**) or a Substitute Rating Agency. If Adecco fails to maintain a corporate credit rating from any of Moody's or S&P or a Substitute Rating Agency and fails to or is unable to obtain a new corporate credit rating which is at least or above the level of BBB-/Baa3 (or equivalent) from a Rating Agency or Substitute Rating Agency within 21 calendar days of such previous rating ceasing to be effective, a Step Up Rating Change shall be deemed to have occurred and the rate of interest payable on the Notes shall be increased by the Step Up Margin as specified in the Final Terms from and including the first Interest Payment Date following the date of the Step Up Rating Change.

(e) The relevant Issuer will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change to be notified to the Trustee and the Agent and notice thereof to be published in accordance with Condition 15 as soon as reasonably practicable after the occurrence of the Step Up Rating Change or the Step Down Rating Change (whichever the case may be) but in no event later than the fifth London Business Day thereafter.

If the rating designations employed by any Rating Agency are changed from those which are described below, or if a rating is procured from a Substitute Rating Agency, Adecco shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6.3 shall be read accordingly.

For the purposes of this Condition 6.3:

Rating Agency means Moody's or S&P, or their respective successors or any rating agency (a **Substitute Rating Agency**) substituted for any of them by Adecco from time to time with the prior written approval of the Trustee (not to be unreasonably withheld or delayed);

Step Down Rating Change means the first public announcement after a Step Up Rating Change by one or more of the Rating Agencies of an increase in the corporate credit rating of Adecco with the result that, following such public announcement(s), any Rating Agency rates Adecco at or above investment grade (BBB-/Baa3, or equivalent). For the avoidance of doubt, following a Step Down Rating Change, any further increase in the credit rating of Adecco from BBB- or above in relation to S&P or Baa3 or above in the case of Moody's shall not constitute a further Step Down Rating Change; and

Step Up Rating Change means the first public announcement by one or more Rating Agency of a decrease in the corporate credit rating of Adecco to below investment grade (BB+/Ba1, or equivalent). For the avoidance of doubt, following a Step Up Rating Change, any further decrease in the corporate credit rating of Adecco from BB+ or below in relation to S&P or Ba1 or below in the case of Moody's, shall not constitute a further Step Up Rating Change.

6.4 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.5 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

6.6 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

7.2 Presentation of definitive bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the relevant Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

7.3 Payments in respect of bearer Global Notes

Payments of principal and interest (if any) in respect of bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

7.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than EUR 1,000,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuers, the Guarantor or the Paying Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the relevant Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to

Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the relevant Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the relevant Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the relevant Issuer and the Guarantor, adverse tax consequences to the relevant Issuer or the Guarantor.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation; and

  (ii) each Additional Financial Centre specified in the applicable Final Terms;

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.6); and

(g) any premium and any other amounts (other than interest) which may be payable by the relevant Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the relevant Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if the relevant Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Guarantor would be unable for reasons outside its control to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the relevant Issuer shall deliver to the Trustee a certificate signed by one managing director of the relevant Issuer or, as the case may be, of the Guarantor stating that the requirement referred to in (a) above cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the relevant Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the relevant Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the relevant Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

8.4 Redemption at the option of the Noteholders

(a) Investor Put

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the relevant Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice the relevant Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4(a) in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note pursuant to this Condition 8.4(a), the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 accompanied by this Note or evidence satisfactory to the Paying Agent or, as the case may be, the Registrar concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note pursuant to this Condition 8.4(a), the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.4(a) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11, in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to this Condition 8.4(a).

(b) Change of Control Event

If Change of Control Put is specified in the applicable Final Terms, in the event that a Put Event (as defined below) occurs, each Noteholder shall have the option (unless, prior to the giving of the Put Event Notice (as defined below), the relevant Issuer shall have given notice under Condition 8.2 or 8.3) to require the relevant Issuer to redeem or, at the relevant Issuer's option, purchase (or procure the purchase of) any of its Notes at their principal amount together with interest accrued to but excluding the Put Date (as defined below). Such option (the **Put Option**) shall operate as set out below.

If a Put Event occurs then, within 21 days of the end of the Change of Control Period referred to in paragraphs (ii)(A), (ii)(B) or (ii)(C) of the definition of "Put Event" below, the relevant Issuer shall, and upon the Trustee becoming so aware (the relevant Issuer having failed to do so) the Trustee may, and, if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding, shall (subject to its rights under the Trust Deed to be indemnified and/or secured and/or pre-funded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 15 specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, if the relevant Notes are held outside Euroclear and Clearstream, Luxembourg, the Noteholder must deliver such Notes, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed Put Notice and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8.4(b) and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 accompanied by this Note or evidence satisfactory to the Paying Agent or, as the case may be, the Registrar concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. The Paying Agent to which the relevant Notes and Put Notice are delivered shall issue to the Noteholder concerned a non-transferable receipt in respect of the relevant Notes so delivered. The relevant Issuer shall at its option redeem or purchase (or procure the purchase of) the relevant Notes on the date (the **Put Date**) seven days after the expiration of the Put Period unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made on the Put Date if the holder duly specifies a bank account in the Put Notice to which payment is to be made, by transfer for value on the Put Date to that bank account (or if an address is specified for payment by cheque, by cheque sent by first class post to such specified address) and, in every other case, on or after the Put Date against presentation and surrender of the receipt referred to above at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable.

If the relevant Notes are held through Euroclear or Clearstream, Luxembourg, to exercise the Put Option the Noteholder must, within the Put Period, give notice to the Principal Paying Agent or the Registrar, as the case may be, of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Noteholder's instruction by Euroclear and Clearstream, Luxembourg or any common depositary or custodian for them to the Principal Paying Agent or the Registrar by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

A **Put Event** will be deemed to occur if:

(i) an offer to acquire share capital of Adecco (**Shares**), whether expressed as a legal offer, an invitation to treat, a scheme with regard to such acquisition or in any other way, is made in circumstances where such offer is available to all holders of Shares or all holders of Shares other than any holder of Shares who is the person making such offer (or any associate of such person) or who is excluded from the offer by reason of being connected with one or more specific jurisdictions and, such offer having become or been declared unconditional in all respects, Adecco becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of holders of Shares has or will become unconditionally vested in the offeror and/or its associate(s) (the **Relevant Person**) or an event occurs which has a like or similar effect (such event being a **Change of Control**) provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of Adecco with the same pro rata interests in the share capital of the Relevant Person as such shareholders have, or as the case may be, had, in the share capital of the Guarantor. For the purposes of this Condition 8.4(b) only, "shareholders" will be deemed to mean any shareholders along with any Connected Person, where "Connected Person" has the meaning given in s252 Companies Act 2006; and

(ii) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any) the Notes carry from any of Fitch Ratings Ltd (**Fitch**), Moody's or S&P or any of their respective successors or any other rating agency (each a **Substitute Rating Agency**) of international standing, specified by the Issuer and agreed in writing by the Trustee (each, a **rating agency**):

(A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any rating agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such rating agency; or

(B) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any rating agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such rating agency; or

(C) no credit rating, and no rating agency assigns within the Change of Control Period an investment grade credit rating to the Notes,

provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then sub- paragraph (A) will apply; and

(iii) in making the relevant decision(s) referred to above, the relevant rating agency announces publicly or confirms (having been requested in writing by the relevant Issuer or the Guarantor or the Trustee) in writing to the relevant Issuer, the Guarantor or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

If the rating designations employed by any of Fitch, Moody’s or S&P are changed from those which are described in paragraph (B) of the definition of “Put Event” above, or if a rating is procured from a Substitute Rating Agency, the relevant Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of Fitch, Moody’s or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Fitch, Moody’s or S&P and this Condition 8.4(b) shall be read accordingly.

For the purposes of this Condition 8.4(b):

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a rating agency, such period not to exceed 60 days after the public announcement of such consideration); and

Relevant Potential Change of Control Announcement means any public announcement or statement by Adecco, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

8.8 Purchases

The relevant Issuer, the Guarantor or any Subsidiary of the relevant Issuer or Guarantor may at any time purchase Notes (provided that, if they are to be cancelled, all unmatured Coupons, Receipts and Talons appertaining to the Notes are purchased with the Notes) at any price in the open market or otherwise. Any Notes so purchased may be held, reissued, sold or cancelled.

8.9 Cancellation

All Notes which are redeemed or purchased for cancellation will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the relevant Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. If Tax Gross Up is specified in the applicable Final Terms, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) the holder of which is liable for such Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6); or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) where such withholding or deduction is imposed on a payment pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down (i) in the EU Savings Tax Directive or (ii) in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, in particular the principle to have a person other than the Issuer or Guarantor withhold or deduct tax, in particular, without limitation, any paying agent; or

(f) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

(i) **Tax Jurisdiction** means any jurisdiction under the laws of which the relevant Issuer or Guarantor, or any successor to the relevant Issuer or Guarantor, is organised or in which it is resident for tax purposes, or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

Payments on Notes issued by Adecco will be subject to withholding tax in Switzerland such that holders thereof will receive payments of interest net of withholding tax at the applicable rate and holders will not receive additional amounts in respect of such withholding.

10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

11. EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Event of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall, (subject to its rights under the Trust Deed to be indemnified and/or secured and/or pre-funded to its satisfaction) give notice (the **default notice**) in writing to the relevant Issuer and the Guarantor that the Notes are immediately due and repayable if any of the following events shall have occurred and be continuing:

(a) there is a failure by the relevant Issuer and the Guarantor to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of 10 days; or

(b) a default is made by the relevant Issuer or the Guarantor in the performance or observance of any covenant, condition or provision contained in the Trust Deed or in the Notes and on its part to be performed or observed (other than the covenant to pay principal or interest in respect of any of the Notes) and (except where the Trustee certifies in writing that, in its opinion, such default is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such default continues for the period of 30 days next following the service by the Trustee on the relevant Issuer or the Guarantor, as the case may be, of notice requiring such default to be remedied; or

(c) any other present or future indebtedness of the relevant Issuer or the Guarantor or of any other Subsidiary of the Guarantor for or in respect of moneys borrowed or raised is not paid when due or, as the case may be, within any applicable grace period, or becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the relevant Issuer or the Guarantor or any other Subsidiary of the Guarantor is not honoured when due and called upon, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relative indebtedness, either alone or when aggregated with other indebtedness relative to all, if any, other such events which shall have occurred and are continuing shall at any time have an outstanding nominal value of at least EUR 25,000,000 or its equivalent in any other currency or currencies or, if greater, an amount equal to two per cent. of the consolidated shareholders' equity of the Guarantor as set out in the most recently published audited consolidated annual accounts of the Guarantor; or

(d) an encumbrancer or a receiver or a person with similar functions takes possession of the whole or any substantial part of the assets or undertaking of the Issuer or the Guarantor or any Subsidiary of the Guarantor; or

(e) a distress, execution or other process is levied or enforced upon or sued out against a substantial part of the property, assets or revenues of the Issuer or the Guarantor or any Subsidiary of the Guarantor and is not paid, discharged, removed or stayed within 30 days; or

(f) the Guarantor transfers or disposes of all or substantially all of its business or assets except for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(g) the relevant Issuer or the Guarantor or any Subsidiary of the Guarantor is insolvent or bankrupt or unable to pay its debts as and when they fall due or the relevant Issuer or the Guarantor or any Subsidiary of the Guarantor initiates or consents to proceedings relating to itself under any applicable bankruptcy, composition, postponement of bankruptcy, administration or insolvency law or makes a general assignment for the benefit of, or enters into any composition with, its creditors; or

(h) an order is made or an effective resolution is passed for the winding-up or dissolution of the relevant Issuer or the Guarantor or any Subsidiary of the Guarantor or the relevant Issuer or the Guarantor or any Subsidiary of the Guarantor ceases or threatens to cease to continue any or all or substantially all of its business or operations except (A) in the case of a winding-up or dissolution where the terms of such winding-up or dissolution have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or (B) in the case of a winding-up or dissolution (if any) pursuant to a substitution under Condition 16 or (C) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders or (D) in the case of a Subsidiary of the Guarantor (other than the relevant Issuer) where the entire undertaking and assets of such Subsidiary are transferred to or otherwise vested in the relevant Issuer and/or the Guarantor (as the case may be) and/or one or more other Subsidiary/Subsidiaries of the Guarantor that is/are in each case wholly owned directly or indirectly by the Guarantor; or

(i) proceedings are initiated against the relevant Issuer of the Guarantor or any Subsidiary of the Guarantor under any applicable bankruptcy, composition, postponement of bankruptcy, administration or insolvency law and such proceedings are not discharged or stayed within a period of 60 days; or

(j) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect; or

(k) any event occurs which under applicable laws has an analogous effect to any of the events referred to in paragraphs (f) to (i) above,

provided that:

(i) for the purposes of paragraphs (d), (e), (g), (h), (i) and (k) above, where a relevant event occurs in relation to a Subsidiary of the Guarantor, no default notice may be given unless and until such event either alone or when coupled with one or more other such events which have occurred in relation to one or more Subsidiaries of the Guarantor has/have occurred in relation to a Subsidiary or Subsidiaries of the Guarantor whose revenues, where applicable, in aggregate, (determined as described in (A) and, where applicable, (B) below) constitute at least 10 per cent. of the Guarantor's consolidated revenues attributable to the Shareholders (determined as described in (C) below); and

(ii) in the case of any event described in (or any event which, as referred to in paragraph (k), has an analogous effect to) paragraphs (b), (c), (d), (e) and (i), the Trustee shall have certified that such event is in its opinion materially prejudicial to the interests of the Noteholders.

In order to determine whether the test set out in (i) has been met:

(A) on each occasion on which an event described in (or an event which, as referred to in paragraph (k), has an analogous effect to) paragraph (d), (e), (g), (h) or (i) occurs in relation to a Subsidiary of the Guarantor (each a **Relevant Occasion**), the revenues of the relevant Subsidiary attributable to the Guarantor (consolidated in the case of a Subsidiary which itself has Subsidiaries) shall be such revenues as are disclosed in the most recently published audited annual accounts (consolidated or, as the case may be, unconsolidated) of the relevant Subsidiary;

(B) on each Relevant Occasion (other than the first Relevant Occasion), the revenues of each Subsidiary in respect of which a Relevant Occasion has previously occurred and the relative event is continuing shall be aggregated with the revenues of the relevant Subsidiary determined in accordance with (A) in respect of the then current Relevant Occasion;

(C) on each Relevant Occasion, the Guarantor's consolidated revenues attributable to the Shareholders shall be such consolidated revenues as disclosed in the most recently published audited consolidated annual accounts of the Guarantor and its Subsidiaries as being so attributable; and

(D) on each Relevant Occasion, the revenues, where applicable, in aggregate, (determined as described in (A) and, where applicable, (B)) shall be divided by the consolidated revenues determined as described in (C) and the result expressed as a percentage.

Subject as provided in the preceding paragraph, upon any default notice being given to the Issuer and the Guarantor, the Notes will forthwith become immediately due and repayable at their principal amount plus accrued interest to but excluding the date of repayment.

A report by the auditors of the Guarantor that in their opinion a relevant event shall have occurred in relation to a Subsidiary of the Guarantor entitling the Trustee, subject, where applicable, to certification as referred to in (ii), to give a default notice under this Condition may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest or proven error, be conclusive and binding on all parties.

11.2 Enforcement

The Trustee may, at its discretion and without notice, take such proceedings against the relevant Issuer or the Guarantor as it may think fit to enforce repayment of the Notes or payment of the Coupons, in each case in accordance with the respective terms thereof, and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or shall have been so directed by an Extraordinary Resolution of the Noteholders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder will be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

The relevant Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and

(d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the relevant Issuer or the Guarantor is incorporated.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the relevant Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

16.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing over 50 per cent. in aggregate principal amount of the Notes for the time being outstanding or, at any adjourned such meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the Maturity Date of the Notes or any Interest Payment Date in respect of the Notes, (ii) to reduce or cancel the amount of principal or rate of interest payable in respect of the Notes, (iii) to change the currency of payment of the Notes or the Coupons, (iv) to modify or cancel the Guarantee (except, in each case, for a modification which the Trustee certifies to be in its opinion not materially prejudicial to the interests of the Noteholders) or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or to sign a resolution in writing, in which case the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing over 75 per cent., or at any adjourned such meeting over 25 per cent., in aggregate principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

16.2 Modifications

The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modifications of, or the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) any modification of these Conditions or the Trust Deed which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification will be notified by the relevant Issuer to the Noteholders as soon as practicable thereafter.

16.3 Substitution

The Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Noteholders or the Couponholders, to the substitution at any time of: (i) where the relevant Issuer is Adecco, any other Swiss Subsidiary of the Guarantor in the place of Adecco, or (ii) where the relevant Issuer is neither Adecco nor any other Swiss Subsidiary of the Guarantor, any non-Swiss Subsidiary of the Guarantor, as the principal debtor under the Trust Deed and the Notes and Coupons. Such agreement shall be subject to the relevant provisions of the Trust Deed, including, where appropriate, the irrevocable and unconditional guarantee in respect of the Notes by the Guarantor.

16.4 Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent provided in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

17. INDEMNIFICATION

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuers, the Guarantor and any entity related to either of them without accounting for any profit.

18. FURTHER ISSUES

The relevant Issuer may from time to time, without the consent of the Noteholders, the Receiptholder or Couponholders, create and issue further notes, bonds, debentures or other securities either having the same terms and conditions in all respects as the outstanding notes, bonds, debentures or other securities of any series (including the Notes) (or in all respects except for the first payment of interest on them) and so that such further notes, bonds, debentures or other securities shall be consolidated and form a single series with the outstanding notes, bonds, debentures or other securities of any series (including the Notes) or upon such terms as to interest, subordination (if any), premium, redemption and otherwise as the relevant Issuer may determine at the time of their issue. Any further notes, bonds, debentures or other securities forming a single series with the outstanding notes, bonds, debentures or other securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds, debentures or other securities may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provision for convening a single meeting of the Noteholders and the holders of notes, bonds, debentures or other securities of other series in certain circumstances where the Trustee so decides.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

20.2 Submission to jurisdiction

The relevant Issuer and the Guarantor irrevocably agrees, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

The relevant Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuers and, where applicable, the Guarantor each appoint Adecco UK Ltd. at its registered office at Adecco House, Elstree Way, Borehamwood, Hertfordshire WD6 1HY, United Kingdom as its agent for service of process for Proceedings in England, and undertakes that, in the event of Adecco UK Ltd. ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings in England. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

20.4 Other documents and the Guarantor

The Issuers and, where applicable, the Guarantor has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes by AIFS will be applied by the relevant Issuer for its general corporate purposes, which include making a profit. The net proceeds from each issue of Notes by AIFS will be used outside of Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland. The net proceeds from each issue of Notes by Adecco will be used for its general corporate purposes. If, in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF ADECCO S.A.

Adecco S.A. (**Adecco**) is a company limited by shares (*société anonyme*) incorporated on 18 May 1967 and organised under the laws of Switzerland, with its registered office at Route de Bonmont 31, 1275 Chéserex, Switzerland, and is entered under Commercial Register No. CH-550-1005691-8 of the Canton of Vaud, in Switzerland. The principal corporate office of Adecco is the office of its management company, Adecco management & consulting S.A., at Sägereistrasse 10, 8152 Glattbrugg, Switzerland, tel: +41 44 878 8888.

The share capital of Adecco as of the date of this Base Prospectus amounted to CHF 189,263,506, which is divided into 189,263,506 registered shares of CHF 1.00 each. The shares are listed on the SIX Swiss Exchange.

Adecco's consolidated financial statements have been prepared and presented in accordance with U.S. generally accepted accounting principles (**U.S. GAAP**).

INTRODUCTION

Business and Industry Background

The Adecco Group is a leading provider of human resource solutions, offering a wide variety of services including temporary staffing, permanent placement, outplacement (career transition), outsourcing, talent management and other services. The Adecco Group had a network of over 5,500 branches and over 33,000 full-time equivalent employees in over 60 countries and territories at the end of 2011. In 2011, the Adecco Group connected on average on a daily basis over 700,000 temporary associates with over 100,000 clients. Adecco is registered in Switzerland and the Adecco Group, managed by a multinational team with expertise in markets worldwide, delivers a broad range of human resource services to meet the needs of small and large business clients as well as those of temporary associates. Adecco Group's quarterly operating results are affected by the seasonality of its customers' business. Demand for temporary staffing services historically has been at its lowest during the first quarter of the year. The human resource industry is fragmented and highly competitive. Customer demand is dependent upon the overall strength of the labour market as well as an established trend towards greater workforce flexibility. More liberal labour market laws, particularly for temporary staffing, are beneficial for the industry and have been a driver for greater workforce flexibility. The business is also strongly influenced by the macroeconomic cycle, which typically results in growing demand for employment services during periods of economic expansion and, conversely, contraction of demand during periods of economic downturn. On the other hand, its outplacement (career transition) business is countercyclical and expands during difficult economic periods. Due to the sensitivity to the economic cycle and the low visibility in the temporary staffing sector, forecasting demand for staffing and human resource services is difficult. Typically, customers are not able to provide much advance notice of changes in their staffing needs. Responding to the customer's fluctuating staffing requirements in a flexible way is a key element of the Adecco Group's strategy, which it addresses through its diverse staffing and human resource services network.

Anticipating trends in demand is also important in managing the Adecco Group's internal cost structure. This coupled with the Adecco Group's ability to maximise its overall resources and to enhance competitive advantage through its wide variety of services and locations, while maintaining standards of quality to both the Adecco Group's clients and temporary associates are key components to achieving profitability targets during any part of the economic cycle.

Strategy

The Adecco Group operates three core businesses under one roof: general staffing, professional staffing and solutions. Given the different service requirements of each business, the Adecco Group has distinct market approaches:

In its *general staffing business*, the Adecco Group offers tailored solutions to retail and large clients. This segment represents the majority of the Adecco Group business accounting for 78% of total revenues in 2011. Given the relatively lower margin nature of the business, cost leadership and price discipline are key factors. Strategically, the Adecco Group aims to build longer-lasting relationships with associates and clients and focuses on an efficient delivery model to optimise costs and being competitive. The staffing business includes two business lines: Office and Industrial.

In its *professional staffing business*, the Adecco Group focuses on its "experts talk to experts" approach. With this approach, the Adecco Group establishes relationships with line managers to better understand the skill sets of candidates needed. This ensures successful matching of candidates' profiles with clients' needs for positions requiring higher qualifications. Furthermore, expert points of contact with clients enable the offering of high-level assignments for candidates and to attract talented, qualified and sought-after individuals. The professional staffing business represented 21% of the Adecco Group's revenues in 2011. The professional staffing business includes the following business lines: Information Technology (**IT**), Engineering & Technical (**E&T**), Finance & Legal (**F&L**) and Medical & Science (**M&S**).

In its *solutions business*, the Adecco Group offers Workforce Management Solutions and Career Transition and Talent Development Solutions. The solutions business represented 1% of the Adecco Group's revenues in 2011. In the Workforce Management Solutions area, the Adecco Group provides Managed Service Programmes (**MSP**), where clients increasingly ask the Adecco Group to manage all or parts of their contingent workforce and, to keep the management of their contingent workforce in-house, clients also use the Adecco Group's market-leading Vendor Management System (**VMS**). In the Career Transition and Talent Development Solutions area, the Adecco Group focuses on delivering career transition (outplacement), leadership development, career development and change management solutions. Following the acquisition of Drake Beam Morin Inc. (**DBM**) on 31 August 2011, the Adecco Group became the world's leading career transition and talent development provider.

The Adecco Group's business is a local business since human resource markets are local markets. Every country has its own characteristics in terms of culture, client needs, client structure, demographics and regulations. The heads of each country or region have operational responsibility for both the general and the professional staffing business lines. The management of the Adecco Group is convinced that a decentralised country approach is the right strategy for managing a global staffing organisation and promoting local entrepreneurship.

To ensure alignment of the Adecco Group's overall strategy throughout the decentralised organisation, firm central control and effective management tools are required. For example, the Economic Value Added (**EVA**) concept not only helps to ensure that the interests of Adecco Group's shareholders are met but also makes sure that the daily decision-making processes (including client contract pricing, cost containment and evaluating business opportunities) are geared to value generation. In addition, top management carries out frequent operational and financial reviews with the country and regional heads to ensure that the Adecco Group strategy remains on track and is embedded in its local operations. While the Adecco Group selectively invest in high-growth segments and markets, it continues to practice stringent cost management to ensure a sustainable improvement in profitability.

Organisational Structure

In 2011 the Adecco Group was organised in a geographical structure plus the global business Lee Hecht Harrison (**LHH**). This structure is complemented by business lines. The geographies consist of France, North America, UK & Ireland, Japan, Germany & Austria, Benelux, Italy, Nordics, Iberia, Australia & New Zealand, Switzerland and Emerging Markets.

The business lines consist of Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, Medical & Science and Solutions. The classification of a specific branch into a business line is determined by the business line generating the largest revenue share in that specific branch.

Service lines

Revenues and gross profits derived from temporary staffing totalled 91% and 76% in 2011 and 92% and 77% in 2010 of the respective consolidated totals. Temporary staffing billings are generally negotiated and invoiced on an hourly basis. Temporary associates record the hours they have worked and these hours, at the rate agreed with the customer, are then accumulated and billed according to the agreed terms. Temporary staffing service revenues are recognised upon rendering the service. The temporary associate is paid the net hourly amount after statutory deductions on a daily, weekly, or monthly basis. Certain other employer payroll-related costs are incurred and the net difference between the amounts billed and payroll costs incurred is reported as gross profit.

Revenues and gross profits derived from permanent placement, outsourcing, career transition (outplacement) and other services totalled 9% and 24% in 2011 and 8% and 23% in 2010 of the respective consolidated totals. The terms of outsourcing and outplacement services are negotiated with the client on a project basis and revenues are recognised upon rendering the service. For permanent placement services, the placement fee is directly negotiated with the client and revenues are recognised either at the time the candidate begins full-time employment or as the fee is earned. Allowance provisions are established based on historical information, for any non-fulfilment of permanent placement obligations. Career transition (outplacement) and permanent placement services provide significantly higher gross margins than temporary staffing.

Key Performance Indicators

The Adecco Group monitors operational results through a number of additional key performance indicators beside revenues, gross profit, selling, general and administrative expenses, and operating income before amortisation and impairment of goodwill and intangible assets. It uses these measures of operational performance along with qualitative information and economic trend data to determine the Adecco Group's strategic focus.

These indicators include the following:

- Service line mix – the revenue split between temporary staffing, permanent placement, outsourcing, career transition (outplacement) and other services.
- Business line mix – the split between General Staffing (office, Industrial), Professional Staffing (Information Technology, Engineering & Technical, Finance & Legal, Medical & Science) and Solutions.
- Bill rate – an average hourly billing rate for temporary staffing services indicating current price levels.
- Pay rate – an average hourly payroll rate including social charges for temporary staffing services indicating current costs.
- Temporary hours sold – the volume of temporary staffing services sold.
- Temporary associates – the number of temporary associates at work.
- Clients – the number of active clients.
- Permanent placements – the number of candidates placed in permanent job positions.
- Average fee per placement – the average amount received for job placement services.
- Days sales outstanding (**DSO**) – accounts receivable turnover.
- Full time equivalent (**FTE**) employees.
- Retention rate of employees, associates and clients.
- Branches – the number of locations from which the Adecco Group offers human resource services.
- Conversion ratio – operating income before amortisation and impairment of goodwill and intangible assets as a percentage of gross profit.
- Economic Value Added – residual income after cost of capital.

Currency

The financial results of the Adecco Group are presented in Euro which the Adecco Group has selected as its reporting currency in recognition of the significance of the Euro to the Adecco Group's operations. In 2011, 52% of total revenues were generated in the Euro zone. Amounts shown in the consolidated statements of operations and consolidated statements of cash flows are translated using average exchange rates for the period or at transaction exchange rates. In 2011, the average exchange rate for Japanese Yen, Swiss Franc, Australian Dollar and Norwegian Krone which comprised 7%, 2%, 2% and 2% of total revenues, respectively, strengthened against the Euro, whereas the US Dollar and the British Pound which comprised 16% and 8% of total revenues, respectively, weakened against the Euro when compared to 2010. The Canadian Dollar which comprised 2% of total revenues was stable. The Adecco Group's consolidated balance sheets are translated using the year end exchange rates. At year end 2011, the Japanese Yen, Australian Dollar, US Dollar, Swiss Franc, British Pound, Canadian Dollar and Norwegian Krone, all strengthened against the Euro when compared to 2010.

NON-U.S. GAAP INFORMATION AND FINANCIAL MEASURES

The Adecco Group uses non-U.S. GAAP financial measures for management purposes. The principal non-U.S. GAAP financial measures discussed herein are net debt, constant currency and organic growth comparisons, which are used in addition to and in conjunction with results presented in accordance with U.S. GAAP.

Net debt, constant currency and organic growth comparisons should not be relied upon to the exclusion of U.S. GAAP financial measures, but rather reflect an additional measure of comparability and means of viewing aspects of the Adecco Group's operations that, when viewed together with the U.S. GAAP results, provide a more complete understanding of factors and trends affecting the Adecco Group's business.

Because net debt, constant currency and organic growth comparisons are not standardised, it may not be possible to compare our measures with other companies' non-U.S. GAAP financial measures having the same or a similar name. Management encourages investors to review the Adecco Group's financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

Net debt

Management monitors outstanding debt obligations by calculating net debt. Net debt comprises short-term and long-term debt less cash, cash equivalents and short-term investments.

The following table reconciles net debt to the most directly comparable financial measures calculated in accordance with U.S. GAAP:

in EUR millions	2011	2010
Net debt		
Short-term debt and current maturities of long-term debt	236	217
Long-term debt, less current maturities	1,190	1,088
Total debt	**1,426**	**1,305**
Less:		
Cash and cash equivalents	(532)	(549)
Short-term investments	(2)	(5)
Net debt	**892**	**751**

Constant currency

Constant currency comparisons are calculated by multiplying the prior year functional currency amount by the current year foreign currency exchange rate. Adecco Group management believes that constant currency comparisons are important supplemental information for investors because these comparisons exclude the impact of changes in foreign currency exchange rates, which are outside the Adecco Group's control, and focus on the underlying growth and performance.

Organic growth

Organic growth figures exclude the impact of currency, acquisitions, and divestitures. Management believes that organic growth comparisons are important supplemental information because these comparisons exclude the impact of changes resulting from foreign currency exchange rates fluctuations, acquisitions, and divestitures.

OPERATING RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

Overview

Overall 2011 saw a good business environment and a growth in demand for human resource services. Revenues increased in 2011 compared to 2010 by 10% to EUR 20,545 million and by 11% in constant currency. On an organic basis, revenues increased in 2011 by 10%. In France, Germany & Austria, Italy and Emerging Markets revenues increased organically by double digit percentages.

Operating income increased to EUR 763 million compared to 667 million in 2010 and net income attributable to the Adecco Group's shareholders increased to EUR 519 million in 2011 compared to EUR 423 million in 2010.

Revenues

Revenues increased by 10% to EUR 20,545 million in 2011 and by 11% in constant currency. On an organic basis, revenues increased in 2011 by 10%. This increase was driven primarily by an increase in temporary staffing volume as temporary hours sold increased by 9% to 1,261 million. Permanent placement revenues were EUR 344 million in 2011, which represents an increase of 19%, or 18% organically. Career transition (outplacement) revenues were EUR 206 million in 2011 which represents a decrease of 8%, or 16% organically.

Geographical performance

The geographical breakdown of revenues is presented below:

			Variance %	
	2011	2010	EUR	Constant Currency
	EUR millions			
Revenues [1]				
France	6,066	5,494	10	10
North America[2]	3,646	3,488	5	10
UK & Ireland[2]	1,707	1,630	5	6
Japan	1,406	1,295	9	4
Germany & Austria	1,544	1,231	25	25
Benelux	961	889	8	8
Italy	1,032	842	23	23
Nordics	795	731	9	5
Iberia	734	728	1	1
Australia & New Zealand	510	431	18	9
Switzerland	474	392	21	7
Emerging Markets	1,434	1,256	14	18
LHH[2]	236	249	(5)	(3)
Adecco Group[2]	**20,545**	**18,656**	**10**	**11**

[1] Since 1 January, 2011, LHH is reported as a separate segment. The 2010 information has been restated to conform to the current year presentation.

[2] In 2011, revenues changed organically in North America by 8%, UK & Ireland by 5%, LHH by -13% and the Adecco Group by 10%.

France

France's revenues increased by 10% to EUR 6,066 million in 2011. Temporary hours sold increased by 7% and temporary staffing services bill rates increased by 3% versus 2010 in constant currency. In 2011, France accounted for 30% of the Adecco Group's revenues.

North America

Revenues in North America increased by 5%, by 10% in constant currency or by 8% organically, to EUR 3,646 million in 2011. Temporary hours sold increased by 9% and bill rates increased by 1% in constant currency. North America contributed 18% to the Adecco Group revenues in 2011.

UK & Ireland

UK & Ireland's revenues increased by 5% or by 6% in constant currency to EUR 1,707 million in 2011. The revenues increased by 5% on an organic basis when compared to 2010. Temporary hours sold increased by 1% and bill rates increased by 3% in constant currency. UK & Ireland generated 8% of the Adecco Group's revenues in 2011.

Japan

In Japan, revenues increased by 9% or 4% in constant currency, to EUR 1,406 million. Temporary hours sold decreased by 7% and bill rates remained unchanged in constant currency. Revenues in outsourcing were up 92% in constant currency. In 2011, 7% of the Adecco Group's revenues were generated in Japan.

Germany & Austria

Germany & Austria's revenues increased by 25%, to EUR 1,544 million in 2011, reflecting a 21% increase in temporary hours sold and a 3% increase in bill rates. Revenues in Germany & Austria accounted for 7% of the Adecco Group's revenues in 2010.

Benelux

In the Benelux countries, revenues increased by 8% to EUR 961 million in 2011. Temporary hours sold increased by 7% and bill rates increased by 1%. The Benelux revenues in 2011 accounted for 5% of the Adecco Group's revenues.

Italy

In Italy, revenues increased by 23% to EUR 1,032 million in 2011 as temporary hours sold increased by 21% and bill rates increased by 1%. Italy accounted for 5% of the Adecco Group's revenues in 2011.

Nordics

Revenues in the Nordic countries increased by 9%, or 5% in constant currency, to EUR 795 million. Temporary hours sold increased by 8% and the bill rates remained unchanged in constant currency. The Nordics revenues in 2011 accounted for 4% of the Adecco Group's revenues.

Iberia

In Iberia, revenues increased by 1% to EUR 734 million. The temporary hours sold decreased by 4% and the bill rate increased by 3%. Revenues in outsourcing increased by 6% compared to 2010. In 2011, Iberia contributed 4% to the Adecco Group's revenues.

Australia & New Zealand

In Australia & New Zealand, revenues increased by 18%, or by 9% in constant currency, to EUR 510 million in 2011. Australia & New Zealand contributed 2% of the Adecco Group's revenues in 2011.

Switzerland

In Switzerland, revenues increased by 21% or by 7% in constant currency, to EUR 474 million in 2011. Switzerland revenues represented 2% of the Adecco Group's revenues in 2011.

Emerging Markets

In the Emerging Markets, revenues increased by 14%, or 18% in constant currency, to EUR 1,434 million. The Emerging Markets represented 7% of the Adecco Group's revenues in 2011.

LHH

Revenues of LHH, the Adecco Group's career transition and talent development business, amounted to EUR 236 million, a decrease of 5% or 13% organically. LHH represented 1% of the Adecco Group's revenues in 2011.

Business line performance

The business line breakdown of revenues is presented below:

			Variance %	
	2011	**2010**	**EUR**	**Constant Currency**
		EUR million		
Revenues[1]				
Office	5,301	4,871	9	9
Industrial	10,642	9,403	13	13
General Staffing	**15,943**	**14,274**	**12**	**12**
Information Technology[2]	2,176	2,049	6	8
Engineering & Technical[2]	1,009	956	6	9
Finance & Legal[2]	722	705	2	6
Medical & Science[2]	384	360	47	7
Professional Staffing[2]	**4,291**	**4,070**	**5**	**7**
Solutions[2]	**311**	**312**	**0**	**3**
Adecco Group[2]	**20,545**	**18,656**	**10**	**11**

[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). The 2010 information has been restated to conform to the current year presentation.
[2] In 2011, revenues changes organically in Information Technology by 6%, Engineering & Technical by 7%, Finance and Legal by 1%, Medical & Science by 5%, Professional Staffing by 5%, Solutions by -6% and the Adecco Group by 10%.

General Staffing

The Adecco Group's Office & Industrial businesses, which represented 78% of total revenues in 2011, increased by 12% in constant currency to EUR 15,943 million in 2011.

In the Office business, revenues overall increased by 9% in constant currency. Revenues in constant currency increased in Emerging Markets (19%), North America (20%), Japan (4%), Nordics (3%) and France (2%), whereas revenues decreased in constant currency in UK & Ireland (-1%). Japan, Emerging Markets, North America, Nordics, UK & Ireland and France generated more than 80% of the revenues in the Office business.

In the Industrial business, revenues increased by 13% in constant currency Revenues increased in France (11%), Germany & Austria (30%), Italy (25%), Benelux (11%) and in North America (7%). France, Germany & Austria, North America, Italy and Benelux accounted for over 80% of the revenues in the Industrial business.

Information Technology

In Information Technology, the Adecco Group's revenues increased by 8% in constant currency, or by 6% organically, compared to 2010. Revenues increased organically in UK & Ireland (10%) and Australia & New Zealand (13%) whereas revenues declined organically in North America (-3%). UK & Ireland, North America and Australia & New Zealand contributed over 80% of the business line's revenues.

Engineering & Technical

Revenues in the Adecco Group's Engineering & Technical business line increased by 9% in constant currency, or by 7% organically, compared to 2010. Revenues increased in Germany & Austria by 15%, and increased organically in North America by 8%. Over 75% of the business line's revenues were generated in North America and Germany & Austria.

Finance & Legal

In Finance & Legal, the Adecco Group experienced a revenue expansion of 6% in constant currency, or 1% organically. Organically revenues increased in North America by 5%, but declined in UK & Ireland (-12%) when compared to 2010. North America and UK & Ireland contributed around 75% to the revenues in the business line Finance & Legal.

Medical & Science

Medical & Science revenues grew by 47% in constant currency or by 5% organically. Revenues increased organically in North America (11%) and France (11%), whereas in the Nordics revenues declined by 28% compared to 2010. France, North America, and the Nordics accounted for over 80% of the business line's revenues.

Solutions

The Adecco Group's Solutions revenues increased by 3% in constant currency or declined by 6% organically.

Gross profit

Gross profit increased by 7% or by 8% in constant currency, to EUR 3,566 million in 2011. Excluding acquisitions, which had a positive impact of 20 basis points (bps), gross margin was down 60bps. Lower gross margins in the temporary staffing business (-50 bps) and the lower contribution of outplacement (-20 bps) were the main drivers behind this decline.

The change in gross margin in 2011 compared to 2010:

	%
Gross margin 2010	**17.8**
Temporary staffing	(0.5)
Permanent placement	0.1
Outplacement	(0.2)
Acquisitions	0.2
Gross margin 2011	**17.4**

Selling, general and administrative expenses

During 2011, the Adecco Group maintained its emphasis on cost control. Selling, general and administrative expenses (**SG&A**) increased by 6%, same in constant currency or 4% organically, reflecting a decrease in SG&A as a percentage of revenues of 60 bps to 13.4% from 14% in 2010.

Compensation expenses, which comprised approximately 70% of total SG&A, increased by 7%, in constant currency to EUR 1,954 million in 2011. The average FTE employees during 2011 increased by 5% (organically 4%) to more than 32,500 and the average number of branches during 2011 increased by 2% (organically -1%) to more than 5,500. At year end, the number of FTE employees and the number of branches exceeded 33,000 and 5,500, respectively.

The following table shows the average number of FTE employees and the average number of branches by segment:

	FTE employees		**Branches**	
Geographical breakdown (yearly average)	**2011**	**% variance**	**2011**	**% variance**
France	6,229	0	1,388	3
North America	6,838	6	949	(4)
UK & Ireland	2,831	445	356	8(2)
Japan	1,948	(6)	133	(8)
Germany & Austria	2,579	13	497	3
Benelux	1,567	4	343	1
Italy	1,578	7	429	0
Nordics	1,051	4	193	4
Iberia	1,513	4	398	7
Australia & New Zealand	519	(1)	67	(11)
Switzerland	424	1	98	(4)
Emerging Markets	4,200	21	472	9
LHH	1,311	(7)	200	25
Corporate	238	9		
Adecco Group	**32,826**	**5**	**5,523**	**2**

Marketing expenses were EUR 81 million in 2011, compared to EUR 68 million in 2010. Bad debt expense increased by EUR 4 million to EUR 16 million in 2011.

Amortisation of intangible assets and impairment of goodwill and intangible assets

Amortisation of intangible assets decreased to EUR 51 million from EUR 55 million in 2010.

Operating income

Operating income before amortisation of intangible assets increased by 13% from EUR 722 million in 2010 to EUR 814 million in 2011 and 14% organically. Operating income increased by 14% to EUR 763 million in 2011 compared to EUR 667 million in 2010.

The segment breakdown of operating income is presented in the following table:

Variance %

in EUR millions	2011	2010	EUR	Constant currency
Operating income				
France	220	199	10	10
North America	161	134	20	28
UK & Ireland	32	22	46	50
Japan	80	69	16	12
Germany & Austria	110	82	34	34
Benelux	44	41	5	5
Italy	60	38	60	60
Nordics	18	438	(51)	(53)
Iberia	24	427	(11)	(11)
Australia & New Zealand	18	412	53	42
Switzerland	50	40	24	11
Emerging Markets	43	36	19	24
LHH	36	58	(39)	(37)
Corporate expenses	(82)	(74)		
Operating income before amortisation of intangible assets	**814**	**722**	**13**	**14**
Amortisation of intangible assets	(51)	(55)		
Adecco Group	**763**	**667**	**14**	**16**

France

France's operating income increased by 10% to EUR 220 million in 2011. The operating income margin was 3.6% in 2011, unchanged from 2010. .

North America

North America's operating income increased by 20%, or by 28% in constant currency, to EUR 161 million in 2011. The operating income margin was 4.4% in 2011, an increase of 60 bps compared to 2010. Integration costs relating to MPS acquisition were EUR 4 million in 2011 and EUR 20 million in 2010.

UK & Ireland

The UK & Ireland's operating income increased from EUR 22 in 2010 to EUR 32 million in 2011. The operating income margin was 1.9% in 2011, an increase of 50 bps compared to 2010. Integration costs related to Spring and MPS acquisitions were EUR 2 million in 2011 and EUR 13 million in 2010.

Japan

Japan's operating income increased in 2011 by 16%, or 12% in constant currency to EUR 80 million and the operating income margin increased to 40 bps to 5.7% compared to 2010, mainly due to a higher gross margin.

Germany & Austria

Germany & Austria's operating income increased by 34% to EUR 110 million in 2011 and the operating income margin was 7.1%, an increase of 40 bps compared to 2010 mainly due to increasing revenues and lower SG&A as a percentage of revenues.

Benelux

In the Benelux countries, operating income increased to EUR 44 million in 2011. The operating income margin decreased by 20 bps to 4.5% in 2011 compared to 2010.

Italy

In Italy, operating income grew by 60% to EUR 60 million in 2011 and the operating income margin expanded by 130 bps to 5.8% compared to 2010, mainly due to a strong increase in revenues and lower SG&A as a percentage of revenues.

Nordics

Operating income in the Nordics decreased by 51% or 53% in constant currency to EUR 18 in 2011. The operating income margin decreased by 280 bps to 2.3% in 2011 compared to 2010. The 2011 results were negatively impacted by the exit of the nursing home outsourcing business in Norway.

Iberia

In Iberia, operating income decreased by 11% to EUR 24 million in 2011. The operating income margin decreased by 50 bps to 3.2% in 2011 compared to 2010.

Australia & New Zealand

In Australia & New Zealand, operating income increased by 53% or 42% in constant currency to EUR 18 million in 2011 compared to 2010. The operating income margin increased by 80 bps to 3.5% in 2011 compared to 2010, mainly due to increasing revenues and lower SG&A as a percentage of revenues.

Switzerland

In Switzerland, operating income increased by 24% or 11% in constant currency to EUR 50 million in 2011 compared to 2010. The operating income margin increased by 30 bps to 10.5% due to increasing revenues, increased gross margin and lower SG&A as a percentage of revenues.

Emerging Markets

In the Emerging Markets, the Adecco Group experienced an increase in operating income of 19% or 24% in constant currency to EUR 43 million in 2011. The operating income margin was 3% in 2011, 10 bps higher compared to 2010.

LHH

In 2011, operating income in LHH decreased by 39% or by 37% in constant currency to EUR 36 million. The operating income margin was 15.1% in 2011 compared to 23.5% in 2010. Included in the 2011 results are integration costs relating to the DBM acquisition of EUR 14 million.

Interest Expense

Interest expense increased by EUR 8 million to EUR 71 million in 2011 compared to EUR 63 million in 2010, mainly due to higher average interest rates on outstanding debt.

Other income/(expenses), net

Other income/(expenses), net, which include interest income, foreign exchange gains and losses, proportionate net income of investee companies, and other non-operating income/(expenses), net, amounted to an expense of EUR 6 million in 2011, compared to an expense of EUR 1 million in 2010. This increase was mainly due to the EUR 11 million loss recognised in connection with the exchange and tender offers for outstanding notes completed in April 2011.

Provision for income taxes

The provision for income taxes was EUR 166 million in 2011 compared to EUR 179 million in 2010. The effective tax rate for 2011 was 24% compared to 30% in the prior year. The Adecco Group's effective rate is impacted by recurring items, such as tax rates in the different jurisdictions where the Adecco Group operates and the income mix within jurisdictions. Furthermore, it is also affected by discrete items which may occur in any given year, but are not consistent from year to year. The 2011 effective tax rate includes the reduction in deferred tax liabilities of EUR 31million related to distributable earnings of the Adecco Group's Japanese subsidiary following the ratification of the Swiss-Japanese Tax Treaty, which resulted in a reduction of withholding taxes payable upon distribution of dividends to Switzerland. Furthermore, the effective tax rate in both years includes the positive impact from the successful resolution of prior year's audits and the expiration of the statues of limitations.

Net income attributable to Adecco shareholders

Net income attributable to Adecco shareholders for 2011 increased to EUR 519 million compared to EUR 423 million in 2010. Basic earnings per share (**EPS**) was EUR 2.72 in 2011 compared to EUR 2.20 in 2010.

LIQUIDITY AND CAPITAL RESOURCES

Currently, cash needed to finance the Adecco Group's operations is primarily generated through operating activities, bank overdrafts, commercial paper, the existing multicurrency credit facility, and, when necessary, the issuance of bonds and capital instruments.

The principal funding requirements of the Adecco Group's business include financing working capital and capital expenditures. Capital expenditures mainly comprise the purchase of computer equipment, capitalised software, and the cost of leasehold improvements.

Within the Adecco Group's working capital, trade accounts receivable, net of allowance for doubtful accounts, comprise approximately 80% of total current assets. Accounts payable, accrued salaries and wages, payroll taxes and employee benefits and sales and value added taxes comprise approximately 74% of total current liabilities. Working capital financing needs increase as business grows.

Management believes that the ability to generate cash from operations combined with additional capital resources available is sufficient to support the expansion of existing business activities and to meet short- and medium-term financial commitments. The Adecco Group may utilise available cash resources, secure additional financing, or issue additional shares to finance acquisitions.

Analysis of cash flow statements

Cash and cash equivalents decreased by a total of EUR 17 million to EUR 532 million at the end of 2011. The decrease was mainly due the acquisition of DBM in August 2011 for EUR 148 million, net of cash acquired, the repayment of EUR 214 million long-term debt, the EUR 149 million payment of dividends, purchase of treasury shares of EUR 178 million, settlement of derivatives of EUR 57 million, and capital expenditures of EUR 109 million. This was mostly offset by the generation of EUR 524 million in operating cash flows and the EUR 330 million net proceeds for borrowings of long-term debt.

Cash flows from operations are generally derived from receipt of cash from customers less payments to temporary personnel, regulatory authorities, employees, and other operating disbursements. Cash receipts are dependent on general business trends, foreign currency fluctuations, and cash collection trends measured by DSO. DSO varies significantly within the various countries in which the Adecco Group has operations, due to the various market practices within these countries. In general, an improvement in DSO reduces the balance of trade accounts receivables resulting in cash inflows from operating activities. Cash disbursement activity is predominantly associated with scheduled payroll payments to the temporary personnel. Given the nature of these liabilities, the Adecco Group has limited flexibility to adjust its disbursement schedule. Also, the timing of cash disbursements differs significantly amongst various countries.

The following table illustrates cash from or used in operating, investing, and financing activities:

in million EUR	**2011**	**2010**
Summary of cash flows information		
Cash flows from operating activities	524	455
Cash used in investing activities	(317)	(1,020)
Cash used in financing activities	(224)	(385)

Cash flows from operating activities increased by EUR 69 million to EUR 524 million in 2011 compared to 2010. This increase is primarily attributable to the increase in net income, net of non-cash items mainly related to tax benefits. DSO increased to 55 days for the full year 2011 compared to 54 days for the full year 2010.

Cash used in investing activities decreased by EUR 703 million to EUR 317 million in 2011 compared to 2010. In 2011 the Adecco Group acquired DBM for a consideration, net of cash acquired, of EUR 148 million while in 2010 MPS was acquired for a consideration, net of cash acquired, of EUR 831 million. The Adecco Group's capital expenditures amounted to EUR 109 million in 2011 and EUR 105 million in 2010.

Cash used in financing activities totalled EUR 224 million, a decrease of EUR 161 million when compared to 2010. In 2011, the Adecco Group issued long-term debt of EUR 330 million, net of issuance costs and repaid long-term debt of EUR 214 million, whereas in 2010 long-term debt repayments amounted to EUR 478 million. The debt repayments in 2011 consisted primarily of the partial repayments of the 5-year Euro medium-term notes due 2014 and the fixed rate notes due 2013 resulting from the exchange and tender offers for outstanding notes in April 2011. In 2010 debt repayments primarily consisted of repayment of the guaranteed zero-coupon convertible bond. In addition in 2011, the Adecco Group net decrease in short-term debt amounted to EUR 9 million, whereas in 2010 short-term debt increased by EUR 156 million. Additionally, the Adecco Group paid dividends of EUR 149 million and EUR 91 million in 2011 and 2010, respectively. Furthermore, in 2011, the Adecco Group acquired treasury shares in the amount of EUR 178 million while in 2010 net cash inflows from treasury shares transactions amounted to EUR 28 million.

Additional capital resources

As of 31 December 2011, the Adecco Group's total capital resources amounted to EUR 5,940 million comprising EUR 1,426 million in debt and EUR 4,514 million in equity, excluding treasury shares and non-controlling interests. Long-term debt, including current maturities was EUR 1,266 million as of 31 December 2011 and EUR 1,137 million as of 31 December 2010 and includes long and medium-term notes, and medium term loans. The borrowings, which are unsecured, are denominated in Euros and Swiss Francs. The majority of the borrowings outstanding as of 31 December 2011 mature in 2013 2014 and 2018. During 2011, the Adecco Group increased its short- and long-term debt including foreign currency effect by EUR 121 million.

In addition, on 8 February 2012, the Adecco Group issued CHF 350 million unsubordinated fixed rate notes due 8 February 2016. The 4-year notes were issued within the framework of the Programme and trade on the SIX Swiss Stock Exchange. The proceeds will be used for general corporate purposes and interest is paid on the fixed rate notes annually in arrear at a fixed annual rate of 2.125%.

The Adecco Group maintains a French commercial paper programme (*Billet de Trésorerie* programme). Under the programme, the Adecco Group may issue short-term commercial paper up to a maximum amount of EUR 400 million, with maturity of individual paper of 365 days or less. As of 31 December 2011 and 31 December 2010, EUR 145 million and EUR 151 million, respectively, was outstanding under the programme, with maturities of up to six months. The weighted-average interest rate on commercial paper outstanding was 1.31% and 1.09% as of 31 December 2011 and 31 December 2010 respectively.

In addition, the Adecco Group maintains a committed multicurrency revolving credit facility. The five-year revolving credit facility, which was renewed in October 2011 and contains two 1-year extension options at the discretion of the lender, has been issued by a syndicate of banks, permits borrowings up to a maximum of EUR 600 million and is used for general corporate purposes including refinancing of advances and outstanding letters of credit. The interest rate is based on LIBOR, or EURIBOR for drawings denominated in Euro, plus a margin between 0.6% and 1.3% per annum depending on certain debt-to-EBITDA ratios. Utilisation fee of 0.25% and 0.5% applies on top of the interest rate, if drawings exceed 33.33% and 66.67% of total commitment, respectively. The letter of credit fee equals the applicable margin, and the commitment fee equals 35% of the applicable margin. As of 31 December 2011 and 31 December 2010, there were no outstanding borrowings under the credit facility. As of 31 December 2011, the Adecco Group had EUR 529 million available under the credit facility after utilising EUR 71 million in the form of letters of credit.

Furthermore, as of 31 December 2011, the Adecco Group had uncommitted lines of credit amounting to EUR 477 million, of which EUR 15 million was used.

Net debt increased by EUR 141 million to EUR 892 million as of 31 December 2011. Net debt is reconciled to the most comparable financial measures calculated in accordance with U.S. GAAP.

Under the terms of the various short- and long-term credit agreements, the Adecco Group is subject to covenants requiring, among other things, compliance with certain financial tests and ratios. As of 31 December 2011, the Adecco Group was in compliance with all financial covenants.

The Adecco Group manages its cash position to ensure that contractual commitments are met and reviews cash positions against existing obligations and budgeted cash expenditures. The Adecco Group's policy is to invest excess funds primarily in investments with maturities of 12 months or less, and in money market and fixed income funds with sound credit ratings, limited market risk and high liquidity.

The Adecco Group's current cash and cash equivalents and short-term investments are invested primarily within Europe and the USA. In most cases, there are no restrictions on the transferability of these funds among entities within the Adecco Group.

Contractual obligations

The Adecco Group's contractual obligations are presented in the following table:

in EUR million	**2012**	**2013**	**2014**	**2015**	**2016**	**Thereafter**	**Total**
Contractual obligations by year							
Short-term debt obligations	160						**160**
Long-term debt obligations	76	342	358	1		489	**1,266**

Interest on debt obligations	67	56	32	24	24	30	**233**
Operating leases	199	136	105	79	97	51	**667**
Purchase and service contractual obligations	161	6	3	3	173		**173**
Total	663	540	498	107	121	570	**2,499**

Short-term debt obligations consist of bank overdrafts and borrowings outstanding under the lines of credit and the commercial paper programme. Long-term debt obligations consist primarily of the EUR 333 million fixed rate notes due in 2013, the EUR 356 million 5-year Euro medium- term notes due in 2014 and the EUR 500 million 7-year Euro medium-term notes due in 2018. These debt instruments were issued in part for acquisitions, to refinance existing debt, optimise available interest rates, and increase the flexibility of cash management.

Future minimum rental commitments under non-cancellable leases comprise the majority of the operating lease obligations of EUR 667 million presented above. The Adecco Group expects to fund these commitments with existing cash and cash flows from operations. Operating leases are employed by the Adecco Group to maintain the flexible nature of the branch network.

As of 31 December 2011, the Adecco Group had future purchase and service contractual obligations of approximately EUR 173 million, primarily related to acquisitions, IT development and maintenance agreements, marketing sponsorship agreements, equipment purchase agreements, and other vendor commitments.

Additional funding requirements

The Adecco Group plans to invest approximately EUR 110 million in property, equipment, and leasehold improvements for existing operations in 2012. The focus of these investments will be on information technology.

Further planned cash outflows include distribution of dividends for 2011 in the amount of CHF 1.80 per share to shareholders of record on the date of payment. The maximum amount of dividends payable based on the total number of outstanding shares (excluding treasury shares) as of 31 December 2011 of 170,448,401 is EUR 252 million (CHF 307 million based on CHF/EUR exchange rate at 31 December 2011 of 1.22). Payment of dividends is subject to approval by shareholders at the Annual General Meeting.

The Adecco Group has entered into certain guarantee contracts and standby letters of credit that total EUR 661 million including the letters of credit issued under the multicurrency revolving credit facility (EUR 71 million). The guarantees primarily relate to government requirements for operating a temporary staffing business in certain countries and are generally renewed annually. Other guarantees relate to operating leases and credit lines. The standby letters of credit mainly relate to workers compensation in the USA. If the Adecco Group is not able to obtain and maintain letters of credit and/or guarantees from third parties then the Adecco Group would be required to collateralise its obligations with cash. Due to the nature of these arrangements and historical experience, the Adecco Group does not expect to be required to collateralise its obligations with cash.

Income taxes

The Adecco Group has reserves for taxes that may become payable in future periods as a result of tax audits. At any given time, the Adecco Group is undergoing tax audits in different tax jurisdictions, which cover multiple years. Ultimate outcomes of these audits could, in a future period, have a material impact on cash flows.

Based upon information currently available to the Adecco Group, it is not able to determine if it is reasonably possible that the final outcome of tax audits will result in a materially different outcome than that assumed in its tax reserves.

BOARD OF DIRECTORS

As of the date of this Base Prospectus, the Board of Directors of Adecco consisted of eight members.

The following list sets forth the name and principal positions of those individuals who serve as members of the Board of Directors as of the date of this Base Prospectus:

Dominique-Jean Chertier – Member of the Board of Directors and member of the Audit Committee.

Rolf Dörig – Member and Chairman of the Board of Directors.

Alexander Gut - Member of the Board of Directors, Chairman of the Audit Committee and member of the Corporate Governance Committee.

Andreas Jacobs – Member and Vice-Chairman of the Board of Directors, Chairman of the Nomination & Compensation Committee and member of the Audit Committee.

Thomas O'Neill – Member of the Board of Directors, member of the Corporate Governance Committee and member of the Nomination & Compensation Committee.

David Prince – Member of the Board of Directors and member of the Audit Committee.

Wanda Rapaczynski – Member of the Board of Directors Chairwoman of the Corporate Governance Committee and member of the Nomination & Compensation Committee.

Didier Lamouche – Member of the Board of Directors and member of the Corporate Governance Committee.

The business address for the above Directors is Adecco management & consulting SA, Sägereistrasse 10, 8152 Glattbrugg, Switzerland.

At the date of this Base Prospectus, there are no potential conflicts of interest between the duties to Adecco of any of the Directors and their private interests and/or other duties.

EXECUTIVE COMMITTEE

The following list sets forth the names of those individuals who currently serve as members of the Executive Committee of the Adecco Group.

Patrick De Maeseneire - Chief Executive Officer

Dominik de Daniel – Chief Financial Officer

Alain Dehaze – Regional Head of France

Martín Alonso – Regional Head of Northern Europe

Andreas Dinges – Regional Head of Germany & Austria

Mark Du Ree – Regional Head of Japan & Asia

Robert P. Crouch – Regional Head of North America

Enrique Sánchez – Regional Head of Iberia & South America

Peter Searle – Regional Head of UK & Ireland

Federico Vione – Regional Head of Italy, Eastern Europe and India

Sergio Picarelli – Chief Sales Officer

Christian Vasino – Chief Human Resources Officer

At the date of this Base Prospectus, there are no potential conflicts of interest between the duties to Adecco of any of the members of the Executive Committee and their private interests and/or other duties.

The business address for the above members of the Executive Committee is Adecco management & consulting SA, Sägereistrasse 10, 8152 Glattbrugg, Switzerland.

LEGAL PROCEEDINGS

In the ordinary course of business, the Adecco Group is involved in various legal actions and claims, including those related to social security charges, other payroll related charges, and various employment related matters. Although the outcome of the legal proceedings cannot be predicted with certainty, the Adecco Group believes it has adequately reserved for such matters.

DESCRIPTION OF ADECCO INTERNATIONAL FINANCIAL SERVICES B.V.

Adecco International Financial Services B.V. (**AIFS**) is a finance vehicle and a wholly owned subsidiary of Adecco S.A. (**Adecco**). It was incorporated as a private company with limited liability on 1 March 2006 under the laws of The Netherlands. AIFS is registered with the trade register of the chamber of commerce (*kamer van koophandel*) in Utrecht under number: 30212925.

The authorised capital of AIFS is EUR 12,500,000 divided into 12,500 shares of EUR 1,000 each. The issued share capital of AIFS is EUR 2,500,000 consisting of 2,500 shares of EUR 1,000 each, held by Adecco.

Managing Directors

The Managing Directors of AIFS are Anne-Marie Kuijpers, Hana Balcarova and Dominik de Daniel.

The business address of Anne-Marie Kuijpers and Hana Balcarova is Naritaweg 165, 1043 BW Amsterdam, The Netherlands. The business address of Dominik de Daniel is Saegereistrasse 10, 8152 Glattbrugg, Switzerland. There are no activities performed by any managing director outside AIFS which are significant with respect to AIFS.

At the date of this Base Prospectus, there are no potential conflicts of interest between the duties to AIFS of the managing directors and their private interests and/or other duties.

The registered office of AIFS is at Hogeweg 123, 5301 LL Zaltbommel, The Netherlands. Its telephone number is +31 418 784 000.

AIFS is a finance vehicle to be used as issuer of the Notes. Its principal objects are set out in Article 2 of its articles of association, and include the entry into loans and/or otherwise attracting funds and/or otherwise engaging in financial transactions. A copy of AIFS's articles of association will be available for inspection as described under *General Information* below.

TAXATION

The Netherlands

The Netherlands

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

(i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

(ii) investment institutions (*fiscale beleggingsinstellingen*);

(iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.; and

(iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (Wet inkomstenbelasting 2001) and the Netherlands Gift and Inheritance Tax Act (*Successiewet 1956*).

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding Tax

All payments made by the Issuers under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein. With respect to Notes issued by an Issuer that is considered to be a resident of the Netherlands for Netherlands tax purposes (a "Netherlands Issuer"), all payments made by such Netherlands Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

(a) Residents of the Netherlands

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), if:

(i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

(b) Non-residents of the Netherlands

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not liable to Netherlands income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

(i) the holder is not an individual and such holder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable, or (3) is a resident of Aruba, Curaçao or Saint Martin with a permanent establishment or permanent representative in Bonaire, Saint Eustatius or Saba to which the Notes are attributable, while the profits of such Holder are taxable in the Netherlands pursuant to article 17(3)(c) of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

    This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

(ii) the holder is an individual and such holder (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Notes which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is (other than by way of securities) entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profits as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

(c) Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Netherlands gift and inheritance tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a gift within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(d) Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or as a result of, the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax, unless in the case of a gift of the Notes by, or on behalf of, a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands. A gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

Switzerland

The following discussion is a summary of certain material Swiss tax considerations and mentions certain taxes withheld by Switzerland for foreign countries based on the legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Notes in light of their particular circumstances.

Swiss Federal Withholding Tax

Notes issued by Adecco: Payments of interest on the Notes issued by Adecco are subject to Swiss withholding tax at a rate of 35 per cent. If the respective requirements are met, the holder of a Note residing in Switzerland or a foreign resident company who holds the Notes through a Swiss permanent establishment is entitled to a full refund or tax credit for the Swiss withholding tax whereas a holder of a Note who is not resident in Switzerland may be entitled to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of an applicable double taxation treaty, if any, concluded between Switzerland and the country of residence of such holder.

Notes issued by AIFS: Payments by the Issuer or the Guarantor, of interest on, and repayment of principal of, Notes issued, will not be subject to Swiss federal withholding tax, provided that the proceeds from the offering and sale of the Notes are used outside of Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

Potential Changes of Swiss Federal Withholding Tax Act: On 24 August 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a debt security issued by a Swiss or a foreign debtor to an individual resident in Switzerland and in respect to a debt security issued or guaranteed by a Swiss entity to a person resident outside of Switzerland. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, it is possible that neither the Issuer nor any paying agent nor any other person would pursuant to the terms of the Notes be obliged to pay additional amounts with respect to any debt security as a result of the deduction or imposition of such withholding tax.

Swiss Federal Stamp Taxes

The issue and redemption of Notes by the Issuer are not subject to Swiss federal stamp duty on the issue of securities.

Purchases or sales of Notes with a maturity in excess of 12 months where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate of up to 0.3 per cent. of the purchase price of the Notes. Where both the seller and the purchaser of the Notes are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp duty on dealing in securities is payable.

Income Taxation on Principal or Interest

(i) Notes held by non-Swiss holders

Payments by the Issuer of interest and repayment of principal to, and gain realized on the sale or redemption of Notes by, a holder of Notes who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

(ii) Notes held by Swiss holders as private assets

Notes without a "predominant one-time interest payment": An individual who resides in Switzerland and privately holds a Note the yield-to-maturity of which predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount or a repayment premium, is required to include all payments of interest received on such Note in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Note) for such tax period at the then prevailing tax rates.

Notes with a "predominant one-time interest payment": An individual who resides in Switzerland and privately holds a Note the yield-to-maturity of which predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, is required to include in his or her personal income tax return for the relevant tax period any periodic interest payments received on the Note and, in addition, any amount equal to the difference between the value of the Note at redemption or sale, as applicable, and the value of the Note at issuance or secondary market purchase, as applicable, realized on the sale or redemption of such Note, and converted into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, and will be taxable on any net taxable income (including such amounts) for the relevant tax period. A holder of a Note may offset any value decrease realized by him or her on such a Note on sale or redemption against any gains (including periodic interest payments) realized by him or her within the same taxation period on the sale or redemption of other debt securities with a predominant one-time interest payment.

Capital gains and losses: Swiss resident individuals who sell or otherwise dispose of privately held Notes realize either a tax-free private capital gain or a non-tax-deductible capital loss. See the preceding paragraph for a summary of the tax treatment of a gain or a loss realized on Notes with a "predominant one-time interest payment." See "Notes held as Swiss business assets" below for a summary on the tax treatment of individuals classified as "professional securities dealers."

(iii) Notes held as Swiss business assets

Individuals who hold Notes as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Notes as part of a permanent establishment or fixed place of business in Switzerland are required to recognize the payments of interest and any capital gain or loss realized on the sale or other disposition of such Notes in their income statement for the respective tax period and will be taxable on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged transactions in securities.

Taxes withheld by Switzerland for other countries

(i) European Savings Tax

On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. The agreement came into force as of July 1, 2005.

In accordance with this agreement respectively the Swiss law implementing this agreement, Swiss paying agents have to withhold tax at a rate of 35 per cent. on interest payments made under the Bonds to a beneficial owner who is an individual and resident of an EU member state, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding.

(ii) Foreign Final Withholding Tax

The Swiss Federal Council recently signed treaties with Germany, the United Kingdom and Austria providing, inter alia, for a final withholding tax. The treaties, which are in the process of legislative approval in the respective contracting states, may enter into force on 1 January 2013 and might be followed by similar treaties with other European countries.

According to the treaties, a Swiss paying agent may levy a final withholding tax on capital gains and on certain income items deriving, inter alia, from Notes. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency.

As regards the regularization of specific assets defined in the treaties and held by individuals of a contracting state with a Swiss paying agent prior to the entry into force of the treaties, such individuals may opt either for a one-off payment substituting the tax liability in the state of residency with regard to such assets or for the voluntary disclosure of such assets to the tax authority of the state of residency.

Holders of Notes who might be in the scope of the abovementioned treaties should consult their own tax adviser as to the tax consequences relating to their particular circumstances.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland at a rate of 35 per cent., with the option of the individual to have the paying agent, through the Swiss Federal Tax Administration, provide to the tax authorities of the Member State the details of the interest payments in lieu of the withholding. Neither AIFS, Adecco nor the Paying Agent nor any other person would be obliged to pay any additional amounts with respect to the Notes as a result of such deduction or withholding).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 25 May 2012, as supplemented or amended and restated, (the **Programme Agreement**), agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Final Terms specify that this provision does not apply because the standard exemption wording required by Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieeltoezicht*) is not applicable, it will not make an offer of Notes to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Directive (as defined under **Public Offer Selling Restriction under the Prospectus Directive**) or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Zero coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*, the **SCA**)) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further

Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Federal Collective Investment Scheme Act (the **CISA**), and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notes which are "structured products" as such term is understood within the meaning of the CISA may only be offered, sold or advertised, and this Base Prospectus and any other offering or marketing material relating to such Notes may only be distributed in Switzerland by way of private placement to qualified investors within the meaning of the CISA. The Notes do not constitute participations in a collective investment scheme in the meaning of the CISA. Neither this Base Prospectus nor any other offering or marketing material relating to the offering, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision of any Swiss regulatory authority, such as, the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme, the update of the Programme, the issue of Notes and in the case of Adecco only, the giving of the Guarantee have been duly authorised by (a) a resolution of the Board of Directors of AIFS dated 31 March 2009, 30 March 2010, 2 March 2011 and 11 May 2012 and (b) a resolution of the Board of Directors of Adecco dated 18 March 2009, 12 March 2010, 2 March 2011 and 23 April 2012, as applicable.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market. The listing of the Programme in respect of Notes is expected to be granted on or before 29 May 2012.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the relevant Issuer, the Guarantor and from the specified office of the Paying Agent for the time being in London:

(a) the constitutional documents of each of AIFS and Adecco;

(b) the consolidated audited financial statements of the Guarantor in respect of each of the financial years ended 31 December 2011 and 31 December 2010, in each case together with the audit reports prepared in connection therewith;

(c) the non-consolidated audited annual financial statements of AIFS in respect of each of the financial years ended 31 December 2011 and 31 December 2010, in each case together with the audit reports prepared in connection therewith;

(d) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(e) the terms and conditions of the notes as contained in the base prospectus dated 25 March 2011 at pages 32 to 59;

(f) the terms and conditions of the notes as contained in the base prospectus dated 9 April 2010 at pages 31 to 59;

(g) the terms and conditions of the notes as contained in the base prospectus dated 9 April 2009 at pages 31 to 59;

(h) a copy of this Base Prospectus; and

(i) any future prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brusssels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

(a) There has been no significant change in the financial or trading position of Adecco or of the Adecco Group since 31 December 2011 and no material adverse change in the prospects of Adecco since 31 December 2011.

(b) There has been no significant change in the financial or trading position of AIFS since 31 December 2011 and no material adverse change in the prospects of AIFS since 31 December 2011.

Litigation

(a) Neither Adecco nor any other member of the Adecco Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers or the Guarantor are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuers, the Guarantor or the Adecco Group.

(b) AIFS is not, and has not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which AIFS is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of AIFS.

Auditors

The auditor of the Guarantor is Ernst & Young Ltd., which is registered under the number 500'646 with the Swiss Federal Audit Oversight Authority to carry out audit work in Switzerland and which has audited the Guarantor's consolidated accounts, without qualification, in accordance with U.S. GAAS, Swiss law and Swiss Auditing Standards, in each case, for each of the financial years ended on 31 December 2011 and 31 December 2010.

The financial statements of AIFS for the financial years ended 31 December 2011 and 31 December 2010, respectively, have been audited by Ernst & Young Accountants LLP in accordance with Dutch law. The auditors of Ernst & Young Accountants LLP are members of the *Koninklijk Nederlands Instituut van Registeraccountants* (NIVRA), which is a member of International Federation of Accountants (IFAC). Ernst & Young Accountants LLP has issued an unqualified auditor's report on the financial statements for each of the financial years ended 31 December 2011 and 31 December 2010.

Post-issuance information

Save as set out in the Final Terms, the Issuers do not intend to provide any post-issuance information in relation to any issues of Note.

Dealers transacting with the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuers, the Guarantor and their affiliates in the ordinary course of business.

ISSUER

Adecco International Financial Services B.V.
Hogeweg 123
5301 LL Zaltbommel
The Netherlands

ISSUER AND GUARANTOR

Adecco S.A.
Route de Bonmont 31
1275 Chéserex
Switzerland

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

ISSUING AND PRINCIPAL PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

PAYING AGENT AND REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building,
Polaris – 2-4 rue Eugène Ruppert,
L-2453 Luxembourg
Luxembourg

AUDITORS

. *To Adecco International Financial Services B.V.*

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The Netherlands

To the Guarantor

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Switzerland

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London EC2Y 8HQ
United Kingdom

To Adecco International Financial Services B.V. as to Dutch law

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World Trade Centre, Tower H, 22nd Floor
Zuidplein 180
1077 XV Amsterdam
The Netherlands

To the Dealers and the Trustee

as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

as to Swiss law

Homburger AG
Prime Tower
Hardstrasse 201
8005 Zurich
Switzerland

ARRANGER

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

DEALERS

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

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London E14 4QJ
United Kingdom

Deutsche Bank AG, London Branch
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1 Great Winchester Street
London EC2N 2DB
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

NATIXIS
30 avenue Pierre Mendès France
75013 Paris
France

Société Générale
29 boulevard Haussmann
75009 Paris
France

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

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2011 Annual Report of the Adecco Group, including audited financial statements of Adecco S.A. and audited consolidated financial statements of the Adecco Group for the financial year ended 31 December 2011

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Annual Report 2011

Adecco Group

Our full Annual Report experience is now online.
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Contents

The Adecco Group

We inspire individuals and organisations to work more effectively and efficiently, and create greater choice in the domain of work, for the benefit of all concerned. As the world's leading provider of HR solutions – a business that has a positive impact on millions of people every day – we are conscious of our global role.

33,000+
FULL-TIME EQUIVALENT EMPLOYEES[1]

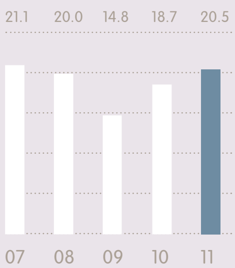
700,000+
ASSOCIATES ON ASSIGNMENT DAILY[2]

100,000+
CLIENTS EVERY DAY[2]

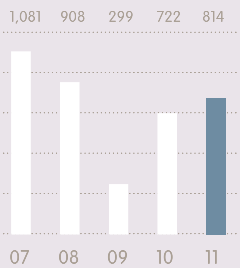
5,500+
BRANCHES IN OVER 60 COUNTRIES & TERRITORIES[1]

Key figures

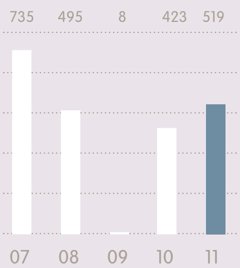
Revenues
in EUR billions



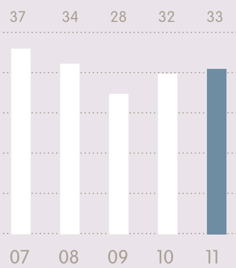
EBITA
in EUR millions

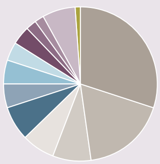


Net income attributable to Adecco shareholders
in EUR millions



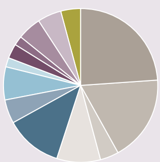
Employees FTE (year-end)
in thousands





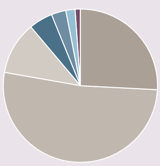
2011 Revenue split by segment *in %*

- France 30%
- North America 18%
- UK & Ireland 8%
- Japan 7%
- Germany & Austria 7%
- Benelux 5%
- Italy 5%
- Nordics 4%
- Iberia 4%
- Australia & New Zealand 2%
- Switzerland 2%
- Emerging Markets 7%
- LHH 1%



2011 EBITA split by segment *in %*
(operating units)

- France 24%
- North America 18%
- UK & Ireland 4%
- Japan 9%
- Germany & Austria 12%
- Benelux 5%
- Italy 7%
- Nordics 2%
- Iberia 3%
- Australia & New Zealand 2%
- Switzerland 5%
- Emerging Markets 5%
- LHH 4%



2011 Revenue split by business line *in %*

- Office 26%
- Industrial 52%
- Information Technology 11%
- Engineering & Technical 5%
- Finance & Legal 3%
- Medical & Science 2%
- Solutions 1%

1 Year-end 2011

2 Average 2011

Share price performance comparison 2011
in CHF

Share information

Tickers

SWX Europe	ADEN
Bloomberg	ADEN VX
Reuters	ADEN.VX
ISIN	CH0012138605

Share price *in CHF*

• Year-end	39.35
• Average	49.84
• High/low	66.05/32.15

Historical data

for the fiscal years in EUR millions (except shares)	2011	2010	2009	2008	2007
Statement of operations data					
Revenues	20,545	18,656	14,797	19,965	21,090
Gross profit	3,566	3,329	2,649	3,673	3,927
EBITA[4]	814	722	299	908	1,081
Net income attributable to Adecco shareholders	519	423	8	495	735
Other financial indicators					
Cash flow from operating activities	524	455	477	1,054	1,062
Free cash flow[5]	415	350	385	948	971
Net debt[6]	892	751	110	617	866
Key ratios (as % of revenues)					
Gross margin	17.4%	17.8%	17.9%	18.4%	18.6%
SG&A ratio[7]	13.4%	14.0%	15.9%	13.8%	13.5%
EBITA margin	4.0%	3.9%	2.0%	4.5%	5.1%
Per share figures					
Basic EPS in EUR	2.72	2.20	0.04	2.82	3.97
Diluted EPS in EUR	2.72	2.17	0.04	2.71	3.80
Cash dividend in CHF	1.80[8]	1.10	0.75	1.50	1.50
Number of shares					
Basic weighted-average shares	190,671,723	192,113,079	177,606,816	175,414,832	185,107,346
Diluted weighted-average shares	190,805,080	195,596,325	177,613,991	184,859,650	195,279,053
Outstanding (year-end)	170,448,401	174,702,026	174,079,431	174,188,402	182,647,293

3 SMI and Basket of competitors (Manpower, Randstad and Kelly Services market capitalisation weighted in CHF) relative to Adecco's share price: 1.1.2011 = CHF 61.25.

4 EBITA is a non-U.S. GAAP measure and is defined herein as operating income before amortisation of intangible assets and impairment of goodwill and intangible assets.

5 Free cash flow is a non-U.S. GAAP measure and is defined herein as cash flow from operating activities minus capital expenditures.

6 Net debt is a non-U.S. GAAP measure and comprises short-term and long-term debt, less cash and cash equivalents and short-term investments.

7 Excluding amortisation of intangible assets and impairment of goodwill and intangible assets.

8 Proposed by the Board of Directors.

Dear shareholder,

The year 2011 started with continued improving economic conditions. As the months progressed, natural disasters, political unrest and the sovereign debt crisis led to volatile equity, bond and currency markets. In such a challenging environment, every day our 33,000 employees worldwide work with around 700,000 associates on assignment at more than 100,000 clients. By providing flexible HR solutions to the changing needs of our clients, we increase their competitiveness; by providing meaningful work for our associates, we help them achieve their work and career aspirations.

We achieved solid growth and industry-leading profitability. We reinforced our leadership position in the HR industry. Our revenues increased by 10% organically to EUR 20.5 billion. The strength in the early cyclical Industrial business continued and was yet again the key growth driver in 2011. The gross margin of 17.4% is a good result when taking into account that business mix trends unfavourably impacted the Group's gross margin and that the negative impact of reduced government subsidies in our largest market, France, had to be compensated throughout the year. Nevertheless, through the combination of sound topline development, pricing discipline and strict cost control, we delivered solid profitability. EBITA amounted to EUR 814 million, up 14% organically. The EBITA margin increased by 10 bps to 4.0%. Net income attributable to Adecco shareholders was EUR 519 million, up 23%. We generated strong operating cash flow of EUR 524 million in 2011 up 15%; our balance sheet is in a very healthy state, and our debt has no near term refinancing needs.

At the Annual General Meeting, the Board of Directors will propose a dividend of CHF 1.80 per share for 2011, for approval by shareholders. This represents an increase of 64%, compared to the dividend paid for 2010 and is equivalent to a pay-out ratio of 45% based on adjusted earnings. Given Adecco's solid financial position and strong cash flow generation, it was decided to increase the pay-out range from the Group's traditional pay-out range of 25-30% to 40-50% of adjusted earnings. This range is seen as sustainable going forward.

In 2011 we continued to work towards our EBITA margin target of above 5.5%. The integration of MPS Group was successfully completed during the course of 2011. Initially targeted synergies of EUR 25 million were clearly exceeded and profitability developed ahead of expectations. After almost two years of internal focus on integrating MPS, we missed some revenue growth opportunities, mainly in the US IT segment. Corrective measures have been taken and we are confident of a return to market growth.

With the acquisition of Drake Beam Morin Inc. (DBM) in 2011, we took global leadership in the career transition and talent development services sector. We are now present in all of the five largest career transition markets in the world and we are in a position to offer our customers a global solution of services. At the beginning of 2012, we acquired VSN Inc. in Japan, which was a rare opportunity for us to expand in Professional Staffing in the world's second-largest staffing market. These bolt-on acquisitions are an excellent fit with our global priority to increase the share of higher-margin businesses.

We have also made substantial progress in the execution of our mid-term strategic priorities. The Group's retention rate continued to be a strong focus and we launched the Adecco Academy training initiative to invest in our own people and culture, as well as to further enhance our service quality. Our investments in IT were stepped up and we continued on our path to standardise, centralise and simplify our processes from client- or candidate-related interactions all the way through to back-office optimisation. In General Staffing, we continued to better segment our client base and tailor our offering to best capture market opportunities. The trend of companies to outsource a part or the entire management of their contingent workforce persisted. We further developed our leading MSP, RPO and VMS offerings and won a number of important new client contracts. We continued to invest in the Emerging Markets and entered new countries such as Vietnam. Our joint venture in China, FESCO Adecco, already has over 125,000 associates on assignment every day and we will continue to invest as the untapped growth potential is still immense.

The value of flexibility, talents and skills that the Adecco Group offers to businesses and individuals, throughout their business and working life cycles, is appreciated more than ever. Companies increasingly focus on efficient HR strategies and require services on a regional as well as on a global level.

Manufacturing continues to move to the East and inventory-to-sales ratios have been falling, proving that the made-to-order trend has even intensified. This requires a flexible, but capable and continuously trained workforce. Although we still remain below prior peaks in many markets, we are certain that the structural shift towards more flexible workforce solutions will lead to higher penetration rates for our industry in the majority of markets where we operate.

Our global reach and agility mean that the Adecco Group is solidly positioned for the future. In an environment of economic uncertainty we will continue to build on our strengths – our leading global position and diverse service offering.
We will continue to take advantage of growth opportunities, with a strong focus on disciplined pricing and cost control to optimise profitability and value creation.

With the death of Henri Ferdinand Lavanchy our Company lost the founder of Adia. Henri Ferdinand Lavanchy was a visionary entrepreneur, the pioneer who first introduced the concept of temporary work in Switzerland with his ground-breaking ideas. By founding Adia in 1957, he laid the foundation for what became together with Ecco the world's leading provider of HR solutions, Adecco. The needs and ambitions of both employees and employers were always foremost in his mind. As a Group we will continue to live up to his values and we will keep his memory alive with great honour.

Our sincere thanks go to all our stakeholders, especially to our clients, our associates and our employees as well as our shareholders for their continued support and confidence in the Adecco Group.

Rolf Dörig
Chairman of the Board of Directors

Patrick De Maeseneire
Chief Executive Officer

Growing beyond limits

Interview with Patrick De Maeseneire, CEO

2011 was all about the US and European sovereign debt crisis, slow economic growth and continued high unemployment rates in most countries in the western world. What were your challenges and highlights? The uncertain environment you just described actually led to continued very good demand for our services. We achieved double-digit revenue growth for the second consecutive year. Our clients opted to make use of flexible labour, rather than adding permanent employees – a move that makes a lot of sense during such volatile times. Our lower-margin General Staffing business continued to outgrow the higher-margin Professional Staffing business and, coupled with the limited scope to increase prices, we needed to maintain a very tight lid on costs to protect our EBITA margin.

Are you satisfied with the progress on your six strategic priorities during 2011? Yes. We made good progress on all fronts. Retention of our own people continued to be a strong focus. We further developed on the IT front and have centralised the IT organisation. We continued to build on our leadership position in Professional Staffing, and with the acquisition of DBM we became the global leader in career transition and talent development management. The integration of MPS was successfully completed during 2011 and we achieved several important client wins with our MSP, RPO and VMS offerings. In fact, our VMS business Beeline signed on a record number of new clients in 2011. Improved segmentation of our client base and more efficient delivery models, especially in General Staffing, were a strong focus in 2011 and will continue to keep us busy also in 2012. And we continued to invest in the Emerging Markets. So, overall I am satisfied with our progress, though of course, we still have a lot of work ahead of us.

With the acquisition of MPS Group in 2010 you strengthened your exposure to Professional Staffing. Is it a concern that your General Staffing business continued to outgrow the Professional Staffing segment, especially in the USA? What was different about this recovery is that the General Staffing business, especially the Industrial segment, was growing very strongly for longer, before the Office business and Professional Staffing started to pick up. In other words, the typical recovery lag of the Office segment and also the Professional Staffing business was much longer this time. This is a reflection of the structural growth in our industry and companies having added more flexible human resources rather than permanent positions. Regarding our US Professional Staffing business, I am of course not pleased with the fact that we are lagging somewhat behind the market in terms of our revenue growth, especially in the IT segment.

What is the reason for the lag in revenue growth in IT in the USA? The integration of MPS was a success – we clearly exceeded our original synergy targets. But we were too focused internally, integrating back offices and merging branches, while the market started to pick up. Having been late in adding additional resources has meant that we have not been able to fully participate in the market growth. We have addressed the situation and hired more resources during the second half of 2011. We should close the gap to the market growth in 2012.

Is the EBITA margin target of over 5.5% mid-term still feasible, even if we face another recession in 2012? We are absolutely convinced that we will reach this target mid-term. We have increased the higher-margin Professional Staffing and Solutions businesses to above 20% of our total revenues and structurally reduced our cost base. In the meantime, our revenues have developed very well with two consecutive years of double-digit growth. While we have had some headwinds on gross profit, due to the business mix and reduced government subsidies in France, we have done an excellent job on the cost side.

It looks increasingly likely that Europe could enter into a recession again in 2012. GDP projections for the USA are also rather muted. How do you see Adecco developing in such an environment? Given our low level of visibility on revenue development, we have to manage our costs very strictly. Looking at recent trends, we clearly see that our clients are in a wait-and-see mode and are not adding resources in general. From today's perspective, a mild recession in Europe in 2012 indeed looks likely. We are prepared for such a scenario. We will protect our profitability, as we did in 2008 and 2009 during a much harsher downturn than what we expect today. The USA seems to be holding up fairly well for now, so that should help from a Group perspective.

You have taken the worldwide lead in career transition and talent development services. How do you see this business developing? With the recent DBM acquisition, we have strengthened our position in the counter-cyclical career transition business. This move has also considerably expanded Lee Hecht Harrison's existing geographic footprint, enhancing services for our clients internationally. This business typically picks up in economically weaker times.

The Emerging Markets are one of your six strategic priorities. What are your projections for the Emerging Markets in the near future? The Emerging Markets account for 7% of the Group's revenues. Already in 2011 around 30% of our temporary workers were employed in the Emerging Markets. And these numbers do not include the more than 125,000 temporary workers we place through our joint venture FESCO Adecco in China, where we hold a 49% minority stake. The lower salaries are the reason why today the Emerging Markets only account for 7% of the Group's revenues. Growth and wage inflation in these countries will increase their importance to Adecco's topline in the mid-term.

The social media have spread rapidly around the globe and are impacting the way people communicate and behave. What are your thoughts on how this will impact the HR industry and Adecco in particular? Social media and the Internet have changed the way people search for jobs and how clients advertise open positions. Nowadays, open job positions are advertised on corporate websites, Facebook, Twitter, LinkedIn and other sites visited by millions of job-seekers every day. At Adecco we use these tools to find new candidates and to send them specific open job opportunities that match their skills. In the USA, for example, 80% of first-time contacts at our Adecco-branded business come in via social media platforms. But the role of finding the right job for associates and the perfect person for our clients cannot be done successfully without human interaction. This is where we excel. We know the associates and their skills; we know the needs of our clients and we find the right fit.

There is a lot of talk about structural growth in your industry and increasing penetration rates. Why are you convinced of the growth opportunity for your company? We are in a constant dialogue with our clients and see their challenge to remain competitive. Our clients' demand has become more and more cyclical with peaks and troughs and goods are often only produced when ordered. This means that companies increasingly need to have a certain percentage of flexible human resources. Our clients value the services we offer and we clearly experience a trend where employers want to manage their staff more strategically and efficiently. This makes us confident that, in addition to the cyclical growth component of our industry, there is a lot of structural growth potential to be captured.

We have been witnessing what is often referred to as a jobless recovery with on-going high unemployment, but at the same time there are major skill shortages. How can we address the skills gap and what is Adecco's role in helping companies and governments adapt? Today we talk of a financial, political or a debt crisis, but for me the underlying crisis is a labour crisis. If we don't solve this, we won't solve the economic crisis. We have to re-industrialise the mature markets. This means bringing back production sites to Europe and the USA. At the same time, we have to stay competitive on salaries and make sure we make the right investments in training people for lifelong employment. At Adecco we help people take their first steps on the employment ladder. And we partner with governments to assist in the training and work placement of people particularly at risk of workforce exclusion.

So, Adecco's role in society at large does make a difference to people's lives? We play a key role in providing employment, creating jobs that otherwise would not exist and increasing the efficiency of labour markets. Every day we help hundreds of thousands of people find work and build their careers. Work is central to personal, family and social well-being. Work provides a sense of purpose and belonging, fostering our dignity and helping us to set lifelong goals. As the world's leading HR solutions company, we are conscious of our role and responsibility.

Our industry increases the efficiency of labour markets, raises the competitiveness of companies and creates jobs that would not otherwise exist.

The HR industry

Lifelong employment for everyone, adapted to personal, family, generational and geographical needs and abilities is the aim of our industry. HR services companies help people find a permanent, fixed-term or temporary job as well as enhancing their employability through career counselling, education and continuous training.

In 2011, the global staffing market grew approximately 7%[1] to EUR 265 billion[1]. This compares with an estimated increase of 11% to EUR 248 billion in 2010[1]. Professional Staffing accounted for around 30%[1] of the market in 2011 and increased 5%[1] year-on-year, while General Staffing was up 8%[1] compared to 2010 and represented 70%[1] of the global market in 2011.

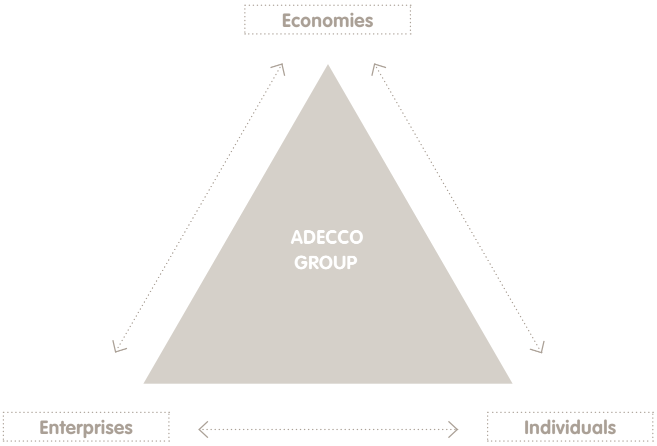
The USA represented the single largest market for HR services measured by revenues in 2011, with a share of approximately 31%[1], followed by Japan with 17%[1] and the UK with 8%[1]. Europe as a whole represented 36%[1] of the global staffing market in 2011, whereas the Emerging Markets accounted for 11%[1]. The major markets developed diversely in 2011 and varied between a revenue decline of 6%[1] and growth of 22%[1]. The market in Japan continued to decline, while growth in the UK was still subdued. A more restrictive legislative proposal (see page 25) in Japan held back demand for temporary staffing services. In the UK, a sluggish economy, characterised by being largely service-driven, and cuts in government spending led to a substantial decline in demand for temporary staffing services.

Competitive landscape The global HR services market is highly fragmented and the competitive landscape varies considerably from one country to another. There were 125,000 registered private employment agencies worldwide in 2010 according to Ciett[2]. The three biggest markets measured by revenues – the USA, Japan and the UK – show a very high degree of fragmentation, with Japan showing the largest number of staffing companies, followed by the USA and UK. The French market, by contrast, is highly concentrated. The top three listed staffing companies dominate the French market with a combined market share of around 70%[1], measured by revenues. Looking at the global picture, the three largest listed staffing companies represent 20%[1] of global turnover. The Adecco Group is the largest HR services company worldwide and has leading positions in Europe, North America, Asia/Pacific and Latin America. Consolidation in the staffing industry is on-going, particularly in fragmented markets. The trend of large multinational companies to outsource part or all of their HR processes continued and led to further consolidation in the industry. Partnering with a Managed Services Provider (MSP), to manage the company's contingent workforce spend, typically results in higher volumes for fewer suppliers. Moreover, consolidation is also driven by General Staffing companies seeking a stronger foothold in the Professional Staffing markets in order to diversify their product offerings and to enhance their position in this more profitable and faster-growing segment.

1 Adecco estimate. 2010 estimates revised.

2 Ciett = International Confederation of Private Employment Agencies

How HR services benefit labour markets



Our role

Adecco is the world's leading provider of HR solutions. We are conscious of our role towards all stakeholders in the markets where we operate. We maintain a constant dialogue with clients and workers as well as with societal, governmental and business stakeholders to create more and better work opportunities for individuals worldwide. Economies, enterprises and individuals all have to cope with seasonal, cyclical and structural market changes and as a labour market intermediary, we help them to adapt to these challenges.

Economies As an HR services company we turn available work into jobs and thereby support economic growth. Labour market transparency is increased through our deep understanding of companies' needs and people's work or education aspirations to provide the needed match of supply and demand. We increase labour market participation by enhancing employability of workers, creating new work solutions and fostering geographic and occupational mobility. As a result, our industry provides economies with the needed flexibility for increased competitiveness and sustained economic growth.

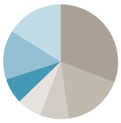
Individuals For individuals, we offer legally recognised and regulated work opportunities, facilitate on-the-job training and enhance occupational and geographic mobility. HR services companies create stepping-stone opportunities also for under-represented groups to gain work experience and to secure complementary incomes (e.g. students, families, retirees). By offering flexible work solutions we increase work options and enable workers to improve their work-life balance. Individuals benefit from a greater choice of work and from improved employability.

Enterprises The Adecco Group offers enterprises all its HR services both locally and globally. We provide companies with flexible HR solutions to help them weather peaks and troughs in demand, thereby maintaining and increasing their competitiveness. Our expertise in workforce management and the rapidity of execution makes us a valuable partner for enterprises to manage their complex workforce planning as well as risks. We also provide access to talents or improve skills of workers. Through improved flexibility, companies are in a position to protect core activities and cope with unpredictable changes in the market environment.

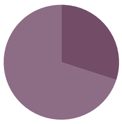
'Adapting to Change'
As established by Eurociett's 'Adapting to Change' study, HR services companies are an engine of job creation and deliver jobs ahead of the classic job creation curve. In fact, temporary jobs are created even at very low levels of GDP growth, when no permanent jobs are generated. The study highlights that temporary work does not substitute permanent work, as 74% of enterprises would not consider hiring permanently as an alternative to taking on temporary workers. 62% of responding businesses would not have created jobs if they had no access to HR services companies, such as the Adecco Group.

HR services companies are a stepping stone for the unemployed and young people to (re-)enter the job market. According to the study, 35% of temporary workers in Europe are below the age of 25 and use temporary work as their first opportunity to gain work experience. The Ciett Economic Report 2011 revealed that on average 37% of all temporary workers are officially registered as unemployed before finding a temporary job. Twelve months after having finished work on a temporary basis, only 15% of temporary workers are registered as unemployed again. Temporary work is recognised as an effective channel to find work with the possibility of eventually gaining a permanent position.

2011 global HR services market by revenues[1] *in %*



- USA 31%
- Japan 17%
- UK 8%
- France 7%
- Germany 7%
- Rest EU 14%
- Rest Global 16%



- Professional Staffing 30%
- General Staffing 70%

Adecco's market position in 2011

	% of Adecco revenues	Market share[1] in %	Market position[1]
France	30	31	1
North America	18	4	2
UK & Ireland	8	8	1
Japan	7	3	4
Germany & Austria	7	9	2
Benelux	5	5	3
Italy	5	18	1
Nordics	4	13	2
Iberia	4	25	2
Australia & New Zealand	2	4	4
Switzerland	2	16	1
Emerging Markets	7	5	1
LHH	1	18	1

'Adapting to Change' underlines that services offered by our industry contribute to reducing undeclared work. There is an inverse correlation between the level of illegal economic activity and the level of temporary work penetration: countries with a high penetration rate of temporary workers have lower levels of undeclared economic activity.

Regulatory environment

To maximise the benefits of HR services in delivering greater labour market efficiency, relevant regulation should balance flexibility with security, for both workers and businesses. Adecco is supportive of international instruments that provide guidelines to properly regulate private employment services, such as the ILO[3] Convention at global and the EU Directive at European level.

ILO Convention 181 Along with its accompanying Recommendation n°188, ILO Convention 181 encourages the effective operation of services provided by private employment agencies, and especially temporary work agencies. The convention was adopted in 1997 and recognises the role HR services companies play in a well-functioning labour market and emphasises the protection of the workers using their services. As ILO Convention 181 only provides the framework within which HR services companies should operate, member countries implement it in accordance with their national labour legislation. To date, ILO Convention 181 has been ratified by 23 countries. Adecco supports efforts at national level with national legislators to ratify ILO Convention 181. In October 2011, on the occasion of the ILO Global Dialogue Forum, Adecco led the Ciett delegation to promote a constructive dialogue between social partners to promote workers' rights in our industry.

EU Agency Work Directive The EU member countries were set the deadline of December 5, 2011 to implement the EU Agency Work Directive adopted in November 2008. Key elements of the Directive are the recognition of agency work, the removal of unjustified restrictions against the use of temporary work and the establishment of the equal treatment principle (unless national collective labour agreements with social partners set exceptions to the principle). Since the end of the transposition deadline in December 2011, the industry is faced with a heterogeneous implementation of the Directive across the EU. Adecco, Eurociett and national associations continue to advocate for the correct implementation of the Directive, focusing on the appropriate regulation and lifting of unjustified restrictions.

Across the globe, Adecco encounters considerably different regulatory schemes and drives the efforts of national associations to improve labour market efficiency. In most markets where Adecco operates, company representatives are engaged in the dialogue with national authorities to foster appropriate labour market regulation and define the proper regulatory environment for the provision of private employment services. In 2011 Adecco was a founding member of the Staffing Federation in India, the Association of Private Employment Agencies in Russia and the Staffing Association in Vietnam. In these regions, much emphasis is placed on setting up the proper regulation of the industry, in order to differentiate properly regulated agencies from rogue providers.

3 International Labour Organization

Key growth drivers for our industry

Penetration rates, the number of full-time equivalent associates (temporary workers) divided by the total active working population, differ significantly across the markets globally. The key growth drivers for the penetration rates and, hence, our industry are appropriate regulation, the business environment, the need for flexibility, the move of production to the East and socio-demographic changes. In 2011, the UK enjoyed one of the highest penetration rates in temporary staffing, around 3.1%[1], but significantly below the prior peak penetration rate of 4.7%[2] in 2008. In Germany a new peak penetration rate of 2.2%[1] was reached in 2011. In the USA, the world's largest staffing market, the penetration rate stood at 1.7%[1], in Japan at 1.4%[1] and in France at 2.2%[1], all still below historical peaks. In the BRIC and other developing countries, penetration rates continued to increase but remained below 1%[1].

Business environment Growth in our industry, in particular for temporary staffing services, correlates with GDP development. Compared with temporary staffing, which usually picks up shortly after GDP trends start to improve, unemployment rates are typically a late-cyclical indicator. Uneven business trends in 2011 highlighted the importance of a flexible workforce in adapting to fluctuations in demand and workforce needs. Many industries and regions still offer immense untapped potential for HR services, and the structural growth drivers for the industry remain fully intact.

Need for flexibility Greater flexibility in dealing with peaks and troughs in demand is achieved by companies employing temporary workers as a part of their workforce. In almost all developed countries, 2011 again augmented the need for flexible labour due to the uncertain economic development. More made-to-order production also resulted in an increased need of companies for flexible staffing levels. The inventory-to-sales ratio continued to decrease as witnessed in all businesses in the USA, where the ratio declined by 16% between 1992 and 2011. This trend is expected to continue and should further drive demand for our services.

Move of production to the East Moving production to low-cost countries will continue to impact the geographical mix of our industry. As companies move East, the need for HR services and local staffing know-how in the Emerging Markets is increasing. Given the low salary levels, the Emerging Markets today still represent a minor portion of the total revenue potential for the staffing industry. However, in terms of volumes, this region already represents a substantial share.

Socio-demographic changes The impact of socio-demographic changes on the labour market is becoming increasingly apparent. With declining birth rates in developed countries and people living longer, the scarcity of talent will hinder economic growth. In the USA an extra 25 million workers will be needed by 2030 while Europe will seek 35 million additional workers by 2050, according to 'Adapting to Change'. The staffing industry can help to narrow this gap by accessing additional demographic groups (e.g. students, families, retirees), by taking full advantage of its global presence and pool of candidates and by facilitating mobility. Meanwhile, lifestyle changes are having a positive impact on our industry. Today, people increasingly want to explore new assignments on a more frequent basis and are ready to move where the opportunities are. This fits well with the trend in many companies to look for greater flexibility, better job-profile matches and higher acceptance of temporary employees in the skilled workforce, in order to overcome the growing talent shortages in many industries. It exemplifies that our business is not just about recruitment, but also about training and providing lifelong learning to increase employability.

Appropriate regulation The regulatory framework of labour markets in individual countries has a significant influence on the size of HR services markets and growth rates. The appropriate regulation of the HR industry, and in particular the temporary labour market, balances flexibility with security for companies and workers alike, and drives the efficiency of labour markets. Each market requires appropriate regulation to increase transparency and allow HR services companies to play their role in creating jobs and increasing labour market participation.

Outlook for the staffing market

Austerity measures applied by most developed countries will hinder GDP growth in 2012 and Europe is expected to suffer most. In such an environment companies will be hesitant to hire permanent labour and rather hire staff on a temporary basis to remain flexible. The need for flexibility, socio-demographic changes and appropriate regulation offer attractive structural growth potential for our industry in the coming years in the developed countries. Economic growth in the Emerging Markets is expected to continue, albeit at slightly lower rates, driven by increased domestic demand and continued foreign investments. The move of production to the developing countries and the need for flexibility will further increase the penetration rates of temporary staffing in the Emerging Markets. In 2012, flexible HR solutions will continue to prove their value and many industries and regions offer untapped growth potential. Structural growth drivers for the industry remain fully intact and temporary staffing penetration rates are set to surpass prior peaks in the future.

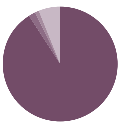
As the world leader, Adecco offers the full range of HR solutions which are tailored to meet the evolving needs of clients and associates around the globe.

Our solutions and services

Adecco Group's business can be viewed from different perspectives: by service, by business line and by segment. In this chapter we describe our services and solutions together with the business lines and brands through which we deliver these services. A review of our 2011 performance by segment can be found in the chapter 'Our results' on page 20.

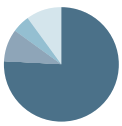
2011 service line split *in %*

Revenues



- Temporary 91%
- Permanent 2%
- Career transition 1%
- Outsourcing, talent development services and others 6%

Gross profit



- Temporary 76%
- Permanent 9%
- Career transition 5%
- Outsourcing, talent development services and others 10%

Our services

Temporary staffing In 2011, 91% of revenues and 76% of gross profit of the Adecco Group stemmed from temporary staffing services, which include general and professional skill sets, as described in the section 'Our business lines and brands' on page 13. Companies increasingly use temporary staffing services to quickly adapt to seasonal and cyclical fluctuations as well as structural changes in the economy. Employers can manage the market dynamics by adding either flexible resources, by hiring temporary workers, or fixed resources, by adding permanent employees. But enterprises are similarly challenged to decide how to fill the gap when employees retire, change jobs or are absent (e.g. maternity leave, sickness or unpaid leave). For individuals seeking employment, we provide work opportunities and experience that increase their employability.

As a labour market intermediary, we make contact with candidates through our existing database, or the Internet, including various social media tools, but we also make use of traditional contact channels like our branches. We conduct interviews and match the client's requirements with the candidate's skills and needs to ensure a perfect match. Adecco performs all administrative tasks, like contract handling and payrolling. We always strive to find consecutive assignments for our associates to ensure they are continuously employed.

Permanent staffing Permanent placement services accounted for 2% of revenues and 9% of gross profit of the Adecco Group in 2011. When employers are confident on the economic development and their need to fill certain key positions, they hire staff on a permanent basis. We have access to a wide range of top talents, including the hard-to-reach professionals who are not actively looking for a job. We search for candidates, screen the CVs, conduct interviews and assessments. We are committed to finding the right people for the client's business and will only propose candidates who have passed our in-depth screening process to ensure a perfect fit. We support our associates in ensuring that they reach their career goals, guiding them in selecting the right role for their skills and aspirations.

Adecco Group HR solutions and services

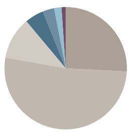
TEMPORARY AND PERMANENT STAFFING SERVICES		HR PROCESS MANAGEMENT SOLUTIONS	
General Staffing	Professional Staffing	Workforce Management Solutions	Career Transition & Talent Development Solutions
· Office · Industrial	· Information Technology · Engineering & Technical · Finance & Legal · Medical & Science	· Managed Services Programmes (MSP) · Recruitment Process Outsourcing (RPO) · Vendor Management System (VMS)	· Outplacement · Leadership Development · Career Development · Change Management Solutions · Training · Consulting

Career transition services (outplacement) Revenues generated from career transition services represented 1% of Adecco's total revenues and 5% of gross profit in 2011, including the results of acquired Drake Beam Morin Inc. (DBM)[1]. We assist clients in the effort to reorganise their workforce due to mergers and acquisitions or when pressured to downsize as a result of reduced business activity. During the transition phase we support affected employees with training and facilitate their move to the next step in their career. We have the capabilities and expertise to manage an entire process be it for a few people or thousands. We ensure that affected employees are engaged in transition activities and that retained employees remain productive, committed and focused on their work. It often happens that some areas of an organisation are downsizing while others are recruiting. We reduce transition and recruiting costs by redeploying employees affected by a downsize to areas in need of talent.

Outsourcing, talent development services and others 6% of revenues and 10% of gross profit of the Adecco Group in 2011 stemmed from outsourcing, talent development and other services. Outsourcing includes clients transferring processes and capabilities to the Adecco Group through Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Vendor Management Systems (VMS). These workforce management solutions are described in the next section 'Solutions' on page 15. Talent development services include training, assessment, change management solutions and leadership programmes. We assist our clients in engaging and retaining their people, developing their leadership strength and helping their managers become more effective, proactive coaches.

Our business lines and brands

2011 Revenue split by business line *in %*



- Office 26%
- Industrial 52%
- Information Technology 11%
- Engineering & Technical 5%
- Finance & Legal 3%
- Medical & Science 2%
- Solutions 1%

General Staffing

Professional Staffing

General Staffing
In 2011, General Staffing made up 78% of the Adecco Group's revenues. Given the relatively lower-margin nature of the business, we typically offer tailored solutions to retail and large clients with the aim to build longer-lasting relationships with associates and clients. An efficient delivery model for us is key to optimising our own costs and being competitive. General Staffing includes the two business lines Office and Industrial, as described below.

Office Office represented 26% of revenues of the Adecco Group in 2011. We are specialised in the temporary and permanent placement of administrative and clerical staff. In order to provide the right combination of personnel and technical skills, we mainly focus on the business areas Administrative/Clerical, Assistance, Customer Service, Human Resources, Import/Export, Project Management, Purchasing, Secretarial/Personal Assistant and Sales, Marketing & Events. Main brands in this segment include Adecco Office and Office Angels.

1 Results of Drake Beam Morin Inc. included since September 1, 2011.

Industrial The Industry segment accounted for 52% of Adecco's revenues in 2011. We serve our clients in the temporary and permanent placement of staff mainly in sectors such as Automotive, Manufacturing, Construction, Hospitality, Transportation and Logistics. Main brands include Adecco, Adecco Industrial and Tuja.

Professional Staffing
Professional Staffing accounted for 21% of Adecco's total revenues in 2011. With the 'experts talk to experts' approach we establish relationships with line managers at enterprises to better understand the skills sets of candidates needed. This ensures successful matching of candidates' profiles with clients' needs for positions requiring higher qualifications. In turn, expert points of contact enable us to offer high-level assignments for candidates and to attract talented, qualified and sought-after individuals. Professional Staffing includes the business lines Information Technology, Engineering & Technical, Finance & Legal and Medical & Science as described below.

Information Technology The Information Technology segment represented 11% of the Group's revenues in 2011. At Adecco, our Information Technology experts partner with clients to integrate, structure and streamline their IT services and activities. Among others, we provide temporary assignments and permanent positions for IT Developers, Programmers, Consultants, Project Managers, Systems Engineers or Analysts and IT Support for any industry. Main brands include Modis and Computer People.

Engineering & Technical In 2011, we generated 5% of the Group's revenues in Engineering & Technical. In the field of Engineering & Technical our associates take on assignments and projects on a temporary or permanent basis for key industries such as Electronics, Automotive and Transportation, Energy, Oil & Gas, Utilities, Medical Products, Aerospace, Chemicals and Raw Materials. Main brands include Adecco Engineering & Technical, Entegee and euro engineering.

Finance & Legal 3% of revenues of the Adecco Group in 2011 stemmed from the Finance & Legal business line. In a rapidly changing world, new standards, systems and regulatory requirements are emerging all the time. Finance & Legal specialises in the temporary and permanent placement of talented accounting, finance and legal professionals that work in sectors including Accounting, Finance, Banking, Legal, Construction, Property, HR, Architecture, Management and Marketing & Communication. Main brands include Badenoch & Clark and Accounting Principals.

Medical & Science The Medical & Science segment represented 2% of Adecco's revenues in 2011. We recruit and place doctors, nurses, therapists, pharmacists and other allied healthcare professionals on a permanent or temporary basis in the field of Clinical Research, Regulatory Affairs, Pharmacists, Medical Writers, Laboratory Research Scientists and Sales & Products Support. Our main brands include Soliant and Adecco Medical.

Solutions
Solutions accounted for 1% of revenues of the Adecco Group in 2011 including revenues generated in Workforce Management, Career Transition and Talent Development Solutions as described below.

Workforce Management Solutions As a provider of **Managed Service Programmes (MSP)**, clients increasingly ask Adecco to manage all or parts of their contingent workforce. There are clear advantages in outsourcing the management of contingent labour to us: one single point of contact, speed, enhanced recruitment process and transparency. We can manage the contingent workforce solutions, programme management, reporting and tracking, supplier selection and management, order distribution and even consolidated billing.

Clients can also keep the management of their contingent workforce in-house by using our market-leading **Vendor Management System (VMS)** called Beeline. This web-based tool is used to manage vendors and to track every step in the sequence. Our powerful, fully automated solution provides robust workforce analytics capabilities, as well as score carding to help improve the quality of candidates and overall vendor performance. The Beeline software interfaces seamlessly with common office and enterprise ERP solutions and is known throughout the industry for its leading functionality and ease of use.

Our **Recruitment Process Outsourcing (RPO)** solution is suited to companies that want to outsource their recruitment process for permanent employees. The entire process includes the search for candidates, CV screening, interviews and candidate assessment. We can take care of the whole or part of the process or act as a partner for all the permanent recruitment needs. We reduce costs and complexity for our clients and ensure that they get the right people, with the right skills at the right time.

Career Transition and Talent Development Solutions In our Lee Hecht Harrison (LHH) branded business, we focus on delivering career transition (outplacement), leadership development, career development and change management solutions for organisations committed to developing the best talent and becoming employers of choice. Following the acquisition of DBM[1] we are the world's leading career transition and talent development services provider. While LHH historically had a strong presence in the USA and in France, through the combination with DBM we also attained leading positions in the UK, Canada and Brazil, which are among the largest markets in the career transition and talent development services sector.

As the global leader in HR solutions, we at the Adecco Group offer the full range of HR services. We have the capability to serve individuals and enterprises with all these services, locally and globally alike. This makes us unique.

Our strategy

The strategy of the Adecco Group is to be alongside each phase in the life cycle of our associates and clients. As the world's leading provider of HR solutions, in over 60 countries we offer all HR services to more than 100,000 clients[1] and every day we place around 700,000 associates[1] at work.

Candidates & Associates We support job seekers from their very first career steps: giving them an opportunity to start to build up valuable skills and to gain the work experience required by the job market. We help people identify roles that will allow them to re-enter the working world and provide them with the training to do so. A temporary job can often lead to permanent employment. Adecco offers talent development services, including training, coaching and counselling, to enable all our associates to reach their professional goals and potential. Our Career Transition services help individuals move into new roles in cases of redundancy, by assisting with the preparation of a CV, setting up interviews and final placement. We aim to accompany our associates throughout every phase in the worker life cycle.

Clients When a great idea is ready to be turned into a business, we support our clients through the start-up and growth phases by finding the right people, with the right skill sets to contribute to the company's success. Growth and expansion can also mean mergers and acquisitions, human resources need to be carefully managed and maintained, and changes may need to be made to the organisation: Adecco has the services and skills to support clients through all of these phases and more.

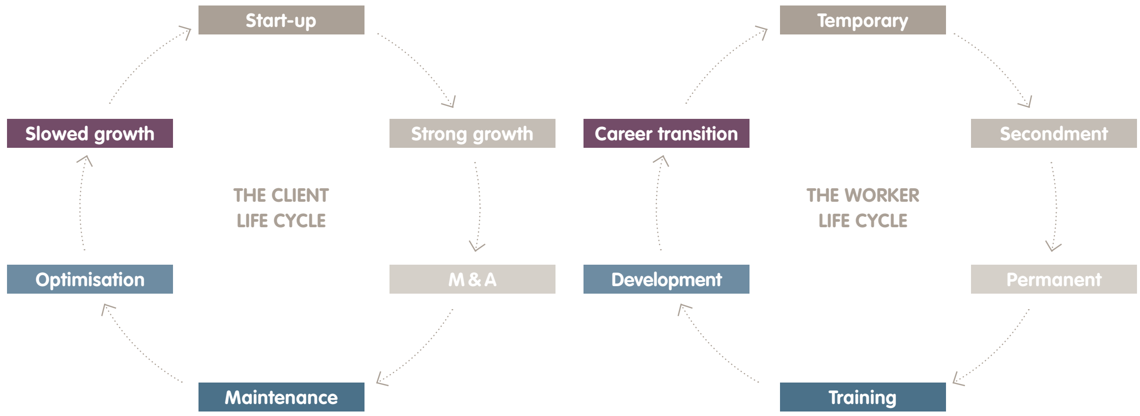
Once the client's company structure matures, we help to manage the attrition of people or to optimise business processes through outsourcing solutions. Should circumstances require a client to downsize operations, we help by deploying staff to increase business efficiency and effectiveness. Whatever the phase in the client life cycle, Adecco strives to provide an HR solution.

How we monitor our operations
Top management carries out frequent operational and financial reviews with the country and regional heads of Adecco's markets and business segments to ensure that the Group's strategy remains on track and is embedded in the local operations. While we selectively invest in high-growth segments and markets, we continue to practice stringent cost management to ensure a sustainable improvement in profitability. In addition, the application of the 'Economic Value Added' (EVA) concept continues to be a core pillar of our day-to-day operations and strategy, ensuring discipline with respect to client contract pricing, cost containment and evaluating business opportunities.

The 'Economic Value Added' (EVA) concept
To ensure alignment of the Adecco Group's overall strategy throughout the decentralised organisation, firm central control and effective management tools are required. The EVA concept not only helps us to ensure that the interests of our shareholders are met, it also makes sure that our daily decision-making processes are geared to value generation. The Adecco Group's value-based management approach has long moved beyond profitability based on pure accounting criteria as a measure of value creation. We also take capital intensity into consideration and application of the EVA concept enables us to maximise shareholder returns. EVA is deeply embedded in our daily operations, fostering consistent and dependable pricing policies, ensuring the use of the most efficient delivery channel and serving as a basis for performance-related incentives.

1 Average 2011

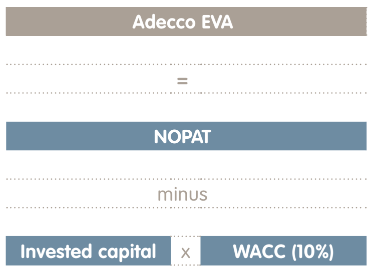
Alongside the life cycle of our clients, candidates and associates



Where we apply 'Economic Value Added' We apply the EVA concept in the following areas: incentive plans, contract pricing and acquisitions.

- **Incentive plans:** performance-related pay is calculated on an EVA basis and applied at almost all levels and regions of the organisation. At branch level, we apply a simplified version of the concept, while the remuneration of senior management is measured using the most detailed form of the calculation, covering all elements of the concept, including goodwill and other intangible assets.
- **Contract pricing:** we use EVA to measure the value generation of new and existing clients. First and foremost, this approach ensures that the pricing of our client contracts is consistent and dependable, giving us a clearer picture of the cost structure and capital needs of our business relationship with individual clients.
- **Acquisitions:** we apply the EVA concept in order to evaluate the attractiveness of potential acquisitions. As goodwill and other intangible assets are a substantial part of the invested capital which directly affect 'Economic Value Added' and subsequently the incentive pay of senior management, the concept helps us to avoid overpaying.

How we calculate 'Economic Value Added' EVA is a measure of a company's financial performance based on residual income. According to this concept, value is only created if EBITA after the deduction of taxes is greater than the minimal required rate of return on the invested capital, equal to the Company's weighted average cost of capital (WACC). The calculation is based on the Adecco Group's net operating profit after taxes (NOPAT). Invested capital is defined as total assets, excluding cash and including gross acquired goodwill and other gross acquired intangibles since the introduction of the EVA concept, while deducting non-interest-bearing liabilities. We apply a 10% cost of capital across all our entities, while the actual WACC in the reporting period was below 10%.



Put simply, the concept allows us to find the right balance between revenue growth, market share, pricing and cost structure and invested capital. It enhances our ability to make the right choices with respect to client relationships, acquisitions, strategies, incentive schemes and targets.

Our mid-term target

We aim to reach an EBITA margin above 5.5% mid-term – a new peak for Adecco. In 2011 the EBITA margin was 4.0% and improved 10 bps compared with 2010. The target was set at the beginning of 2010, after having increased the share of the higher-margin Professional Staffing business to above 20% of our total revenues. Moreover, we used the recession in 2008/2009 to structurally reduce our cost base. In the meantime, Adecco Group revenues developed very well with two consecutive years of double-digit growth. While we faced headwinds on gross profit, due to the business mix and reduced government subsidies in France, we have done an excellent job on the cost side since the upturn. From today's perspective, we are fully on track to reach our targeted profitability level mid-term.

How we reach our mid-term target

Strategic priorities	Mid-term target	Enablers
· Retention · IT · Professional Staffing · Segmentation · Solutions · Emerging Markets	EBITA MARGIN > 5.5%	· Topline Growth · Pricing Discipline · Business Mix · Cost Control

Strategic mid-term priorities

The strategic focus of Adecco Group's management is on Retention, Information Technology (IT), Professional Staffing, Segmentation, Solutions and the Emerging Markets.

- **Retention:** Retaining our own employees is essential in building successful long-term relationships with both clients and associates. A better, longer-lasting relationship with our clients and associates is a competitive advantage both from a revenue and also from a cost perspective. The regularly conducted Great Place to Work® survey on the job satisfaction of our own employees gives insight into how we can offer and enhance an attractive working environment.
- **Information Technology:** Optimising our IT processes, through further consolidation of data centres, front office systems standardisation and the reduction of applications, as well as a common Group-wide web platform, is an important strategic priority for the Group's management. The investments in IT are aimed at enhancing our cost leadership position. Additionally, we invest in our web presence to remain at the forefront of the emergence of new delivery models such as social media networks.
- **Professional Staffing:** Already today, Adecco is the global leader in Professional Staffing worldwide, but it remains an essential part of the Group's strategy to increase the share of revenues generated from Professional Staffing. This segment, with higher growth and margin potential, accounts for approximately 30%[2] of the global staffing market. Mid-term, Adecco aims to raise its share of revenues generated from Professional Staffing. Demand for higher-margin Professional Staffing, where penetration rates are still significantly lower than in the General Staffing segment, will be driven by scarcity of talent and higher wage growth for qualified personnel.
- **Segmentation:** Optimising the segmentation of our client base and increasing the efficiency of delivery models, especially in General Staffing, was a strong focus in 2011 and will continue to be firmly in our sights also in 2012. We aim to increase business with retail and medium-sized clients, to better diversify the business mix.
- **Solutions:** As the world's leading provider of HR solutions, Adecco considers the continuing trend towards Workforce Management Solutions, including Managed Services Programmes (MSP), Recruitment Process Outsourcing (RPO), Vendor Management System (VMS), and Career Transition and Talent Development Solutions a major opportunity to differentiate its service offering. Large multinational clients increasingly seek to outsource their HR processes and with our global footprint and extensive know-how of local labour markets, Adecco is ideally positioned to take advantage of this trend. Our comprehensive Solutions offering is unique and a key competitive advantage.
- **Emerging Markets:** The Emerging Markets offer immense untapped growth potential for the staffing industry. Penetration rates of temporary staffing services are still at very low levels. The highly dynamic economic activity and the move of production and growing investments into the Emerging Markets by multinational corporations are the main growth drivers for our business in these markets. During 2011 we opened offices in Vietnam and FESCO Adecco, the joint venture in China established as of January 1, 2011, had already more than 125,000 associates by the end of the year.
  The rapidly growing Emerging Markets remain a strategic focus for us.

2 Adecco estimate.

How we are organised

The set-up of our organisation is a key success factor for our business. We are organised in a geographical structure plus the global business Lee Hecht Harrison (LHH):

- France
- North America
- UK & Ireland
- Japan
- Germany & Austria
- Benelux
- Italy
- Nordics
- Iberia
- Australia & New Zealand
- Switzerland
- Emerging Markets
- Lee Hecht Harrison (LHH)

Our staffing business is a local business since HR markets are local markets. Every country has its own characteristics in terms of client needs, client structure, demographics, culture and regulations. The heads of each country or region have operational responsibility for both the General and the Professional Staffing business lines. We are convinced that, for the staffing business, decentralisation is the right way to manage a global staffing organisation and to promote local entrepreneurship. On the other hand, our Career Transition and Talent Development Solutions business (LHH) globally benefits clients with its unparalleled service offering. Clients increasingly require these services in multiple countries and our organisation structure perfectly fits this need.

The Board of Directors (BoD) determines the overall strategy of the Adecco Group and supervises the management. The CEO is responsible for the implementation of the strategic and financial plans as approved by the BoD and represents the overall interests of the Adecco Group. The Executive Committee consists of the Group's CEO, Chief Financial Officer, Chief Sales Officer, Chief Human Resources Officer and eight Regional Heads representing all countries where Adecco operates.

Our key performance indicators (KPIs)

To measure the effectiveness of our strategy from a financial perspective, we closely monitor the following KPIs:

- Revenue growth
- Gross profit growth and development
- Selling, general and administrative (SG&A) expenses development
- EBITA growth and EBITA margin development
- Conversion ratio (EBITA as a percentage of gross profit)
- Days sales outstanding (DSO)
- Economic Value Added (EVA)

We also measure non-financial goals. Retaining our own employees is a strategic priority of management. We review the retention rate quarterly and use the Great Place to Work® survey to further improve our attractiveness as an employer. We conduct the Global Satisfaction Survey among clients, associates and employees on a regular basis – a dialogue with those people who determine our success. It provides us with feedback on our brand promise, brand voice, processes and KPIs, and allows us to constantly improve. By increasing client, associate and employee satisfaction we enhance the creation of value.

What makes us unique

Adecco offers a complete range of HR solutions and services along the life cycle of clients and workers in more than 60 countries around the world. This means we provide solutions to enterprises and individuals globally. We are the largest provider of General and Professional skills and through our network we place around 700,000 people[1] at work every day. We partner our associates and our clients, finding the best fit for the skills and aspirations of talents to the evolving needs of enterprises. Coupled with our global reach and decentralised management approach, which fosters entrepreneurship and enables adaptation to local market conditions, we are a trusted and reliable partner for all stakeholders.

In 2011 we continued to focus on executing our strategy. Industrial staffing remained the growth driver of our results. With the performance achieved to date we remain on track to reach an EBITA margin above 5.5% mid-term.

Our results

Review of Group results

Highlights for the Adecco Group In 2011 we faced overall good business conditions. Whereas we experienced strong momentum in the first half of the year, tougher comparables and the economic uncertainty related to the sovereign debt crisis in Europe and the USA led to slower growth in the second half of 2011.

Our main markets, France and North America, accounting for 48% of total revenues, respectively grew 10% and 8% organically. Germany & Austria and Italy had very strong growth, both more than 20% in 2011, also driven by their export oriented exposure. The UK & Ireland and Japan, returned to organic growth in 2011. The Emerging Markets continued to expand strongly double-digit.

From a business line perspective, growth was still strongest in the Industrial segment. Growth in Professional Staffing was held back by the IT segment in North America. In 2011, revenues stemming from Professional Staffing and Solutions represented 22% of Group revenues compared to 23% in 2010. The slightly lower proportion of Professional Staffing and Solutions in 2011 compared to 2010 is mainly a result of faster revenue growth in Industrial and Office (General Staffing) in 2011, with growth rates of 13% and 9% respectively. In our Solutions segment, the counter-cyclical career transition business reported an organic decline, while growth in MSP, RPO and VMS was strongly double-digit.

The uncertain and rather muted economic development across the globe meant that companies lacked the confidence to hire human resources on a permanent basis, which fostered demand for flexible workforce solutions. In the automotive, industrial and manufacturing sectors we experienced the strongest demand for staffing services. From a business mix perspective this led to higher growth in the lower-margin Industrial business. Also, we generated higher revenue growth with larger clients and less so with small or medium size clients. This again led to higher growth in the lower margin businesses. Lastly, the precarious debt situation in many countries led to austerity measures that also impacted the HR industry in 2011. In the UK & Ireland, for example, this meant significantly reduced demand for staffing services in the public sector. In France, which is our largest market, the government decided to reduce subsidies granted to employers for their typically lower-skilled employees earning low wages. In order to compensate for the subsidy shortfalls, we needed to raise prices for our services throughout 2011. From a profitability perspective, we therefore experienced some headwinds in 2011. We delivered double-digit revenue growth in 2011 for the second consecutive year, benefiting from a structural shift in demand towards more flexible workforce solutions and we were able to maintain the EBITA margin, through price discipline and tight cost control. This despite the unfavourable business mix and the subsidy cuts in France.

In 2011 we successfully completed the integration of MPS Group which we acquired in January 2010. Initially targeted synergies of EUR 25 million were clearly exceeded. With the acquisition of MPS Group, Adecco attained the worldwide lead in Professional Staffing.

Included in our results since September 1, 2011, is Drake Beam Morin, Inc. (DBM), a career transition (outplacement) and talent development services company. Combining Adecco's Lee Hecht Harrison (LHH) business with DBM created the world's leading career transition and talent development services provider. Having joined forces with DBM considerably enhances LHH's existing geographic footprint. With a strong presence historically in its main markets of the USA and

Key figures at a glance

in EUR millions	2011	2010	variance
Revenues	20,545	18,656	10%
Gross profit	3,566	3,329	7%
Gross margin	17.4%	17.8%	
SG&A	(2,752)	(2,607)	6%
EBITA	814	722	13%
EBITA margin	4.0%	3.9%	
Net income attributable to Adecco shareholders	519	423	23%
Basic EPS	2.72	2.20	
Diluted EPS	2.72	2.17	
Operating cash flow	524	455	15%
Dividend per share in CHF	1.80[1]	1.10	64%

France, LHH through this acquisition also attained a leading position in the UK, Canada and Brazil, which are among the largest markets in the career transition and talent development services sector. This move strengthens Adecco with an effective counter-balance to the temporary and permanent staffing business, given the counter-cyclical nature of the career transition sector.

Main financial highlights for our company in 2011:

- Revenues up 10% to EUR 20.5 billions (up 10% organically[2])
- Gross margin at 17.4%, down by 40 bps (-60 bps organically)
- SG&A up by 6% (up 4% organically)
- EBITA of EUR 814 million, increased by 13% (14% organically). EBITA in 2011 includes EUR 20 million integration costs (EUR 33 million in 2010)
- EBITA margin of 4.0%, up 10 bps (4.1% before the EUR 20 million integration costs for MPS and DBM)
- Net income attributable to Adecco shareholders of 519 million, up 23%
- Strong operating cash flow of EUR 524 million, up 15%
- Proposed dividend of CHF 1.80[1] per share, up 64%

Other highlights:

- In April 2011, we lengthened the maturity profile of our debt and took advantage of favourable market conditions. EUR 500 million fixed rate notes due in 2018 with a coupon of 4.75% were issued and the proceeds were partly used to refinance an aggregate nominal amount of EUR 311 million of outstanding notes, consisting of EUR 167 million of the EUR 500 million 4.5% notes due 2013 and EUR 144 million of the EUR 500 million 7.625% notes due 2014.
- At the end of August 2011, we successfully completed the acquisition of DBM. We are now the global leader in the career transition (outplacement) and talent development sector, with a significantly expanded global footprint.
- On February 8, 2012, Adecco S.A. placed a 4-year CHF 350 million bond with a coupon of 2.125%. The notes were issued within the framework of the Euro Medium Term Note Programme and are traded on the SIX Swiss Exchange. The proceeds are for general corporate purposes.

Review of operational results

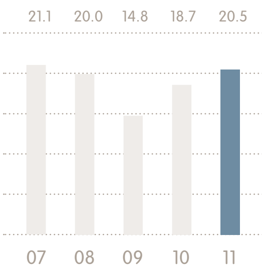
Revenues In 2011, our revenues increased by 10% to EUR 20,545 million, or by 10% organically. Temporary hours sold were up 9% to 1,261 million. Permanent placement revenues amounted to EUR 344 million, an increase of 19% or 18% organically when compared with the prior year. Career transition (outplacement) revenues totalled EUR 206 million, a decline of 8% or 16% organically. Acquisitions had a positive impact of 1% on 2011 revenues. From a business line perspective, revenues in the General Staffing business (Office & Industrial) were up 12%, also in constant currency, while Professional Staffing revenues increased by 5% or also 5% organically. Revenues in Solutions were flat, or down by 6% organically. Whereas the counter-cyclical career transition (outplacement) business was down, revenues in MSP, RPO and VMS were up in solid double digits.

Gross Profit was up 7% to EUR 3,566 million, and by 6% organically. The gross margin was 17.4%, 40 bps lower than in 2010. Organically, the decline in the gross margin was 60 bps. While pricing continued to be rational overall and we continued to practice strict price discipline based on our EVA (Economic Value Added) approach, we were confronted with a declining gross margin largely due to the strong growth in the lower margin Industrial staffing segment, which negatively

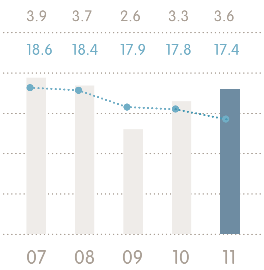
1 Proposed by the Board of Directors.

2 Organic growth is a non-U.S. GAAP measure and excludes the impact of currency and acquisitions.

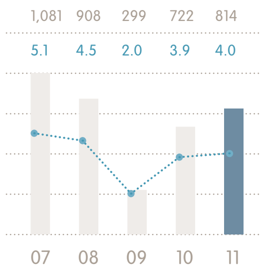
Revenues *in EUR billions*



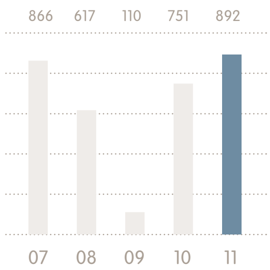
Gross profit *in EUR billions*
Gross margin in %



EBITA *in EUR millions*
EBITA margin in %



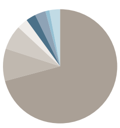
Net debt[3] *in EUR millions*



impacted the business mix. The temporary staffing business had a negative impact of 50 bps organically on the gross margin, whereof a negligible impact related to the French payroll tax subsidy cut. The outplacement business negatively impacted the gross margin by 20 bps organically. The permanent placement business had a positive impact on the gross margin of 10 bps organically.

Selling, general and administrative expenses (SG&A) Strict cost discipline was maintained during 2011 with selective investments in growth markets and segments only after careful evaluation. SG&A increased by 6% or by 4% organically. Integration costs for MPS and DBM amounted to EUR 20 million in 2011 (EUR 33 million for MPS and Spring in 2010). The average number of FTE employees increased by 5% or by 4% organically when comparing 2011 with 2010. Hirings were mostly concentrated in the Emerging Markets, Germany and North America. The average branch network was up 2% or by 1% on an organic basis when comparing 2011 with 2010. Personnel expenses, which comprised 71% of total SG&A, increased 7% in constant currency to EUR 1,954 million. On December 31, 2011, the number of branches and FTE employees exceeded 5,500 and 33,000 respectively.

SG&A breakdown
FY 2011



- Personnel Cost 71%
- Premises Expenses 9%
- Office & Admin. Expenses 7%
- Marketing 3%
- Depreciation 3%
- Consultants & Associates 3%
- Bad Debt Expense 1%
- Other 3%

3 Net debt is a non-U.S. GAAP measure and comprises short-term and long-term debt, less cash and cash equivalents and short-term investments.

EBITA In 2011, EBITA increased by 13% to EUR 814 million. On an organic basis, EBITA increased by 14%. The EBITA margin before integration costs was 4.1%, flat when compared with the EBITA margin before integration costs in the prior year. We were able to defend our EBITA margin, despite facing headwinds from a gross margin perspective. The unfavourable business mix, due to the strong growth in lower-margin businesses, was largely compensated by very tight cost control.

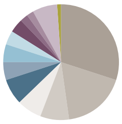
Operating income In 2011, operating income increased 14% to EUR 763 million.

Net income attributable to Adecco shareholders and EPS Net Income attributable to Adecco shareholders in 2011 was EUR 519 million, compared to EUR 423 million in 2010. Basic EPS was EUR 2.72 (EUR 2.20 in 2010).

Cash flow, net debt and DSO Operating cash flow amounted to EUR 524 million in 2011. The Group paid EUR 148 million, net of cash acquired, for the acquisition of DBM, and spent EUR 109 million in capital expenditure. Dividends paid were EUR 149 million in 2011. Net debt[3] at the end of December 2011 was EUR 892 million, compared with EUR 751 million at year-end 2010. In 2011, DSO was at 55 days, compared to 54 days in 2010.

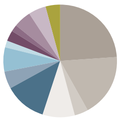
Outlook and priorities in 2012
Year-on-year revenue growth continued to soften during Q4 2011, albeit compared against a strong fourth quarter in 2010. In January 2012, Adecco Group revenues were down 1% compared to the prior year, on an organic basis and adjusted for trading days. Within Europe, revenue growth in Germany & Austria remained double-digit in January 2012. Most other countries slowed further going into the new year. In North America, revenues were up slightly year-on-year in January 2012, adjusted for trading days, while revenue growth in the Emerging Markets continued to be healthy.

2011 Revenue split by segment *in %*



- France 30%
- North America 18%
- UK & Ireland 8%
- Japan 7%
- Germany & Austria 7%
- Benelux 5%
- Italy 5%
- Nordics 4%
- Iberia 4%
- Australia & New Zealand 2%
- Switzerland 2%
- Emerging Markets 7%
- LHH 1%

2011 EBITA split by segment *in %*
(operating units)



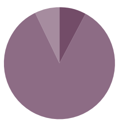
- France 24%
- North America 18%
- UK & Ireland 4%
- Japan 9%
- Germany & Austria 12%
- Benelux 5%
- Italy 7%
- Nordics 2%
- Iberia 3%
- Australia & New Zealand 2%
- Switzerland 5%
- Emerging Markets 5%
- LHH 4%

The Adecco Group is solidly positioned for the future. In an environment of economic uncertainty we will continue to build on our strengths – our leading global position and the diversity of our service offerings. We will continue to take advantage of growth opportunities, with a strong focus on disciplined pricing and cost control to optimise profitability and value creation. Besides the structural changes and related investments of EUR 45 million in France, which would mainly be incurred in the second half of 2012, management expects additional costs of EUR 10 million in the first half of 2012, to further optimise the cost base in other European countries and to protect profitability. We are committed to our strategic priorities and we have the right offering to achieve our EBITA margin target of above 5.5% mid-term.

Review of main markets

France

Country revenue split by business line



- Office
- Industrial
- Professional Staffing & Solutions

General Staffing

in EUR millions	2011	2010	variance[4]
Revenues	6,066	5,494	10%
EBITA	220	199	10%
EBITA margin	3.6%	3.6%	

Within Europe, France is a key market for staffing, with an approximate share of 7%[5] of the global market. While the staffing industry in general shows a high degree of fragmentation, the French market is significantly concentrated: the three major players hold a total market share of 70%[5]. Adecco is the market leader in France, with a market share of 31%[5]. France is a key market for our Company, where we generated 30% of our total revenues in 2011. Since August, the Regional Head is Alain Dehaze who previously led Adecco's operations in Benelux and the Nordics. Approximately 90% of revenues stemmed from the General Staffing business, the largest part of which comprises blue-collar industrial staffing. Professional Staffing still represents a minor part of our business in France, but continues to deliver very solid revenue growth. Steady deregulation of the temporary staffing industry in France has opened up opportunities for our Company. Since 2005, permanent placements have been permitted, which has led to strong growth in that segment. In 2009, the French parliament voted in favour of opening up the public sector to temporary staffing services, paving the way for temporary staffing in hospitals, as well as in state and local administrations. Until now, given the rigid structure of the public sector, using private agencies for temporary staffing has evolved only slowly. However, the public sector represents an attractive long-term opportunity for the industry. Apart from the increased need of companies for a more flexible workforce, the opening of the public sector to temporary staffing is seen as a driver for higher peak penetration rates in the French market.

Adecco's business in France experienced strong growth in the first six months in 2011. A tougher comparison base and the uncertainty related to the European debt crisis led to slower growth in the second half of the year. Revenues increased 10% compared with the previous year. Growth was driven by the Industrial segment, which increased 11%. EBITA increased by 10% to EUR 220 million. The EBITA margin was 3.6%, flat compared to the prior year. The flat EBITA margin development is mainly the result of higher growth in the lower-margin large

4 In constant currency.
5 Adecco estimate.

account business, negatively impacting the client mix. Since January 2011, the subsidies for employees earning low wages have been reduced. To offset the negative impact on our gross profit, we needed to renegotiate the contracts with our clients and for the full year 2011, we managed to minimise the negative impact to less than 10 bps on the Gross Margin. Pricing remained rational in the market.

In order to further strengthen the Group's position in France and to ensure sustainable profitability, Adecco is informing and consulting the French Works Councils on its plans to unite the networks of Adecco and Adia under the Adecco brand. Combining the expertise of both general staffing businesses under a single roof would facilitate an even better offering for clients, candidates and colleagues. At the same time, the cost base would be further optimised through the planned reduction of over 500 full-time equivalents (FTEs), further branch network consolidation and introducing the shared service centre concept. Adecco expects to invest approximately EUR 45 million, the majority of which would be incurred during the second half of 2012.

North America

Country revenue split by business line

in EUR millions	2011	2010	variance[4]
Revenues	3,646	3,488	10%
EBITA	161	134	28%
EBITA margin	4.4%	3.8%	

The US market, which represents 31%[5] of the global staffing market, is the largest worldwide. It is highly fragmented, and while we are the largest publicly listed player, our market share is only about 4%[5]. From a regulatory perspective, this market is amongst the most liberalised in our industry.

The region represented 18% of the Group's total revenues in 2011. The share of revenues generated in the Professional Staffing segment is amongst the highest when compared with our other markets. Professional Staffing and Solutions revenues were roughly 50% of total revenues while 50% stemmed from the General Staffing segment. The region's growing demand for temporary jobs was in stark contrast to the slow progression in the creation of permanent positions and a persisting high level of unemployment. Of the approximately 900,000 temporary staffing jobs lost during the recession in 2008 and 2009, over 600,000 were recovered by the end of 2011. As a result, the penetration rate increased from the trough of 1.33%[6] in 2009 to 1.81%[6] at the end of 2011. Growth in 2011 was strongest in the Office business with 20% constant currency growth, but also the Industrial segment held up very well with 7% constant currency growth despite running against a tough comparison base in 2010. Professional Staffing was up 8% in constant currency or by 3% organically, held back by the IT segment. The integration of MPS was successfully completed during the first half of 2011 and the targeted synergies were clearly exceeded. In IT Professional Staffing, our revenue growth lagged behind the market in 2011. The main reasons were the intense focus on the MPS integration and insufficient internal resources to capture the market potential. Hiring of additional specialised consultants started in summer 2011 and is expected to show a positive contribution in 2012.

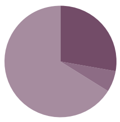
Overall, revenues in the region amounted to EUR 3,646 million, up 10% in constant currency, or 8% organically. EBITA increased by 20% to EUR 161 million, or 28% on a constant currency basis. The EBITA margin was 4.4%, 60 bps above the prior year. Integration costs related to MPS amounted to EUR 4 million in 2011 and EUR 20 million in 2010.

The focus in North America in 2012 will be on Professional Staffing, notably the IT segment, and closing the gap to the market in terms of growth, without sacrificing profitability. Furthermore, we will continue to expand our successful General Staffing business.

6 Source: Bureau of Labor Statistics (BLS).

UK & Ireland

Country revenue split by business line



- Office
- Industrial
- Professional Staffing & Solutions

General Staffing

in EUR millions	2011	2010	variance[4]
Revenues	1,707	1,630	6%
EBITA	32	22	50%
EBITA margin	1.9%	1.4%	

Representing 8%[5] of global staffing revenues, the UK is the third-largest market in the industry worldwide. As in the USA, the UK staffing market is highly fragmented and the labour market is fairly liberalised. With a market share of 8%[5] we are the market leader in the UK.

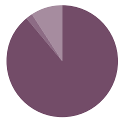
In 2011, our revenues amounted to EUR 1,707 million, up 6% in constant currency and up 5% organically. This represented 8% of the Group's total revenues. From a business mix perspective, roughly 66% of our revenues stemmed from the Professional Staffing segment, while 34% were generated in General Staffing. EBITA increased by 46% to EUR 32 million. In constant currency, EBITA increased by 50%. The EBITA margin was 1.9% in 2011, up 50 bps compared with the prior year. Integration costs related to MPS amounted to EUR 2 million in 2011 and EUR 13 million in 2010 (for Spring and MPS).

Whereas the UK recovery was lagging behind other countries in 2010, the market returned to low single-digit growth in 2011. Austerity measures in the UK meant reduced government spending in temporary staffing. This led to a strong double-digit decline in our revenues generated in the public sector, which represented approximately 10% of our total UK & Ireland revenues in the last quarter of 2011. After strong growth in the permanent placement business in 2010, the good momentum continued in 2011 with revenues up 22% in constant currency, but we are still clearly below prior peaks.

In a challenging business environment we successfully completed the integration of MPS in 2011 and slightly exceeded the targeted synergies. Going forward, we will continue to focus on leveraging our market-leading position and enhancing our profitability. Top priorities remain the continuing improvement of service delivery models and a systematic approach to client attraction and retention.

Japan

Country revenue split by business line



- Office
- Industrial
- Professional Staffing & Solutions

General Staffing

in EUR millions	2011	2010	variance[4]
Revenues	1,406	1,295	4%
EBITA	80	69	12%
EBITA margin	5.7%	5.3%	

The Japanese market is the second-largest staffing market in the world, representing roughly 17%[5] of the global market. This market has had robust growth since the beginning of liberalisation in 1996. Fragmentation is high, with the five largest players representing less than 20%[5] of the market, while the remainder is dominated by numerous small regional staffing firms. Adecco is currently the fourth-largest player in the Japanese market.

In 2011 the Japanese market remained in negative territory. Adecco has a high exposure to late-cyclical office and clerical business and approximately 90% of our total Japanese revenues are generated in this segment. The demand for temporary staffing services in Japan was still negatively impacted by an uncertain regulatory environment. Since early 2010, the Japanese government had considered revising the regulations on temporary staffing. At the beginning of March 2012, a draft legislation was passed in the House of Representatives and is expected to be passed in the House of Councilors. The enforcement is expected several months after the completion of further necessary legislative steps. Anticipated changes could include a minimum assignment length. In addition, the Labour Ministry will be ordered to clarify the rules for the 26 predefined skill categories where temporary staffing will be allowed, as well as providing clarity on outsourcing services. It is anticipated that customer hesitancy to use temporary agencies will diminish over time as regulatory uncertainties are removed. The impact on Adecco is expected to be limited and manageable. In 2011, thanks to outsourcing contracts won at the end of 2010 and during 2011, we more than compensated declining trends in the temporary staffing business. The earthquake and tsunami had only a very limited impact on our business, since our exposure to the affected industries is very minor.

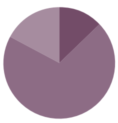
Against a still declining market in Japan, our revenues for the full year 2011 increased 4% in constant currency, to EUR 1,406 million. Management continued to excel in terms of cost control and execution. While EBITA increased by 16% to EUR 80 million or 12% in constant currency, the EBITA margin was 5.7% in 2011, up 40 bps compared to the previous year. We continued to be the cost leader in the market, delivering the highest profitability compared with our mainly local peers.

Our efficient service model is the main differentiating factor in the Japanese market. We have modified our traditional branch model, mainly in major urban areas, by separating the sales and recruitment processes. The aim was to attract a higher number of candidates in a market characterised by supply shortage as well as to improve client service. Our presence at high-traffic locations enables us to funnel a large number of candidates into an efficient screening process. The sales process, on the other hand, is centralised in contact centres in various cities, while a comprehensive database hosting client and candidate information forms the link between the job and the contact centres. In terms of the business mix between Professional and General Staffing, approximately 9% of our revenues stem from the Professional Staffing segment, while roughly 91% are generated in General Staffing.

The outlook for the Japanese staffing market is expected to remain muted due to the still unclear situation with regards to the proposed regulatory changes for temporary staffing services. Adecco, however, believes that the structural growth potential is unchanged. The acquisition of VSN Inc. in January 2012 will double the contribution of Professional Staffing to the company's revenues in Japan and reinforce the strong market position.

Germany & Austria

Country revenue split by business line



in EUR millions	2011	2010	variance[4]
Revenues	1,544	1,231	25%
EBITA	110	82	34%
EBITA margin	7.1%	6.7%	

Globally and within Europe, Germany is a key market for staffing, with a roughly 7%[5] share of the total global market. Our market share, in what we continue to view as one of the most attractive markets, is 9%[5], making us the number two in Germany. In 2011, the German economy witnessed good economic growth and withstood the European debt crisis. The prior peak penetration rate (the number of temporary employees as a percentage of the overall workforce) of 1.9%[7], reached in 2008, was surpassed during 2011 and it is a reflection of the strong cyclical recovery and structural growth the German temporary staffing market offers. Also mid-term, Germany remains an attractive structural growth market in our view, as greater acceptance of temporary staffing and the need for flexibility will result in higher penetration rates. Companies strive to further increase their flexible workforce and the European Directive requires the lifting of all restrictions on temporary agency work. This offers additional revenue potential for our industry. What's more, in the German construction sector, which today is still closed to temporary labour, restrictions should eventually be lifted.

Germany's exposure to export-oriented sectors such as the capital goods industry and the automotive sector, coupled with resilient domestic consumption, resulted in above-average GDP growth in a European context. In 2011, our revenues in Germany & Austria increased by 25% to EUR 1,544 million. The improvement in revenue growth in Germany & Austria was the highest within the Adecco Group. From a business line perspective, Professional Staffing revenues represented approximately 16% of our revenues in Germany & Austria, while General Staffing contributed 84%. Compared with 2010, EBITA increased by 34% to EUR 110 million. This resulted in an EBITA margin of 7.1%, up 40 bps compared with the prior year.

The comparatively higher profitability in Germany is attributable to the fact that temporary employees are on our own payroll – a regulation particular to the German and Swedish markets, where temporary employees are effectively permanent employees of the staffing firm. Employing associates on a permanent basis is in stark contrast to most other European countries, where the employment contract signed with temporary staff is limited to the duration of a certain assignment at the client. While having the temporary associates on our own payroll is to some extent a liability during economically difficult times, it also allows for premium pricing to factor in this risk, resulting in higher overall operating margins.

In 2012, our focus will be on further developing our business with small and medium enterprises. We aim to achieve this through better segmentation and with an optimised delivery model. We are the leader in Professinal Staffing and our organisation is well positioned to benefit from both the structural and cyclical growth potential in the German market. At the same time, we will further work on increasing our profitability, through strict price discipline and strong cost control.

Further information on countries and regions can be found in the Financial Review, starting on page 43.

7 Source: Ciett (International Confederation of Private Employment Agencies).

Our people are our most important resource. We ensure that they are selected through a consistent and fair process and appropriately trained and developed in line with their own wishes and skills. This will create a workforce best suited to develop Adecco and sustain our growth in the future.

Our people

Talent management

To remain the leader in our industry, it is one of our main priorities to help our employees progress in their careers according to their individual aspirations and potential. Their development contributes to the success of our business every day.

Talent Management is a critical component of the HR strategy within the Adecco Group and is a collaborative effort between the Group initiatives that are run at a company-wide level and the in-country programmes that are created and administered locally. Our ultimate goal is to attract and retain the best talent and to ensure that our leaders are able to continue to deliver on the overall Adecco Group strategy.

The four components of the Adecco Group Talent Management framework are: identification of high potentials, development, performance management and finally succession planning.

The Group Talent Management strategy goes beyond the identification of talent and works to develop the depth and strength of our talents. As such, we have expanded the existing leadership programme with IMD business school in Switzerland (run since 2004) by designing and delivering a programme with INSEAD business school in France for our senior leaders. The addition of the MBA Highlights programme, as of the end of 2011, gives us a comprehensive Group leadership development offering.

Group development programmes

Adecco Academy

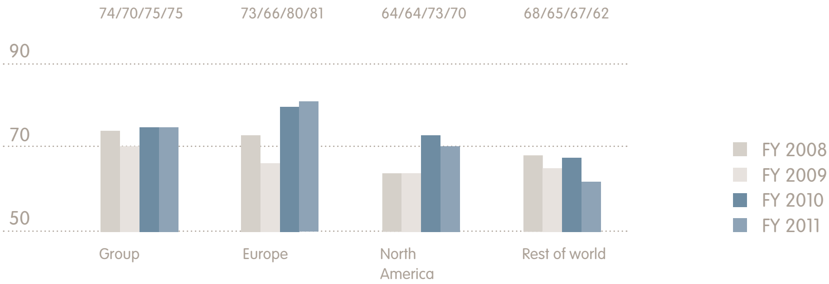
The Adecco Academy
Training and development has high priority at Adecco and we are committed to ensuring that our employees have a continuous learning experience regardless of their level or position. The Adecco Academy runs the Group's global development programmes spanning multiple levels. The programmes are organised under three pillars: leadership, service and sales, operations.

Leadership
We have placed an increased emphasis on ensuring that we know the development needs of our high potentials. We target our development programmes to these individuals and on the areas they need to focus on in order to progress to becoming our leaders of tomorrow. More than 600 of Adecco's senior managers have completed a leadership programme at INSEAD or IMD.

The Senior Leadership Program has been designed and developed in cooperation with the INSEAD Business School in France and takes senior leaders through a series of experiential activities, individual and group reflection as well as group work. Participants practice and hone their leadership skills in a team context.

The I³ Leadership Development Program has been developed in conjunction with IMD business school in Switzerland to deliver cutting-edge theory and experiences to best equip Adecco leaders to live the values of the Group and grow throughout their careers.

Retention rate 2008–2011 *in %*



The MBA Highlights Program, developed and run in cooperation with INSEAD, broadens knowledge of a range of topics such as Strategy, Corporate Finance and Innovation with an overall theme of value creation.

Service and sales

Value Focused Selling (VFS) is a workshop which goes beyond basic sales techniques and delivers a tried and tested approach focused on consultative selling methodologies. The course teaches effective ways to engage clients in order to understand what is important to them and how to customise solutions to those wants and needs.

High Intensity Training (HIT) is a programme that teaches the basics of sales, recruiting, order maintenance and operational efficiencies. The programme discusses global best practices and works through techniques to adapt them locally. Learning techniques include large group discussion, role play and culturally adapted small group discussions.

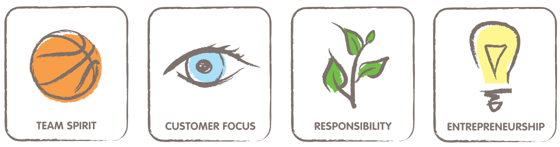
Service Excellence Course (SEC) is designed for employees who have access to and impact on our customers. The participants work through a series of discussions, activities and experiences to learn how to adapt a common customer service framework to the key interactions they have with their customers. 100 branch managers attended the first SEC in October 2011 and by the end of 2012 another 1,100 will have done so.

Operations

Short-Term Exchange Programme (STEP) In addition to vocational training, Adecco has developed a Short-Term Exchange Programme, which gives our top performers at branch level the opportunity to gain work experience in another country. This is done through an exchange with another colleague doing the same job. This programme, which started in 2011, is very successful, and to date employees from nine countries have benefited from this experience with many more exchanges in the pipeline.

Our core values

Our core values – team spirit, customer focus, responsibility and entrepreneurship – were rolled out across the Group in 2010. They define the areas where we aim to excel and are a distillation of the fundamental attitude and character of our organisation. On Group level, the Win4Youth initiative is a global manifestation of our values and is now being run for the third consecutive year (you can read more in our corporate social responsibility section on page 30).

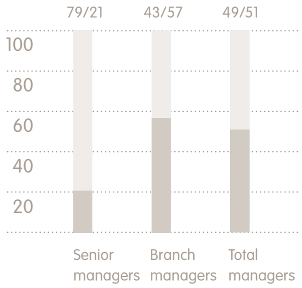


Retention and employee engagement

Our retention rate of 75% is among the best in the industry, particularly in the major markets. Retention is a strategic priority for Adecco and is tracked on a quarterly basis across the Group. Almost 65% of our colleagues remain in the company for more than two years and approximately 44% for more than five years. In France – our largest market – close to 60% of our employees stay with us for more than 5 years and in Italy this figure is close to 70%.

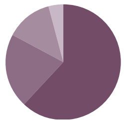
Our goal is for Adecco to be recognised as an employer of choice, not just in our own industry, but alongside other world-leading companies. The Great Place to Work Trust Index© is an employee survey tool that measures the level of trust, pride and camaraderie within workplaces, a survey in which we have participated since 2004. The overall result for the Group improved by 11% in 2011, versus the prior year. The greatest improvement was seen in the dimensions respect and camaraderie. Through the Great Place to Work survey we

Gender distribution in 2011 *in %*



Male managers
Female managers

Employees per region 2011



Europe 62%
North America 21%
Asia Pacific 13%
South America 4%

are able to measure the engagement levels of our employees year over year. Based on the results we have developed action plans which we share on a regular basis across the Group.

In 2011 DIS AG in Germany ranked 1st on the Best Workplaces list in Germany and fourth on the European Best Workplaces list. In addition, Adecco Denmark, Adecco Netherlands and Tuja Germany were on the Best Workplaces lists in their respective countries. Office Angels, Adecco and Spring were on the Sunday Times Best Companies to Work For list in the UK. The secret to these successes is our open company culture which is firmly based on our Group values and our leadership principles; cool head, warm heart, working hands.

Equal treatment and diversity

At Adecco we foster a culture of equal opportunity, good training and career possibilities regardless of gender, age, disabilities or ethnic background. We see diversity as a great competitive advantage. Over time the demographics of our candidates and clients have changed and today are very different from only a few years ago. It is important for us to follow this development closely and create a workforce that is diverse and can understand the changing needs of our customers. In the Great Place to Work survey we scored very highly on the aspect of diversity in all countries.

With large and rising numbers of unemployed across the country, Adecco Spain decided to take action. In October 2011 all 1,500 employees took part in a huge initiative to give a helping hand to job-seekers by taking their know-how and offer of advice onto the streets. The Adecco brand colour featured strongly and they called it – REDvolución.

Diversity awards received in North America in 2011:

- Adecco Group North America was named as a Champion of Diversity by the New York Urban League
- Adecco Group North America was named as one of the Top 40 Companies For Diversity & Inclusion by Uptown Professional Magazine
- Adecco received the 'Kemp Spirit Award' at the Annual Employer Recognition Breakfast – acknowledging employers who are committed to integrating individuals with disabilities into the workforce
- 2011 Corporate Diversity Award by UPTOWN Professional Magazine presented on the floor of the New York Stock Exchange during the World Diversity Leadership Summit (WDLS) in New York City
- Lee Hecht Harrison received the 2011 Central Texas Corporate DiversityFIRST Award presented at the 8th Annual Central Texas DiversityFIRST™ Awards Luncheon

In essence it all comes down to our employees. They are and will remain our most important resource. Only through developing our employees and assisting them in their growth can we ensure the future success of our company.

We unlock potential for individuals, businesses and economies reinforced by our CSR strategy centred upon Excellence, Integration and Skills. For more information, read our latest CSR report: **csrr.adecco.com**

Our corporate social responsibility

Unlocking potential

At Adecco, we unlock potential in the domain of work for the benefit of all stakeholders. Thanks to the commitment of more than 33,000 employees, around 700,000 associates work through Adecco every day, amounting to more than 3 million people in the workforce each year.

Their income supports many families' lives. Their talent, skills and efforts contribute to the productivity and sustainable success of over 100,000 Adecco clients. Employment reduces the welfare burden and enables people to contribute to society at large. At the same time, it gives individuals independence, a purpose and may even fulfil a dream.

Helping individuals and clients throughout their career and business life cycle and optimising our positive impact without compromise is our Corporate Social Responsibility (CSR). The Corporate Governance Committee and the CEO oversee our CSR strategy which is focused on three pillars in the world of work: Integration, Skills and Excellence.

A range of specific programmes and activities underpin each pillar and are the designated responsibility of management throughout our business operations. We submit our Communication on Progress (CoP) on a yearly basis to the UN Global Compact and apply the Global Reporting Initiative GRI Guidelines for our CSR reporting. In 2011, the Adecco Group became a constituent of the Dow Jones Sustainability Indexes (DJSI) World and Europe.

The effectiveness, efficiency and choice that we bring to the world of work are exemplified by a number of highlights presented here.

Integration Integrating people into the workforce through temporary work is a central part of our business. Jobs offer people work experience and an income. Consecutive assignments provide people with diverse work experiences and environments and enhance their adaptability to different roles and teams. In many cases, they are a stepping stone to a permanent position for individuals who otherwise could become marginalised. 37% of all temporary workers are officially registered as unemployed before working with an agency. This proportion falls to less than half that level (15%) twelve months after working as an agency worker[1].

Adecco is involved in various public-private initiatives such as the ILO Global Business and Disability Network relaunched in 2011 and the Golden Workers project. The latter was started in October 2011 and is one of several initiatives that have been undertaken by the EU Commission in support of the 'Year of Active Ageing and Solidarity between Generations 2012'. The main goal of Golden Workers is to identify emerging technologies and socio-economic trends, new models of extending professional active life and novel application scenarios in the area of Information and Communications Technology (ICT) for active ageing at work.

A centrepiece of our integration efforts is the IOC and the IPC Athlete Career Programmes. The International Olympic Committee (IOC) and the International Paralympic Committee (IPC) Athlete Career Programmes are designed to help high-performing athletes, as well as Olympians and Paralympians, to address their education, life skills and employment needs in order to enhance their prospects for success beyond competition. The focus of Adecco's role is to provide career development and job placement support to help ease the challenges that athletes face while they transition into the workforce. Adecco also works with employers to help them identify and understand the qualities athletes can bring to their business. The programmes have been in place since 2005 (IOC) and 2007 (IPC) respectively, reaching out to more than 8,500 Olympic and Paralympic athletes around the world. New landmarks were achieved in 2011 with the participation of more than 2,000 athletes in the programme. Adecco has hired athletes from 13 countries, being a strong believer in the transferrable skills athletes can bring to the corporate world. Strengthening

1 Source: Ciett Economic Report 2011.

Prioritising activities
Adecco Group: three main global programmes in our strategic areas

Stakeholders	Global programmes
Employees	**Excellence** Excellence Awards Adecco Academy
Customers & Shareholders	**Integration** IOC Athlete Career Programme IPC Athlete Career Programme
Society	**Skills** Win4Youth

the Olympic Movement's responsible approach to athletes, the IOC in cooperation with Adecco also delivered career development advice to over 250 young athletes and volunteers during the 1st Winter Youth Olympic Games in Innsbruck in January 2012.

As Official Recruitment Services Provider to London 2012, Adecco UK is working as an integral part of the London Organising Committee of the Olympic and Paralympic Games (LOCOG) to achieve the commitment for the Games to be the most diverse and inclusive ever. By the time the Games start, Adecco UK will have recruited 7,000 people.

Skills The acquisition and on-going development of skills is a passport to employment, income and a sustainable career. Providing and guiding our associates, as well as employees, to suitable training and development opportunities is an essential part of our business approach.

Helping disadvantaged people acquire the skills they need is a real passion that unites the Adecco Group. This is highlighted by the participation of 16,500 employees in our 2011 Win4Youth initiative. At more than 2,300 events in 63 countries, our employees and 4,000 clients cycled a total of 1,565,528 kilometres. Over 84,000 kilometres of this total were achieved during our worldwide Solidarity Day raising funds for the victims of the Japanese earthquake and tsunami.

For every 5 kilometres completed – on road bike or even spinning machine – the Adecco Group donated USD 1 to a grand total which was shared between three foundations: Brazil – Social Circus in Rio de Janeiro; Philippines – The Cebu boys home; and in Greece we supported 'The Smile of the Child' dedicated to providing community homes giving shelter and safety to children. The highlight of the 2011 project – which built upon a running-themed Win4Youth project in 2010 – was the successful cycling ascent of Mont Ventoux in France by 74 employees from around the world.

Excellence Striving for and measuring excellence is central to our ethos and operational practices. It enables us to sustain our business success and industry leadership but at the same time furthers our team spirit and maximises our positive contribution to society. Since October 2011, the Adecco Academy has been running our Group development programmes aimed at excellence in leadership, services & sales and operations.

In 2011, we ran our third Adecco Group Excellence Awards. Eight winning teams were recognised and rewarded for outstanding results achieved through applying our four core values of team spirit, customer focus, responsibility and entrepreneurship. Whilst Adecco Eastern Europe was the overall winner, Adecco Spain received an award in recognition of the highest retention rate – one of Adecco Group's key strategic priorities. Other winners included Adecco South America, Adecco Italy, Adecco US Staffing, Tuja Germany, Adecco Brazil and one of our international account teams.

Many of our advances in the social, economic and environmental aspects of the CSR arena were reflected in internationally recognised assessments in 2011. The Dow Jones Sustainability Index (DJSI), in cooperation with Sustainable Asset Management (SAM), recognised the Adecco Group as one of the sustainability leaders in the Industrial Goods and Services sector based on performance across economic, environmental and social criteria. Additionally, Adecco retained its inclusion as a member company of the FTSE4Good Index, the responsible investment index calculated by global index provider FTSE Group in its Semi-Annual Review 2011. We were named among the top 250 companies on the 2011 Newsweek Green rankings. This is in step with our increased focus on environmental performance which we track through the 'myclimate' emission measuring platform and our involvement in the Carbon Disclosure Project (CDP). Through our participation in the World Economic Forum as a strategic partner, we support the Forum's commitment to improving the state of the world by creating greater choice in the domain of work and by unlocking potential in individuals, enterprises and society in general.

For more information visit csrr.adecco.com.

Identifying, mitigating and managing risks is part of our culture. Furthermore, our risk management process is used to identify business opportunities, to improve our services for clients and associates and to increase the value of the Adecco Group.

Risk management

The process The risk management process at the Adecco Group has strategic and organisational dimensions. Besides analysing, managing and mitigating risks, the aim is also to identify business opportunities. The risk assessment process includes an estimation of the likelihood of risk occurrence, potential impact on the financial results and an assessment of the effectiveness of existing internal controls. When existing controls need further improvements, action plans are established and implemented to mitigate the risk to an acceptable level. All countries perform risk assessments on a regular basis and report their results to Group Management. The results are discussed in the Risk Management Steering Committee to determine whether the countries' assessments are plausible also from a Group perspective. Risks identified at country and corporate level are treated as opportunities for improvement. In this sense, the risk management process is a vital part of daily activities within the organisation. The Group's financial risk management activities are also covered on page 104 in the Financial Review. This section focuses on describing where key risks emerge and the actions Adecco takes to manage and mitigate those risks.

Key business risks

Economic environment As a general rule, demand for HR services is sensitive to changes in the level of economic activity. When the global economy accelerates, demand for temporary and permanent placement services increases; when the economy slows down, so does demand. On the other hand, the impact of the level of economic activity on the career transition (outplacement) business is counter-cyclical in nature. Demand for career transition services rises in difficult economic times and decreases when the economy improves. In all our businesses, fluctuations in revenue and profitability need to be managed through tight cost control in order to ensure financially sound results.

How do we handle changes in economic activity? Given the low level of visibility for the staffing business, it is important that management at country level is constantly aware of economic developments in order to adapt the cost base to revenue trends. Corporate and regional management need to maintain an active dialogue so that capacity can be adjusted as and when necessary. Close monitoring of monthly results and updated forecasts ensure a rapid response to business developments. Our focus on EVA supports this approach.

Client attraction and retention The Adecco Group's business potential and long-term prospects depend on attracting and retaining clients. Client satisfaction, as a result of our services rendered, is a key indicator for client retention and therefore needs to be monitored closely.

How do we ensure client attraction and retention? The active use of the client Global Satisfaction Survey, which is carried out twice a year, is a valuable tool to monitor client satisfaction within countries and regions. The Adecco Group uses the results to train and support salespeople, to draft and execute sales action plans, and to further enhance services to meet client needs. In parallel, we continue to improve our delivery channels and to optimise sales processes, leading to enhanced client attraction, greater client satisfaction and ultimately to increased revenue growth prospects.

Associate attraction and retention We depend on our ability to attract and retain associates who possess the skills and experience to meet clients' staffing needs. With talent shortages in certain sectors and intense competition for skilled individuals, providing suitably qualified associates is a challenge. Our continued success depends on our ability to offer associates attractive assignments and conditions in order to attract and retain them.

How do we address associate attraction and retention? Key to retaining associates is being able to offer consecutive assignments with attractive wages and training modules to improve their skills and qualifications. Our Global Satisfaction Survey also addresses associates and is designed to help us identify their needs. The findings are continually evaluated and implemented in our solutions of servicing qualified people to keep up with changing client needs and emerging technologies.

Employee attraction and retention The effectiveness of our operations depends on the commitment of key corporate personnel, local managers and field staff. Local relationships and the quality of services are vital to our ability to attract and retain business. The loss of top personnel, with valuable operational experience in the global HR services industry or with strong customer relationships, may cause significant disruption to our business.

How do we respond? Retaining and hiring the right people and placing them in the right job can significantly influence Adecco's business prospects. The annual Great Place to Work® survey gauges employees' satisfaction with their workplace. Compensation packages need to be competitive and closely aligned with Company targets. EVA, as a performance-based incentive concept, is applied at almost all levels and regions of the organisation. Adecco endorses the view that frequent, honest and transparent communication, as well as a clear strategy from top management, is essential in ensuring employee satisfaction.

Information technology IT plays a pivotal role in today's business operations. The growing dependency on IT makes the potential impact of disruptions even greater. Key IT-related risks include failure of the IT infrastructure, leading to loss of service or a leakage of confidential business information, among others.

What mitigating measures do we take? We continue to improve our existing IT process risk management, including monitoring, security and compliance, coupled with continual assessment of our global security and IT infrastructure (network, database, application). Furthermore, we have a contingency plan based on a detailed, country-by-country assessment of our exposure to a severe IT disruption. A review of agreements with IT service providers and enhancement of service-level and contract management are embedded in the IT processes, as is the steady improvement of user security awareness. Continuous investments in our IT platform further increase the efficiency and quality of our services.

Change in regulatory/legal and political environment
The private employment services industry requires appropriate regulation with the ultimate goal of enhanced quality standards. The triangular relationship (Private Employment Agency, Associate & Client) is a widely accepted employment form and officially recognised by the EU in its directive (2008/104/EC) on temporary agency work, as well as by the ILO with its convention on private employment agencies (n° 181).

What can Adecco do to avoid inappropriate or unbalanced regulation? Adecco is a founding member of Ciett, the International Confederation of Private Employment Agencies and the authoritative voice representing the interests of affiliated agency work businesses. We play an active role in Ciett's approach to take the staffing industry forward through informed and influential dialogue with key stakeholders. At regional and local level we are involved either via our own company representatives or through associations and federations.
We are also a Strategic Partner of the World Economic Forum. The ultimate goal of our initiatives is to improve working and employability conditions whilst ensuring the competitiveness and growth of businesses and economies.

Adecco S.A. shares are registered in Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN). Adecco is a constituent of the Swiss Market Index (SMI), Switzerland's most important stock market index, containing the 20 largest and most liquid Swiss stocks.

Investor Relations

Equity story The Adecco Group is the world's leading provider of HR solutions, offering a wide variety of services including temporary staffing, permanent placement, career transition (outplacement), talent management, outsourcing and other services. We have more than 33,000 full-time employees and place around 700,000 people at work every day through a network of over 5,500 branches in more than 60 countries and territories.

Our core competences include providing flexible workforce solutions and matching clients' needs with candidates' skills. In an environment of cyclical and seasonal changes in demand, we help our clients to adapt their workforce needs accordingly. More customisation and made-to-order impact the production cycle and reduce the predictability of our clients' business development. We help our customers manage their business cycles by providing them with the required human resources with the right skills, at the right time. We help smooth seasonal impacts on businesses through flexible workforce solutions allowing for rapid adaptation to peaks and troughs of demand during the year. Thanks to our global presence we can deliver geographic mobility and organise work migration to match clients' needs with candidates' skills to meet the diverse needs of labour markets.

Our temporary and permanent placement businesses, which constitute over 90% of our total revenues, are cyclical and dependent on the level of economic activity in the countries where we operate. These businesses expand during periods of economic growth and contract during recessions. On the other hand, our outplacement business, where we offer career transition services, is counter-cyclical and expands during difficult economic periods. Our profitability is dependent on the revenue level, business mix, country mix, pricing and the way we manage our cost base. While revenue development to a large degree hinges on economic activity, we actively practice price discipline to optimise gross profit and we consistently manage our cost base very tightly to protect profitability in downturns and to deliver increasing returns in upturns.

Through selective acquisitions we continue to improve our business mix and increase our exposure to higher growth and higher-margin professional staffing businesses. While our business offers operating leverage, we limit financial leverage and will always aim to maintain our investment grade credit rating. The application of the 'Economic Value Added' (EVA) concept ensures that the interests of our shareholders are met and that our daily decision-making processes are geared towards value creation. We have never ceased to pay dividends to our shareholders over the past several years, even in economically very challenging times, and our dividend pay-out ratio has ranged between 25% and 30% of adjusted earnings. For 2011, given Adecco's solid financial position and strong cash flow generation, it was decided to increase the pay-out range to 40-50% of adjusted earnings. This range is seen as sustainable going forward.

We are confident that we are in good shape to enhance our leadership position in the HR services industry and are on track to achieve our EBITA margin target of above 5.5% mid-term.

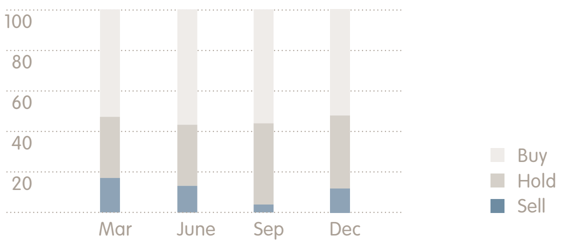
Investor Relations The Adecco Group Investor Relations team focuses on providing transparent and consistent information and interactive communication. We strive for an open dialogue with the financial community, the media and all key stakeholders, to enhance understanding of the business as well as to explain the implied risks and opportunities.

The Adecco Group is committed to providing regular updates on key value drivers, business strategy, threats and opportunities, as well as key ratios used by the Group to track its own performance.

The Investor Relations team is dedicated to providing true, fair and up-to-date information to every interested stakeholder, so that the share price reflects the inherent value of the Company.

In addition to the release of our comprehensive quarterly results – which management discusses with the financial

Distribution of broker ratings in 2011* *in %*



** At quarter end.*

community via a conference call and webcast – we also offer meetings with management and investor relations at roadshows, industry or market conferences, and at our Headquarters. In addition, we strive to ensure clear and transparent communication of other price-sensitive information through press releases and comprehensive content on our website. At the same time, we respect the legal obligations relating to confidentiality and disclosure, and make every effort to guarantee equal distribution of price-sensitive information.

In keeping with this strategy, we maintained an efficient and open dialogue with the market through our Investor Relations activities in 2011, devoting 52 days to market communication around the time of our quarterly results releases. We participated in 11 broker conferences and 35 roadshows in Europe, North America and Australia during 2011.

In addition, the Investor Relations section on the Adecco website, investor.adecco.com, aims to provide the investment community with a broad source of up-to-date information at all times.

Coverage Adecco's share price development is closely monitored by the financial community. The majority of the financial analysts covering Adecco perceived the Company's strategy, results and valuation as positive in the first half of 2011. After reporting strong Q4 & FY results for 2010, at the end of March 2011, 53% of the analysts recommended to buy the stock, 30% had a neutral view and 17% recommended selling. Peak confidence was reached in June 2011, with 58% of analysts recommending to buy, 29% were neutral and 13% recommended to sell the shares. Fears over a renewed global recession and Euro-related uncertainties led to a more cautious view from the analysts' side, resulting in downgrades during the summer months and early autumn. At the end of October 2011, 52% of analysts recommended to buy the stock, 44% had a neutral view, while 4% of analysts recommended selling. The year 2011 ended with 52% of the analysts being positive, 36% being neutral and 12% being negative on Adecco shares, mostly driven by increased fears over economic developments in 2012, but also due to slightly weaker Q3 2011 results than expected by the financial community.

Over 25 brokers are covering Adecco, maintaining regular contact with Group management and the Investor Relations department. They include: ABN Amro, Bank am Bellevue, Bank of America Merrill Lynch, Bank Vontobel, Barclays Capital, Berenberg, Cheuvreux, Citigroup, Credit Suisse, Deutsche Bank, Exane BNP Paribas, Goldman Sachs, Helvea, HSBC, ING, Jefferies, JP Morgan Cazenove, Kepler, MainFirst, Morgan Stanley, Natixis, Rabo Bank, Royal Bank of Canada, Société Générale, UBS and Zürcher Kantonalbank.

Dividend history The Company steadily increased its dividend from CHF 0.60 for 2002 to CHF 1.50 for 2007, a level it maintained for 2008. Even during the severe recession in 2009, thanks to the healthy financial position of the Company, Adecco was in a position to pay a dividend of CHF 0.75 per share, in line with the historical pay-out ratio of 25% to 30% of adjusted earnings. For 2010 a dividend of CHF 1.10 per share was paid, equivalent to a 30% pay-out ratio based on adjusted earnings. At the Annual General Meeting, the Board of Directors will propose a dividend of CHF 1.80 per share for 2011, for approval by shareholders. This represents an increase of 64%, compared to the dividend paid for 2010 and is equivalent to a pay-out ratio of 45% based on adjusted earnings. Given Adecco's solid financial position and strong cash flow generation, it was decided to increase the pay-out range from the Group's traditional range of 25-30% to 40-50% of adjusted earnings. This range is seen as sustainable going forward.

Adecco share price in CHF during 2011

Performance report After a share performance of 7% in 2010, the Adecco share price started the year at CHF 61.25. Markets remained stable in January on the back of the continued economic recovery and by mid-February the shares reached the all-year high of CHF 66.05.

After a positive response to the strong fourth quarter and full year 2010 results, the political instability in Northern Africa and the aftermath of the earthquake in Japan weighed on equity markets and the share price declined to CHF 56.90 by mid-March. As these uncertainties diminished and following the recovery in the equity markets, the share price reached the level of CHF 59.45 after the announcement of the solid Q1 2011 results in early May.

Weaker than expected GDP developments and fears related to the sovereign debt crisis in the USA and Europe resulted in declining equity markets as the likelihood of a potential economic double-dip increased. For the first time, Standard & Poor's downgraded the credit rating of the USA in early August from AAA to AA+ and increased investors' worries about the future prospects of the global economy. This also negatively affected the Adecco share price. Adecco's Q2 2011 results, released in mid-August, showed continued solid revenue growth but could not dampen worries over worsening economic conditions. The de-coupling of share price performance versus company results, as a consequence of expected grim economic conditions, had Adecco shares reach their lowest level in 2011 of CHF 32.15 at the beginning of September.

The further measures announced by European leaders to contain the spread of the debt crisis, and better than feared economic data from major economies, led to a recovery of equity markets. The Adecco share price increased by 40% from the trough in early September to CHF 45.17 by the end of October.

Following the Q3 2011 results, which were somewhat lower than the financial community expected, and worries on staffing sector developments in the light of economic uncertainties, the share price fell to CHF 34.95 at the end of November.

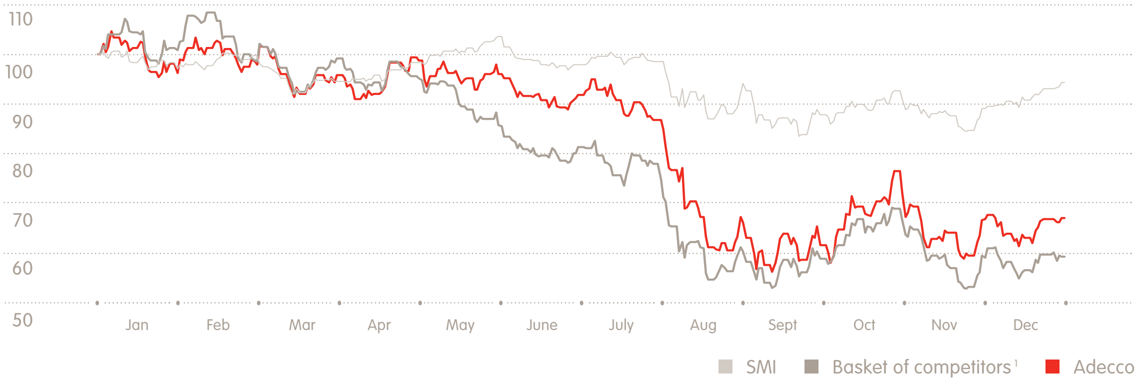
Over the year 2011, the Adecco shares declined 36% and closed at CHF 39.35 on December 31, 2011, compared with CHF 61.25 on December 31, 2010. Adecco shares underperformed the Swiss Market Index (SMI) by 28% (in CHF), but outperformed a basket of key competitors[1] in the staffing industry by 8%. Adecco's market capitalisation, based on issued shares, was CHF 7.4 billion at the end of 2011, compared with CHF 11.6 billion a year earlier.

Shareholder base Adecco has a broad investor base of over 18,000 shareholders. At the same time, the shareholder base is concentrated, with 61% of all issued shares held by institutional investors, 29% held by insiders and Adecco S.A., and only 4% held by retail investors. Some year-on-year changes were observed within the group of institutional shareholders. North American institutional shareholders increased their holdings in Adecco to 30% of shares issued at the end of 2011 compared with 27% at the end of 2010. The percentage held by European institutions declined by 5% to 30%, while the percentage of holdings by institutions from the rest of the world declined to 1% from 2%.

1 Manpower, Randstad, Kelly (market-capitalisation weighted in EUR).

Share price performance comparison 2011
indexed, in EUR

01.01.2011 = 100



Investor structure

in % of shares issued	2011	2010	2009
Institutional:			
• Europe	30%	35%	37%
• North America	30%	27%	23%
• Rest of World	1%	2%	2%
Retail	4%	4%	4%
Insider and treasury	29%	26%	29%
Unassigned	6%	6%	5%

Insider and treasury holdings

as of year-end 2011	*in % of shares issued*
Group represented by Jacobs Holding AG	18.7%
Treasury shares	9.9%
Executive Management and Board of Directors[2]	0.1%

Key data

	2011	2010
Shares issued	189,263,506	189,263,506
Treasury shares	18,815,105	14,561,480
Shares outstanding	170,448,401	174,702,026
Weighted-average shares[3]	190,671,723	192,113,079
Basic earnings per share in EUR	2.72	2.20
Diluted earnings per share in EUR	2.72	2.17
Dividend per share in CHF	1.80[4]	1.10
Year-end share price in CHF	39.35	61.25
Highest share price in CHF	66.05	66.15
Lowest share price in CHF	32.15	46.22
Year-end market capitalisation[5] in CHF m	7,448	11,592
Price/earnings ratio[6]	11.9	22.3
Enterprise value[7]/EBITA	8.6	13.9

2 Not included are shares held by one member of the Board of Directors, who is part of the Group represented by Jacobs Holding AG.

3 Includes weighted-average outstanding shares and shares deliverable under the prepaid forward (for details refer to page 66, Note 1).

4 Proposed by the Board of Directors.

5 Based on shares issued.

6 Based on basic earnings per share and share price at year-end CHF/EUR per year-end 2011: 1.22 (year-end 2010: 1.25).

7 Enterprise value equals net debt plus market capitalisation at year-end; CHF/EUR per year-end 2011: 1.22 (year-end 2010: 1.25).

Financial Review

Adecco Group – Operating and financial review and prospects

in millions, except share and per share information

1. Introduction

The information in this discussion and analysis should be read in conjunction with the Company's consolidated financial statements and the notes thereto that are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and are included elsewhere in this Annual Report and with the disclosure concerning forward-looking statements at the end of this section.

Statements throughout this discussion and analysis using the term "the Company" refer to the Adecco Group, which comprises Adecco S.A., a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which Adecco is considered the primary beneficiary (for further details refer to section "Principles of consolidation" in Note 1 to the consolidated financial statements).

1.1 Business and industry background

The Company is the world's leading provider of human resource solutions including temporary staffing, permanent placement, outsourcing, career transition (outplacement), and other services. The Company had a network of over 5,500 branches and over 33,000 full-time equivalent ("FTE") employees in over 60 countries and territories at the end of 2011. In 2011, the Company connected on average on a daily basis over 700,000 associates with over 100,000 clients. Registered and headquartered in Switzerland and managed by a multinational team with expertise in markets worldwide, the Company delivers a broad range of human resource services to meet the needs of small, medium, and large business clients as well as those of associates.

The HR industry is fragmented and highly competitive. Customer demand is dependent upon the overall strength of the labour market as well as an established trend towards greater workforce flexibility. More liberal labour market laws, particularly for temporary staffing, are beneficial for the industry and have been a driver for greater workforce flexibility. The business is also strongly influenced by the macroeconomic cycle, which typically results in growing demand for employment services during periods of economic expansion, and conversely, contraction of demand during periods of economic downturn. Due to the sensitivity to the economic cycle and the low visibility in the temporary staffing sector, forecasting demand for HR services is difficult. Typically, customers are not able to provide much advance notice of changes in their staffing needs. Responding to the customers' fluctuating staffing requirements in a flexible way is a key element of the Company's strategy, which it addresses through its diverse HR services network.

Anticipating trends in demand is also important in managing the Company's internal cost structure. This coupled with the ability to maximise overall resources and to enhance competitive advantage through the Company's wide variety of services and locations while maintaining high standards of quality to both clients and associates are key components in achieving profitability targets during any part of the economic cycle.

1.2 Organisational structure

Since January 1, 2011, the Company is organised in a geographical structure plus the global business Lee Hecht Harrison ("LHH"). This structure is complemented by business lines. The geographies consist of France, North America, UK & Ireland, Japan, Germany & Austria, Benelux, Italy, Nordics, Iberia, Australia & New Zealand, Switzerland, and Emerging Markets. The business lines consist of Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, and Solutions. The classification of a specific branch into a business line is determined by the business line generating the largest revenue share in that specific branch.

1.3 Service lines

Revenues and gross profit derived from temporary staffing totalled 91% and 76% in 2011 and 92% and 77% in 2010 of the respective consolidated totals. Temporary staffing billings are generally negotiated and invoiced on an hourly basis. Temporary associates record the hours they have worked and these hours, at the rate agreed with the customer, are then accumulated and billed according to the agreed terms. Temporary staffing service revenues are recognised upon rendering the services. The temporary associate is paid the net hourly amount after statutory deductions on a daily, weekly, or monthly basis. Certain other employer payroll-related costs are incurred and the net difference between the amounts billed and payroll costs incurred is reported as gross profit.

Revenues and gross profit derived from permanent placement, outsourcing, career transition (outplacement), and other services totalled 9% and 24% in 2011 and 8% and 23% in 2010 of the respective consolidated totals. The terms of outsourcing and outplacement services are negotiated with the client on a project basis and revenues are recognised upon rendering the services. For permanent placement services, the placement fee is directly negotiated with the client and revenues are recognised at the time the candidate begins full-time employment, or as the fee is earned. Allowance provisions are established based on historical information for any non-fulfilment of permanent placement obligations. Career transition (outplacement) and permanent placement services provide significantly higher gross margins than temporary staffing.

1.4 Key performance indicators

The Company monitors operational results through a number of additional key performance indicators besides revenues, gross profit, selling, general, and administrative expenses, and operating income before amortisation and impairment of goodwill and intangible assets and uses these measures of operational performance along with qualitative information and economic trend data to direct the Company's strategic focus.

These indicators include the following:

- Service line mix – the split between temporary staffing, permanent placement, outsourcing, career transition (outplacement), and other services.
- Business line mix – the split between General Staffing (Office, Industrial), Professional Staffing (Information Technology, Engineering & Technical, Finance & Legal, Medical & Science), and Solutions.
- Bill rate – an average hourly billing rate for temporary staffing services indicating current price levels.
- Pay rate – an average hourly payroll rate including social charges for temporary staffing services indicating current costs.
- Temporary hours sold – the volume of temporary staffing services sold.
- Temporary associates – the number of temporary associates at work.
- Clients – the number of active clients.
- Permanent placements – the number of candidates placed in permanent job positions.
- Average fee per placement – the average amount received for job placement services.
- Days sales outstanding ("DSO") – accounts receivable turnover.
- Full-time equivalent ("FTE") employees.
- Retention rate of employees, associates, and clients.
- Branches – the number of locations from which the Company offers HR services.
- Conversion ratio – operating income before amortisation and impairment of goodwill and intangible assets as a percentage of gross profit.
- Economic Value Added – residual income after cost of capital.

1.5 Seasonality

The Company's quarterly operating results are affected by the seasonality of the Company's customers' businesses. Demand for temporary staffing services historically has been lowest during the first quarter of the year.

1.6 Currency

The financial results of the Company are presented in Euro, which the Company uses as its reporting currency in recognition of the significance of the Euro to the Company's operations. In 2011, 52% of total revenues were generated in the Euro zone. Amounts shown in the consolidated statements of operations and consolidated statements of cash flows are translated using average exchange rates for the period or at transaction exchange rates. In 2011, the average exchange rate for the Japanese Yen, Swiss Franc, Australian Dollar, and Norwegian Krone which comprised 7%, 2%, 2%, and 2% of total revenues, respectively, strengthened against the Euro, whereas the US Dollar and the British Pound which comprised 16% and 8% of total revenues, respectively, weakened against the Euro when compared to 2010. The Canadian Dollar which comprised 2% of total revenues was stable. The Company's consolidated balance sheets are translated using the year end exchange rates. At year end 2011, the Japanese Yen, Australian Dollar, US Dollar, Swiss Franc, British Pound, Canadian Dollar, and Norwegian Krone all strengthened against the Euro when compared to 2010.

in millions, except share and per share information

2. Non-U.S. GAAP information and financial measures

The Company uses non-U.S. GAAP financial measures for management purposes. The principal non-U.S. GAAP financial measures discussed herein are net debt, constant currency, and organic growth comparisons, which are used in addition to, and in conjunction with results presented in accordance with U.S. GAAP.

Net debt, constant currency, and organic growth comparisons should not be relied upon to the exclusion of U.S. GAAP financial measures, but rather reflect additional measures of comparability and means of viewing aspects of the Company's operations that, when viewed together with the U.S. GAAP results, provide a more complete understanding of factors and trends affecting the Company's business.

Because net debt, constant currency, and organic growth comparisons are not standardised, it may not be possible to compare the Company's measures with other companies' non-U.S. GAAP financial measures having the same or a similar name. Management encourages investors to review the Company's financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

2.1 Net debt

Management monitors outstanding debt obligations by calculating net debt. Net debt comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

The following table highlights the calculation of net debt based upon financial measures in accordance with U.S. GAAP:

in EUR	31.12.2011	31.12.2010
Net debt		
Short-term debt and current maturities of long-term debt	236	217
Long-term debt, less current maturities	1,190	1,088
Total debt	**1,426**	**1,305**
Less:		
Cash and cash equivalents	(532)	(549)
Short-term investments	(2)	(5)
Net debt	**892**	**751**

2.2 Constant currency

Constant currency comparisons are calculated by multiplying the prior year functional currency amount by the current year foreign currency exchange rate. Management believes that constant currency comparisons are important supplemental information for investors because these comparisons exclude the impact of changes in foreign currency exchange rates, which are outside the Company's control, and focus on the underlying growth and performance.

2.3 Organic growth

Organic growth figures exclude the impact of currency, acquisitions, and divestitures. Management believes that organic growth comparisons are important supplemental information because these comparisons exclude the impact of changes resulting from foreign currency exchange rates fluctuations, acquisitions, and divestitures.

3. Operating results

3.1 Overview

Overall, 2011 saw a healthy business environment and a growth in demand for HR services. Revenues increased in 2011 by 10% to EUR 20,545 when compared to 2010.

Operating income before amortisation of intangible assets increased by 13% from EUR 722 in 2010 to EUR 814 in 2011.

Operating income increased by 14% to EUR 763 in 2011 compared to EUR 667 in 2010.

Net income attributable to Adecco shareholders increased to EUR 519 in 2011 compared to EUR 423 in 2010.

3.2 Revenues

Revenues increased by 10% to EUR 20,545 in 2011 and by 11% in constant currency. On an organic basis, revenues increased in 2011 by 10%. This increase was driven primarily by an increase in temporary staffing volume as temporary hours sold rose by 9% to 1,261 million. Permanent placement revenues were EUR 344 in 2011, which represents an increase of 19% versus 2010, or 18% organically. Career transition (outplacement) revenues were EUR 206 in 2011 which represents a decrease of 8%, or 16% organically.

In France, Germany & Austria, Italy, and Emerging Markets revenues increased organically by double digit percentages.

Segment performance
The segment breakdown of revenues is presented below:

			Variance %	
in EUR	2011	2010	EUR	Constant currency
Revenues [1]				
France	6,066	5,494	10	10
North America [2]	3,646	3,488	5	10
UK & Ireland [2]	1,707	1,630	5	6
Japan	1,406	1,295	9	4
Germany & Austria	1,544	1,231	25	25
Benelux	961	889	8	8
Italy	1,032	842	23	23
Nordics	795	731	9	5
Iberia	734	728	1	1
Australia & New Zealand	510	431	18	9
Switzerland	474	392	21	7
Emerging Markets	1,434	1,256	14	18
LHH [2]	236	249	(5)	(3)
Adecco Group [2]	**20,545**	**18,656**	**10**	**11**

1 Since January 1, 2011, LHH is reported as a separate segment. The 2010 information has been restated to conform to the current year presentation.

2 In 2011, revenues changed organically in North America by 8%, UK & Ireland by 5%, LHH by -13%, and Adecco Group by 10%.

Adecco Group –
Operating and financial review and prospects

in millions, except share and per share information

France
Revenues in France increased by 10% to EUR 6,066 in 2011. Temporary hours sold grew by 7% and temporary staffing services bill rates increased by 3% versus 2010 in constant currency. In 2011, France accounted for 30% of the Company's revenues.

North America
Revenues in North America increased by 5%, by 10% in constant currency, or by 8% organically, to EUR 3,646 in 2011. Temporary hours sold grew by 9% and bill rates increased by 1% versus 2010 in constant currency. North America contributed 18% to the Company's revenues in 2011.

UK & Ireland
UK & Ireland's revenues increased by 5% or by 6% in constant currency, to EUR 1,707 in 2011. Revenues increased by 5% on an organic basis versus 2010. Temporary hours sold increased by 1% and bill rates grew by 3% in constant currency. UK & Ireland generated 8% of the Company's revenues in 2011.

Japan
Revenues in Japan increased by 9% or by 4% in constant currency, to EUR 1,406. Temporary hours sold decreased by 7% and bill rates remained unchanged in constant currency. Revenues in outsourcing were up 92% in constant currency. In 2011, 7% of the Company's revenues were generated in Japan.

Germany & Austria
Germany & Austria's revenues increased by 25%, to EUR 1,544 in 2011, reflecting a 21% increase in temporary hours sold and a 3% increase in bill rates. Revenues in Germany & Austria accounted for 7% of the Company's revenues in 2011.

Benelux
In the Benelux countries, revenues increased by 8% to EUR 961 in 2011. Temporary hours sold increased by 7% and bill rates increased by 1%. The Benelux revenues in 2011 accounted for 5% of the Company's revenues.

Italy
In Italy, revenues increased by 23% to EUR 1,032 in 2011 as temporary hours sold increased by 21% and bill rates grew by 1%. Italy accounted for 5% of the Company's revenues in 2011.

Nordics
Revenues in the Nordic countries increased by 9%, or 5% in constant currency, to EUR 795. Temporary hours sold increased by 8% and the bill rates remained unchanged in constant currency. Revenues in outsourcing declined by 31% in constant currency. The Nordics revenues in 2011 accounted for 4% of the Company's revenues.

Iberia
In Iberia, revenues increased by 1% to EUR 734. The temporary hours sold decreased by 4% and the bill rate increased by 3%. Revenues in outsourcing increased by 6% compared to 2010. In 2011, Iberia contributed 4% to the Company's revenues.

Australia & New Zealand
In Australia & New Zealand, revenues increased by 18% or by 9% in constant currency, to EUR 510 in 2011. Australia & New Zealand contributed 2% to the Company's revenues in 2011.

Switzerland
In Switzerland, revenues increased by 21% or by 7% in constant currency, to EUR 474. Switzerland revenues represented 2% of the Company's revenues in 2011.

Emerging Markets
In the Emerging Markets, revenues increased by 14% or by 18% in constant currency, to EUR 1,434. The Emerging Markets represented 7% of the Company's revenues in 2011.

LHH
Revenues of Lee Hecht Harrison ("LHH"), Adecco's career transition and talent development business, amounted to EUR 236, a decrease of 5% or 13% organically. LHH represented 1% of the Company's revenues in 2011.

Business line performance

The business line breakdown of revenues is presented below:

in EUR	2011	2010	Variance % EUR	Variance % Constant currency
Revenues[1]				
Office	5,301	4,871	9	9
Industrial	10,642	9,403	13	13
General Staffing	**15,943**	**14,274**	**12**	**12**
Information Technology[2]	2,176	2,049	6	8
Engineering & Technical[2]	1,009	956	6	9
Finance & Legal[2]	722	705	2	6
Medical & Science[2]	384	360	7	7
Professional Staffing[2]	**4,291**	**4,070**	**5**	**7**
Solutions[2]	**311**	**312**	**0**	**3**
Adecco Group[2]	**20,545**	**18,656**	**10**	**11**

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"). The 2010 information has been restated to conform to the current year presentation.

2 In 2011, revenues changed organically in Information Technology by 6%, Engineering & Technical by 7%, Finance & Legal by 1%, Medical & Science by 5%, Professional Staffing by 5%, Solutions by -6%, and Adecco Group by 10%.

General Staffing

The Company's Office and Industrial businesses, which represented 78% of total revenues in 2011 increased by 12% in constant currency to EUR 15,943 in 2011.

In the Office business, revenues overall increased by 9% in constant currency. Revenues in constant currency increased in Emerging Markets (19%), North America (20%), Japan (4%), Nordics (3%), and France (2%), whereas revenues decreased in constant currency in UK & Ireland (–1%). Japan, Emerging Markets, North America, Nordics, UK & Ireland, and France generated more than 80% of the revenues in the Office business.

In the Industrial business, revenues increased by 13% in constant currency. Revenues increased in France (11%), Germany & Austria (30%), Italy (25%), Benelux (11%), and in North America (7%). France, Germany & Austria, North America, Italy, and Benelux accounted for over 80% of the revenues in the Industrial business.

Information Technology

In Information Technology, the Company's revenues increased by 8% in constant currency, or by 6% organically compared to 2010. Revenues increased organically in UK & Ireland (10%) and Australia & New Zealand (13%), whereas revenues declined organically in North America (–3%). UK & Ireland, North America, and Australia & New Zealand contributed over 80% to the business line's revenues.

Engineering & Technical

Revenues in the Company's Engineering & Technical business line increased by 9% in constant currency, or by 7% organically, compared to 2010. Revenues increased in Germany & Austria by 15%, and increased organically in North America by 8%. Over 75% of the business line's revenues were generated in North America and Germany & Austria.

Finance & Legal

In Finance & Legal, the Company experienced a revenue expansion of 6% in constant currency, or 1% organically. Organically revenues increased in North America by 5%, but declined

in millions, except share and per share information

in UK & Ireland (–12%) when compared to 2010. North America and UK & Ireland contributed around 75% to the revenues of the business line Finance & Legal.

Medical & Science
Medical & Science revenues grew by 7% in constant currency or by 5% organically. Revenues increased organically in North America (11%) and France (11%), whereas in the Nordics revenues declined by 28% compared to 2010. France, North America, and Nordics accounted for over 80% of the business line's revenues.

Solutions
The Company's Solutions revenues increased by 3% in constant currency or declined by 6% organically.

3.3 Gross profit

Gross profit increased by 7%, or by 8% in constant currency to EUR 3,566 in 2011. Excluding acquisitions, which had a positive impact of 20 basis points ("bps"), gross margin was down 60 bps. Lower gross margins in the temporary staffing business (–50 bps) and the lower contribution of outplacement (–20 bps) were the main drivers behind this decline.

The change in gross margin in 2011 compared to 2010 is as follows:

	%
Gross margin 2010	**17.8**
Temporary staffing	(0.5)
Permanent placement	0.1
Outplacement	(0.2)
Acquisitions	0.2
Gross margin 2011	**17.4**

3.4 Selling, general, and administrative expenses

During 2011, the Company maintained its emphasis on cost control. Selling, general, and administrative expenses ("SG&A") increased by 6%, same in constant currency or 4% organically, reflecting a decrease in SG&A as a percentage of revenues of 60 bps to 13.4% from 14.0% in 2010.

Compensation expenses, which comprised approximately 70% of total SG&A, increased by 7% in constant currency to EUR 1,954 in 2011. The average FTE employees during 2011 increased by 5% (organically 4%) to over 32,500 and the average number of branches during 2011 increased by 2% (organically 1%) to over 5,500. At year end 2011, the number of FTE employees and the number of branches exceeded 33,000 and 5,500, respectively.

The following table shows the average FTE employees and the average branches by segment:

	FTE employees		Branches	
	2011	% variance	2011	% variance
Segment breakdown (yearly average)				
France	6,229	0	1,388	3
North America	6,838	6	949	(4)
UK & Ireland	2,831	5	356	(2)
Japan	1,948	(6)	133	(8)
Germany & Austria	2,579	13	497	3
Benelux	1,567	4	343	1
Italy	1,578	7	429	0
Nordics	1,051	4	193	4
Iberia	1,513	4	398	7
Australia & New Zealand	519	(1)	67	(11)
Switzerland	424	1	98	(4)
Emerging Markets	4,200	21	472	9
LHH	1,311	(7)	200	25
Corporate	238	9		
Adecco Group	**32,826**	**5**	**5,523**	**2**

Marketing expenses were EUR 81 in 2011, compared to EUR 68 in 2010. Bad debt expense increased by EUR 4 to EUR 16 in 2011.

3.5 Amortisation of intangible assets

Amortisation of intangible assets decreased to EUR 51 in 2011 from EUR 55 in 2010.

in millions, except share and per share information

3.6 Operating income

Operating income before amortisation of intangible assets increased by 13% from EUR 722 in 2010 to EUR 814 in 2011 and by 14% organically. Operating income increased by 14% to EUR 763 in 2011 compared to EUR 667 in 2010.

The segment breakdown of operating income is presented in the following table:

			Variance %	
in EUR	2011	2010	EUR	Constant currency
Operating income				
France	220	199	10	10
North America	161	134	20	28
UK & Ireland	32	22	46	50
Japan	80	69	16	12
Germany & Austria	110	82	34	34
Benelux	44	41	5	5
Italy	60	38	60	60
Nordics	18	38	(51)	(53)
Iberia	24	27	(11)	(11)
Australia & New Zealand	18	12	53	42
Switzerland	50	40	24	11
Emerging Markets	43	36	19	24
LHH	36	58	(39)	(37)
Corporate expenses	(82)	(74)		
Operating income before amortisation of intangible assets	**814**	**722**	**13**	**14**
Amortisation of intangible assets	(51)	(55)		
Adecco Group	**763**	**667**	**14**	**16**

France
France's operating income increased by 10% to EUR 220 in 2011. The operating income margin was 3.6% in 2011, unchanged from 2010.

North America
North America's operating income increased by 20%, or by 28% in constant currency, to EUR 161 in 2011. The operating income margin was 4.4% in 2011, an increase of 60 bps compared to 2010. Integration costs relating to the MPS acquisition were EUR 4 in 2011 and EUR 20 in 2010.

UK & Ireland
UK & Ireland's operating income increased from EUR 22 in 2010 to EUR 32 in 2011. The operating income margin was 1.9% in 2011, an increase of 50 bps compared to 2010. Integration costs related to the Spring and MPS acquisitions were EUR 2 in 2011 and EUR 13 in 2010.

Japan
Japan's operating income increased in 2011 by 16%, or 12% in constant currency to EUR 80 and the operating income margin increased by 40 bps to 5.7% compared to 2010, mainly due to a higher gross margin.

Germany & Austria
Germany & Austria's operating income increased by 34% to EUR 110 in 2011 and the operating income margin was 7.1%, an increase of 40 bps compared to 2010, mainly due to increasing revenues and lower SG&A as a percentage of revenues.

Benelux
In the Benelux countries, operating income increased to EUR 44 in 2011. The operating income margin decreased by 20 bps to 4.5% in 2011 compared to 2010.

Italy
In Italy, operating income grew by 60% to EUR 60 in 2011 and the operating income margin expanded by 130 bps to 5.8% compared to 2010, mainly due to a strong increase in revenues and lower SG&A as a percentage of revenues.

Nordics
Operating income in the Nordics decreased by 51% or 53% in constant currency to EUR 18 in 2011. The operating income margin decreased by 280 bps to 2.3% in 2011 compared to 2010. The 2011 results were negatively impacted by the exit of the nursing home outsourcing business in Norway.

Iberia
In Iberia, operating income decreased by 11% to EUR 24 in 2011. The operating income margin decreased by 50 bps to 3.2% in 2011 compared to 2010.

Australia & New Zealand
In Australia & New Zealand, operating income increased by 53%, or 42% in constant currency to EUR 18 in 2011 compared to 2010. The operating income margin increased by 80 bps to 3.5% in 2011 compared to 2010, mainly due to increasing revenues and lower SG&A as a percentage of revenues.

Switzerland
In Switzerland, operating income increased by 24% or by 11% in constant currency to EUR 50 in 2011 compared to 2010. The operating income margin grew by 30 bps to 10.5% due to increasing revenues and lower SG&A as a percentage of revenues.

Emerging Markets
In the Emerging Markets, the Company experienced an increase in operating income of 19% or 24% in constant currency to EUR 43 in 2011. The operating income margin was 3.0% in 2011, 10 bps higher compared to 2010.

LHH
In 2011, operating income in LHH decreased by 39% or by 37% in constant currency to EUR 36. The operating income margin was 15.1% in 2011 compared to 23.5% in 2010. Included in the 2011 results are integration costs relating to the DBM acquisition of EUR 14.

3.7 Interest expense

Interest expense increased by EUR 8 to EUR 71 in 2011 compared to EUR 63 in 2010, mainly due to higher average interest rates on outstanding debt.

3.8 Other income/(expenses), net

Other income/(expenses), net, which include interest income, foreign exchange gains and losses, proportionate net income of investee companies, and other non-operating income/(expenses), net, amounted to an expense of EUR 6 in 2011, compared to an expense of EUR 1 in 2010. This increase is mainly due to the EUR 11 loss recognised in connection with the exchange and tender offers for outstanding notes completed in April 2011 (for further details refer to Note 7 to the consolidated financial statements).

3.9 Provision for income taxes

The provision for income taxes was EUR 166 in 2011 compared to EUR 179 in 2010. The effective tax rate for 2011 was 24% compared to 30% in the prior year.

The Company's effective tax rate is impacted by recurring items, such as tax rates in the different jurisdictions where the Company operates and the income mix within jurisdictions. Furthermore, it is also affected by discrete items which may occur in any given year, but are not consistent from year to year.

The 2011 effective tax rate includes the reduction in deferred tax liabilities of EUR 31 related to distributable earnings of the Company's Japanese subsidiary following the ratification of the Swiss-Japanese Tax Treaty, which resulted in a reduction of withholding taxes payable upon distribution of dividends to Switzerland. Furthermore, the effective tax rate in both years includes the positive impact from the successful resolution of prior years' audits and the expiration of the statutes of limitations.

3.10 Net income attributable to Adecco shareholders and EPS

Net income attributable to Adecco shareholders for 2011 increased to EUR 519 compared to EUR 423 in 2010. Basic earnings per share ("EPS") was EUR 2.72 in 2011 compared to EUR 2.20 in 2010.

in millions, except share and per share information

4. Outlook

The Company is solidly positioned for the future. In an environment of economic uncertainty the Company will continue to build on its strengths – its leading global position and the diversity of its service offerings. The Company will continue to take advantage of growth opportunities, with a strong focus on disciplined pricing and cost control to optimise profitability and value creation. Besides the structural changes and related investments of EUR 45 in France, which would mainly be incurred in the second half of 2012, management expects additional costs of EUR 10 in the first half of 2012, to further optimise the cost base in other European countries and to protect profitability. The Company is committed to its strategic priorities and has the right offering to achieve an EBITA[1] margin target of above 5.5% mid-term.

1 EBITA is a non-U.S. GAAP measure and refers to operating income before amortisation of intangible assets.

5. Liquidity and capital resources

Currently, cash needed to finance the Company's existing business activities is primarily generated through operating activities, bank overdrafts, commercial paper, the existing multicurrency credit facility, and, when necessary, the issuance of bonds and other capital instruments.

The principal funding requirements of the Company's business include financing working capital and capital expenditures. Capital expenditures mainly comprise the purchase of computer equipment, capitalised software, and the cost of leasehold improvements.

Within the Company's working capital, trade accounts receivable, net of allowance for doubtful accounts, comprise approximately 80% of total current assets. Accounts payable, accrued salaries and wages, payroll taxes and employee benefits, and sales and value added taxes comprise approximately 74% of total current liabilities. Working capital financing needs increase as business grows.

Management believes that the ability to generate cash from operations combined with additional capital resources available is sufficient to support the expansion of existing business activities and to meet short- and medium-term financial commitments. The Company may utilise available cash resources, secure additional financing, or issue additional shares to finance acquisitions.

5.1 Analysis of cash flow statements

Cash and cash equivalents decreased by a total of EUR 17 to EUR 532 as of December 31, 2011. The decrease was mainly due to the acquisition of DBM in August 2011 for EUR 148, net of cash acquired, the repayment of EUR 214 of long-term debt, the EUR 149 payment of dividends, purchase of treasury shares of EUR 178, settlement of derivatives of EUR 57, and capital expenditures of EUR 109. This was mostly offset by the generation of EUR 524 in operating cash flows and the EUR 330 net proceeds from borrowings of long-term debt.

Cash flows from operations are generally derived from receipt of cash from customers less payments to temporary personnel, regulatory authorities, employees, and other operating disbursements. Cash receipts are dependent on general business trends, foreign currency fluctuations, and cash collection trends measured by DSO. DSO varies significantly within the various countries in which the Company has operations, due to the various market practices within these countries. In general, an improvement in DSO reduces the balance of trade accounts receivable resulting in cash inflows from operating activities. Cash disbursement activity is predominantly associated with scheduled payroll payments to the temporary personnel. Given the nature of these liabilities, the Company has limited flexibility to adjust its disbursement schedule. Also, the timing of cash disbursements differs significantly amongst various countries.

The following table illustrates cash from or used in operating, investing, and financing activities:

in EUR	2011	2010
Summary of cash flows information		
Cash flows from operating activities	524	455
Cash used in investing activities	(317)	(1,020)
Cash used in financing activities	(224)	(385)

Cash flows from operating activities increased by EUR 69 to EUR 524 in 2011 compared to 2010. This increase is primarily attributable to the increase in net income, net of non-cash items mainly related to tax benefits. DSO increased to 55 days for the full year 2011 compared to 54 days for the full year 2010.

Cash used in investing activities decreased by EUR 703 to EUR 317 in 2011 compared to 2010. In 2011, the Company acquired DBM for a consideration, net of cash acquired of EUR 148 while in 2010 MPS was acquired for a consideration, net of cash acquired, of EUR 831. The Company's capital expenditures amounted to EUR 109 in 2011 and EUR 105 in 2010.

Cash used in financing activities totalled EUR 224, a decrease of EUR 161 when compared to 2010. In 2011, the Company issued long-term debt of EUR 330, net of issuance costs and repaid long-term debt of EUR 214, whereas in 2010 long-term debt repayments amounted to EUR 478. The debt repayments in 2011 primarily consisted of the partial repayments of the 5-year Euro medium-term notes due in 2014 and the fixed rate notes due in 2013 resulting from the exchange and tender offers for outstanding notes in April 2011. In 2010 debt repayments primarily consisted of repayment of the guaranteed zero-coupon convertible bond. In addition in 2011, the Company's net decrease in short-term debt amounted to EUR 9, whereas in 2010 short-term debt increased by EUR 156. Additionally, the Company paid dividends of EUR 149 and EUR 91 in 2011 and 2010, respectively. Furthermore, in 2011, the Company acquired treasury shares in the amount of EUR 178 while in 2010 net cash inflows from treasury shares transactions amounted to EUR 28.

5.2 Additional capital resources

As of December 31, 2011, the Company's total capital resources amounted to EUR 5,940 comprising EUR 1,426 in debt and EUR 4,514 in equity, excluding treasury shares and noncontrolling interests. Long-term debt, including current maturities, was EUR 1,266 as of December 31, 2011 and EUR 1,137 as of December 31, 2010 and includes long- and medium-term notes, and medium-term loans. The borrowings, which are unsecured, are denominated in Euros and Swiss Francs. The majority of the borrowings outstanding as of December 31, 2011 mature in 2013, 2014, and 2018. During 2011, the Company increased its short- and long-term debt including foreign currency effect by EUR 121.

The Company maintains a French commercial paper programme ("Billet de Trésorerie programme"). Under the programme, the Company may issue short-term commercial paper up to a maximum amount of EUR 400, with maturity of individual paper of 365 days or less. As of December 31, 2011 and December 31, 2010 EUR 145 and EUR 151, respectively was outstanding under the programme, with maturities of up to six months. The weighted-average interest rate on commercial paper outstanding was 1.31% and 1.09% as of December 31, 2011 and December 31, 2010, respectively.

In addition, the Company maintains a committed multicurrency revolving credit facility. The five-year revolving credit facility, which was renewed in October 2011 and contains two 1-year extension options at the discretion of the lender, has been issued by a syndicate of banks, permits borrowings up to a maximum of EUR 600 and is used for general corporate purposes including refinancing of advances and outstanding letters of credit. The interest rate is based on LIBOR, or EURIBOR for drawings denominated in Euro, plus a margin between 0.6% and 1.3% per annum depending on certain debt-to-EBITDA ratios. Utilisation fee of 0.25% and 0.5% applies on top of the interest rate, if drawings exceed 33.33% and 66.67% of total commitment, respectively. The letter of credit fee equals the applicable margin, and the commitment fee equals 35% of the applicable margin. As of December 31, 2011 and December 31, 2010, there were no outstanding borrowings under the credit facility. As of December 31, 2011, the Company had EUR 529 available under the credit facility after utilising EUR 71 in the form of letters of credit.

Furthermore, as of December 31, 2011, the Company had uncommitted lines of credit amounting to EUR 477, of which EUR 15 was used.

Net debt increased by EUR 141 to EUR 892 as of December 31, 2011. The calculation of net debt based upon financial measures in accordance with U.S. GAAP is presented on page 42.

Under the terms of the various short- and long-term credit agreements, the Company is subject to covenants requiring, among other things, compliance with certain financial tests and ratios. As of December 31, 2011, the Company was in compliance with all financial covenants.

For further details regarding financing arrangements refer to Note 7 to the consolidated financial statements.

The Company manages its cash position to ensure that contractual commitments are met and reviews cash positions against existing obligations and budgeted cash expenditures. The Company's policy is to invest excess funds primarily in investments with maturities of 12 months or less, and in money market and fixed income funds with sound credit ratings, limited market risk and high liquidity.

The Company's current cash and cash equivalents and short-term investments are invested primarily within Europe and the USA. In most cases, there are no restrictions on the transferability of these funds among entities within the Company.

5.3 Contractual obligations

The Company's contractual obligations are presented in the following table:

in EUR	2012	2013	2014	2015	2016	Thereafter	Total
Contractual obligations by year							
Short-term debt obligations	160						160
Long-term debt obligations	76	342	358	1		489	1,266
Interest on debt obligations	67	56	32	24	24	30	233
Operating leases	199	136	105	79	97	51	667
Purchase and service contractual obligations	161	6	3	3			173
Total	**663**	**540**	**498**	**107**	**121**	**570**	**2,499**

Short-term debt obligations consist of bank overdrafts and borrowings outstanding under the lines of credit and the commercial paper programme. Long-term debt obligations consist primarily of the EUR 333 fixed rate notes due in 2013, the EUR 356 5-year Euro medium-term notes due in 2014, and the EUR 500 7-year Euro medium-term notes due in 2018. These debt instruments were issued partly for acquisitions, to refinance existing debt, optimise available interest rates, and increase the flexibility of cash management.

Future minimum rental commitments under non-cancellable leases comprise the majority of the operating lease obligations of EUR 667 presented above. The Company expects to fund these commitments with existing cash and cash flows from operations. Operating leases are employed by the Company to maintain the flexible nature of the branch network.

As of December 31, 2011, the Company had future purchase and service contractual obligations of approximately EUR 173, primarily related to acquisitions (refer to Note 19 to the consolidated financial statements for further details), IT development and maintenance agreements, marketing sponsorship agreements, equipment purchase agreements, and other vendor commitments.

5.4 Additional funding requirements

The Company plans to invest approximately EUR 110 in property, equipment, and leasehold improvements for existing operations in 2012. The focus of these investments will be on information technology.

Further planned cash outflows include distribution of dividends for 2011 in the amount of CHF 1.80 per share to shareholders of record on the date of payment. The maximum amount of dividends payable based on the total number of outstanding shares (excluding treasury shares) as of December 31, 2011 of 170,448,401 is EUR 252 (CHF 307 – based on CHF/EUR exchange rate of 1.22 as of December 31, 2011). Payment of dividends is subject to approval by shareholders at the Annual General Meeting.

The Company has entered into certain guarantee contracts and standby letters of credit that total EUR 661, including the letters of credit issued under the multicurrency revolving credit facility (EUR 71). The guarantees primarily relate to government requirements for operating a temporary staffing business in certain countries and are generally renewed annually. Other guarantees relate to operating leases and credit lines. The standby letters of credit mainly relate to workers' compensation in the USA. If the Company is not able to obtain and maintain letters of credit and/or guarantees from third parties, then the Company would be required to collateralise its obligations with cash. Due to the nature of these arrangements and historical experience, the Company does not expect to be required to collateralise its obligations with cash.

5.5 Income taxes

The Company has reserves for taxes that may become payable in future periods as a result of tax audits. At any given time, the Company is undergoing tax audits in different tax jurisdictions, which cover multiple years. Ultimate outcomes of these audits could, in a future period, have a material impact on cash flows.

Based upon information currently available, the Company is not able to determine if it is reasonably possible that the final outcome of tax audits will result in a materially different outcome than that assumed in its tax reserves.

5.6 Credit ratings

As of December 31, 2011, the Company's long-term credit rating was Baa3 with positive outlook from Moody's and BBB stable outlook from Standard & Poor's.

6. Financial risk management – foreign currency and derivative financial instruments

The Company is exposed to market risk, primarily related to foreign exchange, interest rates, and equity market risk. Except for the equity market risk, these exposures are actively managed by the Company in accordance with written policies approved by the Board of Directors. The Company's objective is to minimise, where deemed appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates and interest rates. It is the Company's policy to use a variety of derivative financial instruments to hedge these exposures in the absence of natural hedges.

Given the global nature of the Company's business, the Company is exposed to the effects of changes in foreign currency exchange rates. Consequently in order to preserve the value of assets, equity, and commitments, the Company enters into various contracts, such as foreign currency forward contracts, swaps, and cross-currency interest rate swaps, which change in value as foreign exchange rates change.

Depending on the amount of outstanding foreign currency forward contract hedges and the fluctuation of exchange rates, the settlement of these contracts may result in significant cash inflows or cash outflows.

The Company has also issued fixed rate long- and medium-term notes. Accordingly, the Company manages exposure to changes in fair value of fixed interest long-term debt through the use of derivative instruments. The terms of the interest rate swaps generally match the terms of specific debt agreements. Additional discussion of these interest rate swaps is located in Note 11 to the consolidated financial statements.

7. Controls and compliance

The Company is committed to maintaining the highest standards of ethical business conduct. The Company's Chief Human Resources Officer and the Head of Group Compliance Reporting oversee worldwide business ethics and compliance practices and report regularly on these topics, depending on the nature of the irregularities, to the Audit Committee or to the Corporate Governance Committee. In addition, the Company's Head of Group Internal Audit reports directly to the Audit Committee.

The Board of Directors and management of the Company are responsible for establishing and maintaining adequate internal control over financial reporting. Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2011. In making this assessment, management used the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2011, the Company's internal control over financial reporting is effective.

The Company's internal control system is designed to provide reasonable assurance to the Company's management and the Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statements preparation and presentation. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

8. Critical accounting policies, judgements, and estimates

The preparation of the financial statements in accordance with U.S. GAAP requires management to adopt accounting policies and make significant judgements and estimates. There may be alternative policies and estimation techniques that could be applied. The Company has in place a review process to monitor the application of new accounting policies and the appropriateness of estimates. Changes in estimates may result in adjustments based on changes in circumstances and the availability of new information. Therefore, actual results could differ materially from estimates. The policies and estimates discussed below either involve significant estimates or judgements or are material to the Company's financial statements. The selection of critical accounting policies and estimates has been discussed with the Audit Committee. The Company's significant accounting policies are disclosed in Note 1 to the consolidated financial statements.

8.1 Accruals and provisions

Various accruals and provisions are recorded for sales and income taxes, payroll-related taxes, pension and health liabilities, workers' compensation, profit sharing, and other similar items taking into account local legal and industry requirements. The estimates used to establish accruals and provisions are based on historical experience, information from external professionals, including actuaries, and other facts and reasonable assumptions under the circumstances. If the historical data the Company uses to establish its accruals and provisions does not reflect the Company's ultimate exposure, accruals and provisions may need to be increased or decreased and future results of operations could be materially affected.

On a routine basis, governmental agencies in the countries in which the Company operates may audit payroll tax calculations and compliance with other payroll-related regulations. These audits focus primarily on documentation requirements and the support for payroll tax remittances. Due to the nature of the Company's business, the number of people employed, and the complexity of some payroll tax regulations, the Company may be required to make some adjustments to the payroll tax remittances as a result of these audits. The Company makes an estimate of the additional remittances that may be required and records the estimate as a component of direct costs of services or SG&A, as appropriate. The estimate is based on the results of past audits, with consideration for changing business volumes and changes to the payroll tax regulations. To the extent that actual experience differs from the estimates, the Company will increase or decrease the reserve balance.

In most states of the USA, the Company is self-insured for workers' compensation claims by temporary workers. The provision recognised is based on actuarial valuations which take into consideration historical claim experience and workers' demographic and market components. Workers' compensation expense for temporary workers is included in direct costs of services. Significant weakening of the US market, changes in actuarial assumptions, increase of claims or changes in laws may require additional workers' compensation expense. Improved claim experience may result in lower workers' compensation premiums.

8.2 Allowance for doubtful accounts

The Company makes judgements as to its ability to collect outstanding receivables and provides allowances for the portion of receivables when collection becomes doubtful. Provisions are made based on a specific review of significant outstanding invoices. For those invoices not specifically reviewed, provisions are recorded at differing percentages, based on the age of the receivable. In determining these percentages, the Company analyses its historical collection experience and current economic trends. In the event that recent history and trends indicate that a smaller or larger allowance is appropriate, the Company would record a credit or charge to SG&A during the period in which such a determination is made. Since the Company cannot predict with certainty future changes in the financial stability of its customers, additional provisions for doubtful accounts may be needed and the future results of operations could be materially affected. As of December 31, 2011 and December 31, 2010, the Company has recorded an allowance for doubtful accounts of EUR 107 and EUR 115, respectively. Bad debt expense of EUR 16 and EUR 12 was recorded in 2011 and 2010, respectively.

8.3 Income taxes

Deferred tax assets and liabilities are determined based on temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are also provided for the future tax benefit of existing net operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against deferred tax assets in those cases when management does not believe that the realisation is more likely than not. While management believes that its judgements and estimations regarding deferred tax assets and liabilities are appropriate, significant differences in actual experience may materially affect the Company's future financial results.

In addition, significant judgement is required in determining the worldwide provision for income taxes. In the ordinary course of a global business, there are many transactions for which the ultimate tax outcome is uncertain. Many of these uncertainties arise as a consequence of intercompany transactions and arrangements. Although management believes that its tax positions are supportable, no assurance can be given that the final outcome of these matters will not be materially different from amounts reflected in the income tax provisions and accruals. Such differences could have a material effect on the income tax provisions or benefits in the periods in which such determinations are made.

8.4 Impairment of goodwill and indefinite-lived intangible assets

The carrying value of goodwill and indefinite-lived intangible assets is reviewed annually for impairment at a reporting unit level. The annual impairment test is performed during the fourth quarter based on financial information as of October 31. In interim periods, an impairment test will be performed in the instance that an event occurs or there is a change in circumstances which would indicate that the carrying value of goodwill or indefinite-lived intangible assets may be impaired.

In step one of the goodwill impairment test, the goodwill of the reporting units is tested for impairment by comparing the carrying value of each reporting unit to the reporting unit's fair value as determined using a combination of comparable market multiples, additional market information, and discounted cash flow valuation models. If the fair value of the reporting unit is lower than the carrying value of the reporting unit, step two is performed to measure the amount, if any, of impairment. In step two, the fair value of all assets and liabilities of the reporting unit is determined, as if the reporting unit had been acquired on a stand-alone basis. The fair value of the reporting unit's assets and liabilities is then compared to the fair value of the reporting unit, with the excess, if any, considered to be the implied goodwill of the reporting unit. If the carrying value of the reporting unit's goodwill exceeds this implied goodwill value, that excess is recorded as an impairment charge in operating income. No impairment was recognised in 2011 or 2010.

Indefinite-lived intangible assets are tested by comparing the fair value of the asset to the carrying value of the asset. In the event that the carrying value exceeds the fair value, an impairment charge is recorded in operating income. No impairment charge was recognised in 2011 or 2010 in connection to indefinite-lived intangible assets.

Determining the fair value of a reporting unit and, if necessary, its assets (including indefinite-lived intangible assets) and liabilities requires the Company to make certain estimates and judgements about assumptions which include expected revenue growth rates, profit margins, working capital levels, discount rates, and capital expenditures. Estimates and assumptions are based on historical and forecasted operational performance and consider external market and industry data. Differences between the estimates used by management in its assessment and the Company's actual performance, as well as market and industry developments, changes in the business strategy that may lead to reorganisation of reporting units and the disposal of businesses could all result in an impairment of goodwill and indefinite-lived intangible assets.

8.5 Impairment of definite-lived intangible assets

Definite-lived intangible assets are evaluated for impairment by first comparing the carrying amount of a definite-lived intangible asset with the expected undiscounted future cash flows from the operations to which the asset relates. The asset is regarded as not recoverable if the carrying amount exceeds the undiscounted future cash flows. The impairment loss is then calculated as the difference between the asset's carrying value and its fair value, which is calculated using a discounted cash flow model. No impairment charge was recognised in 2011 or 2010 in connection with definite-lived intangible assets.

8.6 Defined benefit pension plans

In order to determine the ultimate obligation under its defined benefit pension plans, the Company estimates the future cost of benefits and attributes that cost to the time period during which each covered employee works. Various actuarial assumptions must be made in order to predict and measure costs and obligations many years prior to the settlement date, the most significant ones being the interest rates used to discount the obligations of the plans and the long-term rates of return on the plans' assets. Management, along with third-party actuaries and investment managers, reviews all of these assumptions on an ongoing basis to ensure that the most reasonable information available is being considered.

8.7 Contingencies

In the ordinary course of business conducted around the world, the Company faces loss contingencies that may result in the recognition of a liability or the write-down of an asset. Management periodically assesses these risks based on information available and assessments from external professionals.

The Company is currently involved in various claims and legal proceedings. Periodically, the status of each significant loss contingency is reviewed to assess the potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be estimated, a liability for the estimated loss is recorded. Because of uncertainties related to these matters, accruals are based on the best information available at the time. As additional information becomes available, the potential liability related to pending claims and litigation is reassessed and, if required, estimates are revised. Such revisions in the estimates of the potential liabilities could have a material impact on results of operations and the financial position of the Company.

9. Forward-looking statements

Information in this Annual Report 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 Annual Report are based on information available to the Company as of March 13, 2012, and the Company assumes no duty to update any such forward-looking statements. The forward-looking statements in this Annual Report are not guarantees of future performance and actual results could differ materially from the Company's 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; and
- any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

Adecco Group –
Selected financial information

in millions, except share and per share information

For the fiscal years (in EUR)	2011	2010	2009	2008	2007
Statements of operations					
Revenues	20,545	18,656	14,797	19,965	21,090
Amortisation of intangible assets	(51)	(55)	(42)	(44)	(27)
Impairment of goodwill and intangible assets			(192)	(116)	
Operating income	763	667	65	748	1,054
Net income attributable to Adecco shareholders	519	423	8	495	735

As of (in EUR)	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Balance sheets					
Cash and cash equivalents and short-term investments	534	554	1,460	581	563
Trade accounts receivable, net	3,725	3,541	2,560	3,046	3,773
Goodwill	3,455	3,273	2,657	2,666	2,646
Total assets	9,354	8,879	7,831	7,530	8,254
Short-term debt and current maturities of long-term debt	236	217	456	56	357
Accounts payable and accrued expenses	3,545	3,472	2,716	3,053	3,476
Long-term debt, less current maturities	1,190	1,088	1,114	1,142	1,072
Total liabilities	5,543	5,312	4,717	4,732	5,374
Total shareholders' equity	3,811	3,567	3,114	2,798	2,880

For the fiscal years (in EUR)	2011	2010	2009	2008	2007
Cash flows from operations					
Cash flows from operating activities	524	455	477	1,054	1,062
Cash used in investing activities	(317)	(1,020)	(278)	(210)	(941)
Cash flows from/(used in) financing activities	(224)	(385)	652	(800)	(424)
Other indicators					
Capital expenditures	109	105	92	106	91

As of	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Other indicators					
Net debt (in EUR) [1]	892	751	110	617	866
Additional statistics					
Number of FTE employees at year end (approximate)	33,000	32,000	28,000	34,000	37,000

1 Net debt is a non-U.S. GAAP measure and comprises short-term and long-term debt, less cash and cash equivalents and short-term investments. The calculation of net debt based upon financial measures in accordance with U.S. GAAP is presented on page 42.

Adecco Group – Consolidated balance sheets

in millions, except share and per share information

As of (in EUR)	Note	31.12.2011	31.12.2010
Assets			
Current assets:			
• Cash and cash equivalents		532	549
• Short-term investments		2	5
• Trade accounts receivable, net	3	3,725	3,541
• Other current assets	14	424	351
Total current assets		**4,683**	**4,446**
Property, equipment, and leasehold improvements, net	4	313	291
Other assets	14	310	291
Intangible assets, net	2, 5	593	578
Goodwill	2, 5	3,455	3,273
Total assets		**9,354**	**8,879**
Liabilities and shareholders' equity			
Liabilities			
Current liabilities:			
• Accounts payable and accrued expenses:			
• Accounts payable		541	546
• Accrued salaries and wages		904	888
• Accrued payroll taxes and employee benefits		887	850
• Accrued sales and value added taxes		470	461
• Accrued income taxes		65	48
• Other accrued expenses	14	678	679
• Total accounts payable and accrued expenses	6	3,545	3,472
• Short-term debt and current maturities of long-term debt	7	236	217
Total current liabilities		**3,781**	**3,689**
Long-term debt, less current maturities	7	1,190	1,088
Other liabilities	6, 14	572	535
Total liabilities		**5,543**	**5,312**
Shareholders' equity			
Adecco shareholders' equity:			
• Common shares	8	118	118
• Additional paid-in capital	8	2,459	2,602
• Treasury shares, at cost	8	(706)	(532)
• Retained earnings		2,080	1,561
• Accumulated other comprehensive income/(loss), net	8	(143)	(184)
Total Adecco shareholders' equity		**3,808**	**3,565**
Noncontrolling interests		3	2
Total shareholders' equity		**3,811**	**3,567**
Total liabilities and shareholders' equity		**9,354**	**8,879**

The accompanying notes are an integral part of these consolidated financial statements.

Adecco Group –
Consolidated statements of operations

in millions, except share and per share information

For the fiscal years ended December 31 (in EUR)	Note	2011	2010	2009
Revenues	16	20,545	18,656	14,797
Direct costs of services		(16,979)	(15,327)	(12,148)
Gross profit		**3,566**	**3,329**	**2,649**
Selling, general, and administrative expenses	6	(2,752)	(2,607)	(2,350)
Amortisation of intangible assets	5	(51)	(55)	(42)
Impairment of goodwill and intangible assets	5			(192)
Operating income	16	**763**	**667**	**65**
Interest expense		(71)	(63)	(55)
Other income/(expenses), net	13	(6)	(1)	(1)
Income before income taxes		**686**	**603**	**9**
Provision for income taxes	14	(166)	(179)	(1)
Net income		**520**	**424**	**8**
Net income attributable to noncontrolling interests		(1)	(1)	
Net income attributable to Adecco shareholders		**519**	**423**	**8**
Basic earnings per share	15	**2.72**	**2.20**	**0.04**
Basic weighted-average shares	15	190,671,723	192,113,079	177,606,816
Diluted earnings per share	15	**2.72**	**2.17**	**0.04**
Diluted weighted-average shares	15	190,805,080	195,596,325	177,613,991

The accompanying notes are an integral part of these consolidated financial statements.

Adecco Group – Consolidated statements of cash flows

in millions, except share and per share information

For the fiscal years ended December 31 (in EUR)	2011	2010	2009
Cash flows from operating activities			
Net income	520	424	8
Adjustments to reconcile net income to cash flows from operating activities:			
• Depreciation and amortisation	144	142	123
• Impairment of goodwill and intangible assets			192
• Bad debt expense	16	12	16
• Stock-based compensation	12	5	1
• Deferred tax provision/(benefit)	(52)	5	(76)
• Tax impact of treasury shares valuation in Adecco S.A.			(22)
• Other, net	19	25	19
Changes in operating assets and liabilities, net of acquisitions:			
• Trade accounts receivable	(151)	(667)	577
• Accounts payable and accrued expenses	17	460	(393)
• Other assets and liabilities	(1)	49	32
Cash flows from operating activities	**524**	**455**	**477**
Cash flows from investing activities			
Capital expenditures	(109)	(105)	(92)
Proceeds from sale of property and equipment	4	1	1
Acquisition of DBM, net of cash acquired	(148)		
Acquisition of MPS, net of cash acquired		(831)	
Acquisition of Spring, net of cash acquired			(94)
Cash settlements on derivative instruments	(59)	(51)	(35)
Other acquisition and investing activities	(5)	(34)	(58)
Cash used in investing activities	**(317)**	**(1,020)**	**(278)**

For the fiscal years ended December 31 (in EUR)	2011	2010	2009
Cash flows from financing activities			
Borrowings of short-term debt under the commercial paper programme	919	295	
Repayment of short-term debt under the commercial paper programme	(927)	(145)	
Borrowings of short-term debt under the multicurrency revolving credit facility		346	
Repayment of short-term debt under the multicurrency revolving credit facility		(341)	
Other net increase/(decrease) in short-term debt	(1)	1	(43)
Borrowings of long-term debt, net of issuance costs	330		612
Repayment of long-term debt	(214)	(478)	(223)
Prepaid forward sale of Adecco S.A. shares			587
Purchase of call spread option on Adecco S.A. shares			(108)
Dividends paid to shareholders	(149)	(91)	(173)
Proceeds from sale/(purchase) of treasury shares	(178)	28	(3)
Cash settlements on derivative instruments	2		
Other financing activities	(6)		3
Cash flows from/(used in) financing activities	**(224)**	**(385)**	**652**
Effect of exchange rate changes on cash		**41**	**33**
Net increase/(decrease) in cash and cash equivalents	**(17)**	**(909)**	**884**
Cash and cash equivalents:			
• Beginning of year	549	1,458	574
• End of year	532	549	1,458
Supplemental disclosures of cash paid			
Cash paid for interest	56	95	22
Cash paid for income taxes	180	98	96

The accompanying notes are an integral part of these consolidated financial statements.

Adecco Group –
Consolidated statements of changes in shareholders' equity

in millions, except share and per share information

In EUR	Common shares	Additional paid-in capital	Treasury shares, at cost	Retained earnings	Accumulated other comprehensive income/(loss), net	Non-controlling interests	Total shareholders' equity
January 1, 2009	**118**	**2,140**	**(558)**	**1,394**	**(301)**	**5**	**2,798**
Comprehensive income:							
Net income				8			8
Other comprehensive income/(loss):							
• Currency translation adjustment, net of tax					30		30
Total comprehensive income							**38**
Tax impact of treasury shares valuation in Adecco S.A.		(22)					(22)
Prepaid forward sale of Adecco S.A. shares		587					587
Purchase of call spread option on Adecco S.A. shares		(108)					(108)
Stock-based compensation		1					1
Treasury shares transactions			(3)				(3)
Cash dividends, CHF 1.50 per share				(173)			(173)
Acquisition of noncontrolling interests						(3)	(3)
Other		(1)					(1)
December 31, 2009	**118**	**2,597**	**(561)**	**1,229**	**(271)**	**2**	**3,114**
Comprehensive income:							
Net income				423		1	424
Other comprehensive income/(loss):							
• Currency translation adjustment, net of tax of EUR 6					94		94
• Pension-related adjustments, net of tax					(6)		(6)
• Change in fair value of cash flow hedges, net of tax					(1)		(1)
Total comprehensive income							**511**
Stock-based compensation		5					5
Treasury shares transactions			28				28
Cash dividends, CHF 0.75 per share				(91)			(91)
Acquisition of noncontrolling interests						(1)	(1)
Other			1				1
December 31, 2010	**118**	**2,602**	**(532)**	**1,561**	**(184)**	**2**	**3,567**
Comprehensive income:							
Net income				519		1	520
Other comprehensive income/(loss):							
• Currency translation adjustment, net of tax					56		56
• Pension-related adjustments, net of tax of EUR 6					(17)		(17)
• Change in fair value of cash flow hedges, net of tax					2		2
Total comprehensive income							**561**
Stock-based compensation		12					12
Vesting of RSU awards		(4)	4				
Treasury shares transactions			(178)				(178)
Cash dividends, CHF 1.10 per share		(149)					(149)
Other		(2)					(2)
December 31, 2011	**118**	**2,459**	**(706)**	**2,080**	**(143)**	**3**	**3,811**

The accompanying notes are an integral part of these consolidated financial statements.

Adecco Group – Notes to consolidated financial statements

in millions, except share and per share information

Note 1 • The business and summary of significant accounting policies

Business

The consolidated financial statements include Adecco S.A., a Swiss corporation, its consolidated subsidiaries as well as variable interest entities in which Adecco is considered the primary beneficiary (collectively, "the Company"). The Company's principal business is providing human resource services including temporary staffing, permanent placement, outsourcing, career transition (outplacement), and other services to businesses and organisations throughout Europe, North America, Asia Pacific, South America, and Africa. At the end of 2011, the Company's worldwide network consists of over 5,500 branches and more than 33,000 full-time equivalent employees in over 60 countries and territories.

Since January 1, 2011, the Company is organised in a geographical structure plus the global business Lee Hecht Harrison ("LHH"), which corresponds to the primary segments. This structure is complemented by business lines. The segments consist of France, North America, UK & Ireland, Japan, Germany & Austria, Benelux, Italy, Nordics, Iberia, Australia & New Zealand, Switzerland, Emerging Markets, and LHH. The business lines consist of Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, and Solutions. The classification of a specific branch into a business line is determined by the business line generating the largest revenue share in that specific branch.

Basis of presentation

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the provisions of Swiss law.

Reporting currency

The reporting currency of the Company is the Euro, which reflects the significance of the Company's Euro-denominated operations. Adecco S.A.'s share capital is denominated in Swiss Francs and the Company declares and pays dividends in Swiss Francs.

Foreign currency translation

The Company's operations are conducted in various countries around the world and the financial statements of foreign subsidiaries are reported in the applicable foreign currencies (functional currencies). Financial information is translated from the applicable functional currency to the Euro, the reporting currency, for inclusion in the Company's consolidated financial statements. Income, expenses, and cash flows are translated at average exchange rates prevailing during the fiscal year or at transaction exchange rates, and assets and liabilities are translated at fiscal year end exchange rates. Resulting translation adjustments are included as a component of accumulated other comprehensive income/(loss), net, in shareholders' equity. Exchange gains and losses on intercompany balances that are considered permanently invested are also included in equity.

Principles of consolidation

The consolidated financial statements include 100% of the assets, liabilities, revenues, expenses, income, loss, and cash flows of Adecco S.A., its consolidated subsidiaries and entities for which the Company has been determined to be the primary beneficiary under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, "Consolidation" ("ASC 810"). The consolidated subsidiaries include all majority-owned subsidiaries of the Company except for the variable interest entity Adecco Investment (Bermuda) Ltd ("Adecco Investment") – see below. Noncontrolling interests for entities fully consolidated but not wholly owned by the Company are accounted for in accordance with ASC 810 and are reported as a component of equity. Intercompany balances and transactions have been eliminated in the consolidated financial statements.

The Company records investments in affiliates over which it is able to exercise significant influence using the equity method of accounting. The cost method of accounting is applied for investments in entities which do not have readily determinable fair values and over which the Company is not able to exercise significant influence (generally investments in which the Company's ownership is less than 20%).

The Company accounts for variable interest entities ("VIEs") in accordance with ASC 810 which requires the consolidation of a VIE in which an entity is considered the primary beneficiary. The primary beneficiary of a VIE is the enterprise that has both the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. An entity is required to perform a qualitative and a quantitative analysis to determine whether it has controlling financial interest in a VIE.

On November 26, 2009, Adecco Investment, a wholly owned subsidiary of the Company which is not consolidated, issued CHF 900 Senior Secured Limited Recourse Mandatory Convertible Bonds ("MCB") due on November 26, 2012. The bonds will convert at maturity into shares of Adecco S.A., or at the option of the holders or Adecco Investment, the bonds may be converted into shares of Adecco S.A. at any time 41 days after November 26, 2009 until the 30th dealing day prior to the maturity date. The number of shares to be delivered at maturity will be calculated based on the closing price of the shares of Adecco S.A. As of December 31, 2011, the minimum conversion price is CHF 48.95 per share (CHF 50.50 per share at issuance of the MCB) and the maximum conversion price is CHF 58.74 per share (CHF 60.60 per share at issuance of the MCB). The conversion prices will be adjusted for further dividend payments on the shares of Adecco S.A. during the lifetime of the MCB. As of December 31, 2011, the maximum number of shares to be delivered is 18,386,108 (17,821,782 shares at issuance of the MCB) and the minimum number of shares to be delivered is 15,321,757 (14,851,485 shares at issuance of the MCB). If the holders or Adecco Investment exercise their conversion option prior to maturity, the conversion will occur at the maximum or the minimum conversion price, respectively. The bonds have an annual coupon of 6.5%, which can be deferred in case no dividend payment is made on the shares of Adecco S.A.

Adecco Investment entered into a prepaid forward contract ("prepaid forward") with the Company, where it originally acquired 17,821,782 shares of the Company for EUR 587 (CHF 887), net of costs. The strike price of the prepaid forward is adjusted for dividend payments on the shares of Adecco S.A. and the number of shares deliverable under the prepaid forward amounts to 18,386,108 as of December 31, 2011. Adecco Investment will receive the shares of Adecco S.A. from the Company with the settlement of the prepaid forward. The shares can be delivered out of treasury shares or conditional capital at the discretion of the Company. Adecco Investment financed the coupon payments with EUR 108 (CHF 164) from the sale of a call spread option ("call spread option") to Adecco Financial Services (Bermuda) Ltd, a wholly owned consolidated subsidiary of the Company. The call spread option gives the Company the right to benefit from appreciation of the shares underlying the prepaid forward between floor and cap defined in the agreement. The call spread option is settled in shares, reducing the net number of shares the Company has to deliver in combination with the prepaid forward. In addition, in 2009 the Company made a payment of EUR 8 (CHF 12) to Adecco Investment, which was treated as a deemed capital contribution. The number of shares underlying the prepaid forward, the call spread option, and the MCB are subject to anti-dilution provisions. The bondholders only have recourse against the prepaid forward. Subsequently, Adecco Investment granted a loan of EUR 116 (CHF 176) to the Company, of which EUR 69 (CHF 89) have been repaid by December 31, 2011.

The Company has a variable interest in Adecco Investment related to the call spread option. The assets of Adecco Investment consist of the prepaid forward and a loan to the Company of EUR 76 (CHF 92) as of December 31, 2011 and EUR 119 (CHF 148) as of December 31, 2010. The call spread option only absorbs variability caused by changes in the fair value of the shares to be delivered by the Company under the prepaid forward and therefore the Company is not exposed to any overall variability due to the call spread option. The prepaid forward and the call spread option are recorded as equity instruments in the Company's consolidated financial statements. The Company also owns the common shares of Adecco Investment in the amount of USD 10 thousand and a deemed capital contribution of EUR 8 (CHF 12), which is not a variable interest because these investments are not at risk as they were loaned back to the Company. As of December 31, 2011 and December 31, 2010, the Company had an investment in Adecco Investment with a carrying amount of EUR 5 recorded within other assets. The Company does not consolidate Adecco Investment because it does not have an obligation to absorb any losses or the right to receive any benefits which do not result from an equal and offsetting gain or loss incurred by the Company through the prepaid forward and the loan agreement described above.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgements, assumptions, and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates, including those related to allowance for doubtful accounts, accruals and provisions, impairment of goodwill and indefinite-lived intangible assets, contingencies, pension accruals, and income taxes. The Company bases its estimates on historical experience and on various other market specific assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Recognition of revenues
The Company generates revenues from sales of temporary staffing services, permanent placement services, outsourcing services, career transition (outplacement), and other services. Revenues are recognised on the accrual basis and are reported net of any sales taxes. Allowances are established for estimated discounts, rebates, and other adjustments and are recorded as a reduction of sales.

Revenues related to temporary staffing services are generally negotiated and invoiced on an hourly basis. Temporary associates record the hours they have worked and these hours, at the rate agreed with the customer, are then accumulated and billed according to the agreed terms. Temporary staffing service revenues are recognised upon rendering the services.

Revenues related to permanent placement services are generally recognised at the time the candidate begins full-time employment, or as the fee is earned. Allowance provisions are established based on historical information for any non-fulfilment of permanent placement obligations.

Revenues related to outsourcing services (including Managed Service Programmes ("MSP"), Recruitment Process Outsourcing ("RPO"), and Vendor Management System ("VMS")), career transition (outplacement), and other services are negotiated with the client on a project basis and are recognised upon rendering the services. Revenues invoiced prior to providing services are deferred and recognised in other current liabilities until the services are rendered.

The Company presents revenues and the related direct costs of services in accordance with ASC 605-45, "Revenue Recognition – Principal Agent Considerations" ("ASC 605-45"). For sales arrangements in which the Company acts as a principal in the transaction and has risks and rewards of ownership (such as the obligation to pay temporary personnel and the risk of loss for collection and performance or pricing adjustments), the Company reports gross revenues and gross direct costs. Under arrangements where the Company acts as an agent as is generally the case in most MSP contracts, revenues are reported on a net basis.

The Company provides services in the normal course of business at arm's length terms to entities that are affiliated with certain of its officers, Board members, and significant shareholders through investment or board directorship.

Marketing costs
Marketing costs totalled EUR 81, EUR 68, and EUR 58 in 2011, 2010, and 2009, respectively. These costs are included in SG&A and are generally expensed as incurred.

Cash equivalents and short-term investments
Cash equivalents consist of highly liquid instruments having an original maturity at the date of purchase of three months or less.

The Company's policy is to invest excess funds primarily in investments with maturities of 12 months or less, and in money market and fixed income funds with sound credit ratings, limited market risk, and high liquidity.

Trade accounts receivable
Trade accounts receivable are recorded at net realisable value after deducting an allowance for doubtful accounts. The Company makes judgements on an entity-by-entity basis as to its ability to collect outstanding receivables and provides an allowance for doubtful accounts based on a specific review of significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing percentages based on the age of the receivable. In determining these percentages, the Company analyses its historical collection experience and current economic trends. Where available and when cost effective, the Company utilises credit insurance. Accounts receivable balances are written off when the Company determines that it is unlikely that future remittances will be received, or as permitted by local law.

Property, equipment, and leasehold improvements
Property and equipment are carried at historical cost and are

depreciated on a straight-line basis over their estimated useful lives (generally three to five years for furniture, fixtures, and office equipment; three to five years for computer equipment and software; and twenty to forty years for buildings). Leasehold improvements are stated at cost and are depreciated over the shorter of the useful life of the improvement or the remaining lease term, which includes the expected lease renewal. Expenditures for repairs and maintenance are charged to expense as incurred.

Capitalised software costs
The Company capitalises purchased software as well as internally developed software. Internal and external costs incurred to develop internal use computer software during the application development stage are capitalised. Application development stage costs generally include software configuration, coding, installation, and testing. Costs incurred for maintenance, testing minor upgrades, and enhancements are expensed as incurred. Capitalised software costs are included in property, equipment, and leasehold improvements, net. Capitalised costs are amortised on a straight-line basis over the estimated useful life commencing when the software is placed into service, generally three to five years. As of December 31, 2011 and December 31, 2010, the net book value of capitalised software costs amounted to EUR 104 and EUR 81, respectively.

Goodwill and indefinite-lived intangible assets
Goodwill represents the excess of the purchase price in a business combination over the value assigned to the net tangible and identifiable intangible assets of businesses acquired less liabilities assumed. In accordance with ASC 350, "Intangibles – Goodwill and Other" ("ASC 350"), goodwill and indefinite-lived intangible assets are not amortised. Rather, the carrying value of goodwill and indefinite-lived intangible assets is tested annually for impairment.

Goodwill is tested on a reporting unit level using a two-step impairment test. Reporting units may be operating segments as a whole or an operation one level below an operating segment, referred to as a component. In step one of the goodwill impairment test, the carrying value of each reporting unit is compared to the reporting unit's fair value as determined using a combination of comparable market multiples, additional market information, and discounted cash flow valuation models. If the fair value of the reporting unit is lower than the carrying value of the reporting unit, step two is performed to measure the amount, if any, of impairment. In step two, the fair value of all assets and liabilities of the reporting unit is determined, as if the reporting unit had been acquired on a stand-alone basis. The fair value of the reporting unit's assets and liabilities is then compared to the fair value of the reporting unit, with the excess, if any, considered to be the implied goodwill of the reporting unit. If the carrying value of the reporting unit's goodwill exceeds this implied goodwill value, that excess is recorded as an impairment charge in operating income.

Indefinite-lived intangible assets are tested by comparing the fair value of the asset to the carrying value of the asset. In the event that the carrying value exceeds the fair value, an impairment charge is recorded in operating income.

Definite-lived intangible assets
In accordance with ASC 805, "Business Combinations" ("ASC 805"), purchased identifiable intangible assets are capitalised at fair value as of the acquisition date. Intangible assets with definite lives, primarily customer relationships, are generally amortised on a straight-line basis over the estimated period in which benefits will be received, which generally ranges from one to nine years.

Impairment of long-lived assets including definite-lived intangible assets
The Company evaluates long-lived assets, including intangible assets with definite lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 360-10-35-15, "Impairment or Disposal of Long-Lived Assets" ("ASC 360-10-35-15"). The asset is regarded as not recoverable if the carrying amount exceeds the undiscounted future cash flows. The impairment loss is then calculated as the difference between the asset's carrying value and its fair value, which is calculated using a discounted cash flow model.

Accounting for restructuring costs
In recording severance reserves for ongoing benefits, the Company accrues a liability when the following conditions have been met: the employees' rights to receive compensation are attributable to employees' services already rendered, the obligation relates to rights that vest or accumulate, pay

ment of the compensation is probable, and the amount can be reasonably estimated. For one-time termination benefits which require employees to render services beyond a "minimum retention period", liabilities associated with employee termination benefits are recorded as employees render services over the future service period. Otherwise, liabilities associated with employee one-time termination benefits are recorded at the point when management has taken a decision to terminate a specific group of employees, the employees have been notified of the decision and the type and amount of benefits to be received by the employees is known. Liabilities for contract termination and other exit costs are recorded at fair value when a contract is formally terminated in accordance with the contract term, or the Company ceases using the right conveyed by the contract.

Income taxes

The Company accounts for income taxes and uncertainty in income taxes recognised in the Company's financial statements in accordance with ASC 740, "Income Taxes" ("ASC 740"). ASC 740 prescribes a recognition threshold and measurement attribute for the financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Current liabilities and assets are recognised for the estimated payable or refundable taxes on the tax returns for the current year. Deferred tax assets and liabilities are determined based on temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and include the future tax benefit of existing net operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against deferred tax assets in those cases when management does not believe that the realisation is more likely than not. While management believes that its judgements and estimates regarding deferred tax assets and liabilities are appropriate, significant differences in actual experience may materially affect the Company's future financial results.

In addition, significant judgement is required in determining the worldwide provision for income taxes. In the ordinary course of a global business, there are many transactions for which the ultimate tax outcome is uncertain. Many of these uncertainties arise as a consequence of intercompany transactions and arrangements. Although management believes that its tax return positions are supportable, no assurance can be given that the final outcome of these matters will not be materially different from amounts reflected in the income tax provisions and accruals. Such differences could have a material effect on the income tax provisions or benefits in the periods in which such determinations are made.

Earnings per share

In accordance with ASC 260, "Earnings per Share" ("ASC 260"), basic earnings per share is computed by dividing net income attributable to Adecco shareholders by the number of weighted-average shares for the fiscal year. Diluted earnings per share reflects the maximum potential dilution that could occur if dilutive securities, such as stock options, non-vested shares or convertible debt, were exercised or converted into common shares or resulted in the issuance of common shares that would participate in net income attributable to Adecco shareholders.

Financial instruments

In accordance with ASC 815, "Derivatives and Hedging" ("ASC 815"), all derivative instruments are initially recorded at cost as either other current assets, other assets, other accrued expenses, or other liabilities in the accompanying consolidated balance sheets and subsequently remeasured to fair value, regardless of the purpose or intent for holding the derivative instruments. For derivative instruments designated and qualifying as fair value hedges, changes in the fair value of the derivative instruments as well as the changes in the fair value of the hedged item attributable to the hedged risk are recognised within the same line item in earnings. Any cash flow impact on settlement of these contracts is classified within the consolidated statements of cash flows according to the nature of the hedged item. For derivative instruments designated and qualifying as cash flow hedges, the effective portion of the changes in the fair value of derivative instruments is initially recorded as a component of accumulated other comprehensive income/(loss), net, in shareholders' equity and reclassified into earnings in the same period during which the hedged transaction impacts earnings. The ineffective portion of the change in fair value of the derivative instruments is immediately recognised in earnings. The cash flow impact on settlement of these contracts is classified according to the nature of the hedged item. For derivative instruments designated and qualifying as net investment hedges, changes in the fair value of the derivative instruments are recorded as a component of accumulated other comprehensive income/(loss), net, in shareholders' equity to the extent they are considered effective. These gains or losses will remain in equity until the related net investment is sold or otherwise disposed. The cash flow impact on settlement of these contracts is classified as cash flows from investing activities.

For derivative instruments that are not designated or that do not qualify as hedges under ASC 815, the changes in the fair value of the derivative instruments are recognised in other income/(expenses), net, within the consolidated statements of operations. Any cash flow impact on settlement of these contracts is classified as cash flows from investing activities.

Fair value measurement

The Company accounts for assets and liabilities which are required to be accounted for at fair value in accordance with ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"). Fair value is defined by ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritises the inputs used to measure fair value. The hierarchy requires entities to maximise the use of observable inputs and minimise the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company measures fair value using unadjusted quoted market prices. If quoted market prices are not available, fair value is based upon internally developed models that use, whenever possible, current market-based parameters such as interest rate curves and currency rates. The Company also utilises independent third-party pricing services. When appropriate, valuations are adjusted to reflect credit considerations, generally based on available market evidence.

New accounting guidance

In October 2009, the FASB issued new accounting guidance on revenue recognition on multiple-deliverable revenue arrangements. This guidance amends the requirements for separating the elements in the arrangement and also changes the allocation method of the arrangement consideration. The guidance is effective for fiscal years beginning after June 15, 2010.

The Company adopted this guidance on January 1, 2011 and its adoption did not have a material impact on the Company's consolidated financial statements.

In May 2011, the FASB issued new accounting guidance on Fair Value Measurement. This guidance modifies certain principles for measuring fair value, clarifies existing concepts and requires additional disclosures. This guidance is effective for fiscal years beginning after December 15, 2011. The Company will adopt this standard on January 1, 2012 and does not expect it to have a significant impact on the consolidated financial statements.

In September 2011, the FASB issued Accounting Standards Update ("ASU") 2011-18, "Intangibles – Goodwill and Other" ("ASU 2011-18"). Under the amendments of ASU 2011-18, an entity is permitted to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it would not be required to perform the two-step impairment test for that reporting unit. The Company will adopt this guidance on January 1, 2012 and does not expect it to have an impact on the consolidated financial statements.

Presentation and reclassifications

Certain reclassifications have been made to prior years' amounts or balances in order to conform to the current year presentation.

Other disclosures required by Swiss law

in EUR	2011	2010
Personnel expenses	1,954	1,842

The detailed disclosures regarding the executive remuneration that are required by Swiss law are included in Note 7 to Adecco S.A. (Holding Company) financial statements and in the Remuneration Report.

The fire insurance value of property, equipment, and leasehold improvements amounted to EUR 696 and EUR 642 as of December 31, 2011 and December 31, 2010, respectively.

in millions, except share and per share information

Note 2 • Acquisitions

The Company made several acquisitions in 2011, 2010, and 2009. With the exception of the MPS Group ("MPS") acquisition, the Company does not consider any of its 2011, 2010, or 2009 acquisition transactions to be material, individually or in the aggregate, to its consolidated balance sheets or results of operations.

The following table illustrates the aggregate impact of the 2011 and 2010 acquisitions:

in EUR	2011	2010
Impact of acquisitions		
Net tangible assets acquired	(6)	205
Identified intangible assets	55	306
Goodwill	131	503
Deferred tax liabilities	(19)	(107)
Noncontrolling interests		1
Total consideration	**161**	**908**

In August 2011, the Company acquired all outstanding common shares of Drake Beam Morin, Inc ("DBM") for EUR 148, net of EUR 8 cash acquired. As a result of this acquisition, EUR 128 and EUR 53 of goodwill and intangible assets, respectively, were recorded. DBM is a leading global service provider operating through several countries and offers strategic human resources solutions helping organisations align their workforces to meet changing business needs. The purchase price was funded with internal resources. DBM was consolidated by the Company as of August 31, 2011, and the results of DBM's operations have been included in the consolidated financial statements since September 1, 2011. The goodwill of EUR 128 arising from the acquisition consists largely of the synergies and economies of scale expected from combining operations of Adecco and DBM.

In January 2010, the Company acquired all outstanding common shares of MPS for EUR 831, net of cash acquired. MPS is one of the largest professional staffing firms in North America with also a strong position in the UK, and is a leading provider of specialty staffing, consulting, and business solutions across various professional business lines such as information technology, finance and accounting, legal, engineering, and healthcare. The purchase price was funded with the prepaid forward sale of Adecco S.A. shares (for further details refer to Note 1) and with internal resources. MPS was consolidated by the Company as of January 31, 2010, and the results of MPS's operations have been included in the consolidated financial statements since February 1, 2010.

The following table summarises the estimated fair value of the MPS assets acquired and liabilities assumed at the date of acquisition:

in EUR	
Fair value of assets acquired and liabilities assumed	
Cash acquired	70
Trade accounts receivable, net	206
Other current assets	28
Deferred tax assets	31
Other assets	30
Intangible assets:	
• Marketing related (trade names)	161
• Customer base	137
• Other	8
Goodwill	497
Current liabilities	(151)
Other liabilities	(9)
Deferred tax liabilities	(107)
Total fair value of assets acquired and liabilities assumed	**901**

The goodwill of EUR 497 arising from the acquisition consists largely of the synergies and economies of scale expected from combining operations of Adecco and MPS. Approximately EUR 149 of tax deductible goodwill was recognised with the MPS acquisition.

Most of the marketing related intangible assets (trade names) are considered to have infinite lives and are not amortised.

Customer base intangible assets acquired have estimated average useful lives of five to nine years and are amortised on a straight-line basis over their useful lives.

The MPS goodwill and intangible assets were assigned to the following segments:

in EUR	North America	UK & Ireland	Germany & Austria	Benelux	Other	Total
Goodwill	380	74	6	12	25	497
Intangible assets	246	52	2	4	2	306

MPS revenues and net income attributable to Adecco shareholders included in the 2010 consolidated operating results since the acquisition date amount to EUR 1,183 and EUR 31, respectively. Amortisation expense, net of tax for MPS intangible assets included in the 2010 consolidated results of operations since the acquisition date amounts to EUR 15.

in millions, except share and per share information

The following unaudited pro forma information shows consolidated operating results as if the MPS acquisition had occurred on January 1, 2010 and January 1, 2009:

in EUR	2010	2009
Pro forma consolidated operating results		
Revenues	18,747	15,992
Net income/(loss) attributable to Adecco shareholders	419	(5)
Basic earnings per share	2.18	(0.03)
Diluted earnings per share	2.16	(0.03)

The 2010 pro forma net income attributable to Adecco shareholders includes the MPS January 2010 net loss of EUR 4, which considers additional amortisation of definite-lived intangible assets, net of tax of EUR 1. The 2009 pro forma net loss attributable to Adecco shareholders includes the MPS net loss of EUR 13 which considers adjustments for amortisation of definite-lived intangible assets, net of tax of EUR 14, acquisition costs of EUR 7, and interest expense of EUR 2. The pro forma results of operations do not necessarily represent operating results which would have occurred if the acquisition had taken place on the basis assumed above, nor are they indicative of future operating results of the combined companies.

In October 2009, the Company acquired 100% of the outstanding shares of Spring Group Plc ("Spring"), for EUR 94, net of cash acquired. As a result of this acquisition, EUR 52 and EUR 11 of goodwill and intangible assets, respectively, were recorded. Spring is a multi-branded recruitment services provider with operations in the UK, Europe, USA, and Asia Pacific. Spring's three core businesses – Professional Staffing, General Staffing, and Managed Solutions – cover a broad range of industry sectors and clients ranging from market leading multinationals to small and medium sized enterprises. The Spring acquisition was financed with available cash.

Total acquisition related costs expensed in 2011, 2010, and 2009 amounted to EUR 2, EUR 7, and EUR 5, respectively and are included in SG&A within the consolidated statement of operations.

Note 3 • Trade accounts receivable

in EUR	31.12.2011	31.12.2010
Trade accounts receivable	3,832	3,656
Allowance for doubtful accounts	(107)	(115)
Trade accounts receivable, net	**3,725**	**3,541**

Note 4 • Property, equipment, and leasehold improvements

	31.12.2011		31.12.2010	
in EUR	Gross	Accumulated depreciation	Gross	Accumulated depreciation
Land and buildings	48	(21)	49	(18)
Furniture, fixtures, and office equipment	157	(126)	149	(124)
Computer equipment and software	737	(558)	729	(571)
Leasehold improvements	272	(196)	259	(182)
Total property, equipment, and leasehold improvements	**1,214**	**(901)**	**1,186**	**(895)**

Depreciation expense was EUR 93, EUR 87, and EUR 81 for 2011, 2010, and 2009, respectively.

Note 5 • Goodwill and intangible assets

The changes in the carrying amount of goodwill for the years ended December 31, 2011 and December 31, 2010 are as follows:

in EUR	France [1]	North America [1]	UK & Ireland	Japan [1]	Germany & Austria [1]	Benelux [1]	Italy [1]	Other [1]	Total
Changes in goodwill									
January 1, 2010	**233**	**515**	**145**	**27**	**1,243**	**83**	**–**	**411**	**2,657**
Additions	4	382	74		6	12		25	503
Currency translation adjustment		67	7	7				32	113
December 31, 2010	**237**	**964**	**226**	**34**	**1,249**	**95**	**–**	**468**	**3,273**
Additions		1			1			129	131
Currency translation adjustment		31	7	3				11	52
Other	(1)								(1)
December 31, 2011	**236**	**996**	**233**	**37**	**1,250**	**95**	**–**	**608**	**3,455**

1 Since January 1, 2011, LHH is reported as a separate segment and presented in Other above. The 2010 information has been restated to conform to the current year presentation.

in millions, except share and per share information

As of December 31, 2011 and December 31, 2010, the gross goodwill amounted to EUR 3,638 and EUR 3,454, respectively. As of December 31, 2011 and December 31, 2010, accumulated impairment charges amounted to EUR 183 and EUR 181, respectively, impacted only by fluctuations in exchange rates.

The Company performed its annual goodwill impairment test in the fourth quarter of 2011 and the fourth quarter of 2010 and determined that there was no indication of impairment.

In 2009, the Company performed its annual goodwill impairment test in the fourth quarter, and determined that there was no indication of impairment. However, in the second quarter of 2009, the Company performed an interim impairment test based on management's revised five-year projections for sales and earnings as general economic conditions and the short-term outlook of the Company's business had worsened in the second quarter of 2009 compared to the first quarter of 2009 and the end of 2008.

Step one of the goodwill impairment test which comprised discounted cash flow valuations for all of the Company's reporting units led to the conclusion that there was no indication for impairment of goodwill except for the reporting unit Germany. Accordingly, the Company proceeded to step two of the goodwill impairment test for the reporting unit Germany. In step two the fair value of all assets and liabilities of the reporting unit is determined as if the reporting unit had been acquired on a stand-alone basis. The fair value of the reporting unit's assets and liabilities was then compared to the reporting unit's value as determined in step one with the excess considered to be the implied goodwill of the reporting unit which resulted in the recognition of a non-cash impairment charge related to goodwill of EUR 125 in the second quarter of 2009. The impairment charge can be attributed to worsening economic conditions and the short-term outlook for the Company business in Germany at that time, which negatively impacted the fair value determination of the unit for goodwill impairment purposes.

In determining the fair value of the reporting units, the Company uses a detailed five-year plan for revenues and earnings and for the long-term value a long-term growth rate of 2.0% to 2.5% depending on the long-term growth prospects of the individual markets. For each reporting unit projected cash flows are discounted to their net present values. Discount rates used during the Company's goodwill impairment tests in 2011, 2010, and 2009 ranged from 6.5% to 14.0%.

The carrying amounts of other intangible assets as of December 31, 2011 and December 31, 2010 are as follows:

	31.12.2011		31.12.2010	
in EUR	Gross	Accumulated amortisation	Gross	Accumulated amortisation
Intangible assets				
Marketing related (trade names)	424	(32)	417	(27)
Customer base	395	(213)	336	(166)
Contract	22	(4)	20	(3)
Other	2	(1)	2	(1)
Total intangible assets	**843**	**(250)**	**775**	**(197)**

The carrying amount of indefinite-lived intangible assets was EUR 390 and EUR 386 as of December 31, 2011 and December 31, 2010, respectively. Indefinite-lived intangible assets consist mainly of trade names.

No definite-lived intangible assets have a residual value. The estimated aggregate amortisation expense related to definite-lived intangible assets for the next five years is EUR 48 in 2012, EUR 39 in 2013, EUR 35 in 2014, EUR 26 in 2015, EUR 19 in 2016, and EUR 36 in 2017 and afterwards. The weighted-average amortisation period for customer base intangible assets is five to nine years.

The 2011 and 2010 annual impairment testing for indefinite-lived intangible assets performed in the fourth quarter concluded that there was no indication of impairment.

The 2009 annual impairment testing for indefinite-lived intangible assets performed in the fourth quarter concluded that there was no indication for impairment. However, in the second quarter of 2009, the Company concluded that the fair value of certain trade names was lower than their carrying value. Consequently, a non-cash impairment charge to indefinite-lived intangible assets of EUR 11 was recorded. The impairment charge consisted of the write-down of trade names in Germany which was a result of the decrease in short-term sales projected at that time and in Iberia where the usage of one of the trade names was discontinued.

Furthermore, in the second quarter of 2009, the Company concluded that the carrying value of some of the definite-lived customer base intangible assets exceeded their fair value. Consequently a non-cash impairment charge of the definite-lived intangible assets of EUR 56 was recorded. The impairment charge was related to the decreased value of the Tuja customer relationships in Germany and was mainly attributed to the decrease in sales and earnings of the entity projected at that time for the short-term.

Note 6 • Restructuring

In October 2008 and June 2009, the Company announced it had launched restructuring plans in France to structurally improve the French business and to adapt the cost base to market developments. In addition, the Company incurred restructuring costs in 2009 in Italy, Iberia, Benelux, UK & Ireland, North America, Germany & Austria, and other countries.

Total restructuring costs incurred by the Company in 2009 amounted to EUR 121. No significant costs were incurred in 2011 or 2010 in connection with these plans. Restructuring expenses are recorded as SG&A and represent mainly costs related to headcount reductions and branch optimisation.

The following table shows the total amount of costs incurred by segment in connection with these restructuring programmes:

in EUR	**2009**
Restructuring costs	
France	49
North America	7
UK & Ireland	9
Germany & Austria	6
Benelux	14
Italy	19
Other [1]	17
Total restructuring costs	**121**

1 Includes restructuring costs of EUR 15 in Iberia.

in millions, except share and per share information

The changes in restructuring liabilities for the period ended December 31, 2011, December 31, 2010 and December 31, 2009 are as follows:

in EUR	Restructuring liabilities
January 1, 2009	**34**
Restructuring expenses	121
Cash payments	(98)
Write-off of fixed assets	(6)
December 31, 2009	**51**
Reversals of restructuring expenses	(5)
Cash payments	(34)
Write-off of fixed assets and other	(2)
December 31, 2010	**10**
Reversals of restructuring expenses	(2)
Cash payments	(4)
December 31, 2011	**4**

As of December 31, 2011 restructuring liabilities in connection with these plans of EUR 1 and EUR 3 were recorded in accounts payable and accrued expenses and in other liabilities, respectively.

Note 7 • Financing arrangements

Short-term debt

The Company's short-term debt consists of borrowings under the French commercial paper programme and under other lines of credit.

Commercial paper

In August 2010, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, established a French commercial paper programme ("Billet de Trésorerie programme"). Under the programme, Adecco International Financial Services BV may issue short-term commercial paper up to a maximum amount of EUR 400, with maturity of individual paper of 365 days or less. The proceeds are used to fund short-term working capital and borrowing requirements. The paper is usually issued at a discount and repaid at nominal amount at maturity. The discount represents the interest paid to the investors on the commercial paper. The programme is guaranteed by Adecco S.A. As of December 31, 2011 and December 31, 2010, EUR 145 and EUR 151, respectively, were outstanding under the programme, with maturities of up to six months. The weighted-average interest rate on commercial paper outstanding was 1.31% as of December 31, 2011 and 1.09% as of December 31, 2010.

Other short-term debt

To support short-term working capital and borrowing requirements, the Company had available, in certain countries where it operates, uncommitted lines of credit amounting to EUR 477 and EUR 452 as of December 31, 2011 and December 31, 2010, respectively. As of December 31, 2011 and December 31, 2010, bank overdrafts and borrowings outstanding under these lines of credit amounted to EUR 15 and EUR 17, respectively. As of December 31, 2011, the uncommitted lines of credit are in various currencies, have various interest rates, and have maturities of up to one year. The weighted-average interest rate on borrowings outstanding was 2.8% and 9.1% as of December 31, 2011 and December 31, 2010, respectively.

Long-term debt

The Company's long-term debt as of December 31, 2011 and December 31, 2010 consists of the following:

in EUR	Principal at maturity	Maturity	Fixed interest rate	31.12.2011	31.12.2010
7-year guaranteed Euro medium-term notes	EUR 500	2018	4.75%	489	
5-year guaranteed Euro medium-term notes	EUR 356	2014	7.625%	358	500
Fixed rate guaranteed notes	EUR 333	2013	4.5%	341	516
Medium-term loan, payable in instalments by 2012				76	119
Other				2	2
				1,266	**1,137**
Less current maturities				(76)	(49)
Long-term debt, less current maturities				**1,190**	**1,088**

Exchange and tender offers for outstanding notes and issuance of new 7-year guaranteed Euro medium-term notes
In April 2011, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, completed tender and exchange offers for the outstanding EUR 500 5-year guaranteed Euro medium-term notes due 2014 ("5-year notes") and EUR 500 fixed rate guaranteed notes due 2013 ("fixed rate notes"), collectively "old notes" and issued new EUR 500 7-year unsubordinated fixed rate notes guaranteed by Adecco S.A. due April 14, 2018 ("7-year notes"). The purpose of the transaction was to lengthen the Company's debt maturity profile and to take advantage of favourable market conditions.

The 7-year notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The notes were issued at a price of 99.453%. The interest on the 7-year notes is paid annually in arrears at a fixed annual rate of 4.75%.

The exchange and tender were priced at 103.06% for the fixed rate notes and at 111.52% for the 5-year notes. In relation to the tender of the old notes, the Company recognised a loss of EUR 11, included in other income/(expenses), net. In addition, a loss of EUR 10 relating to the exchange transaction is deferred and will be amortised to interest expense over the life of the 7-year notes.

5-year guaranteed Euro medium-term notes
On April 28, 2009, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 500 unsubordinated notes guaranteed by Adecco S.A. due April 28, 2014. The 5-year notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds further increased the Company's financial flexibility with respect to the refinancing of the guaranteed zero-coupon convertible bond and were used for general corporate purposes. The interest is paid annually in arrears at a fixed annual rate of 7.625%.

In April 2011, EUR 71 nominal value of outstanding 5-year notes were exchanged for the 7-year notes and EUR 73 nominal value of outstanding 5-year notes were tendered for cash. This transaction reduces the nominal value of the outstanding principal of the 5-year notes to EUR 356.

The Company has entered into fair value hedges of the 5-year notes, which are further discussed in Note 11.

Fixed rate guaranteed notes
On April 25, 2006, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 500 unsubordinated fixed rate notes guaranteed by Adecco S.A. due April 25, 2013. The proceeds were used to refinance the DIS acquisition and for general corporate purposes. Interest is paid on the fixed rate notes annually in arrears at a fixed annual rate of 4.5%.

In April 2011, EUR 84 nominal value of outstanding fixed rate notes were exchanged for the 7-year notes and EUR 83 nominal value of outstanding fixed rate notes were tendered for cash. This transaction reduces the nominal value of the outstanding principal of the fixed rate notes to EUR 333.

The Company has entered into fair value hedges of the fixed rate notes, which are further discussed in Note 11.

in millions, except share and per share information

Medium-term loan from Adecco Investment
As of December 31, 2011, the Company had a Swiss Franc denominated loan payable of EUR 76 (CHF 92), including EUR 4 (CHF 5) representing capitalised interest on the loan from inception to the last roll-over date, to its wholly owned nonconsolidated subsidiary, Adecco Investment (for further details refer to Note 1). As of December 31, 2010, the Swiss Franc denominated loan payable by the Company to Adecco Investment amounted to EUR 119 (CHF 148), including EUR 2 (CHF 2) capitalised interest on the loan from inception to the last roll-over date. The subordinated loan carries interest rate of 3-month CHF LIBOR plus 1.5% per annum. During 2011 and 2010, the Company repaid instalments of EUR 48 (CHF 59) and EUR 21 (CHF 30), respectively. The remaining loan balance is repayable in instalments of EUR 49 (CHF 59) and EUR 27 (CHF 33) on June 1, 2012 and November 26, 2012, respectively.

Payments of long-term debt are due as follows:

in EUR	2012	2013	2014	2015	2016	Thereafter	Total
Payments due by year	76	342	358	1		489	1,266

Other credit facilities

Committed multicurrency revolving credit facility
In October 2011, the Company renegotiated the existing EUR 550 multicurrency revolving credit facility. The new five-year revolving credit facility of EUR 600 contains two 1-year extension options at the discretion of the lender and is used for general corporate purposes including refinancing of advances and outstanding letters of credit. The interest rate is based on LIBOR, or EURIBOR for drawings denominated in Euro, plus a margin between 0.6% and 1.3% per annum, depending on certain debt-to-EBITDA ratios. Utilisation fee of 0.25% and 0.5% applies on top of the interest rate, if drawings exceed 33.33% and 66.67% of total commitment, respectively. The letter of credit fee equals the applicable margin, and the commitment fee equals 35% of the applicable margin. As of December 31, 2011 and December 31, 2010, there were no outstanding borrowings under the credit facility. As of December 31, 2011, the Company had EUR 529 available under the facility after utilising EUR 71 in the form of letters of credit. As of December 31, 2010, the Company had EUR 470 available under the facility after utilising EUR 80 in the form of letters of credit.

Note 8 • Shareholders' equity

The summary of the components of authorised shares as of December 31, 2011, December 31, 2010, and December 31, 2009 and changes during those years are as follows:

	Outstanding shares	Treasury shares	Issued shares[1]	Conditional capital	Authorised shares
Changes in components of authorised shares					
January 1, 2009	**174,188,402**	**15,075,104**	**189,263,506**	**19,566,804**	**208,830,310**
Treasury shares transactions	(108,971)	108,971			
December 31, 2009	**174,079,431**	**15,184,075**	**189,263,506**	**19,566,804**	**208,830,310**
Treasury shares transactions	622,595	(622,595)			
December 31, 2010	**174,702,026**	**14,561,480**	**189,263,506**	**19,566,804**	**208,830,310**
Treasury shares transactions	(4,253,625)	4,253,625			
December 31, 2011	**170,448,401**	**18,815,105**	**189,263,506**	**19,566,804**	**208,830,310**

1 Shares at CHF 1 par value.

Authorised shares and appropriation of available earnings

As of December 31, 2011 and December 31, 2010, Adecco S.A. had 4,166,804 shares of conditional capital reserved for issuance of common shares to employees and members of the Board of Directors upon the exercise of stock options. In addition, as of December 31, 2011 and December 31, 2010, Adecco S.A. was authorised by its shareholders to issue up to 15,400,000 shares of conditional capital in connection with the issuance of financial instruments, principally convertible bonds. The shares represent conditional capital authorised without time limitation and remain available for share issuance upon conversion of financial instruments issued or to be issued in the future.

Adecco S.A. may only pay dividends based on the requirements of the Swiss Code of Obligations, Articles of Incorporation and based on the shareholders' equity reflected in the stand-alone financial statements of Adecco S.A., the holding company of the Adecco Group, prepared in accordance with Swiss law. As of December 31, 2011, the stand-alone financial statements of Adecco S.A. included shareholders' equity of CHF 6,646 (EUR 5,464), of which CHF 189 represent share capital and CHF 6,457 represent reserves and retained earnings. Of the CHF 6,457 balance, the statutory legal reserve for treasury shares of CHF 1,092 as well as an amount of CHF 38 representing 20% of share capital are restricted based on the Swiss Code of Obligations and cannot be distributed as dividend.

In 2011, upon approval at the Annual General Meeting of Shareholders, dividends for 2010 of CHF 1.10 per share, totalling EUR 149, were allocated from Adecco S.A.'s reserve from capital contributions (subaccount of general reserves) to free reserves and subsequently distributed to shareholders. For 2011, the Board of Directors of Adecco S.A. will propose a dividend of CHF 1.80 per share outstanding for the approval of shareholders at the Annual General Meeting of Shareholders to be allocated from Adecco S.A.'s reserve from capital contributions to the free reserves and subsequently distributed to shareholders. The statutory reserve from capital contributions is classified as additional paid-in capital in the consolidated balance sheet.

Additional paid-in capital

During 2009, the Company sold a prepaid forward on Adecco S.A. shares for EUR 587 (CHF 887), net of costs and purchased a call spread option for EUR 108 (CHF 164) from its wholly owned, non-consolidated subsidiary Adecco Investment as described in Note 1. The prepaid forward and the call spread option are indexed to and settled in the Company's own shares and therefore are accounted for as equity instruments included in additional paid-in capital. The strike prices of both instruments are reduced whenever the Company makes a dividend distribution by a fraction determined as follows: (share price excluding dividend minus dividend per share) divided by (share price excluding dividend). In 2011 and 2010, the strike prices of both instruments were reduced due to the dividend distributions made by the Company.

The initial and current terms of these contracts are as follows:

	Sold prepaid forward		Purchased call spread option	
	Initial	31.12.2011	Initial	31.12.2011
Forward/Strike Price	CHF 50.50, received on November 26, 2009	CHF 48.95	Lower call price = CHF 50.50 Upper call price = CHF 60.60	Lower call price = CHF 48.95 Upper call price = CHF 58.74
Number of shares to which the contract is indexed	17,821,782 initial underlying shares	18,386,108 underlying shares	17,821,782 initial underlying shares	18,386,108 underlying shares
Maximum number of shares to be delivered	17,821,782 subject to dividend and other anti-dilution adjustments	18,386,108 subject to dividend and other anti-dilution adjustments	2,970,297 subject to dividend and other anti-dilution adjustments	3,064,351 subject to dividend and other anti-dilution adjustments

in millions, except share and per share information

Treasury shares
In 2011, the Company acquired 4,355,000 treasury shares for a total consideration of EUR 178. Furthermore in 2009, the Company acquired 116,487 treasury shares for a total consideration of EUR 3.

As of December 31, 2011, the treasury shares are intended to be used for the settlement of the prepaid forward and the Company's outstanding employee stock option plans and long-term incentive plan (for further details refer to Note 9).

In 2011 and 2010, the Company awarded 4,697 and 5,356 treasury shares, respectively to the Chairman of the Board of Directors as part of his compensation package (refer to section 3.1.1 "Board of Directors' compensation and shareholding" within the Remuneration Report). In addition, in 2011, 96,506 shares were used to settle restricted share unit ("RSU") awards under the long-term incentive plan and 172 shares were used to settle stock option exercises. In December 2010, 580,624 treasury shares were used upon the exercise of call options on Adecco S.A. shares which were entered into in connection with the employee tradable stock option programme. In 2010, 33,529 shares were used to settle stock option exercises and 3,086 treasury shares were sold.

No dividends are distributed in relation to treasury shares.

Accumulated other comprehensive income/(loss), net
The components of accumulated other comprehensive income/(loss), net of tax, are as follows:

in EUR	31.12.2011	31.12.2010
Currency translation adjustment	(110)	(166)
Unrealised gain on cash flow hedging activities	2	
Pension-related adjustments	(35)	(18)
Accumulated other comprehensive income/(loss), net	**(143)**	**(184)**

Note 9 • Stock-based compensation

As of December 31, 2011, the Company had non-vested share awards and options outstanding relating to its common shares under several existing plans. Compensation expense of EUR 12, EUR 5, and EUR 1 was recognised in 2011, 2010, and 2009, respectively in connection with the non-vested share awards granted in 2011, 2010, and 2009. No compensation expense was recognised in 2011, 2010 or 2009 in connection with the stock option plans as all options outstanding are fully vested. The total income tax benefit recognised related to stock compensation amounted to EUR 4 in 2011, EUR 1 in 2010, and was less than EUR 1 in 2009.

Non-vested share award plans
Performance share awards were granted in March 2011 and 2010 to the members of the Executive Committee and in March and April 2009 to the members of the Executive Committee and to a further group of senior managers (21 individuals in total) under the Company's long-term incentive plan ("LTIP"). The awards contain an undertaking to deliver a number of Adecco S.A. shares to the participants of the plan after the end of the performance period (end of performance period for the 2011, 2010, and 2009 awards: December 31, 2013, December 31, 2012, and December 31, 2011, respectively). For 2011 and 2010 awards, the requisite service period represents three calendar years starting on January 1, 2011, and January 1, 2010, respectively, and for 2009 awards, it coincides with the performance period. The delivery of the shares will be made provided and to the extent that the predefined market and performance targets are met.

The targets for awards granted in 2011 and 2010 relate to:

- the relative change in the Company's shareholder value including reinvested dividends (total shareholder return: "TSR" element), compared to that of a predefined group of peers ("relative TSR awards");
- the Company's TSR measured as the compound annual growth rate in the Company's shareholder value including reinvested dividends ("absolute TSR awards"); and
- simultaneous achievement of the targets related to relative TSR awards and absolute TSR awards and the degree of overachievement of the relative TSR target ("additional TSR awards").

The targets for awards granted in 2009 relate to:

- financial performance (earnings per share development: "EPS" element) of the Company ("EPS awards"); and
- the relative change in the Company's shareholder value including reinvested dividends (TSR), compared to that of a predefined group of peers ("relative TSR awards").

In addition, service condition awards (restricted share unit awards: "RSU awards") were granted in 2011 and 2010 to the members of the Executive Committee and to a further group of senior managers (251 individuals in total in 2011 and 233 individuals in total in 2010) under the LTIP. The vesting of the RSU awards is not subject to performance targets, but to forfeiture provisions. Provided that the employment relationship continues, RSU awards will vest in equal portions over a period of three years at the anniversaries of the date of grant. For RSU awards, the requisite service period represents three calendar years starting on January 1, 2011 for the 2011 awards and January 1, 2010 for the 2010 awards. RSU awards granted to French employees cliff-vest at the second anniversary of the date of grant and their requisite service period represents two calendar years starting on January 1, 2011 for 2011 awards and January 1, 2010 for 2010 awards.

Participants who terminate their employment with the Company at their own will and those who receive notice of termination for cause before the end of the performance period (in case of performance share awards) and before the end of the vesting period (in case of RSU awards), will no longer be entitled to the vesting of the awards. In case of an involuntary termination without cause before the end of the performance period a time-weighted pro rata portion of the unvested performance share awards granted in 2011 and 2010 will vest at the regular vesting date, depending on the level of target achievement. Performance share awards granted in 2009 are not subject to the time-weighted pro rata reduction. In case of an involuntary termination without cause before the end of the vesting period a time-weighted pro rata portion of the unvested RSU awards will vest at the regular vesting date.

TSR share awards

The fair value of the relative, absolute, and additional TSR awards (collectively "TSR awards") is estimated on the date of grant using a binomial model. This model runs a very large number of share price simulations based on various parameters (share prices, volatilities, dividends, maturity, correlation, etc). The average result of these simulations provides the probability that the Company's TSR targets will be achieved. The implied volatility was determined by reference to the implied volatilities of various listed options in the listed option market ("Eurex") and interpolated by calculation models. The expected dividend yield is based on expectations for future dividends from research analysts as well as implied dividend yields obtained from option prices traded in the Eurex. The risk-free rate is extracted from the Swiss government bond yield curve, which is constructed by interpolation out of the observed trading prices of various Swiss government bonds. The assumptions used are as follows:

	2011	2010	2009
Assumptions used for the estimation of the fair value of the TSR awards			
Implied at-the-money volatility	27.6%	28.7%	54.2%
Expected dividend yield	2.0%	1.5%	3.8%
Expected term (in years)	2.8 years	2.8 years	2.8 years
Risk-free rate	0.88%	1.08%	1.06%

in millions, except share and per share information

Since the probability of the market condition being met is considered in the fair value of the TSR share awards, the compensation expense is recognised on a straight-line basis over the requisite service period regardless of fulfilment of the market condition, taking into account estimated employee forfeitures.

A summary of the status of the Company's TSR non-vested share plan as of December 31, 2011, December 31, 2010 and December 31, 2009, and changes during those years are as follows:

	Relative TSR awards		Absolute TSR awards		Additional TSR awards	
	Number of shares	Weighted-average grant date fair value per share (in CHF)	Number of shares	Weighted-average grant date fair value per share (in CHF)	Number of shares	Weighted-average grant date fair value per share (in CHF)
Summary of the TSR non-vested share awards						
Granted	210,836	15				
Forfeited	(58,771)	15				
Non-vested share awards outstanding as of December 31, 2009	**152,065**	**15**				
Granted	24,267	23	24,267	14	24,267	8
Forfeited	(4,473)	15				
Increase in percentage of guaranteed awards	(1,875)	15				
Non-vested share awards outstanding as of December 31, 2010	**169,984**	**16**	**24,267**	**14**	**24,267**	**8**
Granted	20,645	22	20,645	15	20,645	10
Forfeited	(2,343)	22	(2,343)	14	(2,343)	9
Non-vested share awards outstanding as of December 31, 2011	**188,286**	**17**	**42,569**	**14**	**42,569**	**9**

1,875 relative TSR share awards were modified in 2010 to guarantee their vesting irrespective of the achievement of the targets. Such awards were reclassified to the service condition awards category. The incremental expense related to the modification was not significant.

RSU share awards
The fair value of the RSU share awards is determined based on the grant date market price of the Adecco S.A. share less a discount for not being entitled to any dividends over the vesting period. The compensation expense of such service condition share awards is recognised on a straight-line basis over the requisite service period, taking into account estimated employee forfeitures.

A summary of the status of the Company's RSU non-vested share plan as of December 31, 2011 and December 31, 2010, and changes during those years are as follows:

	Number of shares	Weighted-average grant date fair value per share (in CHF)
Summary of RSU non-vested share awards		
Granted	325,486	56
Forfeited	(16,739)	57
Non-vested share awards outstanding as of December 31, 2010	**308,747**	**56**
Granted	269,319	55
Vested	(96,506)	57
Forfeited	(19,866)	54
Non-vested share awards outstanding as of December 31, 2011	**461,694**	**55**

EPS share awards
The fair value of the EPS share awards was determined based on the grant date market price of the Adecco S.A. share, and assumes that the EPS performance conditions of the plan will be met. Compensation expense is recognised over the requisite service period for the awards expected to vest, according to the internal EPS projections. The estimate of the number of awards expected to vest is reassessed at each reporting date, and the new estimate is recognised, to the extent the estimate changes, taking into account the service already rendered.

A summary of the status of the Company's EPS non-vested share plan as of December 31, 2011, December 31, 2010, and December 31, 2009, and changes during those years are as follows:

	Number of shares	Weighted-average grant date fair value per share (in CHF)
Summary of EPS non-vested share awards		
Granted	120,771	35
Forfeited	(32,250)	35
Non-vested share awards outstanding as of December 31, 2009	**88,521**	**35**
Forfeited	(2,454)	35
Increase in percentage of guaranteed awards	(1,875)	35
Non-vested share awards outstanding as of December 31, 2010	**84,192**	**35**
Non-vested share awards outstanding as of December 31, 2011	**84,192**	**35**

1,875 EPS share awards were modified in 2010 to guarantee their vesting irrespective of the achievement of the targets. Such awards were reclassified to the service condition awards category. The incremental expense related to the modification was not significant.

Guaranteed TSR and EPS share awards
Certain awards were granted in 2009, in addition to those described above, which are guaranteed to vest irrespective of the EPS and TSR conditions being met, provided that the requisite service has been rendered.

A summary of the status of these service condition share awards, including the impact of the TSR and EPS awards modified in 2010 as described above, as of December 31, 2011, December 31, 2010, and December 31, 2009, and changes during those years are as follows:

	Number of shares	Weighted-average grant date fair value per share (in CHF)
Summary of the service condition non-vested share awards		
Granted	22,500	36
Non-vested share awards outstanding as of December 31, 2009	**22,500**	**36**
Increase in percentage of guaranteed awards	3,750	36
Non-vested share awards outstanding as of December 31, 2010	**26,250**	**36**
Non-vested share awards outstanding as of December 31, 2011	**26,250**	**36**

As of December 31, 2011, the total unrecognised compensation expense related to non-vested share awards amounted to EUR 12. The cost is expected to be recognised over a weighted-average period of two years. The total fair value of RSU awards vested in 2011 amounted to EUR 4. The excess tax benefits resulting from vesting of RSU awards in 2011 were not significant, and were reported as cash flows from financing activities. No awards vested in 2010 or 2009.

in millions, except share and per share information

Option plans

Under several option plans, options vested and became exercisable in instalments, generally on a rateable basis up to four years beginning on the date of grant or one year after the date of grant, and have a contractual life of three to ten years. Options were typically granted with an exercise price equal to or above the fair market value of the Adecco S.A. share on the date of grant. No options have been granted since 2004.

Certain options granted under the plans were tradable on the SIX Swiss Exchange. The options were granted to employees or members of the Board of Directors of the Company and gave the optionee a choice of selling the option on the market or exercising the option to receive an Adecco S.A. share. If the option holder chose to sell the option on the market, the options could be held by a non-employee or non-director of the Company. As of December 31, 2010 and December 31, 2009, the number of stock options outstanding sold on the market was 106,391 and 935,852, respectively. There were no tradable stock options outstanding as of December 31, 2011. The trading and valuation of the tradable options were managed by a Swiss bank.

The Company used the Black-Scholes model to estimate the fair value of stock options granted to employees. Management believes that this model appropriately approximates the fair value of the stock option. The fair value of the option award, as calculated using the Black-Scholes model, was expensed for non-tradable stock options on a straight-line basis.

A summary of the status of the Company's stock option plans as of December 31, 2011, December 31, 2010, and December 31, 2009, and changes during those years are presented below:

	Number of shares	Weighted-average exercise price per share (in CHF)	Weighted-average remaining life (in years)	Aggregate intrinsic value (in CHF millions)
Summary of stock option plans				
Options outstanding and vested as of January 1, 2009	**4,070,125**	**76**	**1.5**	
Forfeited	(113,350)	81		
Expired	(2,194,056)	81		
Options outstanding and vested as of December 31, 2009	**1,762,719**	**68**	**1.2**	
Exercised	(614,153)	60		
Forfeited	(22,582)	81		
Expired	(686,425)	71		
Options outstanding and vested as of December 31, 2010	**439,559**	**76**	**1.1**	
Exercised	(172)	60		
Forfeited	(6,278)	73		
Expired	(329,969)	76		
Options outstanding and vested as of December 31, 2011	**103,140**	**78**	**1.0**	

The aggregate intrinsic value as of December 31, 2011 of the outstanding stock options in the table above is zero and represents the total pre-tax intrinsic value (the difference between the Company's closing share price on the last trading day of 2011 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on the last trading day of 2011. This amount changes based on the fair market value of Adecco S.A. shares.

Note 10 · Employee benefit plans

In accordance with local regulations and practices, the Company has various employee benefit plans, including defined contribution and both contributory and non-contributory defined benefit plans.

Defined contribution plans and other arrangements
The Company recorded an expense of EUR 60 in both 2011 and 2010[1], and EUR 46[1] in 2009, in connection with defined contribution plans, and an expense of EUR 36, EUR 30, and EUR 25, in connection with the Italian employee termination indemnity arrangement in 2011, 2010, and 2009, respectively.

The Company sponsors several non-qualified defined contribution plans in the USA for certain of its employees. These plans are partly funded through Rabbi trusts, which are consolidated in the Company's financial statements. As of December 31, 2011 and December 31, 2010, the assets held in the Rabbi trusts amounted to EUR 53 and EUR 51, respectively. The related pension liability totalled EUR 70 and EUR 66 as of December 31, 2011 and December 31, 2010, respectively.

Certain employees in Sweden are covered under the ITP multi-employer pension plan (employer identification number 55927) administered by a union. The data available from the administrator of the plan (Alecta) is not sufficient to determine the projected benefit obligation or the net assets attributable to the Company. Consequently, this plan is reported as a defined contribution plan. As of December 31, 2011, Alecta managed approximately EUR 54,600 of plan assets on behalf of 1.9 million private individuals and 32,000 client companies.

1 Restated.

As of December 31, 2010, total assets managed by Alecta amounted to EUR 55,700. Total contributions made by all plan members to this plan in 2010 amounted to EUR 2,700. The information on total contributions made by all plan members in 2011 has not yet been published by Alecta. Contributions made to this plan by the Company amounted to EUR 2 in 2011 and EUR 3[1] in both 2010 and 2009.

Defined benefit plans
The Company sponsors defined benefit plans principally in Switzerland, the Netherlands, and the UK. These plans provide benefits primarily based on years of service and level of compensation, and are in accordance with local regulations and practices. The defined benefit obligations and related assets of all major plans are reappraised annually by independent actuaries. The measurement date in 2011 and 2010 for all defined benefit plans is December 31. Plan assets are recorded at fair value, and consist primarily of equity securities, debt securities, and alternative investments. The projected benefit obligation ("PBO") is the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future pay increases. The accumulated benefit obligation ("ABO") is the actuarial present value of benefits attributable to employee service rendered to date, but excluding the effects of estimated future pay increases.

Actuarial gains and losses are recognised as a component of other comprehensive income/(loss), net, in the period when they arise. Those amounts are subsequently recognised as a component of net period pension cost using the corridor method.

The components of pension expense, net, for the defined benefit plans are as follows:

	Swiss plan			Non-Swiss plans		
in EUR	2011	2010	2009	2011	2010	2009
Components of pension expense						
Service cost	11	9	8	2	2	2
Interest cost	3	3	3	5	5	4
Expected return on plan assets	(6)	(5)	(4)	(4)	(5)	(4)
Amortisation of prior years service costs					(1)	(1)
Amortisation of net (gain)/loss			3	1	2	
Pension expense, net	**8**	**7**	**10**	**4**	**3**	**1**

in millions, except share and per share information

The following table provides a reconciliation of the changes in the benefit obligations, the change in the fair value of assets, and the funded status of the Company's defined benefit plans as of December 31, 2011 and December 31, 2010:

	Swiss plan		Non-Swiss plans	
in EUR	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Pension liabilities and assets				
Projected benefit obligation, beginning of year	**129**	**102**	**103**	**89**
Service cost	11	8	2	2
Interest cost	3	3	5	5
Participants contributions	31	35	1	1
Actuarial (gain)/loss	8	3	17	7
Benefits paid	(34)	(42)	(3)	(2)
Foreign currency translation	4	20	1	1
Projected benefit obligation, end of year	**152**	**129**	**126**	**103**
Plan assets, beginning of year	**128**	**99**	**86**	**77**
Actual return on assets	(1)	7	13	7
Employer contributions	12	11	2	2
Participants contributions	31	35	1	1
Benefits paid	(34)	(42)	(3)	(2)
Foreign currency translation	4	18	1	1
Plan assets, end of year	**140**	**128**	**100**	**86**
Funded status of the plan	**(12)**	**(1)**	**(26)**	**(17)**
Accumulated benefit obligation, end of year	**148**	**126**	**116**	**96**

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The following amounts are recognised in the consolidated balance sheets as of December 31, 2011 and December 31, 2010:

	Swiss plan		Non-Swiss plans	
in EUR	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Pension-related assets			7	4
Pension-related liabilities	(12)	(1)	(33)	(21)
Total	**(12)**	**(1)**	**(26)**	**(17)**

As of December 31, 2011, the Company recognised a net loss of EUR 22 and EUR 13 for Swiss defined benefit plans and for non-Swiss defined benefit plans, respectively, in accumulated other comprehensive income/(loss), net. The expense to be amortised from accumulated other comprehensive income/(loss), net, into earnings, over the next fiscal year amounts to EUR 3 for the Swiss defined benefit plan and to EUR 2 for the non-Swiss defined benefit plans. As of December 31, 2010, the Company recognised a net loss of EUR 10 and EUR 8 for Swiss defined benefit plans and for non-Swiss defined benefit plans, respectively, in accumulated other comprehensive income/(loss), net.

For plans with a PBO in excess of the fair value of plan assets as of December 31, 2011 and December 31, 2010, the total PBO was EUR 208 and EUR 154, respectively, and the fair value of the plan assets was EUR 162 and EUR 133, respectively.

Certain of the Company's pension plans have an ABO that exceeds the fair value of plan assets. For plans with an ABO that exceeds the fair value of plan assets, the aggregated ABO was EUR 196 and EUR 147 as of December 31, 2011 and December 31, 2010, respectively, and the fair value of the plan assets of those plans was EUR 162 and EUR 133, respectively.

The overall expected long-term rate of return on plan assets for the Company's defined benefit plans is based on inflation rates, inflation-adjusted interest rates, and the risk premium of equity investments above risk-free rates of return. Long-term historical rates of return are adjusted when appropriate to reflect recent developments.

The assumptions used for the defined benefit plans reflect the different economic conditions in the various countries. The weighted-average actuarial assumptions are as follows:

	Swiss plan			Non-Swiss plans		
in %	2011	2010	2009	2011	2010	2009
Weighted-average actuarial assumptions						
Discount rate	2.3	2.5	3.0	4.1	4.5	4.9
Rate of increase in compensation levels	2.5	2.5	2.0	2.1	2.6	2.9
Expected long-term rate of return on plan assets	3.8	4.3	4.5	4.1	4.3	4.6

The Company has established an investment policy and strategy for the assets held by the Company's pension plans which focuses on using various asset classes in order to achieve a long-term return on a risk adjusted basis. Factors included in the investment strategy are the achievement of consistent year-over-year results, effective and appropriate risk management, and effective cash flow management. The investment policy defines a strategic asset allocation and a tactical allocation through bands within which the actual asset allocation is allowed to fluctuate. The strategic asset allocation has been defined through asset-liability studies that are undertaken at regular intervals by independent pension fund advisors or by institutional asset managers. Actual invested positions change over time based on short- and longer-term investment opportunities. Equity securities include publicly-traded stock of companies located inside and outside Switzerland. Debt securities include corporate bonds from companies from various industries as well as government bonds. Alternative investments include interest rate risk management funds (liability driven investments) and foreign exchange forwards used to hedge the foreign exchange risk of alternative investments. Real estate funds primarily consist of investments made through a single real estate fund with daily pricing and liquidity.

in millions, except share and per share information

The Swiss and non-Swiss pension plans' target weighted-average asset allocations as of December 31, 2011, and the actual weighted-average asset allocations as of December 31, 2011 and December 31, 2010, by asset category, are as follows:

	Swiss plan			Non-Swiss plans		
		Actual allocation			Actual allocation	
in %	Target allocation range	31.12.2011	31.12.2010	Target allocation range	31.12.2011	31.12.2010
Weighted-average asset allocations						
Equity securities	15–40	27	30	5–25	17	20
Debt securities	20–60	39	34	25–55	46	42
Real estate	5–25	15	12	0–10	0	0
Other	5–60	19	24	25–40	37	38
Total		**100**	**100**		**100**	**100**

The fair values of the Company's pension plan assets as of December 31, 2011 and as of December 31, 2010 by asset category are as follows:

December 31, 2011

	Swiss plan				Non-Swiss plans			
in EUR	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset category								
Cash and cash equivalents	1			1	1			1
Equity securities:								
• Switzerland	17			17				
• Rest of the world	20			20	17			17
Debt securities:								
• Government bonds	12			12	29			29
• Corporate bonds	42			42	17			17
Alternative investments:								
• Commodity funds/private equity	5		1	6				
• Liability driven investments ("LDI")					25			25
• Alternative investment funds		20		20	9			9
Real estate funds	22			22				
Other						2		2
Total	**119**	**20**	**1**	**140**	**98**	**2**		**100**

December 31, 2010

in EUR	Swiss plan				Non-Swiss plans			
	Level 1 [1]	Level 2 [1]	Level 3 [1]	Total	Level 1	Level 2	Level 3	Total
Asset category								
Cash and cash equivalents					1			1
Equity securities:								
• Switzerland	18			18				
• Rest of the world	20			20	17			17
Debt securities:								
• Government bonds	11			11	21			21
• Corporate bonds	32			32	15			15
Alternative investments:								
• Commodity funds/private equity	6		1	7	1			1
• Liability driven investments ("LDI")					22			22
• Alternative investment funds	5	20		25	6			6
Real estate funds	15			15				
Other					1	2		3
Total	**107**	**20**	**1**	**128**	**84**	**2**		**86**

1 Restated.

A reconciliation of the change in the fair value measurement of the defined benefit plans' consolidated assets using significant unobservable inputs (Level 3) during the year ended December 31, 2011 is as follows:

in EUR	Swiss plan
Private equity funds	
Balance as of January 1, 2011	**1**
Actual return on plan assets	
Balance as of December 31, 2011	**1**

The Company expects to contribute EUR 13 to its pension plan in Switzerland and EUR 5 to its non-Swiss plans in 2012.

Future benefits payments, which include expected future service, are estimated as follows:

in EUR	Swiss plan	Non-Swiss plans
Future benefits payments		
2012	44	2
2013	12	3
2014	11	2
2015	10	3
2016	10	3
Years 2017–2021	37	26

in millions, except share and per share information

Note 11 • Financial instruments

Risk and use of derivative instruments
The Company conducts business in various countries and funds its subsidiaries in various currencies, and is therefore exposed to the effects of changes in foreign currency exchange rates. In order to mitigate the impact of currency exchange rate fluctuations, the Company assesses its exposure to currency risk and hedges certain risks through the use of derivative instruments. The Company has also issued fixed rate long-term notes. Accordingly, the Company manages exposure to changes in fair value of fixed interest long-term debt through the use of derivative instruments.

The main objective of holding derivative instruments is to minimise the volatility of earnings arising from these exposures in the absence of natural hedges. The responsibility for assessing exposures as well as entering into and managing derivative instruments is centralised in the Company's treasury department. The activities of the treasury department are covered by corporate policies and procedures approved by the Board of Directors, which generally limit the use of derivative instruments for trading and speculative purposes. Group management approves the hedging strategy and monitors the underlying market risks.

Fair value of non-derivative financial instruments
The following table shows the carrying value and the fair value of non-derivative financial instruments as of December 31, 2011 and December 31, 2010:

	31.12.2011		31.12.2010	
in EUR	Carrying value	Fair value	Carrying value	Fair value
Non-derivative financial instruments				
Current assets:				
• Cash and cash equivalents	532	532	549	549
• Short-term investments	2	2	5	5
• Trade accounts receivable, net	3,725	3,725	3,541	3,541
Current liabilities:				
• Accounts payable	541	541	546	546
• Short-term debt	160	160	168	168
• Current maturities of long-term debt	76	76	49	50
Non-current liabilities:				
• Long-term debt	1,190	1,236	1,088	1,158

The Company uses the following methods and assumptions to estimate the fair value of each class of non-derivative financial instruments:

- Cash equivalents, trade accounts receivable, net, accounts payable, and short-term debt
  The carrying amount approximates the fair value given the short maturity of such instruments.
- Short-term investments
  The fair value for these instruments is based on quoted market prices.
- Long-term debt, including current maturities
  The fair value of the Company's publicly-traded long-term debt is estimated using quoted market prices. The fair value of other long-term debt is estimated by discounting future cash flows using interest rates currently available for similar debt with identical terms, similar credit ratings, and remaining maturities. Refer to Note 7 for details of debt instruments.

Fair value of derivative financial instruments

The following table shows the notional amount and the fair value of derivative financial instruments as of December 31, 2011 and December 31, 2010:

in EUR	Balance sheet location	Notional amount		Fair value	
		31.12.2011	31.12.2010	31.12.2011	31.12.2010
Derivative assets					
Derivatives designated as hedging instruments under ASC 815:					
• Interest rate swaps	Other assets	425	375	13	18
Derivatives not designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other current assets	1,071	373	48	14
• Cross-currency interest rate swaps	Other current assets	209		16	
• Cross-currency interest rate swaps	Other assets	42	244	4	20
• Interest rate swaps	Other assets	50		2	
Derivative liabilities					
Derivatives designated as hedging instruments under ASC 815:					
• Interest rate swaps	Other liabilities		50		(1)
Derivatives not designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other accrued expenses	787	1,133	(38)	(49)
• Interest rate swaps	Other liabilities	50		(1)	
• Interest rate swaption	Other liabilities	50	50	(1)	
Total net derivatives				**43**	**2**

In addition, accrued interest receivable on interest rate swaps of EUR 10 was recorded in other current assets as of December 31, 2011 and December 31, 2010. Accrued interest payable on cross-currency interest rate swaps and interest rate swaps of EUR 2 and EUR 1 was recorded in other accrued expenses as of December 31, 2011 and December 31, 2010.

The fair value of interest rate swaps, foreign currency contracts, cross-currency interest rate swaps, and interest rate swaption is calculated by using the present value of future cash flows based on quoted market information. The Company adds an adjustment for non-performance risk in the recognised measure of fair value of derivative instruments as well as a liquidity charge represented by the bid-ask spread of the outstanding derivatives. The non-performance adjustment reflects the Credit Default Swap ("CDS") applied to the exposure of each transaction. The Company uses the counterparty CDS spread in case of an asset position and its own CDS spread in case of a liability position. As of December 31, 2011 and December 31, 2010, the total impact of non-performance risk and liquidity risk was a loss of EUR 4 and EUR 3, respectively.

Fair value hedges

Interest rate swaps with a notional amount of EUR 300 that contain a receipt of fixed interest rate payments and payment of floating interest rate payments have been designated as fair value hedges of the EUR 333 fixed rate guaranteed notes due 2013 issued by Adecco International Financial Services BV. The outstanding contracts have an original contract period of four to seven years and expire in 2013.

Interest rate swaps with a notional amount of EUR 125 that contain a receipt of fixed interest rate payments and payment of floating interest rate payments have been designated as fair value hedges of the EUR 356 5-year guaranteed Euro medium-term notes due 2014 issued by Adecco International Financial Services BV. The contracts have an original contract period of three to five years and expire in 2014.

in millions, except share and per share information

The gain and loss on the hedged fixed rate notes attributable to the hedged benchmark interest rate risk and the offsetting loss and gain on the related interest rate swaps, both reported as interest expense for 2011 and 2010 are as follows:

in EUR Derivative	Location of gain/(loss) on derivative recognised in earnings	Gain/(loss) on derivative recognised in earnings 2011	2010	Hedged item	Location of gain/(loss) on related hedged item recognised in earnings	Gain/(loss) on related hedged item recognised in earnings 2011	2010
Interest rate swaps	Interest expense	(5)	2	Long-term debt	Interest expense	5	(2)

In addition, the net swap settlements that accrue each period are also reported in interest expense. No significant gains or losses were recorded in 2011, 2010, and 2009, due to ineffectiveness in fair value hedge relationships. No significant gains or losses were excluded from the assessment of hedge effectiveness of the fair value hedges in 2011, 2010, or 2009.

Cash flow hedges

The effective portion of gains on cash flow hedges that was recognised in other comprehensive income/(loss), net, amounted to EUR 3 for 2011. No significant gain or loss was recognised in other comprehensive income/(loss), net, in 2010 in connection with cash flow hedges. As of December 31, 2011 and December 31, 2010, the gain relating to cash flow hedges included as a component of accumulated other comprehensive income/(loss), net, amounts to EUR 2 and below EUR 1, respectively. No significant gains or losses were recorded in 2011, 2010, and 2009, due to ineffectiveness in cash flow hedge relationships. In 2011, 2010, and 2009, no significant gains or losses were excluded from the assessment of hedge effectiveness of the cash flow hedges. No significant reclassifications into earnings of gains and losses that are reported in accumulated other comprehensive income/(loss), net, are expected within the next 12 months.

Net investment hedges

As of December 31, 2011 and December 31, 2010, the net loss relating to net investment hedges included as a component of accumulated other comprehensive income/(loss), net, amounted to EUR 74 and EUR 72, respectively, resulting from net investment hedges terminated in 2005. No reclassifications of losses reported in accumulated other comprehensive income/(loss), net, into earnings are expected within the next 12 months.

Other hedge activities

The Company has entered into certain derivative contracts that are not designated or do not qualify as hedges under ASC 815. Forward foreign currency contracts and cross-currency interest rate swaps are used to hedge the net exposure of subsidiary funding advanced in the local operations' functional currency. Contracts are entered into in accordance with the written treasury policies and procedures and represent economic hedges. Gains and losses on these contracts are recognised in earnings and are included in other income/(expenses), net, in the accompanying consolidated statements of operations.

In connection with these activities, the Company recorded a net loss of EUR 1 in 2011 and a net loss of EUR 3 in 2010, as follows:

in EUR	Location of gain/(loss) on derivative recognised in earnings	Gain/(loss) on derivative recognised in earnings		Hedged item	Location of gain/(loss) on related hedged item recognised in earnings	Gain/(loss) on related hedged item recognised in earnings	
Derivative		**2011**	**2010**			**2011**	**2010**
Cross-currency interest rate swaps	Other income/ (expenses), net	(6)	20	Loans and receivables to/ from subsidiaries	Other income/ (expenses), net	4	(21)
Foreign currency contracts	Other income/ (expenses), net	(11)	(80)	Cash, loans and receivables to/ from subsidiaries	Other income/ (expenses), net	12	78

In addition, in 2011 the Company recorded in other income/ (expenses), net, a gain of EUR 3 in connection with not designated interest rate swaps and a release of fair value adjustment on part of the debt tendered in April 2011 and a loss of EUR 1 in connection with not designated interest rate swaption. No significant amounts were included in other income/ (expenses), net, for 2010 and 2009 in relation to interest rate swaps and swaption not designated as hedging instruments under ASC 815.

In 2009, the Company recorded a net expense of EUR 2 in connection with the forward-starting foreign currency swaps and forward-starting cross-currency interest rate swaps entered into in 2009 to hedge the US Dollar to the Swiss Franc exchange rate over the period between the announcement and the closing of the MPS acquisition in January 2010. The contracts consummated at the closing of the MPS acquisition in January 2010 to hedge the US Dollar loans advanced to the US subsidiary to finance the acquisition.

Credit risk concentration

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash investments, short-term investments, trade accounts receivable, and derivative financial instruments. The Company places its cash and short-term investments in major financial institutions throughout the world, which management assesses to be of high credit quality, in order to limit the exposure of each investment.

Credit risk with respect to trade accounts receivable is dispersed due to the international nature of the business, the large number of customers, and the diversity of industries serviced. The Company's receivables are well diversified and management performs credit evaluations of its customers and, where available and cost-effective, utilises credit insurance.

To minimise counterparty exposure on derivative instruments, the Company enters into derivative contracts with several large multinational banks and limits the exposure in combination with the short-term investments with each counterparty.

in millions, except share and per share information

Note 12 • Fair value measurement

The following table represents the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2011 and December 31, 2010, consistent with the fair value hierarchy provisions of ASC 820:

in EUR	Level 1	Level 2	Level 3	Total
December 31, 2011				
Assets				
Available-for-sale securities	2			2
Derivative assets		93		93
Liabilities				
Derivative liabilities		42		42
December 31, 2010				
Assets				
Available-for-sale securities	2			2
Derivative assets		62		62
Liabilities				
Derivative liabilities		51		51

Note 13 • Other income/(expenses), net

For the years 2011, 2010, and 2009, other income/(expenses), net, consist of the following:

in EUR	2011	2010	2009
Foreign exchange gain/(loss), net	(1)	(3)	(2)
Interest income	5	3	5
Proportionate net income of investee companies	1		
Other non-operating income/(expenses), net	(11)	(1)	(4)
Total other income/(expenses), net	**(6)**	**(1)**	**(1)**

In 2011, other non-operating income/(expenses), net include a loss of EUR 11 related to the tender of the 5-year notes and the fixed rate notes (refer to Note 7 for further details).

Note 14 • Income taxes

Adecco S.A. is incorporated in Switzerland and the Company operates in various countries with differing tax laws and rates. A substantial portion of the Company's operations are outside of Switzerland. Since the Company operates worldwide, the weighted-average effective tax rate will vary from year to year depending on the earnings mix by country. The weighted-average tax rate is calculated by aggregating pre-tax operating income or loss in each country in which the Company operates multiplied by the country's statutory income tax rate. Income before income taxes in Switzerland totalled EUR 215, EUR 114, and EUR 162 in 2011, 2010, and 2009, respectively. Foreign source income/(loss) before income taxes amounted to income of EUR 471 and EUR 489 in 2011 and 2010, respectively, and a loss of EUR 153 in 2009. The provision for income taxes consists of the following:

in EUR	2011	2010	2009
Provision for income taxes			
Current tax provision:			
• Domestic	26	26	16
• Foreign	192	148	61
Total current tax provision	**218**	**174**	**77**
Deferred tax provision/(benefit):			
• Domestic	5	(2)	21
• Foreign	(57)	7	(97)
Total deferred tax provision/(benefit)	**(52)**	**5**	**(76)**
Total provision for income taxes	**166**	**179**	**1**

The difference between the provision for income taxes and the weighted-average tax rate is reconciled as follows for the fiscal years:

in EUR	2011	2010	2009
Tax rate reconciliation			
Income taxed at weighted-average tax rate	128	138	(23)
Items taxed at other than weighted-average tax rate	58	22	(29)
Non-deductible expenses	11	16	11
Net change in valuation allowance	4	3	11
Non-deductible impairment of goodwill			38
Adjustments to deferred tax assets due to rate changes	(2)		3
Tax on undistributed earnings	(31)	1	
Other, net	(2)	(1)	(10)
Total provision for income taxes	**166**	**179**	**1**

In 2011 and 2010, the reconciling item "items taxed at other than weighted-average tax rate" includes the impact from the change in the French business tax law. Effective as of January 1, 2010, the French government introduced a new business tax law, which requires a portion of the business tax to be computed based on added value and consequently, under U.S. GAAP, this component previously reported as costs of services and SG&A is classified as income tax in 2011 and 2010. Furthermore, in 2011, 2010, and 2009, the reconciling item "items taxed at other than weighted-average tax rate" includes EUR 31, EUR 27, and EUR 13 positive impact related to the settlement of tax contingencies.

In 2011, the reconciling item "tax on undistributed earnings" includes a benefit of EUR 31 in connection with the reversal of a deferred tax liability related to distributable earnings of the Company's Japanese subsidiary following the ratification of the Swiss-Japanese Tax Treaty, which resulted in a reduction of withholding taxes payable upon distribution of dividends to Switzerland. As of December 31, 2011 and December 31, 2010, a deferred tax liability of EUR 16 and EUR 45 has been provided for non-Swiss withholding taxes and additional Swiss taxes due upon the future dividend payment of cumulative undistributed earnings. In 2011 and 2010, the Company has not provided for Swiss income taxes on one of its Swiss subsidiaries' undistributed earnings as such amounts are permanently reinvested. As of December 31, 2011 and December 31, 2010, such earnings amounted to approximately EUR 2,773 and EUR 2,695, respectively. It is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings.

in millions, except share and per share information

Temporary differences that give rise to deferred income tax assets and liabilities are as follows:

in EUR	31.12.2011	31.12.2010
Temporary differences		
Net operating loss carryforwards and capital losses	218	237
Tax credits	27	20
Depreciation	9	14
Deferred compensation and accrued employee benefits	101	86
Allowance for doubtful accounts	14	16
Accrued expenses	66	55
Intercompany transactions	26	25
Other	30	20
Gross deferred tax assets	**491**	**473**
Unrecognised tax benefits provision, net	(33)	(45)
Valuation allowance	(125)	(120)
Deferred tax assets, net	**333**	**308**
Intangible assets book basis in excess of tax basis	(147)	(151)
Tax amortisation in excess of financial amortisation	(91)	(66)
Undistributed earnings of subsidiaries	(16)	(45)
Other	(26)	(12)
Deferred tax liabilities	**(280)**	**(274)**
Deferred tax assets, net of deferred tax liabilities	**53**	**34**

Management's assessment of the realisation of deferred tax assets is made on a country-by-country basis. The assessment is based upon the weight of all available evidence, including factors such as the recent earnings history and expected future taxable income. A valuation allowance is recorded to reduce deferred tax assets to a level which, more likely than not, will be realised.

Valuation allowances on deferred tax assets of foreign and domestic operations increased by EUR 5 to EUR 125. Included in the change of the valuation allowance is an increase of EUR 4 for 2011 and prior years' losses and EUR 3 for losses generated by acquired companies prior to acquisition. This was partly offset by a decrease of EUR 2 related to unrecognised tax benefits and reversal of prior years' losses and related valuation allowance.

The following table summarises the deferred tax assets and deferred tax liabilities reported by the Company as of December 31, 2011 and December 31, 2010:

in EUR	Balance sheet location	31.12.2011	31.12.2010
Deferred tax assets – current	Other current assets	161	152
Deferred tax assets – non-current	Other assets	106	110
Deferred tax liabilities – current	Other accrued expenses	(20)	(6)
Deferred tax liabilities – non-current	Other liabilities	(194)	(222)
Deferred tax assets, net of deferred tax liabilities		**53**	**34**

As of December 31, 2011, the Company had approximately EUR 732 of net operating loss carryforwards and capital losses. These losses will expire as follows:

in EUR	2012	2013	2014	2015	2016	Thereafter	No expiry	Total
Expiration of losses by year	2	9	3	13	11	120	574	732

The largest net operating loss carryforwards are in the UK, Germany, Netherlands, France, and Brazil and total EUR 529 as of December 31, 2011. The losses in the Netherlands begin to expire in 2018. The losses in the UK, Germany, France, and Brazil do not expire. In addition, tax credits of EUR 27 are predominantly related to the US operations and begin to expire in 2018.

As of December 31, 2011, the amount of unrecognised tax benefits including interest and penalties is EUR 287 of which EUR 197 would, if recognised, decrease the Company's effective tax rate. As of December 31, 2010, the amount of unrecognised tax benefits including interest and penalties was EUR 291 of which EUR 244 would have, if recognised, decreased the Company's effective tax rate.

The following table summarises the activity related to the Company's unrecognised tax benefits:

in EUR	Unrecognised tax benefits
Balance as of January 1, 2009	**289**
Increases related to current year tax positions	25
Expiration of the statute of limitations for the assessment of taxes	(5)
Settlements with tax authorities	(8)
Additions to prior years	2
Decreases to prior years	(59)
Foreign exchange currency movement	(1)
Balance as of December 31, 2009	**243**
Increases related to current year tax positions	35
Expiration of the statute of limitations for the assessment of taxes	(16)
Settlements with tax authorities	(6)
Additions to prior years including acquisitions	27
Decreases to prior years	(56)
Foreign exchange currency movement	16
Balance as of December 31, 2010	**243**
Increases related to current year tax positions	26
Expiration of the statute of limitations for the assessment of taxes	(14)
Settlements with tax authorities	(3)
Additions to prior years including acquisitions	33
Decreases to prior years	(60)
Foreign exchange currency movement	5
Balance as of December 31, 2011	**230**

in millions, except share and per share information

In 2011, the item "decreases to prior years" includes EUR 57 related to a settlement of contingencies with a corresponding offset to net operating losses carryforwards and a favourable impact of EUR 31 to the income tax expense. Furthermore, in 2011 the item "additions to prior years including acquisitions" mainly relates to changes in estimates due to current year audit activity and pre-acquisition contingencies. In 2010, the item "decreases to prior years" includes EUR 51 related to a settlement of contingencies with a corresponding offset to net operating losses carryforwards and a favourable impact of EUR 27 to the income tax expense. Furthermore, in 2010 the item "additions to prior years including acquisitions" mainly relates to changes in estimates due to current year audit activity and pre-acquisition contingencies. In 2009, the item "decreases to prior years" includes EUR 53 related to a settlement of contingencies with a corresponding offset to net operating losses carryforwards and a favourable impact of EUR 13 to the income tax expense.

The Company recognises interest and penalties related to unrecognised tax benefits as a component of the provision for income taxes. As of December 31, 2011 and December 31, 2010, the amount of interest and penalties recognised in the balance sheet amounted to EUR 57 and EUR 48, respectively. The total amount of interest and penalties recognised in the statement of operations was a net expense of EUR 9, EUR 22, and EUR 2 in 2011, 2010, and 2009, respectively.

The Company and its subsidiaries file income tax returns in multiple jurisdictions with varying statute of limitations. The open tax years by major jurisdiction are as follows:

Country	Open tax years
Australia	2001 onwards
Canada	1999 onwards
France	2006 onwards
Germany	2002 onwards
Italy	2003 onwards
Japan	2005 onwards
Netherlands	2005 onwards
Spain	2007 onwards
UK	2008 onwards
USA	2010 onwards

In certain jurisdictions, the Company may have more than one tax payer. The table above reflects the statute of limitations of years open to examination for the major tax payers in each major tax jurisdiction.

Based on the outcome of examinations, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognised tax benefits for tax positions taken regarding previously filed tax returns could materially change in the next 12 months from those recorded as liabilities for uncertain tax positions in the financial statements. An estimate of the range of the possible changes cannot be made until issues are further developed or examinations close.

Significant estimates are required in determining income tax expense and benefits. Various internal and external factors may have favourable or unfavourable effects on the future effective tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, results of tax audits, and changes in the overall level of pre-tax earnings.

Note 15 • Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

	2011		2010		2009	
in EUR (except number of shares)	Basic	Diluted	Basic	Diluted	Basic	Diluted
Numerator						
Net income attributable to Adecco shareholders	519	519	423	423	8	8
Interest on convertible bond, net of tax				2		
Net income available for earnings per share calculation	**519**	**519**	**423**	**425**	**8**	**8**
Denominator						
Weighted-average outstanding shares	172,394,340	172,394,340	174,151,587	174,151,587	174,091,286	174,091,286
Weighted-average shares deliverable under prepaid forward	18,277,383	18,277,383	17,961,492	17,961,492	3,515,530	3,515,530
Weighted-average shares	**190,671,723**	**190,671,723**	**192,113,079**	**192,113,079**	**177,606,816**	**177,606,816**
Incremental shares for assumed conversions:						
• Convertible bond				3,417,413		
• Employee stock-based compensation		133,357		65,833		7,175
Total average equivalent shares	**190,671,723**	**190,805,080**	**192,113,079**	**195,596,325**	**177,606,816**	**177,613,991**
Per share amounts						
Net earnings per share	**2.72**	**2.72**	**2.20**	**2.17**	**0.04**	**0.04**

The weighted-average shares include 18,277,383, 17,961,492, and 3,515,530 shares for 2011, 2010, and 2009, respectively deliverable under the prepaid forward with Adecco Investment. The exercise price of the prepaid forward is reduced proportionally for each dividend distribution to common shareholders, as described in Note 1, which represents participation rights of the prepaid forward.

Stock options of 392,108 in 2011, 1,583,834 in 2010, and 4,027,697 in 2009 were excluded from the computation of diluted net income per share as the effect would have been anti-dilutive. The effect of the convertible bond, comprising EUR 6 of interest expense add-back and 7,569,582 additional incremental shares, was excluded from the computation in 2009 as the effect would have been anti-dilutive.

Note 16 • Segment reporting

Since January 1, 2011, the Company is organised in a geographical structure plus the global business Lee Hecht Harrison ("LHH"), which corresponds to the primary segments. This structure is complemented by business lines. The segments consist of France, North America, UK & Ireland, Japan, Germany & Austria, Benelux, Italy, Nordics, Iberia, Australia & New Zealand, Switzerland, Emerging Markets and LHH. The business lines consist of Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, and Solutions. The classification of a specific branch into a business line is determined by the business line generating the largest revenue share in that specific branch.

The Company evaluates the performance of its segments based on operating income before amortisation and impairment of goodwill and intangible assets, which is defined as the amount of income before amortisation and impairment of goodwill and intangible assets, interest expense, other income/(expenses), net, and provision for income taxes. Corporate items consist of certain assets and expenses which are separately managed at the corporate level. Segment assets include current assets, property, equipment, and leasehold improvements, net, other assets, intangible assets, net, and goodwill, but exclude investments in subsidiaries and intercompany balances. The accounting principles used for the segment reporting are those used by the Company.

in millions, except share and per share information

Revenues derived from temporary staffing represented 91% in 2011 and 92% in both 2010 and 2009 of the Company's revenues. The remaining portion was derived from permanent placement, outsourcing, career transition (outplacement), and other services.

in EUR	France [1]	North America [1]	UK & Ireland	Japan [1]	Germany & Austria [1]	Benelux [1]	Italy [1]	Other [1]	Corporate	Total
2011 segment reporting										
Revenues	6,066	3,646	1,707	1,406	1,544	961	1,032	4,183		20,545
Depreciation	(18)	(16)	(8)	(8)	(8)	(6)	(3)	(19)	(7)	(93)
Operating income before amortisation and impairment of goodwill and intangible assets	220	161	32	80	110	44	60	189	(82)	814
Amortisation of intangible assets										(51)
Impairment of goodwill and intangible assets										
Operating income										763
Interest expense, and other income/(expenses), net										(77)
Provision for income taxes										(166)
Net income										**520**
Capital expenditures	(23)	(19)	(3)	(4)	(9)	(5)	(4)	(32)	(10)	(109)
Segment assets	1,638	2,122	729	329	1,820	301	199	1,791	425	9,354
Long-lived assets [2]	107	119	23	38	32	18	7	126	47	517

in EUR	France [1]	North America [1]	UK & Ireland	Japan [1]	Germany & Austria [1]	Benelux [1]	Italy [1]	Other [1]	Corporate	Total
2010 segment reporting										
Revenues	5,494	3,488	1,630	1,295	1,231	889	842	3,787		18,656
Depreciation	(16)	(17)	(10)	(5)	(8)	(6)	(3)	(16)	(6)	(87)
Operating income before amortisation and impairment of goodwill and intangible assets	199	134	22	69	82	41	38	211	(74)	722
Amortisation of intangible assets										(55)
Impairment of goodwill and intangible assets										
Operating income										667
Interest expense, and other income/(expenses), net										(64)
Provision for income taxes										(179)
Net income										**424**
Capital expenditures	(42)	(13)	(1)	(8)	(7)	(3)	(3)	(21)	(7)	(105)
Segment assets	1,564	2,192	704	281	1,801	320	194	1,461	362	8,879
Long-lived assets [2]	104	111	27	45	24	15	6	82	59	473

in EUR	France[1]	North America[1]	UK & Ireland	Japan[1]	Germany & Austria[1]	Benelux[1]	Italy[1]	Other[1]	Corporate	Total
2009 segment reporting										
Revenues	4,717	2,121	947	1,338	1,023	796	681	3,174		14,797
Depreciation	(14)	(12)	(11)	(4)	(9)	(6)	(4)	(16)	(5)	(81)
Operating income before amortisation and impairment of goodwill and intangible assets	56	31	(13)	95	31	5	5	156	(67)	299
Amortisation of intangible assets										(42)
Impairment of goodwill and intangible assets										(192)
Operating income										65
Interest expense, and other income/(expenses), net										(56)
Provision for income taxes										(1)
Net income										**8**
Capital expenditures	(31)	(9)	(8)	(5)	(7)	(7)	(2)	(19)	(4)	(92)
Segment assets	1,337	1,442	434	241	1,736	297	160	1,189	995	7,831
Long-lived assets[2]	80	81	34	30	27	23	7	52	36	370

Information by country is as follows:

in EUR	France	USA	UK	Germany	Japan	Italy	Switzerland	Rest of the world	Total
Revenues									
2011	6,144	3,182	1,694	1,503	1,407	1,035	482	5,098	20,545
2010	5,588	3,099	1,615	1,197	1,297	844	399	4,617	18,656
2009	4,806	1,947	931	990	1,343	683	342	3,755	14,797
Long-lived assets									
2011	121	126	23	32	39	7	38	131	517
2010	116	107	27	23	46	6	52	96	473
2009	92	79	34	26	30	7	30	72	370

Revenues by business line are as follows:

in EUR	Office	Industrial	Information Technology	Engineering & Technical	Finance & Legal	Medical & Science	Solutions	Total
Revenues								
2011	5,301	10,642	2,176	1,009	722	384	311	20,545
2010[3]	4,871	9,403	2,049	956	705	360	312	18,656
2009[3]	4,467	7,694	1,113	610	322	245	346	14,797

1 Since January 1, 2011, LHH is reported as a separate segment and presented in Other above. The 2010 and 2009 information has been restated to conform to the current year presentation.

2 Long-lived assets include fixed assets and other non-current assets.

3 The 2011 information includes certain changes in the allocation of branches to business lines. The 2010 and 2009 information has been restated to conform to the current year presentation.

in millions, except share and per share information

Note 17 • Commitments and contingencies

The Company leases facilities under operating leases, certain of which require payment of property taxes, insurance, and maintenance costs. Operating leases for facilities are usually renewable at the Company's option.

Total rent expense under operating leases amounted to EUR 215 in both 2011 and 2010, and to EUR 223 in 2009. Future minimum annual lease payments under operating leases are as follows:

in EUR	2012	2013	2014	2015	2016	Thereafter	Total
Lease payments by year	199	136	105	79	97	51	667

As of December 31, 2011, the Company had future purchase and service contractual obligations of approximately EUR 173 primarily related to acquisitions (refer to Note 19 for further details), IT development and maintenance agreements, marketing sponsorship agreements, equipment purchase agreements, and other vendor commitments. Future payments under these arrangements are as follows:

in EUR	2012	2013	2014	2015	2016	Thereafter	Total
Contractual obligations by year	161	6	3	3			173

Guarantees

The Company has entered into certain guarantee contracts and standby letters of credit that total EUR 661, including those letters of credit issued under the multicurrency revolving credit facility (EUR 71). The guarantees primarily relate to government requirements for operating a temporary staffing business in certain countries and are generally renewed annually. Other guarantees relate to operating leases and credit lines. The standby letters of credit mainly relate to workers' compensation in the USA. If the Company is not able to obtain and maintain letters of credit and/or guarantees from third parties then the Company would be required to collateralise its obligations with cash. Due to the nature of these arrangements and historical experience, the Company does not expect to be required to collateralise its obligations with cash.

Contingencies

In the ordinary course of business, the Company is involved in various legal actions and claims, including those related to social security charges, other payroll-related charges, and various employment related matters. Although the outcome of the legal proceedings cannot be predicted with certainty, the Company believes it has adequately reserved for such matters.

Note 18 • Risk management

The Company's Board of Directors, who is ultimately responsible for the risk management of the Company, has delegated its execution to Group management.

The risk management process is embedded into the Company's strategic and organisational context. The process is focused on managing risks as well as identifying opportunities. The Company's risk management process covers the significant risks for the Company including financial, operational, and strategic risks. All countries perform the risk management process on a regular basis and report their results to Group management. The Company's risk management activities consist of risk identification, risk assessment, risk response, and risk monitoring.

The Company's Risk Management Steering Committee supports the countries when identifying risks. The defined risk categories are divided into externally and internally driven risks. The Risk Management Steering Committee has defined 16 overarching risk categories, which can have a significant impact on the Company's results. Those key recurring risk categories are, amongst others, economic trends/situation, client attraction/retention, associate attraction/retention, employee attraction/retention, financial reporting, IT environment, change in regulatory/legal and political environment, integration risk, and fraudulent activities. All identified risk categories have to be assessed by all countries within the Company.

The risk assessment includes the following steps: estimation of the potential risk impact on the financial results, assessment of the likelihood of the risk occurrence, assessment of the effectiveness of existing internal controls, and development of action plans needed to mitigate the risk to an acceptable level.

The risk assessment is aligned with the Company's decentralised organisational structure. The countries report to Group management a comprehensive risk assessment, including mitigating actions. At the Group management level, the individual country results are reviewed and discussed with the countries before being categorised and consolidated. Risk monitoring is performed at Group level on a regular basis.

The financial reporting risk includes the failure to comply with external reporting requirements due to failure of internal controls and lack of knowledge of financial reporting requirements relating to accounting and reporting. The Company has implemented a Group Policy environment as well as an Internal Control System in order to mitigate the risk of failure to comply with financial reporting requirements. The Company's Internal Control System is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements.

The financial market risk primarily relates to foreign exchange, interest rates, and equity market risk and is further discussed in Note 11. Except for the equity market risk, these exposures are actively managed by the Company in accordance with written policies approved by the Board of Directors. The Company's objective is to minimise, where deemed appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates and interest rates. It is the Company's policy to use a variety of derivative financial instruments to hedge these exposures in the absence of natural hedges.

The Company concluded that the risk management process has worked properly throughout 2011.

Note 19 • Subsequent events

In January 2012, the Company acquired all outstanding common shares of VSN Inc ("VSN"), a leading provider of professional staffing services in Japan, for an enterprise value of EUR 90[1]. The purchase price was funded with internal resources. VSN was consolidated by the Company as of January 6, 2012, and the results of VSN's operations have been included in the consolidated financial statements since January 2012.

On February 8, 2012, Adecco S.A. issued CHF 350 unsubordinated fixed rate notes due February 8, 2016. The 4-year notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Stock Exchange. The proceeds will be used for general corporate purposes. Interest is paid on the fixed rate notes annually in arrears at a fixed annual rate of 2.125%.

On March 1, 2012, the Company announced that in order to further strengthen the Group's position in France and to ensure sustainable profitability, the Company is informing and consulting the French Works Councils on its plans to unite the networks of Adecco and Adia under the Adecco brand. Combining the expertise of both general staffing businesses under a single roof would facilitate an even better offering for clients, candidates, and colleagues. At the same time, the cost base would be further optimised through the planned reduction of over 500 full-time equivalent ("FTE") employees and further branch network and shared service centre consolidation. The Company expects to invest approximately EUR 45, the majority of which would be incurred during the second half of 2012.

The Company has evaluated subsequent events through March 13, 2012, the date the financial statements were available to be issued. No other significant events occurred subsequent to the balance sheet date but prior to March 13, 2012 that would have a material impact on the consolidated financial statements.

1 Based on an exchange rate of 101.36 JPY/EUR.

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of Adecco S.A., Chéserex

As statutory auditor, we have audited the accompanying consolidated financial statements of Adecco S.A. and subsidiaries, which comprise the consolidated balance sheets as of 31 December 2011 and 2010, and the related consolidated statements of operations, cash flows, changes in shareholders' equity, and notes thereto, for each of the three years in the period ended 31 December 2011.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Swiss law, Swiss Auditing Standards and auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements, referred to above, present fairly, in all material respects, the consolidated financial position of Adecco S.A. as of 31 December 2011 and 2010, and the consolidated results of the operations and the cash flows for each of the three years in the period ended 31 December 2011, in accordance with accounting principles generally accepted in the United States and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Robin Errico

Robin Errico
Licensed audit expert
(Auditor in charge)

Thomas Stenz
Licensed audit expert

Zurich, Switzerland
13 March 2012

Adecco S.A. (Holding Company) – Balance sheets

in millions, except share and per share information and compensation table data

As of (in CHF)	31.12.2011	31.12.2010
Assets		
Current assets:		
• Cash and cash equivalents	45	18
• Receivables from subsidiaries	52	85
• Accrued income, prepaid expenses, and withholding taxes	19	28
Total current assets	**116**	**131**
Non-current assets:		
• Investments in subsidiaries	10,323	10,206
• Loans to subsidiaries	3,236	3,036
• Provisions on investments in and loans to subsidiaries	(843)	(618)
• Treasury shares	912	874
• Intangible assets	135	137
• Other assets	11	10
Total non-current assets	**13,774**	**13,645**
Total assets	**13,890**	**13,776**
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
• Amounts due to subsidiaries	224	246
• Short-term liabilities to related parties	92	61
• Other current liabilities	62	76
Total current liabilities	**378**	**383**
Non-current liabilities:		
• Long-term debt to subsidiaries	5,945	5,411
• Long-term liabilities to related parties	900	987
• Provisions and non-current liabilities	21	16
Total non-current liabilities	**6,866**	**6,414**
Total liabilities	**7,244**	**6,797**
Shareholders' equity		
Share capital	189	189
General reserves:		
• Reserve from capital contributions	1,505	1,696
• Other reserves	407	407
Reserve for treasury shares	1,092	874
Retained earnings	3,453	3,813
Total shareholders' equity	**6,646**	**6,979**
Total liabilities and shareholders' equity	**13,890**	**13,776**

Certain reclassifications have been made to prior year amounts and balances to conform to the current year presentation.

Adecco S.A. (Holding Company) – Statements of operations

in millions, except share and per share information and compensation table data

For the fiscal years ended December 31 (in CHF)	**2011**	**2010**
Operating income		
Royalties and license fees	396	430
Dividends from subsidiaries	142	23
Release of provisions on loans and investments, net		37
Interest income from subsidiaries	126	88
Interest income from third parties	14	15
Financial income		58
Other income	17	14
Total operating income	**695**	**665**
Operating expenses		
Interest expense to subsidiaries	(255)	(264)
Interest expense to related parties	(2)	(3)
Interest expense to third parties	(4)	(2)
Charge to provisions on loans and investments, net	(230)	
Taxes	(5)	(10)
Financial expense	(236)	(164)
Other expenses (including depreciation of CHF 3 in both 2011 and 2010)	(105)	(118)
Merger loss and loss on sale of investments		(38)
Total operating expenses	**(837)**	**(599)**
Net income/(loss)	**(142)**	**66**

Adecco S.A. (Holding Company) – Notes to financial statements

in millions, except share and per share information and compensation table data

Note 1 • Contingent liabilities

in CHF	31.12.2011	31.12.2010
Guarantees	2,273	2,096
Letters of comfort	105	93
Other	11	11
Total contingent liabilities	**2,389**	**2,200**

Adecco S.A. has irrevocably and unconditionally guaranteed the 7-year Euro medium-term notes of CHF 608 (EUR 500) due 2018 and accrued interest of CHF 21, the 5-year Euro medium-term notes of CHF 433 (EUR 356) due 2014 and accrued interest of CHF 22, and the fixed rate notes of CHF 406 (EUR 333) due 2013 and accrued interest of CHF 13 issued by Adecco International Financial Services BV, a wholly owned subsidiary of Adecco S.A.

Adecco S.A. has irrevocably and unconditionally guaranteed outstanding commercial paper of CHF 177 (EUR 145) issued by Adecco International Financial Services BV, a wholly owned subsidiary of Adecco S.A.

Adecco S.A. has guaranteed or co-issued an amount of CHF 96 utilised from the revolving credit facility in the form of letters of credit as of December 31, 2011. Approximately CHF 501 of the credit facilities issued to several subsidiaries in Europe, North America, South America, Asia, and Australia have been guaranteed. Additionally, Adecco S.A. has provided guarantees and letters of comfort amounting to CHF 101 relating to government requirements for operating a temporary staffing business and to operating leases of its subsidiaries mainly in the USA.

Adecco S.A. is jointly and severally liable for the liabilities of the Swiss VAT group. As of December 31, 2011, the Swiss VAT group liability amounted to CHF 11.

Note 2 • Long-term liabilities to related parties

Long-term liabilities to related parties include a consideration of CHF 900 received for the prepaid forward sale of Adecco S.A. shares ("prepaid forward") in November 2009 in connection with the Senior Secured Limited Recourse Mandatory Convertible Bonds ("MCB") issued by Adecco Investment (Bermuda) Ltd ("Adecco Investment"), a wholly owned subsidiary of Adecco S.A. which is not consolidated in the consolidated financial statements of the Adecco Group (refer to Note 1 and Note 8 to the consolidated financial statements).

As of December 31, 2011, the maximum number of shares to be delivered at any time until November 26, 2012 amounts to 18,386,108 (17,821,782 shares at issuance). The number of shares is adjusted for dividends paid between issuance and conversion. Adecco S.A. is allowed to deliver treasury shares held at the time of exercise instead of issuing new shares of Adecco S.A. out of the approved conditional capital. In both 2011 and 2010, Adecco S.A. recorded expenses of CHF 5, relating to the amortisation of capitalised costs incurred in connection with the prepaid forward. There is no further impact on the statements of operations.

In addition, the short-term and the long-term liabilities to related parties include a loan payable of CHF 92, including CHF 5 representing capitalised interest on the loan from inception to the last roll-over date, to Adecco Investment. The loan carries interest rate of 3-month CHF LIBOR plus 1.5% per annum. The loan is repayable in instalments of CHF 59 and CHF 33 on June 1, 2012, and November 26, 2012, respectively.

Note 3 • Treasury shares

The reserve for treasury shares held by Adecco S.A. is transferred to/from retained earnings. As of December 31, 2011 and December 31, 2010, all treasury shares held by the Adecco Group are held by Adecco S.A.

	Carrying value (in CHF millions)	Number of shares	Average purchase/sale price per share (in CHF)	Highest price per share (in CHF)	Lowest price per share (in CHF)
January 1, 2010	**854**	**15,184,075**			
Disposals/utilisation for option exercises	(38)	(622,595)	60	60	56
Reversal of prior years write-down	58				
December 31, 2010	**874**	**14,561,480**			
Purchase	224	4,355,000	51	61	33
Utilisation for stock-based compensation settlement	(6)	(101,375)	60	60	60
Write-down	(180)				
December 31, 2011	**912**	**18,815,105**			

In 2011, Adecco S.A. acquired 4,355,000 treasury shares for a total consideration of CHF 224 (EUR 178).

As of December 31, 2011, the treasury shares are intended to be used for the settlement of the prepaid forward and the outstanding employee stock option plans and long-term incentive plan (for further details refer to Note 9 to the consolidated financial statements).

In 2011 and 2010, Adecco S.A. awarded 4,697 and 5,356 treasury shares, respectively, to the Chairman of the Board of Directors as part of his compensation package (refer to section 3.1.1 "Board of Directors' compensation and shareholding" within the Remuneration Report). In addition, in 2011, 96,506 shares were used to settle restricted share unit ("RSU") awards under the long-term incentive plan and 172 shares were used to settle stock option exercises. In December 2010, 580,624 treasury shares were used upon the exercise of call options on Adecco S.A. shares which were entered into in connection with the employee tradable stock option programme. In 2010, 33,529 shares were used to settle stock option exercises and 3,086 treasury shares were sold.

In 2011, the carrying value of treasury shares designated for the long-term incentive plan was written down by CHF 17 to the December 2011 average share price and the carrying value of the remaining treasury shares was written down by CHF 163 to the minimum strike price of the prepaid forward. In 2010, the write-down of treasury shares recorded in 2009 was reversed to the acquisition cost resulting in a gain of CHF 58.

Adecco S.A. (Holding Company) – Notes to financial statements

in millions, except share and per share information and compensation table data

Note 4 • Shareholders' equity

in CHF	Share capital	General Reserves: Reserve from capital contributions	General Reserves: Other reserves	Free reserves	Reserve for treasury shares	Retained earnings	Total
January 1, 2011	**189**	**1,696**	**407**		**874**	**3,813**	**6,979**
Allocation from reserve from capital contributions to free reserves for dividend distribution		(191)		191			
Dividend distribution				(191)			(191)
Net movement in reserve for treasury shares					218	(218)	
Net loss						(142)	(142)
December 31, 2011	**189** [1]	**1,505**	**407**		**1,092**	**3,453**	**6,646**

1 Common shares of CHF 189,263,506 at CHF 1 par value.

On April 19, 2011, Adecco S.A. held its Annual General Meeting of Shareholders in Lausanne.

Conditional capital

As of December 31, 2011, Adecco S.A. had conditional capital under Art. 3^{quater} of the Articles of Incorporation of Adecco S.A. of 15,400,000 shares, for a maximum aggregate amount of CHF 15 for issue of a maximum of 15,400,000 registered shares, which shall be fully paid by the exercise of option and conversion rights to be granted in relation to bond issues or other obligations of Adecco S.A. or affiliated companies. The shares represent conditional capital authorised without time limitation and remain available for issuance upon conversion of any financial instruments that Adecco S.A. or its subsidiaries have issued or may issue in the future.

As of December 31, 2011 and December 31, 2010, Adecco S.A. had 4,166,804 shares of conditional capital reserved for issuance of common shares to employees and members of the Board of Directors upon the exercise of stock options under Art. 3ter of the Articles of Incorporation of Adecco S.A. These shares shall be fully paid up by the exercise of options rights which the Board of Directors has granted to the employees and to the members of the Board of Directors of Adecco S.A. or of its affiliated companies. During 2011, Adecco S.A. did not issue any shares.

General reserves

Pursuant to Swiss tax legislation, the reserve from capital contributions amounting to CHF 1,505 and CHF 1,696 as of December 31, 2011 and as of December 31, 2010, respectively, is presented separately within general reserves. Any dividend distribution made out of the reserve from capital contributions (or from free reserves allocated from reserves from capital contributions) after January 1, 2011 is not subject to Swiss withholding tax. Only capital contributions made after December 31, 1996 qualify for the tax exemption and are classified in the reserve from capital contributions.

In 2011, upon approval at the Annual General Meeting of Shareholders, dividends for 2010 of CHF 1.10 per share, totalling CHF 191 (EUR 149), were allocated from Adecco S.A.'s reserve from capital contributions to free reserves and subsequently distributed to shareholders. For 2011, the Board of Directors of Adecco S.A. will propose a dividend of CHF 1.80 per share outstanding for the approval of shareholders at the Annual General Meeting of Shareholders to be allocated from Adecco S.A.'s reserve from capital contributions to the free reserves and subsequently distributed to shareholders.

Note 5 • Significant shareholders

Adecco S.A. has only registered shares. Not all shareholders register with Adecco S.A.'s share register. The following figures are based on information from the share register as of

December 31, 2011, on shareholders' disclosures or on other information available to Adecco S.A.

35,313,579 and 34,866,019 shares in 2011 and 2010, respectively, held by a shareholder group with pooled voting rights, consisting, as notified to the Company on August 26, 2011, of Jacobs Holding AG, Zurich, Switzerland; Jacobs Stiftung, Zurich, Switzerland; Renata I. Jacobs, St. Moritz, Switzerland; Lavinia Jacobs, London, UK; Nicolas Jacobs, Kusnacht, Switzerland; Philippe Jacobs, London, UK; Nathalie Jacobs, Kusnacht, Switzerland; Christian Jacobs, Hamburg, Germany; Andreas Jacobs, Hamburg, Germany; Verein Jacobs Familienrat, Zurich, Switzerland; Sentosa Beteiligungs GmbH, Hamburg, Germany (controlled by Christian Jacobs, Hamburg, Germany); Niantic Finance AG, Zurich, Switzerland (controlled by Andreas Jacobs, Hamburg, Germany); Jacobs Venture AG, Baar, Switzerland; and Triventura AG, Baar, Switzerland.

9,403,368 shares as of February 8, 2011 held by Group Franklin Resources Inc., Ft. Lauderdale, USA, with pooled voting rights, consisting of Franklin Advisers, Inc., San Mateo, USA; Franklin Templeton Investments (Asia) Limited, Hong Kong; Franklin Templeton Investments Corp., Toronto, Canada; Franklin Templeton Investment Management Limited, Edinburgh, UK; Franklin Templeton Portfolio Advisors, San Mateo, USA; Templeton Asset Management Ltd, Hong Kong; Templeton Global Advisors Limited, Nassau, Bahamas; Templeton Investment Counsel, Ft. Lauderdale, USA.

10,163,580 shares in 2011 and 2010, held by Akila Finance S.A., Luxembourg, controlled by Philippe Foriel-Destezet, Gstaad, Switzerland.

9,394,718 shares as of March 7, 2011 held by Artisan Partners Limited Partnership, Milwaukee, USA, which is controlled by its general partner, Artisan Investment GP LLC, a limited liability company organised under the laws of the state of Delaware, USA. The sole member/partner of Artisan Investment GP LLC is Artisan Partners Holdings LP (also a limited partner of Artisan Partners Holding LP). Artisan Partners Holdings LP is the sole limited partner of Artisan Partners Limited Partnership. Artisan Partners Holdings LP is controlled by its general partner, Artisan Investment Corporation. The sole shareholder of Artisan Investment Corporation is ZFIC Inc., a corporation organised under the laws of the state of Wisconsin, USA, and with two shareholders, each owning 50% of the voting stock of ZFIC Inc., i.e. Andrew A. Ziegler and Carlene M. Ziegler (c/o Artisan Partners Limited Partnership, Milwaukee, USA).

9,660,727 shares as of May 11, 2011, and 9,309,349 shares as of December 3, 2010, held by Harris Associates L.P., Chicago, USA.

Refer to Note 3 for details on shares held by Adecco S.A.

For further detailed information, refer to the links listed under item 1.2 "Significant shareholders" of the Corporate Governance Report.

Note 6 • Restriction regarding the distribution of dividends

Adecco S.A. may only pay dividends from unappropriated available earnings, the general reserves, or other reserves distributable in accordance with Art. 675 of the Swiss Code of Obligations.

Companies whose principal purpose consists of participations in other companies may freely use the general reserves to the extent they exceed 20% of the paid-in share capital. Pursuant to Art. 671 para. 1 of the Swiss Code of Obligations, 5% of the annual profits shall be allocated to the general reserves until they have reached 20% of the paid-in share capital. In addition, pursuant to Art. 671 para. 2 and para. 4 of the Swiss Code of Obligations, companies whose principal purpose consists of participations in other companies shall allocate to the general reserves the following: (1) any surplus over par value upon the issue of new shares after deduction of the issue cost, to the extent such surplus is not used for depreciation or welfare purposes; (2) the excess of the amount which was paid-in on cancelled shares over any reduction on the issue price of replacement shares. The general reserves amounted to CHF 1,912 and CHF 2,103 as of December 31, 2011 and December 31, 2010, respectively, thereby exceeding 20% of the paid-in share capital in both years.

Note 7 • Compensation, shareholdings, and loans

Compensation and shareholding of members of the Board of Directors and the Executive Committee

The amounts indicated in this paragraph include honorariums (fees), salaries, loans, bonuses, and compensation in kind (according to market value at time of conferral). The members of the Board of Directors are compensated in cash. The Chairman is partially compensated with Adecco S.A. shares. The amount conferred to the members of the Board of Directors

in millions, except share and per share information and compensation table data

for the fiscal year 2011 amounted to CHF 5.0. The total of all compensation conferred for the fiscal year 2011 to all members of the Executive Committee, including bonus payments for 2011 due in 2012, and awards granted in 2011 under the LTIP, at grant date fair value, amounted to CHF 26.0. Not included are bonus payments due for 2010 but made during 2011 as this information was disclosed in 2010.

Further information on the compensation of the Board of Directors and the Executive Committee of the Adecco Group can be found in the Remuneration Report.

Individual compensation and shareholding for 2011 and 2010 are presented in the following tables:

Board of Directors' compensation and shareholding

For the year 2011

in CHF (except shares)	Office/ compensation period in 2011	Net compensation for term served	Social contributions[1] Old age insurance/ pensions and others	Shareholding as of December 31, 2011[2]
Name and function				
Rolf Dörig, Chairman	since Jan. 2011	1,800,000[3]	237,123	35,000
Thomas O'Neill, Vice-Chairman	since Jan. 2011	427,690	53,061	6,000
Jakob Baer	since Jan. 2011	320,984	39,282	5,101
Alexander Gut	since Jan. 2011	377,069	53,656	11,940
Andreas Jacobs	since Jan. 2011	450,000		714,915[4]
Didier Lamouche	since Apr. 2011	211,781	30,823	
Francis Mer	until Apr. 2011	107,571	11,722	n.a.
David Prince	since Jan. 2011	290,002	9,998	5,539
Wanda Rapaczynski	since Jan. 2011	400,000		7,700
Judith A. Sprieser	until Apr. 2011	100,000	100,000	n.a.
Subtotal		**4,485,097**	**535,665**	
Total			**5,020,762**	**786,195**

1 Including Directors' and Company's social contributions.

2 Indicating the number of registered shares held, with a par value of CHF 1 each. The members of the Board of Directors and the Executive Committee are required to disclose to the Company direct or indirect purchases and sales of equity related securities of Adecco S.A.

3 CHF 300,000 of the total net compensation was paid with Adecco S.A. shares.

4 Refer to Corporate Governance Report, section 1.2 "Significant shareholders" and Note 5 regarding shares held by a group of which Andreas Jacobs is a member. One or more members of this same group, considered as related party/parties to Andreas Jacobs, as of December 31, 2011, held equity related securities of Adecco S.A. according to notified managemet transactions.

For the year 2010

in CHF (except shares)	Office/ compensation period in 2010	Net compensation for term served	Social contributions[1] Old age insurance/ pensions and others	Shareholding as of December 31, 2010[2]
Name and function				
Rolf Dörig, Chairman	since Jan. 2010	1,800,000[3]	246,088	30,000
Thomas O'Neill, Vice-Chairman	since Jan. 2010	427,596	52,760	2,000
Jakob Baer	since Jan. 2010	428,123	51,630	4,601
Alexander Gut	since May 2010	189,095	25,446	840
Andreas Jacobs	since Jan. 2010	450,000		714,915[4]
Francis Mer	since Jan. 2010	428,123	51,630	
David Prince	since Jan. 2010	297,000	3,000	2,416
Wanda Rapaczynski	since Jan. 2010	300,000		2,000
Judith A. Sprieser	since Jan. 2010	300,000		2,000
Subtotal		**4,619,937**	**430,554**	
Total			**5,050,491**	**758,772**

1 Including Directors' and Company's social contributions.

2 Indicating the number of registered shares held, with a par value of CHF 1 each. The members of the Board of Directors and the Executive Committee are required to disclose to the Company direct or indirect purchases and sales of equity related securities of Adecco S.A.

3 CHF 300,000 of the total net compensation was paid with Adecco S.A. shares.

4 Refer to Corporate Governance Report, section 1.2 "Significant shareholders" and Note 5 regarding shares held by a group of which Andreas Jacobs is a member.

in millions, except share and per share information and compensation table data

Executive Committee's compensation

For the year 2011

in CHF	Patrick De Maeseneire, CEO[1]	Total Executive Committee[2]
Gross cash compensation[3]:		
• Base salary	1,800,263	9,214,661
• Annual bonus	1,620,000	6,131,195
Compensation in kind[4]	120,000	1,137,987
Social contributions[5]:		
• Old age insurance/pensions and others	332,160	2,354,279
• Additional health/accident insurance	38,114	117,014
Other cash payments, including severance payments		1,883,245
Total conferred	**3,910,537**	**20,838,381**
Share awards granted in 2011 under the long-term incentive plan (LTIP)[6]:		
• RSU awards	1,213,242	4,194,197
• Relative TSR awards	130,987	452,850
• Absolute TSR awards	87,246	301,625
• Additional TSR awards	58,776	203,200
Social contributions on awards, estimated[5]		49,237
Total conferred including LTIP	**5,400,788**	**26,039,490**

1 Highest conferred individual compensation in 2011.

2 In 2011, the Executive Committee consisted of Patrick De Maeseneire, Dominik de Daniel, Alain Dehaze, Theron I (Tig) Gilliam Jr., Peter Searle, Andreas Dinges, Mark Du Ree, Federico Vione, Enrique Sanchez, Sergio Picarelli, and Christian Vasino (all since January 2011), Martín Alonso (since August 2011), and François Davy (until June 2011). Notice periods of up to 12 months apply. For one member of the Executive Committee, severance payments of approximately CHF 0.9 million would be due in case of termination of the employment contract by the employer. For certain members of the Executive Committee, based on mandatory local law, severance payments may become due in case of termination.

3 Including employee's social contributions.

4 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, representation allowance. Includes tax equalisation payments to a member of the Executive Committee, partly refundable to the Company in the future.

5 Employer's social contributions.

*6 Value in CHF of Adecco S.A. shares awarded in 2011 under the LTIP 2011 (grant date: March 16, 2011).
Valuation of the share awards granted:*

- *The grant date fair value of the restricted share unit awards ("RSU awards") is equal to the closing price of the Adecco S.A. share on the day of grant less 3% discount related to non-entitlement of RSU awards to dividend until vesting. An additional discount of 11% is applied to the value of RSU awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares.*
- *The grant date values of the total shareholder return awards ("TSR awards") are calculated based on the closing price of the Adecco S.A. share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective TSR targets will be met at the end of the performance period. The probability factors of 0.40, 0.27, and 0.18 for relative, absolute, and additional TSR awards, respectively, have been determined using a binomial model. A discount of 3% is applied in relation to non-entitlement of TSR awards to dividend until vesting. An additional discount of 11% is applied to the value of TSR awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares by the participants.*
- *The per-share value of awards granted in 2011 amounts to CHF 49.12 and CHF 55.19 for RSU awards, CHF 19.70 and CHF 22.13 for relative TSR awards, CHF 13.12 and CHF 14.74 for absolute TSR awards, and CHF 8.84 and CHF 9.93 for additional TSR awards (lower values: French participants).*
- *Included are the awards granted to François Davy in 2011. Not included are the awards granted to Martín Alonso in 2011 in his function before he became a member of the Executive Committee.*

For the year 2010

in CHF	Patrick De Maeseneire, CEO[1]	Total Executive Committee[2]
Gross cash compensation[3]:		
• Base salary	1,800,000	9,631,381
• Annual bonus	2,160,000	8,649,131
Compensation in kind[4]	120,000	1,217,944
Social contributions[5]:		
• Old age insurance/pensions and others	351,416	2,087,315
• Additional health/accident insurance	36,841	80,228
Total conferred	**4,468,257**	**21,665,999**
Share awards granted in 2010 under the long-term incentive plan (LTIP)[6]:		
• RSU awards	1,425,770	5,069,246
• Relative TSR awards	155,863	554,169
• Absolute TSR awards	95,167	338,388
• Additional TSR awards	57,586	204,746
Social contributions on awards, estimated[5]		48,550
Total conferred including LTIP	**6,202,643**	**27,881,098**

1 Highest conferred individual compensation in 2010.

2 In 2010, the Executive Committee consisted for the full year of Patrick De Maeseneire, Dominik de Daniel, François Davy, Theron I (Tig) Gilliam Jr., Peter Searle, Andreas Dinges, Mark Du Ree, Alain Dehaze, Federico Vione, Enrique Sanchez, Sergio Picarelli, and Christian Vasino. Notice periods of up to 12 months apply. For two members of the Executive Committee, severance payments of approximately CHF 1.9 million (including bonus entitlement) and CHF 0.9 million, respectively, would be due in case of termination of the employment contract by the employer.

3 Including employee's social contributions.

4 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, representation allowance. Includes tax equalisation payments to a member of the Executive Committee, partly refundable to the Company in the future.

5 Employer's social contributions.

6 Value in CHF of Adecco S.A. shares awarded in 2010 under the LTIP 2010 (grant date: March 16, 2010).
Valuation of the share awards granted:
- *The grant date fair value of the restricted share unit awards ("RSU awards") is equal to the closing price of the Adecco S.A. share on the day of grant less 3% discount related to non-entitlement of RSU awards to dividend until vesting. An additional discount of 11% is applied to the value of RSU awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares.*
- *The grant date values of the total shareholder return awards ("TSR awards") are calculated based on the closing price of the Adecco S.A. share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective TSR targets will be met at the end of the performance period. The probability factors of 0.41, 0.25, and 0.15 for relative, absolute, and additional TSR awards, respectively, have been determined using a binomial model. A discount of 3% is applied in relation to non-entitlement of TSR awards to dividend until vesting. An additional discount of 11% is applied to the value of TSR awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares by the participants.*
- *The per-share value of awards granted in 2010 amounts to CHF 50.55 and CHF 56.79 for RSU awards, CHF 20.52 and CHF 23.06 for relative TSR awards, CHF 12.54 and CHF 14.08 for absolute TSR awards, and CHF 7.58 and CHF 8.52 for additional TSR awards (lower values: French participants).*

in millions, except share and per share information and compensation table data

For 2011, the variable portion of cash compensation (annual bonus) to the CEO amounted to 90% and for the other members of the Executive Committee ranged between 24% and 90% of the base salary. The variable portion of compensation consisting of share awards (including RSU awards; at values as indicated in the previous table) to the CEO amounted to 83% and for the other members of the Executive Committee ranged between 32% and 69% of the base salary. The CEO has reached 90% of the STIP bonus base, and the other members of the Executive Committee have reached between 32% and 128% of the STIP bonus base.

Compensation of former members of Governing Bodies (Board of Directors, Executive Committee, closely linked parties)

No compensation payments were made to other former members of Governing Bodies in relation to their former offices.

Shares allocated to Governing Bodies

In 2011, no Adecco S.A. shares were allocated to current or former members of Governing Bodies, except for part of the Chairman's compensation paid with Adecco S.A. shares (refer to compensation table on page 114).

Share ownerships of Governing Bodies

As of December 31, 2011, the members of the Board of Directors, including parties closely linked, reported to hold 786,195 shares; not included are the shares held by a group of which Andreas Jacobs is a member (refer to Note 5 and section 1.2 "Significant shareholders" of the Corporate Governance Report). For the individual share ownerships of the Board of Directors, refer to the table "Board of Directors' compensation and shareholding" and section 1.2 "Significant shareholders" of the Corporate Governance Report.

The members of the Executive Committee, including parties closely linked, reported share ownership as indicated in the following table:

Share ownership as of December 31[1]	Patrick De Maeseneire	Dominik de Daniel	Alain Dehaze	Theron I (Tig) Gilliam Jr.	Peter Searle	Andreas Dinges	Mark Du Ree	Martín Alonso[2]	Federico Vione	Sergio Picarelli	Christian Vasino	François Davy[3]	Total
2011	8,959	32,873	1,366	1,364	910	1,434	50	867	1,024	3,358	2,962	100	55,267
2010	590	29,978					50	n.a.		1,050	1,000	100	32,768

1 Indicating the number of registered shares held, with a par value of CHF 1 each.

2 Became a member of the Executive Committee in 2011.

3 Ceased to be a member of the Executive Committee in 2011, shareholding indicated as per date of departure.

The members of the Board of Directors and the Executive Committee are required to disclose to the Company direct or indirect purchases and sales of equity related securities in accordance with the requirements of the SIX Swiss Exchange.

Stock options and share awards held by and granted to Governing Bodies

Stock options

Stock options outstanding, as granted since the merger of Adia and Ecco in 1996, exercised by, lapsed from, and held by the members of Governing Bodies in office as of December 31, 2011 and as of December 31, 2010, are presented in the following tables (no stock options were granted since 2004):

As of December 31, 2011

Year of grant	Last year of expiry detail Martin Alonso	Federico Vione	Christian Vasino	Strike price (CHF)	Granted	Exercised	Lapsed	Held by Martin Alonso	Held by Federico Vione	Held by Christian Vasino
Stock options held										
2003	2012	2012	2012	78.50	36,500	3,200	26,000	6,000	800	500

As of December 31, 2010

Year of grant	Last year of expiry detail Federico Vione	Christian Vasino	Strike price (CHF)	Granted	Exercised	Lapsed	Held by Federico Vione	Held by Christian Vasino
Stock options held								
2003	2012	2012	78.50	6,500	3,200	1,500	800	1,000

One option entitles the holder to purchase one Adecco S.A. share under the conditions as outlined in the respective plan.

Options shown as "held" in the tables above are included as part of the total options outstanding presented in the table appearing in the Corporate Governance Report, section 2.7 "Convertible notes and options" and Note 9 to the consolidated financial statements.

For additional information on stock options, refer to the Corporate Governance Report, section 2.7 "Convertible notes and options".

in millions, except share and per share information and compensation table data

Share awards

Awards granted 2011

Share awards held as of December 31, 2011 granted on March 16, 2011 under the LTIP:

December 31, 2011	RSU awards	TSR awards [1]	Total
Patrick De Maeseneire	21,983	17,757	39,740
Total Executive Committee	72,536	56,967	129,503

Awards granted 2010

Share awards held as of December 31, 2011 and December 31, 2010 granted on March 16, 2010 under the LTIP:

December 31, 2011	RSU awards	TSR awards [1]	Total
Patrick De Maeseneire	16,737	20,277	37,014
Total Executive Committee	56,528	66,390	122,918

December 31, 2010	RSU awards	TSR awards [1]	Total
Patrick De Maeseneire	25,106	20,277	45,383
Total Executive Committee	90,135	72,801	162,936

Awards granted 2009

Share awards held as of December 31, 2011 and as of December 31, 2010 granted on March 16, 2009, and April 1, 2009 under the LTIP:

December 31, 2011	EPS awards [2]	TSR awards	Total
Patrick De Maeseneire [3]	22,500	22,500	45,000
Total Executive Committee	70,042	109,137	179,179

December 31, 2010	EPS awards [2]	TSR awards	Total
Patrick De Maeseneire [3]	22,500	22,500	45,000
Total Executive Committee	80,912	128,945	209,857

1 Split into relative TSR, absolute TSR, and additional TSR awards (one third each).

2 For EPS awards refer to the description of the long-term incentive plan for the awards granted in 2009 as described on pages 189 and 190 of the Annual Report 2009.

3 Special conditions: grant date April 1, 2009, vesting of 58% of the awards granted is guaranteed, subject to continued employment.

Additional fees and remuneration of Governing Bodies
No member of the Board of Directors has received any additional honorariums in 2011.

Loans granted to Governing Bodies
In 2011, the Company did not grant any guarantees, loans, advances or credits to members of the Board of Directors or to members of the Executive Committee, including closely linked parties.

Note 8 • Risk management

The detailed disclosure regarding risk management required by Swiss law is included in Note 18 to the consolidated financial statements.

Note 9 • Subsequent events

On February 8, 2012, Adecco S.A. issued CHF 350 unsubordinated fixed rate notes due February 8, 2016. The 4-year notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Stock Exchange. The proceeds will be used for general corporate purposes. Interest is paid on the fixed rate notes annually in arrears at a fixed annual rate of 2.125%.

Adecco S.A. (Holding Company) – Proposed appropriation of available earnings

in millions, except share and per share information

in CHF	2011	2010
Available earnings		
Available earnings of previous years	3,813	3,840
Net income/(loss)	(142)	66
Net movement in reserve for treasury shares	(218)	38
Dividend distribution for 2009		(131)
Total available earnings to be carried forward	**3,453**	**3,813**

in CHF	2011	2010
General reserve from capital contributions		
General reserve from capital contributions of previous years	1,505	1,696
Dividend distribution of CHF 1.10 per share for 2010		(191)
Proposed allocation from reserve from capital contributions to free reserves and proposed dividend distribution of CHF 1.80 per share for 2011	(307) [1]	
Balance to be carried forward	**1,198**	**1,505**

1 This represents the amount of dividends payable based on the total number of outstanding shares (excluding treasury shares) of 170,448,401 as of December 31, 2011.

Report of the Statutory Auditor on the Financial Statements to the General Meeting of Adecco S.A., Chéserex

As statutory auditor, we have audited the accompanying financial statements of Adecco S.A., which comprise the balance sheet, statement of operations and notes, for the year ended 31 December 2011.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 December 2011 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Robin Errico
Licensed audit expert
(Auditor in charge)

Thomas Stenz
Licensed audit expert

Zurich, Switzerland
13 March 2012

Major consolidated subsidiaries

Name of legal entity	Country	Registered seat of legal entity	Ownership	Type[1]	Currency of share capital	Share capital in thousands
Adecco Argentina S.A.	Argentina	Buenos Aires	100%	O	ARS	44,526
Adecco Industrial Pty Ltd	Australia	Melbourne	100%	O	AUD	5
Adecco Coordination Center NV	Belgium	Brussels	100%	F	EUR	1,332,468
Adecco Personnel Services NV	Belgium	Brussels	100%	O	EUR	16,651
Adecco Financial Services (Bermuda) Ltd	Bermuda	Hamilton	100%	F	USD	12
Secad Ltd	Bermuda	Hamilton	100%	H	CHF	44
Adecco Employment Services Limited	Canada	Toronto, Ontario	100%	H/O	CAD	90,615
Modis Canada Inc.	Canada	Toronto, Ontario	100%	O	CAD	18,684
Adecco Holding France SASU	France	Villeurbanne	100%	H	EUR	601,200
Adecco France SASU	France	Villeurbanne	100%	O	EUR	85,317
Adia SASU	France	Villeurbanne	100%	O	EUR	83,293
Adecco Medical SASU	France	Villeurbanne	100%	O	EUR	230
Altedia SAS	France	Paris	100%	O	EUR	3,118
Adecco Beteiligungs GmbH	Germany	Düsseldorf	100%	H	EUR	25
Adecco Personaldienstleitungen GmbH	Germany	Düsseldorf	100%	O	EUR	31
DIS Deutscher Industrie Service AG	Germany	Düsseldorf	100%	O	EUR	12,300
TUJA Zeitarbeit GmbH	Germany	Ingolstadt	100%	O	EUR	40
euro engineering AG	Germany	Ulm	100%	O	EUR	540
Adecco India Private Limited	India	Bangalore	100%	O	INR	20,903
Adecco Italia SpA	Italy	Milan	100%	O	EUR	2,976
Adecco Ltd	Japan	Tokyo	100%	O	JPY	5,562,863
Ecco Servicios de Personal SA de CV	Mexico	Mexico City	100%	H/O	MXN	101,854
Adecco International Financial Services BV	Netherlands	Utrecht	100%	F	EUR	2,500
Adecco Holding Europe BV	Netherlands	Utrecht	100%	H	EUR	18,807
Adecco Personeelsdiensten BV	Netherlands	Utrecht	100%	O	EUR	227
Adecco Detachering BV	Netherlands	Utrecht	100%	O	EUR	18
Adecco Norge AS	Norway	Oslo	100%	O	NOK	51,000
Adecco TT SA Empresa de Trabajo Temporal	Spain	Madrid	100%	O	EUR	1,759
Eurocén Europea de Contratas S.A.	Spain	Madrid	100%	O	EUR	661
Adecco Sweden AB	Sweden	Stockholm	100%	O	SEK	3,038
Adecco S.A.	Switzerland	Chéserex		H	CHF	189,264
Adecco management & consulting S.A.	Switzerland	Lausanne	100%	S	CHF	500
Adecco Invest S.A.	Switzerland	Lucerne	100%	H	CHF	100
Adecco Ressources Humaines S.A.	Switzerland	Lausanne	100%	O	CHF	7,000
Spring Group Plc	United Kingdom	London	100%	O	GBP	<1
Adecco UK Ltd	United Kingdom	Borehamwood	100%	O	GBP	99,600
Ajilon (UK) Ltd	United Kingdom	Borehamwood	100%	O	GBP	10
Office Angels Ltd	United Kingdom	Borehamwood	100%	O	GBP	2,657
Olsten (U.K.) Holdings Ltd	United Kingdom	London	100%	H	GBP	4,213
Modis Europe Limited	United Kingdom	London	100%	H	GBP	206
Badenoch and Clark Limited	United Kingdom	London	100%	O	GBP	3,878
Hy-phen.com Ltd	United Kingdom	London	100%	O	GBP	2,574
Adecco, Inc	United States	Wilmington, DE	100%	H	USD	<1
Adecco USA, Inc	United States	Wilmington, DE	100%	O	USD	<1
Entegee, Inc	United States	Burlington, MA	100%	O	USD	<1
Accounting Principals, Inc	United States	Jacksonville, FL	100%	O	USD	<1
Lee Hecht Harrison LLC	United States	Wilmington, DE	100%	O	USD	n/a[2]
Modis, Inc	United States	Jacksonville, FL	100%	O	USD	<1
MPS Group, Inc	United States	Jacksonville, FL	100%	O	USD	<1
Drake Beam Morin, Inc	United States	Wilmington, DE	100%	O	USD	<1

1 H – Holding; O – Operating; S – Services; F – Financial.

2 Subsidiary is registered as a Limited Liability Company ("LLC"). No shares have been issued as LLCs have membership interests rather than shares.

Corporate Governance

Applicable Corporate Governance standards

This Corporate Governance disclosure reflects the requirements of the Directive on Information Relating to Corporate Governance, issued by the SIX Swiss Exchange as amended on October 29, 2008. The principles and the more detailed rules of Adecco S.A.'s Corporate Governance are defined in Adecco S.A.'s Articles of Incorporation, its Internal Policies and Organisational Rules, and in the Charters of the Committees of the Board of Directors. Adecco S.A.'s principles take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as amended on September 6, 2007.

Statements throughout this Corporate Governance disclosure using the term "the Company" refer to the Adecco Group, which comprises Adecco S.A., a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which Adecco is considered the primary beneficiary.

Corporate Governance information is presented as of December 31, unless indicated otherwise, as the statutory fiscal year of Adecco S.A. is the calendar year.

The Corporate Governance information included in this report is presented in Euro, except for information on shares, share capital, and dividends, which is provided in Swiss Francs. Income, expenses, and cash flows are translated using average exchange rates for the period, or at transaction exchange rates, and assets and liabilities are translated using the year end exchange rates.

Structure, shareholders, and capital

1. Structure and shareholders

1.1 Legal and management structure

Adecco S.A. is a stock corporation (société anonyme) organised under the laws of Switzerland with its registered office at Chéserex, Switzerland. The Company's principal corporate office is the office of its management company, Adecco management & consulting S.A., at Sägereistrasse 10, Glattbrugg, Switzerland.

Adecco S.A. is listed on the SIX Swiss Exchange (symbol ADEN, security number 1213860; ISIN CH0012138605). As of December 31, 2011, the market capitalisation of Adecco S.A., based on the number of shares issued, including treasury shares, and the closing price of shares on the SIX Swiss Exchange amounted to approximately CHF 7.4 billion. On March 1, 2012, this market capitalisation amounted to approximately CHF 9.3 billion.

The Company is the world's leading provider of human resource solutions including temporary staffing, permanent placement, outsourcing, career transition (outplacement), and other services.

Since January 1, 2011, the Company is organised in a geographical structure plus the global business Lee Hecht Harrison ("LHH"). This structure is complemented by business lines. The geographies consist of France, North America, UK & Ireland, Japan, Germany & Austria, Benelux, Italy, Nordics, Iberia, Australia & New Zealand, Switzerland, and Emerging Markets. The business lines consist of Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, and Solutions. The classification of a specific branch into a business line is determined by the business line generating the largest revenue share in that specific branch.

The Company provides services to businesses and organisations located throughout Europe, North America, Asia Pacific, South America, and Africa.

As of January 1, 2012, the Company's Executive Committee was composed as follows:
- Patrick De Maeseneire, Chief Executive Officer;
- Dominik de Daniel, Chief Financial Officer and Head of Global Solutions;
- Alain Dehaze, Regional Head of France;
- Theron I (Tig) Gilliam Jr., Regional Head of North America;
- Peter Searle, Regional Head of UK & Ireland;
- Andreas Dinges, Regional Head of Germany & Austria;
- Mark Du Ree, Regional Head of Japan & Asia;
- Martín Alonso, Regional Head of Northern Europe;
- Federico Vione, Regional Head of Italy, Eastern Europe & India;
- Enrique Sanchez, Regional Head of Iberia & South America;
- Sergio Picarelli, Chief Sales Officer;
- Christian Vasino, Chief Human Resources Officer.

The Company comprises numerous legal entities around the world. The major consolidated subsidiaries are listed on page 126 of this Annual Report. No subsidiary has shares listed on a stock exchange; however, a wholly owned subsidiary which is not consolidated has issued mandatory convertible bonds, as further described in section 2.7 "Convertible notes and options".

1.2 Significant shareholders

As of December 31, 2011, the total number of shareholders directly registered with Adecco S.A. was 18,716. The major shareholders and their shareholdings were disclosed to the Company as listed in the following table. The table lists the significant shareholders highlighted in bold letters and their latest disclosures regarding their percentage of voting rights.

Please note that percentages of shareholdings refer to the date of disclosure unless indicated otherwise and may have changed in the meantime.

For further details pertaining to the below listed disclosures refer to Internet: http://www.six-swiss-exchange.com/shares/companies/major_shareholders_de.html?fromDate=19980101&issuer=1432 and http://www.adecco.com/InvestorRelations/CorporateGovernance/Pages/DisclosureOfShareholding.aspx or http://ir.adecco.com.

Investor	Date of Adecco publication	Percentage of voting rights as disclosed
Adecco S.A.	**20.11.2009**	**8.86% purchase positions of which 8.02% equity, 14.75% sale positions [1]**
Akila Finance S.A.	**09.12.2005**	**5.44% equity [2]**
Artisan	**11.03.2011**	**4.96% equity [2]**
	07.03.2011	5.01% equity
	23.02.2011	4.99% equity
	23.02.2011	5.01% equity
Group BlackRock Inc.	**19.05.2011**	**Falling below threshold of 3%**
Franklin Resources Inc.	**10.02.2011**	**4.97% equity [2]**
	27.01.2011	5.37% equity
Harris Associates L.P.	**13.05.2011**	**5.10% equity [2]**
Jacobs Group	**30.08.2011**	**18.97% purchase positions of which 18.74% equity [2]**
	29.04.2011	18.33% equity
Och Ziff Group	**20.12.2010**	**3.04% purchase positions**
Sonata Securities S.A.	**13.01.2011**	**Falling below threshold of 3%**

1 For information on treasury shares held by Adecco S.A. as of December 31, 2011, refer to Note 3 to Adecco S.A. (Holding Company) financial statements.

2 For the shareholding in 2011 refer to Note 5 to Adecco S.A. (Holding Company) financial statements.

As of December 31, 2011, Adecco S.A. is not aware of any person or legal entity, other than those stated above, that directly or indirectly owned 3% or more of voting rights in Adecco S.A., as defined by the Swiss disclosure requirements. Adecco S.A. is not aware of shareholders' agreements, other than those described in the above mentioned disclosures, between its shareholders pertaining to Adecco S.A. shares held.

According to Art. 20 of the Swiss Stock Exchange Act, any investor who directly, indirectly, or together with another person acquires, holds or disposes of voting rights in Adecco S.A., for his own account, and thereby attains, falls below, or exceeds the thresholds of 3, 5, 10, 15, 20, 25, 33⅓, 50 or 66⅔% of the voting rights, whether or not such rights may be exercised, must notify Adecco S.A. and the Disclosure Office of the SIX Swiss Exchange. Such notification must be made no later than four trading days after the obligation to disclose arises.

1.3 Cross-shareholdings

As of December 31, 2011, there were no cross-shareholdings exceeding 5% of a party's share capital.

2. Capital structure

2.1 Share capital

As of December 31, 2011, Adecco S.A.'s share capital registered with the Commercial Register amounted to CHF 189,263,506 divided into 189,263,506 fully paid up registered shares with a nominal value of CHF 1 each.

2.2 Authorised and conditional capital

Adecco S.A. has no authorised capital in the sense of the Swiss Code of Obligations.

The conditional capital of CHF 4,166,804 divided into 4,166,804 registered shares with a nominal value of CHF 1 each is reserved for further exercise of option rights granted to employees and members of the Board of Directors of Adecco S.A. or of its affiliated companies. The subscription rights of shareholders as well as the preferential option subscription rights of the shareholders are excluded. The exercise conditions depend on the respective underlying stock option plan; the share capital will only be increased if and when the holder of the option exercises such stock option, unless treasury shares are used.

The conditional capital of CHF 15,400,000 divided into 15,400,000 registered shares with a nominal value of CHF 1 each is reserved for the exercise of option or conversion rights granted in relation to financial instruments such as bonds or similar debt instruments of Adecco S.A. or its affiliates. The subscription rights of the shareholders regarding the subscription of the shares are excluded. The shareholders' preferential bond subscription rights in the issue of the bonds or similar debt instruments may be limited or excluded by the Board of Directors. The conditional capital is available for share issuance upon conversion of financial instruments issued or to be issued in the future (refer to section 2.7 "Convertible notes and options").

For details on the terms and conditions of the issuance/creation of shares under conditional capital, refer to Art. 3^{ter} and 3^{quater} of the Articles of Incorporation (Internet: www.aoi.adecco.com).

2.3 Changes in capital

Adecco S.A.'s capital structure as of the dates indicated below was as follows:

	Issued shares		Conditional capital		Reserves [1]	Retained earnings
in CHF millions, except shares	Shares	Amount	Shares	Amount	Amount	Amount
January 1, 2009	**189,263,506**	**189.3**	**19,566,804**	**19.6**	**3,011**	**3,534**
Changes					4	306
December 31, 2009	**189,263,506**	**189.3**	**19,566,804**	**19.6**	**3,015**	**3,840**
Changes					(38)	(27)
December 31, 2010	**189,263,506**	**189.3**	**19,566,804**	**19.6**	**2,977**	**3,813**
Changes					27	(360)
December 31, 2011	**189,263,506**	**189.3**	**19,566,804**	**19.6**	**3,004**	**3,453**

1 Reserves include both the general reserves and the reserve for treasury shares.

Details of Adecco S.A. general reserves and retained earnings are included in Note 4 to Adecco S.A. (Holding Company) financial statements.

2.4 Shares and participation certificates

Adecco S.A. shares have a par value of CHF 1 each. All shares are fully paid registered shares and bear the same dividend and voting rights. Pursuant to Art. 7 of the Articles of Incorporation (Internet: www.aoi.adecco.com), the right to vote and all other rights associated with a registered share may only be exercised by a shareholder, usufructuary, or nominee who is registered in the share register as the shareholder, usufructuary, or nominee with right to vote.

As of December 31, 2011, there were no outstanding participation certificates.

2.5 Bonus certificates

Adecco S.A. has not issued bonus certificates ("Genussscheine").

2.6 Limitations on registration, nominee registration, and transferability

Each Adecco S.A. share represents one vote.

Acquirers of registered shares are recorded in the share register as shareholders with the right to vote upon request, provided that they declare explicitly to have acquired the registered shares in their own name and for their own account (Art. 4 sec. 2 of the Articles of Incorporation; Internet: www.aoi.adecco.com). Upon such declaration, any person or entity will be registered with the right to vote.

The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 5% of the registered share capital as set forth in the Commercial Register. Registered shares held by a nominee that exceed this limit may be registered in the share register if the nominee discloses the names, addresses, and the number of shares of the persons for whose account it holds 0.5% or more of the registered share capital as set forth in the Commercial Register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account or with whom the Board of Directors has entered into a corresponding agreement (refer to Art. 4 sec. 3 of the Articles of Incorporation; Internet: www.aoi.adecco.com). The Board of Directors may grant exemptions to this registration restriction (refer to Art. 4 sec. 6 of the Articles of Incorporation; Internet: www.aoi.adecco.com). In 2011, there were no such exemptions granted.

Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management, or otherwise linked as well as individuals or corporate bodies and partnerships who act together to circumvent the regulations concerning the nominees (especially as syndicates), are treated as one nominee respectively as one person within the meaning of this article (refer to Art. 4 sec. 4 of the Articles of Incorporation; Internet: www.aoi.adecco.com).

For further information regarding the procedure and conditions for cancelling statutory privileges and limitations on transferability of shares, refer to the Articles of Incorporation; Internet: www.aoi.adecco.com.

2.7 Convertible notes and options

Information provided in this section is in millions, except share and per share information.

On November 26, 2009, Adecco Investment (Bermuda) Ltd. ("Adecco Investment"), a wholly owned subsidiary of the Company which is not consolidated, issued CHF 900 Senior Secured Limited Recourse Mandatory Convertible Bonds ("MCB") due on November 26, 2012. The bonds will convert at maturity into shares of Adecco S.A., or at the option of the holders or Adecco Investment, the bonds may be converted into shares of Adecco S.A. at any time 41 days after November 26, 2009 until the 30th dealing day prior to the maturity date. The number of shares to be delivered at maturity will be calculated based on the closing price of the shares of Adecco S.A. As of December 31, 2011, the minimum conversion price is CHF 48.95 per share (CHF 50.50 per share at issuance of the MCB) and the maximum conversion price is CHF 58.74 per share (CHF 60.60 per share at issuance of the MCB). The conversion prices will be adjusted for further dividend payments on the shares of Adecco S.A. during the lifetime of the MCB. As of December 31, 2011, the maximum number of shares to be delivered is 18,386,108 (17,821,782 shares at issuance of the MCB) and the minimum number of shares to be delivered is 15,321,757 (14,851,485 shares at issuance of the MCB). If the holders or Adecco Investment exercise their conversion option prior to maturity, the conversion will occur at the maximum or the minimum conversion price, respectively. The bonds have an annual coupon of 6.5%, which can be deferred in case no dividend payment is made on the shares of Adecco S.A.

Adecco Investment entered into a prepaid forward contract ("prepaid forward") with the Company, where it originally acquired 17,821,782 shares of the Company for EUR 587 (CHF 887), net of costs. The strike price of the prepaid forward is adjusted for dividend payments on the shares of Adecco S.A. and the number of shares deliverable under the prepaid forward amounts to 18,386,108 as of December 31, 2011. Adecco Investment will receive the shares of Adecco S.A. from the Company with the settlement of the prepaid forward. The shares can be delivered out of treasury shares or conditional capital at the discretion of the Company. Adecco Investment financed the coupon payments with EUR 108 (CHF 164) from the sale of a call spread option ("call spread option") to Adecco Financial Services (Bermuda) Ltd., a wholly owned consolidated subsidiary of the Company. The call spread option gives the Company the right to benefit from appreciation of the shares underlying the prepaid forward between floor and cap defined in the agreement. The call spread option is settled in shares, reducing the net number of shares the Company has to deliver in combination with the prepaid forward. In addition, in 2009 the Company made a payment of EUR 8 (CHF 12) to Adecco Investment, which was treated as a deemed capital contribution. The number of shares underlying the prepaid forward, the call spread option, and the MCB are subject to anti-dilution provisions. The bondholders only have recourse against the prepaid forward. Subsequently, Adecco Investment granted a loan of EUR 116 (CHF 176) to the Company, of which EUR 69 (CHF 89) have been repaid by December 31, 2011.

The Company issued in the past stock option plans whereby employees and members of the Board of Directors received options to purchase shares. No stock options under these plans were granted after 2004. The purpose of the plans was to furnish incentives to selected employees and members of the Board of Directors, to encourage employees to continue employment with the Company, and to align the interests of selected employees and directors with those of the shareholders. Upon exercise of stock options, Adecco S.A. may deliver either shares from its conditional capital, of which up to 4,166,804 shares are reserved for this purpose, or from its treasury shares. The Nomination & Compensation Committee was responsible for making proposals, based upon the recommendations of the Executive Committee, to the Board of Directors regarding the individuals to whom options were granted, the size of the option grant for each optionee, the conditions, the exercise price, and the grant date. The Board of Directors had to approve all the option grants as well as the conditions thereof. The exercise price for one share was generally fixed at or above the fair market value at the date of grant. Depending on the conditions of the plans, options vested with certain waiting periods of up to five years, and are subsequently exercisable over a number of years. All options may be exercised at any time within the exercise period except for limitations set forth in the Company Insider Trading Statement of Policy and by regulatory authorities. The Board of Directors may modify, amend, suspend, or discontinue the plans.

Summary of the status of the stock options held based on above-mentioned plans as of December 31, 2011:

	Number of shares	Weighted-average exercise price per share (in CHF)	Weighted-average remaining life (in years)	Aggregate intrinsic value (in CHF millions)
Summary of stock option plans				
Options outstanding and vested as of January 1, 2011	**439,559**	**76**	**1.1**	
Exercised	(172)	60		
Forfeited	(6,278)	73		
Expired	(329,969)	76		
Options outstanding and vested as of December 31, 2011	**103,140**	**78**	**1.0**	

The aggregate intrinsic value as of December 31, 2011 of the outstanding stock options in the table above is zero.

For further details, refer to Note 9 to the consolidated financial statements.

For information pertaining to the share awards granted under the long-term incentive plans ("LTIP"), refer to Note 7 to Adecco S.A. (Holding Company) financial statements and the Remuneration Report.

Board of Directors as of January 1, 2012

Rolf Dörig

- *Chairman*

Andreas Jacobs

- *Vice-Chairman*
- *Chairman of the Nomination & Compensation Committee*
- *Member of the Audit Committee*

Board of Directors, Executive Committee, and compensation

3. Board of Directors

As of December 31, 2011, the Board of Directors of Adecco S.A. consisted of eight members.

3.1 Biographies of members of the Board of Directors

The following sets forth the name, year of birth, entry date, terms of office, nationality, professional education, and principal positions of those individuals who served as members of the Board of Directors as of December 31, 2011:

Rolf Dörig

- Swiss national, born 1957. Rolf Dörig has been Chairman since January 2009 and a member of the Board of Directors since May 2007. He was a member of the Nomination & Compensation Committee from May 2007 until the end of 2008 and of the Corporate Governance Committee until May 2008. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- Rolf Dörig obtained a doctorate degree in law (Dr. iur.) from the University of Zurich, Switzerland, and was subsequently admitted to the Bar.
- After joining Credit Suisse in 1986, he held a number of executive positions in various areas of banking and different geographical markets. As a member of the Group Executive Board, he was assigned responsibility for Swiss corporate and retail banking from 2000 onwards. In 2002, he held the position of Chairman, Switzerland. Rolf Dörig was Chief Executive Officer of the Swiss Life Group from November 2002 until May 2008, when he was elected to the Board of Directors.
- Rolf Dörig is Chairman of the Board of Directors of Swiss Life Holding AG[1], Vice-Chairman of the Board of Directors of Kaba Holding AG[1], Chairman of the Board of Directors of Danzer AG, member of the Board of Directors of Walter Frey Holding AG, all in Switzerland. Furthermore, Rolf Dörig is a member of the Board Committee of economiesuisse, Switzerland.

Andreas Jacobs

- German national, born 1963. Andreas Jacobs has served as Vice-Chairman of the Board of Directors since January 1, 2012, as a member of the Board of Directors since May 2006, as Chairman of the Nomination & Compensation Committee since May 2008, and as a member of the Audit Committee since April 2011. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- After studying law at the universities of Freiburg and Munich (Germany) and Montpellier (France), Andreas Jacobs obtained a doctorate degree (Dr. iur.) in European competition law from the University of Freiburg, Germany. He also holds an MBA from INSEAD in Fontainebleau, France.
- Andreas Jacobs has been an independent entrepreneur since 1992, with a stake in several European and North American companies. From 1991 to 1993, he worked as a consultant and project manager at Boston Consulting Group in Munich, Germany.

Wanda Rapaczynski

- *Chairwoman of the Corporate Governance Committee*
- *Member of the Nomination & Compensation Committee*

Thomas O'Neill

- *Member of the Corporate Governance Committee*
- *Member of the Nomination & Compensation Committee*

- Andreas Jacobs is Executive Chairman of Jacobs Holding AG, Chairman of Barry Callebaut AG[1], Minibar AG, Jacobs Venture AG, Triventura AG, and of Niantic Finance AG, all in Switzerland. He is Chairman of Maine Chance Farms Pty Ltd., South Africa. Furthermore, he is a member of the Board of Directors of various smaller private companies.

Wanda Rapaczynski

- United States national, born 1947. Wanda Rapaczynski has been a member of the Board of Directors since May 2008. She has been serving as Chairwoman of the Corporate Governance Committee since April 2011 (member since May 2008) and as a member of the Nomination & Compensation Committee since April 2011. Her one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- Wanda Rapaczynski holds a Master's degree in management from Yale University, USA and a PhD in psychology from the City University of New York, USA. Wanda Rapaczynski was a postdoctoral fellow at the Educational Testing Service at Princeton University, USA. Between 1980 and 1982, she held the position of Project Director at the Family Television Research and Consultation Center at Yale University, USA. She held leading positions at Citibank and was co-founder and Chief Executive Officer of the Polish media group Agora S.A.[1], Poland, where she currently serves on the Supervisory Board and as head of the Compensation Committee.
- Wanda Rapaczynski is a member of the Board of Trustees and head of the Audit Committee of the Central European University in Budapest, Hungary. She is a member of the International Advisory Board of The Brookings Institution, Washington, D.C., USA. She is a member of the Polish group in the Trilateral Commission.

Thomas O'Neill

- Canadian national, born 1945. Thomas O'Neill has served as Vice-Chairman of the Board of Directors from January 2009 to December 2011, as a member of the Board of Directors since June 2004, as a member of the Corporate Governance Committee from May 2006 to May 2010 and from January 2012 onwards, as a member of the Audit Committee from June 2004 to April 2011, and as a member of the Nomination & Compensation Committee since April 2011. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- Thomas O'Neill graduated with a Bachelor of Commerce degree from Queen's University in Kingston, Ontario, Canada. He obtained his designation as FCA in 1988. In 2005, he was granted an honorary doctorate degree in law (LL.D.) by Queen's University, Kingston, Canada.
- Thomas O'Neill joined the audit staff of Price Waterhouse in Toronto in 1967, and became a partner in 1978. Until his departure in 2002, he held various leadership positions in both the Canadian firm (Toronto) and in the global firm (New York), including the position of CEO and Chairman of PwC Consulting (global). Thomas O'Neill was a member of the Board of Dofasco Inc., Canada, from May 2003 to February 2006, and of the Ontario Teachers' Pension Plan from January 2003 until April 2007. Thomas O'Neill was Vice-Chairman of Queen's University, Kingston, Ontario, (Canada) from 2004 to 2006, and a member of the International

1 Listed company.

Alexander Gut

- *Chairman of the Audit Committee*
- *Member of the Corporate Governance Committee*

David Prince

- *Member of the Audit Committee*

Monetary Fund's External Audit Committee (from January 2008 until November 2010).

- Thomas O'Neill is Chairman of the Board of BCE Inc.[1] and is a member of the Board of Loblaw Companies Ltd[1], Nexen Inc.[1] and Bank of Nova Scotia (Scotiabank)[1], all in Canada.
- Furthermore, he is Vice-Chairman of the Board of Trustees of St. Michael's Hospital, Canada.

Alexander Gut

- British and Swiss national, born 1963. Alexander Gut has been a member of the Board of Directors since May 2010, since then he has been serving on the Audit Committee and on the Corporate Governance Committee. Since April 2011 he has served as Chairman of the Audit Committee. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- Alexander Gut holds a doctorate degree in business administration (Dr. oec. publ.) from the University of Zurich, Switzerland and is a Swiss Certified Accountant.
- From 1991 to 2001 he was with KPMG in Zurich and London and from 2001 to 2003 with Ernst & Young in Zurich, where he became a partner in 2002. From 2003 to 2007 he was a partner with KPMG in Zurich, where he became a member of the Executive Committee of KPMG Switzerland in 2005.
- Alexander Gut is the founder and managing partner of Gut Corporate Finance AG. Furthermore, he is a member of the Board of Directors of Holcim AG[1], Switzerland.

David Prince

- British national, born 1951. David Prince has been a member of the Board of Directors since June 2004. He has been serving on the Audit Committee from June 2004 to April 2006 and from May 2008 onwards, and on the Corporate Governance Committee from June 2004 to May 2006. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- David Prince is an associate member of the Chartered Institute of Management Accountants (CIMA) and the Chartered Institute of Purchasing and Supply (CIPS).
- He started his career in the oil and gas industry as part of a management trainee scheme at British Gas, later attending business school in the UK. Following accountancy roles at Philips Industries and TRW, he joined Cable & Wireless, holding accountancy, general management, and group marketing positions in the UK and in Hong Kong. From 1994 to 2000, he worked for Hong Kong Telecom plc (HKT) as Group Finance Director, followed by an appointment as Deputy CEO. In 2000, David Prince became Group CFO of PCCW plc, Hong Kong. From 2002 to 2004, he worked for Cable & Wireless as Group Finance Director. Since 2004 he has acted as investment advisor to companies based in Asia, China, and Australia.
- David Prince is a member of the Board of Directors and Chairman of the Audit Committee of ARK Therapeutics[1], UK, and is a member of the Board of Directors of SmarTone Telecommunications Holdings Ltd[1], Hong Kong.

Jakob Baer

- *Member of the Corporate Governance Committee*

Didier Lamouche

- *Member of the Corporate Governance Committee*

Jakob Baer

- Swiss national, born 1944. Jakob Baer has served as a member of the Board of Directors and a member of the Corporate Governance Committee since October 2004 and served as Chairman of the Audit Committee from October 2004 to April 2011. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- Jakob Baer obtained a doctorate degree in law (Dr. iur.) from the University of Berne, Switzerland, and was subsequently admitted to the Bar.
- He was a member of the executive team of KPMG Switzerland from 1992 until 1994. From 1994 to 2004, he held the position of Chief Executive of KPMG Switzerland, and was a member of KPMG's European and International Leadership Board.
- Jakob Baer is a member of the Board of Directors of Allreal Holding AG [1], Barry Callebaut AG [1], Rieter Holding AG [1], Stäubli Holding AG, Swiss Re [1] and of a smaller private company, all in Switzerland.

Didier Lamouche

- French national, born 1959. Didier Lamouche has been a member of the Board of Directors and a member of the Corporate Governance Committee since April 2011. His one-year term of office ends on the day of the General Meeting of Shareholders in 2012.
- Didier Lamouche obtained a PhD in semiconductor technology from Ecole Centrale de Lyon, France. He was CEO of Altis Semiconductor, a joint venture between IBM and Infineon. From 2003 to 2005, he held the position of Vice President of Worldwide Semiconductor Operations at IBM Microelectronics. From 2005 to 2010, Didier Lamouche was Chairman and Chief Executive Officer at Bull, a French IT group with a worldwide presence. Since January 2011, he has been Chief Operating Officer and Vice-Chairman of the Corporate Strategic Committee of STMicroelectronics [1], Switzerland. Furthermore, since December 2011, he has been President of the Executive Board and CEO of ST-Ericsson S.A., Switzerland.
- Didier Lamouche was a member of the Board of Directors of STMicroelectronics from 2006 to 2010. Didier Lamouche was a non-executive Director of the boards of various listed (Atari [1], France) and non-listed companies (CAMECA, France), and is a member of the Board of Directors of Soitec S.A. [1], France.

1 Listed company.

3.2 Other activities and vested interests of the Board of Directors

Except those described in section 3.1 "Biographies of members of the Board of Directors", no permanent management/consultancy functions for significant domestic or foreign interest groups and no significant official functions or political posts are held by the members of the Board of Directors of Adecco S.A. The Board of Directors assesses the independence of its members.

As of December 31, 2011, all members of the Board of Directors were non-executive. The members of the Board of Directors do not have important business connections with Adecco S.A. or with any of its subsidiaries or affiliates.

The Company provides services in the normal course of business at arm's length terms to entities that are affiliated with certain of its officers, members of the Board of Directors, and significant shareholders through investment or Board directorship.

3.3 Cross-involvement

Section 3.3 of the Directive on Information Relating to Corporate Governance of SIX Swiss Exchange has been deleted from the Directive without replacement.

3.4 Elections and terms of office

Pursuant to the Articles of Incorporation, the Board of Directors consists of five to nine members (Art. 20 sec. 1 of the Articles of Incorporation; Internet: www.aoi.adecco.com). Members of the Board of Directors are elected for a term of office of one year, until the date of the next Annual General Meeting of Shareholders, and may be re-elected for successive terms (Art. 20 sec. 2 and 3 of the Articles of Incorporation; Internet: www.aoi.adecco.com). Adecco S.A.'s Articles of Incorporation do not limit the number of terms a member may be re-elected to the Board of Directors. Candidates to be elected or re-elected to the Board of Directors are proposed by the Board of Directors to the General Meeting of Shareholders.

3.5 Internal organisation structure

The Board of Directors holds the ultimate decision-making authority of Adecco S.A. for all matters except those reserved by law or the Articles of Incorporation to the shareholders. It determines the overall strategy of the Company and supervises the management of the Company. The Board of Directors operates under the direction of the Chairman and the Vice-Chairman who are appointed by the Board of Directors. As of December 31, 2011, the Board of Directors is composed of eight non-executive members. The agenda of the Board of Directors' meetings is set by the Chairman. Any member of the Board of Directors may request that an item be included on the agenda. Members of the Board of Directors are provided, in advance of meetings, with adequate materials to prepare for the items on the agenda. The Board of Directors recognises the importance of being fully informed on material matters involving the Company and seeks to ensure that it has sufficient information to make appropriate decisions through, at the decision of the Chairman, inviting members of management or other individuals to report on their areas of responsibility, conducting regular meetings of the respective committees (the Audit Committee, the Corporate Governance Committee, and the Nomination & Compensation Committee) with management, and retaining outside consultants and external auditors where appropriate, as well as through regular distribution of important information to its members. Decisions are taken by the Board of Directors as a whole, with the support of its three committees. The Chairman has no casting vote. If a member of the Board of Directors has a personal interest in a matter, other than an interest in his/her capacity as a shareholder of Adecco S.A., such member shall abstain from voting, where adequate. Amongst others, the Board of Directors has established Statements of Policy on Insider Trading as well as on Conflicts of Interest. The compliance with all Statements of Policy is closely monitored.

Each committee has a written charter outlining its duties and responsibilities, and regularly meets with management and, where appropriate, outside consultants. Committee members are provided, in advance of meetings, with adequate materials to prepare for the items on their agenda.

In 2011, the Board of Directors held twelve meetings and phone conferences.

Attendance at meetings and phone conferences during 2011:

	Full Board of Directors	Audit Committee	Corporate Governance Committee	Nomination & Compensation Committee
Number of meetings in person	5	4	4	4
Number of phone conferences	7	5		1
Average duration:				
• Meetings in person	4 hrs	3 hrs	3/4 hr	1 1/2 hrs
• Phone conferences	1/2 hr	1 hr		3/4 hr
Rolf Dörig	12	3 [1]		1 [1]
Andreas Jacobs	11	3		5
Wanda Rapaczynski	11		4	3
Thomas O'Neill	12	3	1 [1]	2
Alexander Gut	12	9	4	
David Prince	12	9		
Jakob Baer	11	4	4	
Didier Lamouche [2]	6		1	
Francis Mer [3]	2		2	3
Judith A. Sprieser [3]				

1 Guest, without voting right.

2 Member of the Board of Directors since April 19, 2011.

3 Member of the Board of Directors until April 19, 2011.

The Board of Directors has discussed and assessed its own and its members' performance. The Board of Directors concluded that the Board performed well and has the necessary resources and capacities available.

3.5.1 Audit Committee ("AC")

The AC's primary responsibility is to assist the Board of Directors in carrying out its responsibilities as they relate to the Company's accounting policies, internal controls, and financial reporting practice, thus overseeing management regarding the:

- Integrity of the Company's financial statements and other financial reporting and disclosure to any governmental or regulatory body and to the public and other users thereof;
- Adequacy and effectiveness of the systems of the Internal Controls Over Financial Reporting ("ICOFR") and of the disclosure controls;
- Performance of the Company's internal audit function;
- Qualifications, engagement, compensation, independence, and performance of the Company's independent auditors, their conduct of the annual audit and interim reviews, and their engagement for any other services (refer to section 8. "Auditors"); and
- The Company's compliance with legal and regulatory requirements relating to accounting, auditing, financial reporting, and disclosure, or other financial matters.

In 2011, the AC held nine meetings and phone conferences. For specific subjects, the CEO represents the Executive Committee in the meetings. The Chief Financial Officer ("CFO"), the Head of Group Accounting, the Head of Group Internal Audit, and the partners of the external auditors typically participate in the meetings.

As of December 31, 2011, the members of the AC were:

Name	Position
Alexander Gut	Chairman of the AC
Andreas Jacobs	Member
David Prince	Member

3.5.2 Corporate Governance Committee ("CGC")

The CGC's primary responsibility is to assist the Board of Directors in carrying out its responsibilities as they relate to Corporate Governance principles. The CGC is charged with developing and recommending appropriate Corporate Governance principles and independence rules to the Company, including principles and measures on Corporate Responsibility as well as reviewing and reassessing such principles and rules to ensure that they remain relevant and in line with legal and stock exchange requirements. Recommendations as to best practice are also reviewed to ensure compliance.

In 2011, the CGC held four meetings. For specific subjects, the CEO represents the Executive Committee in the meetings. The Chief Human Resources Officer and the Head of Group Compliance Reporting typically participate in the meetings.

As of December 31, 2011, the members of the CGC were:

Name	Position
Wanda Rapaczynski	Chairwoman of the CGC
Jakob Baer	Member
Alexander Gut	Member
Didier Lamouche	Member

3.5.3 Nomination & Compensation Committee ("NCC")

The NCC's primary responsibility is to assist the Board of Directors in carrying out its responsibilities as they relate to the Company's nomination and compensation matters. The NCC is mainly responsible for the following functions:

- Providing recommendations to the Board of Directors regarding the general compensation policy of the Company, including incentive compensation plans and equity-based plans;
- Providing recommendations to the Board of Directors regarding the selection of candidates for the Executive Committee, the terms of their employment, and the evaluation of their performance;
- Reviewing and approving the objectives relevant to the compensation of the Executive Committee and a further group of senior managers;
- Assuring talent management including retention and succession planning; and
- Establishing criteria for the selection of candidates and recommending candidates for election or re-election to the Board of Directors, including candidates for Committees of the Board of Directors, and including recommendations on compensation of the members of the Board of Directors.

In 2011, the NCC held five meetings. For specific subjects, the CEO represents the Executive Committee in the meetings. The Chief Human Resources Officer typically participates in the meetings. Members of the management do not participate in NCC meetings when their individual compensation matters are discussed.

As of December 31, 2011, the members of the NCC were:

Name	Position
Andreas Jacobs	Chairman of the NCC
Thomas O'Neill	Member
Wanda Rapaczynski	Member

3.6 Responsibilities of the Board of Directors and the CEO

In addition to the determination of the overall strategy of the Company and the supervision of management, the Board of Directors addresses key matters such as acquisitions, long-term financial commitments, management structure, risk management, budget approval, compensation policy, corporate identity policy, guidelines, and policy statements. The Board of Directors approves the strategy and objectives of the Company and the overall structure of Adecco developed by the CEO together with the Executive Committee. With the support of the AC, it reviews and approves the statutory financial statements of Adecco S.A. and the consolidated accounts of the Company. The Board of Directors also considers other matters of strategic importance to the Company. Subject to the powers reserved to the Board of Directors, the Board of Directors has delegated the coordination of the day-to-day business operations of the Company to the CEO. The CEO is responsible for the implementation of the strategic and financial plans as approved by the Board of Directors and represents the overall interests of the Company vis-à-vis third parties.

3.7 Information and control instruments

The Board of Directors' instruments of information and control vis-à-vis management consist of the following main elements:

- All members of the Board of Directors regularly receive information about current developments.
- The CEO reports to the Chairman of the Board of Directors on a regular basis, while extraordinary events are communicated immediately.
- Formal meetings of the Board of Directors and of the Board's Committees including sessions with the CEO and with other members of the Executive Committee or other individuals, at the invitation of the Chairman.
- Informal meetings and phone conferences between members of the Board of Directors and the CEO, as well as with other members of the Executive Committee.
- The management information system of the Company which includes (i) the monthly financial results including key performance indicators and (ii) a structured quarterly operational review of the major countries. Summarised consolidated monthly reports are distributed to each member of the Board of Directors; further details are provided to the members of the Board of Directors upon request.
- The Internal Audit function as established by the Board of Directors; the Head of Group Internal Audit reports to the AC; the responsibilities of Internal Audit are defined by the AC as part of their oversight function in coordination with the CEO and CFO. Internal Audit is concerned with the assessment of how the Company (i) complies with pertinent laws, regulations and stock exchange rules relating to accounting, auditing, financial reporting and disclosure or other financial matters and (ii) conducts its related affairs and (iii) maintains related controls.
- The Company has a risk management process in place which focuses on managing risks as well as identifying opportunities. The process is embedded in the Company's strategic and organisational context and covers the significant risks for the Company including financial, operational, and strategic risks. The Board of Directors oversees the management's risk analysis and the measures taken based on the findings of the risk review process.
- External Audit: Refer to section 8. "Auditors".

Patrick De Maeseneire

- *Chief Executive Officer*

Dominik de Daniel

- *Chief Financial Officer and Head of Global Solutions*

Alain Dehaze

- *Regional Head of France*

4. Executive Committee

4.1 Biographies of the members of the Executive Committee

The following sets forth the name, year of birth, year of entry to the Company, nationality, professional education, and principal positions of those individuals who served as members of the Executive Committee of the Company as of December 31, 2011.

Patrick De Maeseneire

- Chief Executive Officer and member of the Executive Committee since June 2009.
- Belgian national, born 1957. Patrick De Maeseneire joined the Adecco Group as CEO in June 2009.
- He trained as a commercial engineer at the Solvay Business School of Brussels University (ULB), Belgium, and studied marketing management at Ghent University. Patrick De Maeseneire also completed studies in business management at the London Business School and INSEAD, Fontainebleau, France.
- From 1980 to 1997, he held executive positions at Sun International and Apple Computer, as well as senior positions at Wang in Belgium and Arthur Andersen Consulting.
- Patrick De Maeseneire held leading positions within the Adecco Group between 1998 and 2002, starting as Country Manager for the Benelux region before leading the Adecco Group's worldwide professional staffing business from New York. He served as Chief Executive Officer of Barry Callebaut from June 2002 to May 2009.
- In 2007, Patrick De Maeseneire was granted the title of Baron by King Albert II of Belgium.

Dominik de Daniel

- Chief Financial Officer and member of the Executive Committee since April 2006. In addition, Dominik de Daniel is Head of Adecco's Global Solutions: Lee Hecht Harrison ("LHH", since 2011), as well as Managed Service Programmes ("MSP"), Recruitment Process Outsourcing ("RPO"), and Vendor Management System ("VMS") (all since 2010).
- German national, born 1975. Dominik de Daniel joined the Adecco Group as CFO in April 2006, following Adecco's acquisition of DIS Deutscher Industrie Service AG.
- Dominik de Daniel was a bank trainee at Deutsche Bank AG before completing vocational studies in banking and business administration at the Bankakademie. Starting in 1993, he worked for Deutsche Bank in Germany in various roles, including stock analyst. Dominik de Daniel joined DIS AG in 2000, and was appointed to the Executive Board in 2001 with responsibility for Investor Relations, M&A and Strategic Controlling, and became CFO in 2002.

Alain Dehaze

- Regional Head of France since August 2011, Regional Head of Northern Europe from October 2009 to July 2011, and member of the Executive Committee since October 2009.
- Belgian national, born 1963. Alain Dehaze joined the Adecco Group in September 2009.
- Alain Dehaze trained as a commercial engineer at the ICHEC Brussels Management School, Belgium.
- From 1987 until 2000, Alain Dehaze held senior positions in a number of European countries at Henkel and ISS. In 2000, he became Managing Director of Creyf's Interim in Belgium (now Start People). From 2002 to 2005, he was Chief Executive Officer of Solvus. Following the acquisition of Solvus by

Theron I (Tig) Gilliam Jr.

• *Regional Head of North America*

Peter Searle

• *Regional Head of UK & Ireland*

Andreas Dinges

• *Regional Head of Germany & Austria*

USG People, the Netherlands, in 2005, he became Chief Operating Officer of USG People, with overall responsibility for operations, including the integration of Solvus. From September 2007 until joining Adecco, he was CEO of the staffing services company Humares, the Netherlands.

- Alain Dehaze is Vice President of the Board of the European Confederation of Private Employment Agencies (Eurociett). He is a member of the Board of the International Confederation of Private Employment Agencies (Ciett).

Theron I (Tig) Gilliam Jr.

- Regional Head of North America since October 2009. Member of the Executive Committee since January 2007.
- United States national, born 1964.
- Tig Gilliam holds an MBA from Columbia University, USA and an MS in Systems Engineering from the University of Virginia's School of Engineering and Applied Sciences, USA.
- He was a partner with Price Waterhouse and, prior to its acquisition by IBM in October 2002, with Pricewaterhouse-Coopers Consulting, where he spent 15 years leading consulting practices and client engagement in operational improvement, technology enablement, organisational change and performance management. From 2002, Tig Gilliam held positions at IBM, including Global Supply Chain Management Leader and Consumer Products Industry Leader for Global Business Services. He was also a member of the Integration and Values Team. Tig Gilliam joined the Adecco Group in January 2007 as Country Manager for the USA and Canada.
- Tig Gilliam is a member of the Board of Directors of Lennar Corporation[1], USA.

Peter Searle

- Regional Head of UK & Ireland and member of the Executive Committee since October 2009.
- British national, born 1962. Peter Searle rejoined the Adecco Group in October 2009 as Regional Head of UK & Ireland.
- Peter Searle holds an honours degree in business and a post-graduate diploma in marketing.
- Following Adecco's acquisition in 1999 of Delphi Group, of which he was Group Managing Director, Peter Searle took on responsibility for all the European and Asia Pacific offices of the professional services companies of the Adecco Group, under the brand name of Ajilon. In 2005, he became Chief Executive of Adecco UK in a role that covered a variety of sectors, including general recruitment, IT, engineering, finance, and RPO. From 2006, he was Chief Executive Officer of Spring Group which was acquired by Adecco in 2009.

Andreas Dinges

- Regional Head of Germany & Austria and member of the Executive Committee, both since October 2009.
- German national, born 1959.
- Andreas Dinges graduated in business administration from the University of Cologne, Germany.
- Andreas Dinges started his career at 3M Company in 1988, working in various positions, with a focus on marketing and sales. From 2002 to 2006, he was the spokesman of the Executive Board of 3M ESPE AG, assuming responsibility for 3M's dental business in Europe, including Eastern Europe, the Middle East, and Africa. He joined the Adecco Group in 2006 as CEO of DIS Deutscher Industrie Service AG. In January 2009, he was appointed Country Manager for Germany.

Mark Du Ree

- *Regional Head of Japan & Asia*

Martín Alonso

- *Regional Head of Northern Europe*

Federico Vione

- *Regional Head of Italy, Eastern Europe & India*

- Andreas Dinges is a commercial judge at the district court in Dusseldorf, Germany. He is a member of the board of the Bundesverband Zeitarbeit Personal-Dienstleistungen, Germany.

Mark Du Ree
- Regional Head of Japan & Asia and member of the Executive Committee since October 2009.
- United States national, born 1961.
- Mark Du Ree holds a BA in International Relations and Asian Studies from Brigham Young University, USA.
- Mark Du Ree began his career at Adecco Japan (formerly Adia) in 1985 as a sales representative and held various functions before transferring to the USA in 1993 to work in strategic planning for the Adia Group. In 1996, he became Director of Strategic Planning and Financial Planning & Analysis, including responsibility for coordination of Adecco's M&A activities. In 1999, he returned to Japan to manage the acquisition and integration of Career Staff into Adecco Japan. He has been the Country Manager of Adecco Japan since January 2002, serving concurrently from July 2002 to December 2005 as Zone CEO Asia Pacific. Since 2006, Mark Du Ree has been a visiting professor at Ritsumeikan Asia Pacific University, Japan. Mark Du Ree is a member of the board of Japanese staffing organisations.

Martín Alonso
- Regional Head of Northern Europe and member of the Executive Committee since August 2011.
- Spanish national, born 1964.
- Martín Alonso graduated in business administration from the University of Vasque Country, Spain.
- Martín Alonso joined Adecco Spain in 1993 as Branch Manager. In 1998, after having held various operational positions, he was appointed Finance Manager for Adecco Spain and Portugal. From 2003 to 2005, he was the Regional Finance Manager for Adecco Central Europe. As of 2007, he also took on the role of Operational Manager for Adecco Portugal. From 2009 to June 2011, he held the position of Finance Manager for Iberia & South America.

Federico Vione
- Regional Head of Italy, Eastern Europe & India since September 2011; Regional Head of Italy & Eastern Europe and member of the Executive Committee since October 2009.
- Italian national, born 1972.
- Federico Vione graduated in economics from G. D'Annunzio University, Pescara, Italy.
- He joined the Adecco Group in 1999 as Branch Manager and was soon appointed Manager of the Abruzzo-Molise area. In 2001, he became the first National Key Account Manager for the Chemical and Pharma sector, and subsequently for the Large-Scale Trade sector. In 2002, he was appointed General Manager of the newly created Professional Staffing business Ajilon S.r.l., and in 2004 he became General Manager of Ajilon Switzerland. In 2005, Federico Vione was appointed Project Leader Global Account Management Adecco Group and subsequently Head of Eastern Europe Adecco Group. In January 2009, he was appointed Country Manager Adecco Italy.
- Federico Vione is President of Assolavoro (Associazione Nazionale delle Agenzie per il Lavoro), Italy.

1 Listed company.

Enrique Sanchez

• *Regional Head of Iberia & South America*

Sergio Picarelli

• *Chief Sales Officer*

Christian Vasino

• *Chief Human Resources Officer*

Enrique Sanchez

- Regional Head of Iberia & South America and member of the Executive Committee since October 2009.
- Spanish national, born 1967.
- Enrique Sanchez obtained a degree in psychology at Complutense University, Madrid, Spain, and holds an MBA from IESE, Madrid, Spain.
- Enrique Sanchez joined Adecco Spain in 1993 as Branch Manager. In 1995, he became Regional Manager of the Central Region. Two years later, he was appointed Operations Manager, and in 2001 President and General Manager of Adecco Spain and Portugal. From 2003 to 2005, Enrique Sanchez was General Manager for Spain and Portugal, and was also responsible for the development of the company in Latin America and Eastern Europe. In 2005, he returned to Spain, becoming responsible for Adecco Group Iberia.

Sergio Picarelli

- Chief Sales Officer and member of the Executive Committee since October 2009.
- Italian national, born 1967.
- Sergio Picarelli graduated in business administration from Bocconi University, Milan, Italy.
- In 1993, Sergio Picarelli joined Adecco in Italy, starting as Managing Director of an Adecco Group Company (Permanent Placement). In 1997, he was appointed Chief Sales and Marketing Director Italy. From 2002 to 2004 Sergio Picarelli served as Regional Head for Central Europe and was thereafter appointed Chief Operating Officer of Adecco Staffing Division Worldwide. From 2005 to 2009 he served as Country Manager of Adecco Italy & Switzerland (Switzerland until the end of 2008). From January 2009 until his appointment as Chief Sales Officer, he served as Chief International Sales Officer of the Adecco Group.

Christian Vasino

- Chief Human Resources Officer and member of the Executive Committee since April 2007.
- Italian national, born 1972.
- Christian Vasino holds a law degree from Turin University, Italy, and started his career as a lawyer.
- From 1998 to 2001, he held various management functions in HR management and from 2001 to 2003, he was Director of Human Resources of Irisbus Italy (IVECO Group). In December 2003, he joined Adecco Italy as HR Director, based in Milan. In May 2005, he became Vice President Group Human Resources.

4.2 Other activities and vested interests

Except those described above in 4.1 "Biographies of the members of the Executive Committee", no further permanent management/consultancy functions for significant domestic or foreign interest groups and no significant official functions or political posts are held by the members of the Executive Committee of Adecco S.A.

4.3 Management contracts

There are no significant management contracts between the Company and external providers of services.

5. Compensation, shareholdings, and loans

Please refer to the Remuneration Report.

Further information

6. Shareholders' rights

Please also refer to the Articles of Incorporation (Internet: www.aoi.adecco.com).

Information rights
Swiss law allows any shareholder to obtain information from the Board of Directors during the General Meeting of Shareholders provided that no preponderant interests of Adecco S.A., including business secrets, are at stake and the information requested is required for the exercise of shareholders' rights. Shareholders may only obtain access to the books and records of Adecco S.A. if authorised by the Board of Directors or the General Meeting of Shareholders. Should Adecco S.A. refuse to provide the information rightfully requested, shareholders may seek a court order to gain access to such information. In addition, if the shareholders' inspection and information rights prove to be insufficient, each shareholder may petition the General Meeting of Shareholders to appoint a special commissioner who shall examine certain specific transactions or any other facts in a so-called special inspection. If the General Meeting of Shareholders approves such a request, Adecco S.A. or any shareholder may within 30 days ask the court of competent jurisdiction at Adecco S.A.'s registered office to appoint a special commissioner. Should the General Meeting of Shareholders deny such a request, one or more shareholders who hold at least 10% of the equity capital, or shares with an aggregate nominal value of at least CHF 2 million, may petition the court of competent jurisdiction to appoint a special commissioner. Such request must be granted and a special commissioner appointed if the court finds prima facie evidence that the Board of Directors breached the law or did not act in accordance with Adecco S.A.'s Articles of Incorporation. The costs of the investigation are generally allocated to Adecco S.A. and only in exceptional cases to the petitioner(s).

Dividend payment
Adecco S.A. may only pay dividends from unappropriated available earnings, the general reserves, or other reserves distributable in accordance with Art. 675 of the Swiss Code of Obligations.

Companies whose principal purpose consists of participations in other companies may freely use the general reserves to the extent they exceed 20% of the paid-in share capital. Pursuant to Art. 671 para. 1 of the Swiss Code of Obligations, 5% of the annual profits shall be allocated to the general reserves until they have reached 20% of the paid-in share capital. In addition, pursuant to Art. 671 para. 2 and para. 4 of the Swiss Code of Obligations, companies whose principal purpose consists of participations in other companies shall allocate to the general reserves the following: (1) any surplus over par value upon the issue of new shares after deduction of the issue cost, to the extent such surplus is not used for depreciation or welfare purposes; (2) the excess of the amount which was paid-in on cancelled shares over any reduction on the issue price of replacement shares. The general reserves amounted to CHF 1,912 million and CHF 2,103 million as of December 31, 2011 and December 31, 2010, respectively, thereby exceeding 20% of the paid-in share capital in both years.

In 2011, upon approval at the Annual General Meeting of Shareholders, dividends for 2010 of CHF 1.10 per share, totalling CHF 191 (EUR 149), were allocated from Adecco S.A.'s reserve from capital contributions to free reserves and subsequently distributed to shareholders. For 2011, the Board of Directors of Adecco S.A. will propose a dividend of CHF 1.80 per share outstanding for the approval of shareholders at the Annual General Meeting of Shareholders to be allocated from

Adecco S.A.'s reserve from capital contributions to the free reserves and subsequently distributed to shareholders.

Liquidation and dissolution
The Articles of Incorporation do not limit Adecco S.A.'s duration.

Adecco S.A. may be dissolved and liquidated at any time by a resolution of a General Meeting of Shareholders taken by at least two-thirds of the votes allocated to all issued shares (Art. 27 of the Articles of Incorporation; Internet: www.aoi.adecco.com). Under Swiss law, Adecco S.A. may also be dissolved by a court order upon the request of holders of Adecco S.A. shares representing at least 10% of Adecco S.A.'s share capital who assert significant grounds for the dissolution of Adecco S.A. The court may also grant other relief. The court may at any time, upon request of a shareholder or obligee decree the dissolution of Adecco S.A. if the required corporate bodies are missing. Adecco S.A. may also be dissolved following bankruptcy proceedings.

Swiss law requires that any net proceeds from a liquidation of Adecco S.A., after all obligations to its creditors have been satisfied, be used first to repay the nominal equity capital of Adecco S.A. Thereafter, any remaining proceeds are to be distributed to the holders of Adecco S.A. shares in proportion to the nominal value of those Adecco S.A. shares.

Further capital calls by Adecco S.A.
Adecco S.A.'s share capital is fully paid up. Hence, the shareholders have no liability to provide further capital to Adecco S.A.

Subscription rights
Under Swiss law, holders of Adecco S.A. shares have pre-emptive rights to subscribe to any issuance of new Adecco S.A. shares in proportion to the nominal amount of Adecco S.A. shares held by that holder. A resolution adopted at a General Meeting of Shareholders with a supermajority may suspend these pre-emptive rights for significant and material reasons only. Pre-emptive rights may also be excluded or limited in accordance with Adecco S.A.'s Articles of Incorporation (Internet: www.aoi.adecco.com).

6.1 Voting rights and representation restrictions

For further details refer to section 2.6 "Limitations on registration, nominee registration, and transferability".

Pursuant to the Articles of Incorporation, a shareholder may be represented by (i) the shareholder's legal representative, (ii) a third person who needs not be a shareholder with written proxy, (iii) a corporate body of Adecco S.A., (iv) an independent proxy, or (v) a depository (Art. 17 sec. 2 of the Articles of Incorporation; Internet: www.aoi.adecco.com). At a General Meeting of Shareholders, votes are taken by poll.

6.2 Legal and statutory quorums

There is no provision either in the Articles of Incorporation or under Swiss law requiring a quorum to be present for a General Meeting of Shareholders except for the one according to Art. 27 of the Articles of Incorporation. The General Meeting of Shareholders shall constitute a quorum regardless of the number of shareholders present and regardless of the number of shares represented (Art. 18 sec. 1 of the Articles of Incorporation; Internet: www.aoi.adecco.com).

There are no quorums in Adecco S.A.'s Articles of Incorporation which require a majority greater than set out by applicable law except for the case of a dissolution where at least a two-thirds majority of the votes allocated to all issued shares is required (refer to Art. 27 of the Articles of Incorporation; Internet: www.aoi.adecco.com).

In addition to the powers described above, the General Meeting of Shareholders has the power to vote on amendments to Adecco S.A.'s Articles of Incorporation (including the conversion of registered shares to bearer shares), to elect the members of the Board of Directors, the statutory auditors and any special auditor for capital increases, to approve the Annual Report, including the statutory financial statements and the annual group accounts, and to set the annual dividend. In addition, the General Meeting of Shareholders has competence in connection with the special inspection and the liquidation of Adecco S.A.

6.3 Convocation of the General Meeting of Shareholders

Notice of a General Meeting of Shareholders must be provided to the shareholders by publishing a notice of such meeting in the "Swiss Official Gazette of Commerce" ("Schweizerisches Handelsamtsblatt") at least 20 days before the meeting. The notice must state the items on the agenda and the proposals of the Board of Directors and the shareholders who demanded that a General Meeting of Shareholders be called or asked for items to be put on the agenda. Admission to the General Meeting of Shareholders is granted to any shareholder registered in Adecco S.A.'s share register with voting rights at a certain record date, which will be published together with the invitation to the General Meeting of Shareholders in the "Swiss Official Gazette of Commerce" ("Schweizerisches Handelsamtsblatt").

6.4 Agenda

Under Swiss corporate law, an ordinary General Meeting of Shareholders shall be held within six months after the end of each fiscal year. Extraordinary General Meetings of Shareholders may be called by the Board of Directors or, if necessary, by the statutory auditors. In addition, an extraordinary General Meeting of Shareholders may be called by a resolution of the shareholders adopted during any prior General Meeting of Shareholders or, at any time, by holders of shares representing at least 10% of the share capital.

The Swiss Code of Obligations is applicable to the right to request that a specific item be put on the agenda of a General Meeting of Shareholders and discussed and voted upon. Holders of Adecco S.A. shares with a nominal value of at least CHF 1 million have the right to request that a specific proposal be discussed and voted upon at the next General Meeting of Shareholders.

6.5 Registration in the share register

Shareholders will be registered in the share register of Adecco S.A. until the record date defined in the invitation to a General Meeting of Shareholders to be published in the "Swiss Official Gazette of Commerce" ("Schweizerisches Handelsamtsblatt"). Only shareholders who hold shares registered in the share register with a right to vote at a certain date, or their representatives, are entitled to vote. There are no specific rules regarding the granting of exemptions from the above deadline.

7. Changes of control and defence measures

7.1 Duty to make an offer

The Articles of Incorporation of Adecco S.A. do not contain opting-up or opting-out clauses in the sense of Art. 22 and 32 of the Federal Act on Stock Exchanges and Securities Trading ("SESTA"). Therefore, pursuant to the applicable provisions of the SESTA, if any person acquires shares of Adecco S.A., whether directly or indirectly or acting together with another person, which, added to the shares already owned, exceed the threshold of 33⅓% of the voting rights of Adecco S.A., irrespective of whether the voting rights are exercisable or not, that person must make an offer to acquire all of the listed equity securities of Adecco S.A. There is no obligation to make a bid under the foregoing rules if the voting rights in question are acquired as a result of a donation, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings or if an exemption is granted.

Adecco S.A.'s Articles of Incorporation do not contain any provisions other than those mentioned in this report (refer to section 2.6 "Limitations on registration, nominee registration, and transferability") that would have an effect of delaying, deferring, or preventing a change in control of Adecco S.A.

7.2 Change of control clause

There are no change of control clauses in place in favour of members of the Board of Directors or members of the Executive Committee.

One member of the Executive Committee is promised a severance payment in case of termination of his employment contract: refer to footnote 2 of the 2011 Executive Committee's compensation table within Note 7 to Adecco S.A. (Holding Company) financial statements and within the Remuneration Report.

8. Auditors

Each year, the Annual General Meeting of Shareholders of Adecco S.A. elects the statutory auditor. On April 19, 2011, the Annual General Meeting of Shareholders elected Ernst & Young Ltd, Zurich, as statutory auditor of the Company for the business year 2011.

Ernst & Young Ltd has served the Company as its Independent Auditor since 2002. Robin Errico has acted as lead auditor since 2008. Thomas Stenz has been the global coordinating partner since 2011. Dominick Giuffrida acted as global coordinating partner from 2008 to 2010.

The total fee for the Group audit of the Company and for the statutory audits of the Company's subsidiaries for the fiscal year 2011 amounted to EUR 5.8 million.

For the fiscal year 2011, additional fees of EUR 0.1 million were charged for audit-related services such as advice on matters not directly related to the Group audit and other services. Fees for tax services were not significant, and fees for other services (mainly in connection to the issuance of comfort letters) amounted to an additional EUR 0.1 million.

The AC oversees the Company's financial reporting process on behalf of the Board of Directors. In this capacity, the AC discusses, together with the Independent Auditor, the conformity of the Company's financial statements with accounting principles generally accepted in the United States and the requirements of Swiss law.

The AC regularly meets with the Independent Auditors, at least four times a year, to discuss the results of their examinations, and the overall quality of the Company's financial reporting. During 2011, the Independent Auditors attended all meetings and phone conferences of the AC. The Independent Auditors regularly have private sessions with the AC, without the CEO, the CFO, or any other member of the Executive Committee attending. The AC assessed with the Company's Independent Auditors the overall scope and plan for the 2011 audit of the Company. The Independent Auditors are responsible for expressing an opinion on the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States and the requirements of Swiss law. Further, the Independent Auditors are required, under the auditing standards generally accepted in the United States, to discuss, based on written reports, with the AC their judgments as to the quality, not just the acceptability, of the Company's accounting policies as applied in the Company's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and disclosures. Further, the Independent Auditors are responsible for expressing opinions on the standalone financial statements of Adecco S.A.

The AC oversees the work of the Independent Auditors and it reviews, at least annually, their qualification, performance and independence. It discusses with the Independent Auditors the auditors' independence from management and the Company, and monitors the audit partner rotation. The AC considers the compatibility of non-audit services with the auditors' independence and pre-approved all audit and non-audit services provided by the Independent Auditors. Services may include audit-related services, tax services, and other services.

The AC proposes the Independent Auditors to the Board of Directors for election by the shareholders and is responsible for approving the audit fees. Each year a proposal for fees for audit services is submitted by the Independent Auditors and validated by the CFO, before it is submitted to the AC for approval.

9. Information policy

The Annual General Meeting of Shareholders for the fiscal year 2011 is planned to be held on April 24, 2012, at Beaulieu Lausanne Centre de Congrès et d'Expositions, in Lausanne, Switzerland. The venue details will be published in the "Swiss Official Gazette of Commerce" ("Schweizerisches Handelsamtsblatt") at least 20 days before the meeting.

Adecco S.A. provides quarterly media releases on the Company's consolidated and divisional results as per the following agenda:

May 8, 2012	Q1 2012 results;
August 9, 2012	Q2 2012 results;
November 6, 2012	Q3 2012 results.

For further investor information, including inscription to push and pull services, refer to Internet http://ir.adecco.com.

To order a free copy of this Annual Report and for further information, please refer to the contact addresses listed on the inside back cover of the Annual Report (Internet: http://ir.adecco.com).

Remuneration Report

Adecco's Remuneration Report reflects the requirements of section 5 of the Directive on Information Relating to Corporate Governance, issued by the SIX Swiss Exchange as amended on October 29, 2008. Adecco S.A.'s principles regarding remuneration take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as amended on September 6, 2007. In addition, the Remuneration Report comprises information as required under the Swiss Code of Obligations (Art. 663b^{bis} and 663c para. 3), which is included in Note 7 to Adecco S.A. (Holding Company) financial statements. For further information regarding Adecco's Corporate Governance refer to the Corporate Governance Report.

Statements throughout this Remuneration Report using the term "the Company" refer to the Adecco Group, which comprises Adecco S.A., a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which Adecco is considered the primary beneficiary.

1. Determination of remuneration principles and compensation

In order to maintain its competitive positioning as a global employer, the Company reviews market conditions on a continual basis. Compensation is dependent on outside influences including geographical location, industry, competition, and general business climate. Therefore, the Company's country organisations conduct regular local salary surveys and review country-specific economic data to determine their merit increase guidelines. In general, compensation of the Board of Directors and of the members of the Executive Committee is reviewed annually to ensure that competitive pay is maintained and undesired fluctuations are minimised.

The Company's compensation programmes, which include equity based compensation elements, are approved by the Board of Directors ("Board"). The Board has entrusted its Nomination & Compensation Committee ("NCC") with providing recommendations to the Board, taking into account proposals of the Chief Executive Officer ("CEO") and the Chief Human Resources Officer, regarding the remuneration principles and general compensation philosophy of the Company, and with reviewing and approving the objectives relevant to the compensation of the Executive Committee and a further group of senior managers. The NCC is composed of independent Board members only (for further details on NCC composition, tasks, and activities refer to the Corporate Governance Report, section 3.5.3 "Nomination & Compensation Committee").

The remuneration of the Board is determined by the full Board, upon recommendation from the NCC. The compensation of the Executive Committee is authorised by the full Board, upon recommendation from the NCC. The members of the Executive Committee do not attend meetings of the NCC and of the Board when matters concerning their own compensation are being decided. The compensation of the other employees of the Company is authorised by the responsible members of management, based on the remuneration principles and general compensation philosophy of the Company. The findings and decisions of the NCC are reported to the Board by the Chairman of the NCC.

In order to ensure that compensation is in line with market standards, the NCC commissioned international independent external consultants (Towers Watson AG, Zurich, Switzerland) to provide a compensation benchmark analysis for 2011. Members of the Executive Committee with global responsibility (CEO, Chief Financial Officer ("CFO"), Chief Sales Officer, and Chief Human Resources Officer) were benchmarked against comparable functions in terms of revenue and number of employees under scope in a selected reference group of 23 Swiss companies of different industries. Companies in the financial service industry were included in the assessment for the CFO and for the Chief Human Resources Officer only.

The compensation packages of members of the Executive Committee with geographical responsibility were benchmarked against the packages of comparable functions in terms of revenue and number of employees in the respective countries of residency. More than 250 companies worldwide active in different industries, and which can be considered potential employers of the individuals in question were included in the benchmark. Out of these companies, for each region, a specific peer group was determined. In the course of 2011 changes in geographical responsibilities occurred, resulting in modifications of the compensation for the new Regional Heads of France and Northern Europe. Towers Watson has been commissioned in 2011 with additional Human Resources related survey work of minor scope and with a mandate related to the North American operations.

The compensation model applied for 2011 remained unchanged compared to the one applied for 2010. Minor modifications were introduced regarding the short-term incentive plan bonus base and the long-term incentive plan target bonus base amount for the Executive Committee and for a further group of senior managers (as further explained in section 2.3 "Elements of the Executive Committee's compensation"). Compensation levels of the members of the Executive Committee slightly decreased compared to 2010, mainly due to lower achievements under the short-term incentive plan.

2. Remuneration principles

2.1 The Company's compensation philosophy

The Company's compensation philosophy seeks to recognise and reward performance. Taking into consideration Group and business unit contributions as well as individual contributions, the compensation programmes are designed to attract, retain, motivate, and reward employees in order to support the achievement of the Company's financial and strategic objectives and also to ensure that the total compensation opportunity is internally consistent and externally competitive.

It is the Company's aim to align its compensation philosophy with the shareholders' interests and to foster collaboration between countries, units, and departments. The compensation is to be fair and competitive and therefore the base salaries are aligned at a median level of the relevant peer companies used in the benchmarked analysis, taking into consideration additional responsibilities beyond the typical scope of the function. The positioning at the median results from considering factors such as revenues, employees under scope, and, if listed in Switzerland, market capitalisation. The Company strives to recognise and reward team performance. Thus, as a general rule, individual quantitative targets are not used for bonus purposes in the current compensation programmes. Economic Value Added ("EVA") targets, defined in line with the Company's strategic long-term projections, are used for the short-term bonuses. EVA is a measure of a company's financial performance, based on residual income. According to this concept, value is only created if operating income after the deduction of taxes is greater than the minimal required rate of return on the invested capital, equal to the company's weighted average cost of capital ("WACC"). The calculation is based on the Company's net operating profit after taxes ("NOPAT"). Invested capital is defined as total assets, excluding cash and including gross acquired goodwill and other gross acquired intangibles since the introduction of the EVA concept, minus non-interest bearing liabilities. The Company applies a 10% cost of capital across all its entities, while the actual WACC in the reporting period was lower. Long-term incentive plans are in place to increase the focus on long-term objectives.

2.2 Elements of the Board of Directors' compensation

The members of the Board of Directors are compensated with an annual fixed cash fee whilst the Chairman is compensated for a fixed portion of his remuneration with Adecco S.A. shares (see section 3.1.1 "Board of Directors' compensation and shareholding"). When determining the members' and the Chairman's compensation, the Board of Directors takes into account, at its own discretion, the various functions and responsibilities within the Board of Directors and its committees as well as the recommendation of the NCC.

2.3 Elements of the Executive Committee's compensation

2.3.1 Compensation programme 2011 for the Executive Committee

The compensation model includes fixed and variable elements, whereby for the determination of the variable part of the compensation, no other targets than the ones mentioned in the description of short- and long-term incentive plans are relevant:

- base salary, taking into account market conditions for comparable functions and positions;
- social charges, pension plan contributions, and fringe benefits;
- short-term incentive plan, based on annual, ambitious and transparent performance objectives;
- long-term incentive plan, including performance share awards based on ambitious internal and external performance objectives and restricted share unit awards.

Base salary: the annual base salary represents payment for due job performance and is determined by the Company, based on the findings of the benchmark studies (see section 1. "Determination of remuneration principles and compensation"), taking into account comparable functions and positions, considering amongst other elements, the number of employees reporting to the function, revenues generated under the function, additional responsibilities beyond the typical scope of the function. The base salary rewards employees for performing day-to-day responsibilities and reflects job characteristics, seniority, experience and skill sets. It is paid in cash, typically in monthly instalments, and is set according to local practice designed to provide the Company's employees with fixed compensation to ensure an appropriate standard of living relative to that offered by reference companies. The annual base salary also serves as the basis for determining the variable compensation.

Social charges, pension plan contributions, and fringe benefits: social charges and pension plan contributions are awarded based on local regulations and practices. Fringe benefits include amongst other items car allowance for private use, car lease financed by the Company, membership fees, house allowance, relocation, education, health insurance, representation allowance, and tax equalisation payments (for one member of the Executive Committee).

Short-term incentive plan ("STIP"): the STIP is a cash incentive programme (annual bonus). For members of the Executive Committee with geographical responsibility, 35% of the STIP bonus base is related to the EVA of the Company and 65% is related to the EVA for the relevant financial year at geographical level. For the members of the Executive Committee who do not have direct responsibility for a specific geographical area, the entire STIP is based on the EVA of the Company for the relevant financial year. The STIP bonus base for members of the Executive Committee ranges between 60% (2010 programme: 50%) and 100% of the participant's base salary, and has been determined by the NCC upon proposal of the CEO and of the Chief Human Resources Officer taking into account the participant's function and responsibilities. For 2011, the entitlement to the STIP based bonus is limited at 150% (2010 programme: 120%) of the STIP bonus base, resulting in a cap at 150% (2010 programme: 120%) of the base salary for the highest paid member of the Executive Committee.

Long-term incentive plan ("LTIP"): under the LTIP, performance share awards were granted in 2011 to members of the Executive Committee. Performance share awards contain an undertaking to deliver a number of Adecco S.A. shares to the participants of the plan after the end of the performance period (end of performance period for the 2011 awards: December 31, 2013), provided and to the extent that certain employment conditions and performance targets are met. In addition to the performance share awards, as a further component, restricted share unit awards ("RSU awards") have been awarded in 2011.

The LTIP target bonus base amount is defined as a percentage of the participant's base salary. Such percentage depends upon the participant's function and responsibilities and has been determined by the NCC upon proposal of the CEO and of the Chief Human Resources Officer. For members of the Executive Committee, the percentage ranges between 60% (2010 programme: 45%) and 120% (2010 programme: 120%) of the participant's base salary. 65% of the LTIP target bonus base is allocated to RSU awards and 35% to performance share awards, i.e. total shareholder return ("TSR") awards. Of these 35%, half is allocated to relative TSR awards and half is allocated to absolute TSR awards. Furthermore, an additional 17.5% of the LTIP target bonus base is allocated to the additional TSR awards. Certain country specifications apply for participants in France.

The LTIP is subject to certain reclaim provisions in case benefits were acquired by involvement in fraudulent behaviour or intentional misconduct.

Performance share awards
In 2011 and in 2010, performance share awards granted consisted of relative TSR awards, absolute TSR awards, and additional TSR awards. The additional TSR awards will vest if relative and absolute TSR performance reach a certain level of achievement.

The performance targets relate to the change in Adecco S.A.'s shareholder value, measured as the total shareholder return taking into consideration reinvested dividends. At the end of the performance period, the performance is measured, determining whether and to which extent the performance targets have been achieved. Any TSR performance adjustments are at the discretion of the NCC. Upon approval of the NCC, the awards vest accordingly in favour of the respective participants, and all restrictions on the awards are lifted (for the awards granted in 2011: not before March 15, 2014). Those awards which do not vest, lapse immediately.

Participants who terminate their employment with the Company at their own will, and those who receive notice of termination for cause before the end of the performance period, will no longer be entitled to the vesting of the awards. In case of an involuntary termination without cause, a time-weighted pro rata portion of the unvested performance share awards will vest at the regular vesting date depending on the level of target achievement.

The maximum number of performance share awards under the LTIP that may vest in favour of the members of the Executive Committee after the end of the performance period is indicated in the table under section 3.5.2 "Share awards".

Relative TSR awards measurement principles: the Adecco S.A. TSR over the performance period of approximately three years is compared with the weighted-average TSR of a predefined group of peers. The composition of the peer group is determined by the NCC and, for 2011, comprised the following companies: Alten, Altran Technologies, Assystem, Brunel International, CDI Corporation, Hays, Kelly Services, Kforce, Manpower Group, Meitec, Michael Page International, On Assignment, Pasona Group, Randstad Holding, Resources Connection, Robert Half International, Robert Walters, SFN Group (formerly Spherion Corporation; performance measured up to Q3 2011), Sthree, Temp Holdings, TrueBlue, and USG People. The performance targets for the relative TSR awards have been determined by the NCC as follows: with an Adecco S.A. TSR lower than the weighted-average TSR of the peer group, there will be no entitlement to a vesting of the relative TSR part of the award. With an Adecco S.A. TSR that exceeds the weighted-average TSR of the peer group, the participants will be entitled to the vesting of performance share awards to the following extent: if the positive difference between Adecco S.A. TSR and the weighted-average TSR of the peer group is between 0 and 5 percentage points, awards will vest in a linear mode between 0% and 100% of the number of awards granted. The entitlement is capped at 100% of the relative TSR part of the award.

Absolute TSR awards measurement principles: in case the performance of the Adecco S.A. TSR, measured as the compound annual growth rate ("CAGR") in Adecco S.A.'s shareholder value, including reinvested dividends, exceeds a certain target over a period of approximately three years, awards will vest in a linear mode between 50% and 100% of the number of awards granted depending on the level of target achievement and overachievement. The performance targets for the absolute TSR awards have been determined by the NCC. These targets are set for a specific business year and are considered highly confidential as they would allow competitors to understand the objectives of the Company. They are not published in order to protect the business secrets.

Additional TSR awards measurement principles: if at the end of the performance period, the performance target of the absolute TSR awards is fully achieved and the performance target of the relative TSR awards is overachieved, additional TSR awards will vest, depending on the degree of overachievement of the relative TSR awards target. If the positive difference between Adecco S.A. TSR and the weighted-average TSR of the peer group is between 5 and 10 percentage points, additional TSR awards will vest in a linear mode between 0% and 100% of the number of awards granted.

RSU awards

RSU awards contain an undertaking to deliver a number of Adecco S.A. shares to the participants of the plan. The vesting of the awards is not subject to performance conditions but to employment conditions. Provided that the employment relationship continues, RSU awards will vest in equal portions over a period of three years at the anniversaries of the grant.

Participants, who terminate their employment with the Company at their own will, and those who receive notice of termination for cause before a vesting date, will no longer be entitled to the vesting of the RSU awards. In case of an involuntary termination without cause, a time-weighted pro rata portion of RSU awards will vest at the regular vesting date.

The maximum number of shares under the RSU award part of the plan that may vest in favour of the members of the Executive Committee is indicated in the table under section 3.5.2 "Share awards".

2.3.2 Compensation programme 2012 for the Executive Committee

The NCC has decided to continue the existing compensation programme for the Executive Committee, as described under section 2.3.1 "Compensation programme 2011 for the Executive Committee".

3. Details of compensation elements

3.1 Compensation and shareholding of members of the Board of Directors and the Executive Committee

The amounts indicated in this paragraph include honorariums (fees), salaries, loans, bonuses, and compensation in kind (according to market value at time of conferral). The members of the Board of Directors are compensated in cash. The Chairman is partially compensated with Adecco S.A. shares. The amount conferred to the members of the Board of Directors for the fiscal year 2011 amounted to CHF 5.0 million. The total of all compensation conferred for the fiscal year 2011 to all members of the Executive Committee, including bonus payments for 2011 due in 2012, and awards granted in 2011 under the LTIP, at grant date fair value, amounted to CHF 26.0 million. Not included are bonus payments due for 2010 but made during 2011 as this information was disclosed in 2010.

Individual compensation and shareholding for 2011 and 2010 are presented in the following tables:

3.1.1 Board of Directors' compensation and shareholding

For the year 2011

in CHF (except shares)	Office/ compensation period in 2011	Net compensation for term served	Social contributions[1] Old age insurance/ pensions and others	Shareholding as of December 31, 2011[2]
Name and function				
Rolf Dörig, Chairman	since Jan. 2011	1,800,000[3]	237,123	35,000
Thomas O'Neill, Vice-Chairman	since Jan. 2011	427,690	53,061	6,000
Jakob Baer	since Jan. 2011	320,984	39,282	5,101
Alexander Gut	since Jan. 2011	377,069	53,656	11,940
Andreas Jacobs	since Jan. 2011	450,000		714,915[4]
Didier Lamouche	since Apr. 2011	211,781	30,823	
Francis Mer	until Apr. 2011	107,571	11,722	n.a.
David Prince	since Jan. 2011	290,002	9,998	5,539
Wanda Rapaczynski	since Jan. 2011	400,000		7,700
Judith A. Sprieser	until Apr. 2011	100,000	100,000	n.a.
Subtotal		**4,485,097**	**535,665**	
Total			**5,020,762**	**786,195**

1 Including Directors' and Company's social contributions.

2 Indicating the number of registered shares held, with a par value of CHF 1 each. The members of the Board of Directors and the Executive Committee are required to disclose to the Company direct or indirect purchases and sales of equity related securities of Adecco S.A.

3 CHF 300,000 of the total net compensation was paid with Adecco S.A. shares.

4 Refer to Corporate Governance Report, section 1.2 "Significant shareholders" and Note 5 "Significant shareholders" to Adecco S.A. (Holding Company) financial statements regarding shares held by a group of which Andreas Jacobs is a member. One or more members of this same group, considered as related party/parties to Andreas Jacobs, as of December 31, 2011, held equity related securities of Adecco S.A. according to notified managemet transactions.

For the year 2010

in CHF (except shares)	Office/ compensation period in 2010	Net compensation for term served	Social contributions[1] Old age insurance/ pensions and others	Shareholding as of December 31, 2010[2]
Name and function				
Rolf Dörig, Chairman	since Jan. 2010	1,800,000[3]	246,088	30,000
Thomas O'Neill, Vice-Chairman	since Jan. 2010	427,596	52,760	2,000
Jakob Baer	since Jan. 2010	428,123	51,630	4,601
Alexander Gut	since May 2010	189,095	25,446	840
Andreas Jacobs	since Jan. 2010	450,000		714,915[4]
Francis Mer	since Jan. 2010	428,123	51,630	
David Prince	since Jan. 2010	297,000	3,000	2,416
Wanda Rapaczynski	since Jan. 2010	300,000		2,000
Judith A. Sprieser	since Jan. 2010	300,000		2,000
Subtotal		**4,619,937**	**430,554**	
Total			**5,050,491**	**758,772**

1 Including Directors' and Company's social contributions.

2 Indicating the number of registered shares held, with a par value of CHF 1 each. The members of the Board of Directors and the Executive Committee are required to disclose to the Company direct or indirect purchases and sales of equity related securities of Adecco S.A.

3 CHF 300,000 of the total net compensation was paid with Adecco S.A. shares.

4 Refer to Corporate Governance Report, section 1.2 "Significant shareholders" and Note 5 "Significant shareholders" to Adecco S.A. (Holding Company) financial statements regarding shares held by a group of which Andreas Jacobs is a member.

3.1.2 Executive Committee's compensation

For the year 2011

in CHF	Patrick De Maeseneire, CEO[1]	Total Executive Committee[2]
Gross cash compensation[3]:		
• Base salary	1,800,263	9,214,661
• Annual bonus	1,620,000	6,131,195
Compensation in kind[4]	120,000	1,137,987
Social contributions[5]:		
• Old age insurance/pensions and others	332,160	2,354,279
• Additional health/accident insurance	38,114	117,014
Other cash payments, including severance payments		1,883,245
Total conferred	**3,910,537**	**20,838,381**
Share awards granted in 2011 under the long-term incentive plan (LTIP)[6]:		
• RSU awards	1,213,242	4,194,197
• Relative TSR awards	130,987	452,850
• Absolute TSR awards	87,246	301,625
• Additional TSR awards	58,776	203,200
Social contributions on awards, estimated[5]		49,237
Total conferred including LTIP	**5,400,788**	**26,039,490**

1 Highest conferred individual compensation in 2011.

2 In 2011, the Executive Committee consisted of Patrick De Maeseneire, Dominik de Daniel, Alain Dehaze, Theron I (Tig) Gilliam Jr., Peter Searle, Andreas Dinges, Mark Du Ree, Federico Vione, Enrique Sanchez, Sergio Picarelli, and Christian Vasino (all since January 2011), Martín Alonso (since August 2011), and François Davy (until June 2011). Notice periods of up to 12 months apply. For one member of the Executive Committee, severance payments of approximately CHF 0.9 million would be due in case of termination of the employment contract by the employer. For certain members of the Executive Committee, based on mandatory local law, severance payments may become due in case of termination.

3 Including employee's social contributions.

4 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, representation allowance. Includes tax equalisation payments to a member of the Executive Committee, partly refundable to the Company in the future.

5 Employer's social contributions.

6 Value in CHF of Adecco S.A. shares awarded in 2011 under the LTIP 2011 (grant date: March 16, 2011). Valuation of the share awards granted:

- *The grant date fair value of the restricted share unit awards ("RSU awards") is equal to the closing price of the Adecco S.A. share on the day of grant less 3% discount related to non-entitlement of RSU awards to dividend until vesting. An additional discount of 11% is applied to the value of RSU awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares.*
- *The grant date values of the total shareholder return awards ("TSR awards") are calculated based on the closing price of the Adecco S.A. share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective TSR targets will be met at the end of the performance period. The probability factors of 0.40, 0.27, and 0.18 for relative, absolute, and additional TSR awards, respectively, have been determined using a binomial model. A discount of 3% is applied in relation to non-entitlement of TSR awards to dividend until vesting. An additional discount of 11% is applied to the value of TSR awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares by the participants.*
- *The per-share value of awards granted in 2011 amounts to CHF 49.12 and CHF 55.19 for RSU awards, CHF 19.70 and CHF 22.13 for relative TSR awards, CHF 13.12 and CHF 14.74 for absolute TSR awards, and CHF 8.84 and CHF 9.93 for additional TSR awards (lower values: French participants).*
- *Included are the awards granted to François Davy in 2011. Not included are the awards granted to Martín Alonso in 2011 in his function before he became a member of the Executive Committee.*

For the year 2010

in CHF	Patrick De Maeseneire, CEO[1]	Total Executive Committee[2]
Gross cash compensation[3]:		
• Base salary	1,800,000	9,631,381
• Annual bonus	2,160,000	8,649,131
Compensation in kind[4]	120,000	1,217,944
Social contributions[5]:		
• Old age insurance/pensions and others	351,416	2,087,315
• Additional health/accident insurance	36,841	80,228
Total conferred	**4,468,257**	**21,665,999**
Share awards granted in 2010 under the long-term incentive plan (LTIP)[6]:		
• RSU awards	1,425,770	5,069,246
• Relative TSR awards	155,863	554,169
• Absolute TSR awards	95,167	338,388
• Additional TSR awards	57,586	204,746
Social contributions on awards, estimated[5]		48,550
Total conferred including LTIP	**6,202,643**	**27,881,098**

1 Highest conferred individual compensation in 2010.

2 In 2010, the Executive Committee consisted for the full year of Patrick De Maeseneire, Dominik de Daniel, François Davy, Theron I (Tig) Gilliam Jr., Peter Searle, Andreas Dinges, Mark Du Ree, Alain Dehaze, Federico Vione, Enrique Sanchez, Sergio Picarelli, and Christian Vasino. Notice periods of up to 12 months apply. For two members of the Executive Committee, severance payments of approximately CHF 1.9 million (including bonus entitlement) and CHF 0.9 million, respectively would be due in case of termination of the employment contract by the employer.

3 Including employee's social contributions.

4 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, representation allowance. Includes tax equalisation payments to a member of the Executive Committee, partly refundable to the Company in the future.

5 Employer's social contributions.

6 Value in CHF of Adecco S.A. shares awarded in 2010 under the LTIP 2010 (grant date: March 16, 2010).
Valuation of the share awards granted:

- *The grant date fair value of the restricted share unit awards ("RSU awards") is equal to the closing price of the Adecco S.A. share on the day of grant less 3% discount related to non-entitlement of RSU awards to dividend until vesting. An additional discount of 11% is applied to the value of RSU awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares.*
- *The grant date values of the total shareholder return awards ("TSR awards") are calculated based on the closing price of the Adecco S.A. share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective TSR targets will be met at the end of the performance period. The probability factors of 0.41, 0.25, and 0.15 for relative, absolute, and additional TSR awards, respectively, have been determined using a binomial model. A discount of 3% is applied in relation to non-entitlement of TSR awards to dividend until vesting. An additional discount of 11% is applied to the value of TSR awards granted to the French participants, related to additional 2-year post-vesting restrictions on sale of shares by the participants.*
- *The per-share value of awards granted in 2010 amounts to CHF 50.55 and CHF 56.79 for RSU awards, CHF 20.52 and CHF 23.06 for relative TSR awards, CHF 12.54 and CHF 14.08 for absolute TSR awards, and CHF 7.58 and CHF 8.52 for additional TSR awards (lower values: French participants).*

For 2011, the variable portion of cash compensation (annual bonus) to the CEO amounted to 90% and for the other members of the Executive Committee ranged between 24% and 90% of the base salary. The variable portion of compensation consisting of share awards (including RSU awards; at values as indicated in the previous table) to the CEO amounted to 83% and for the other members of the Executive Committee ranged between 32% and 69% of the base salary. The CEO has reached 90% of the STIP bonus base, and the other members of the Executive Committee have reached between 32% and 128% of the STIP bonus base.

3.2 Compensation of former members of Governing Bodies (Board of Directors, Executive Committee, closely linked parties)

No compensation payments were made to other former members of Governing Bodies in relation to their former offices.

3.3 Shares allocated to Governing Bodies

In 2011, no Adecco S.A. shares were allocated to current or former members of Governing Bodies, except for part of the Chairman's compensation paid with Adecco S.A. shares (refer to the table in section 3.1.1 "Board of Directors' compensation and shareholding").

3.4 Share ownerships of Governing Bodies

As of December 31, 2011, the members of the Board of Directors, including parties closely linked, reported to hold 786,195 shares; not included are the shares held by a group of which Andreas Jacobs is a member (refer to section 1.2 "Significant shareholders" of the Corporate Governance Report and to Note 5 "Significant shareholders" to Adecco S.A. (Holding Company) financial statements). For the individual share ownerships of the Board of Directors, refer to the table in section 3.1.1 "Board of Directors' compensation and shareholding" and section 1.2 "Significant shareholders" of the Corporate Governance Report.

The members of the Executive Committee, including parties closely linked, reported share ownership as indicated in the following table:

Share ownership as of December 31[1]	Patrick De Maeseneire	Dominik de Daniel	Alain Dehaze	Theron I (Tig) Gilliam Jr.	Peter Searle	Andreas Dinges	Mark Du Ree	Martín Alonso[2]	Federico Vione	Sergio Picarelli	Christian Vasino	François Davy[3]	Total
2011	8,959	32,873	1,366	1,364	910	1,434	50	867	1,024	3,358	2,962	100	55,267
2010	590	29,978					50	n.a.		1,050	1,000	100	32,768

1 Indicating the number of registered shares held, with a par value of CHF 1 each.

2 Became a member of the Executive Committee in 2011.

3 Ceased to be a member of the Executive Committee in 2011, shareholding indicated as per date of departure.

The members of the Board of Directors and the Executive Committee are required to disclose to the Company direct or indirect purchases and sales of equity related securities in accordance with the requirements of the SIX Swiss Exchange.

3.5 Stock options and share awards held by and granted to Governing Bodies

3.5.1 Stock options

Stock options outstanding, as granted since the merger of Adia and Ecco in 1996, exercised by, lapsed from, and held by the members of Governing Bodies in office as of December 31, 2011 and as of December 31, 2010, are presented in the following tables (no stock options were granted since 2004):

As of December 31, 2011

	Last year of expiry detail									
Year of grant	Martín Alonso	Federico Vione	Christian Vasino	Strike price (CHF)	Granted	Exercised	Lapsed	Held by Martín Alonso	Held by Federico Vione	Held by Christian Vasino
Stock options held										
2003	2012	2012	2012	78.50	36,500	3,200	26,000	6,000	800	500

As of December 31, 2010

	Last year of expiry detail							
Year of grant	Federico Vione	Christian Vasino	Strike price (CHF)	Granted	Exercised	Lapsed	Held by Federico Vione	Held by Christian Vasino
Stock options held								
2003	2012	2012	78.50	6,500	3,200	1,500	800	1,000

One option entitles the holder to purchase one Adecco S.A. share under the conditions as outlined in the respective plan.

Options shown as "held" in the tables above are included as part of the total options outstanding presented in the table appearing in the Corporate Governance Report, section 2.7 "Convertible notes and options" and Note 9 "Stock-based compensation" to the consolidated financial statements.

For additional information on stock options, refer to the Corporate Governance Report, section 2.7 "Convertible notes and options".

3.5.2 Share awards

Awards granted 2011

Share awards held as of December 31, 2011 granted on March 16, 2011 under the LTIP:

December 31, 2011	RSU awards	TSR awards [1]	Total
Patrick De Maeseneire	21,983	17,757	39,740
Total Executive Committee	72,536	56,967	129,503

Awards granted 2010

Share awards held as of December 31, 2011 and December 31, 2010 granted on March 16, 2010 under the LTIP:

December 31, 2011	RSU awards	TSR awards [1]	Total
Patrick De Maeseneire	16,737	20,277	37,014
Total Executive Committee	56,528	66,390	122,918

December 31, 2010	RSU awards	TSR awards [1]	Total
Patrick De Maeseneire	25,106	20,277	45,383
Total Executive Committee	90,135	72,801	162,936

Awards granted 2009

Share awards held as of December 31, 2011 and as of December 31, 2010 granted on March 16, 2009, and April 1, 2009 under the LTIP:

December 31, 2011	EPS awards [2]	TSR awards	Total
Patrick De Maeseneire [3]	22,500	22,500	45,000
Total Executive Committee	70,042	109,137	179,179

December 31, 2010	EPS awards [2]	TSR awards	Total
Patrick De Maeseneire [3]	22,500	22,500	45,000
Total Executive Committee	80,912	128,945	209,857

1 Split into relative TSR, absolute TSR, and additional TSR awards (one third each).

2 For EPS awards refer to the description of the long-term incentive plan for the awards granted in 2009 as described on pages 189 and 190 of the Annual Report 2009.

3 Special conditions: grant date April 1, 2009, vesting of 58% of the awards granted is guaranteed, subject to continued employment.

3.6 Additional fees and remuneration of Governing Bodies

No member of the Board of Directors has received any additional honorariums in 2011.

3.7 Loans granted to Governing Bodies

In 2011, the Company did not grant any guarantees, loans, advances or credits to members of the Board of Directors or to members of the Executive Committee, including closely linked parties.

Glossary

Ageing workforce The next few decades will see substantial demographic changes due to the ageing of the workforce. This development will reshape all aspects of our lives, including businesses, workplaces, health and education systems, requiring active intervention by all concerned.
Associate A person who works for Adecco on a temporary basis.
Branch Where we offer our products and services to candidates and clients.
Compound average growth rate (CAGR) The average growth rate over multiple periods.
Candidate Any person interested in becoming an associate or having a permanent placement.
Career management Addresses the needs of both employers and employees throughout their working lives.
Career transition Also referred to as outplacement. The support provided to the employees in an enterprise that is undergoing change, particularly restructuring. Career transition services help affected employees to move into new employment.
Change management The development of a planned approach to changing a method of management or business practice in an organisation. Typically, the objective is to maximise the collective efforts of everybody involved in the change.
Ciett The International Confederation of Private Employment Agencies. Ciett is the authoritative voice representing the interests of agency work businesses.
Client A buyer of Adecco Group's HR services.
Contingent workforce A group of provisional workers who are employed on a non-permanent basis.
Days sales outstanding (DSO) The average number of days that a company takes to collect revenue after a service has been delivered.
Decentralisation Significant decision-making delegated throughout the organisation, down to regional, national and local management levels.
Deregulation The removal of regulations and restrictions that hinder the effective functioning of, in the case of Adecco, the labour market.
Employee A person who works within the Adecco Group.
ERP Enterprise Resource Planning is an enterprise-wide information system that integrates and controls all the business processes in the entire organization. The Adecco VMS, Beeline, integrates with such systems.
Eurociett The European Confederation of Private Employment Agencies represents the common interests of the staffing industry in Europe.
Human resource business process outsourcing (HR BPO) Total or partial outsourcing of HR duties (e.g. payroll, recruiting, training, benefits, employee orientation, staffing).
ILO International Labour Organization. It is a specialized agency of the United Nations and the international organization responsible for drawing up and overseeing international labour standards.
Inventory-to-sales ratio Calculated by dividing the Inventory Balance at the end of the year by the Total Sales for that year. The inventory-to-sales ratio helps identify whether inventory is growing unnecessarily.
Key performance indicator (KPI) A parameter used to determine whether the desired input or outcome has been achieved.
Leadership development Companies may implement programmes that instruct and guide employees on how to become leaders in both their professional lives and their communities.
Lifelong learning In an era of rapidly evolving knowledge and ever-increasing globalisation, patterns of working, learning and living need to change with the times. Lifelong learning is a continuous process of formal and informal learning to keep employees up to date.
Made-to-order The production of goods only when they have been ordered, as opposed to maintaining an inventory.
Managed Services Programmes (MSP) Is contingent third-party Labour Management Outsourcing where the core solution provided to a client is Business Process Outsourcing with the utilisation of a Vendor Management System (VMS).
On-site A model of service delivery where an Adecco representative (potentially a team) responsible for client management is physically present at the client's facility.
Outplacement See career transition.
Outsourcing The practice of using external workers and/or machinery for certain business tasks.
Payrolling Adecco administers payrolling services, but is not involved in the search and placement process.
Permanent placement The placement of a candidate (potentially an associate) for an indeterminate period.
Recruitment Process Outsourcing (RPO) Is the transfer of operational responsibility for one or more recruiting functions for permanent labour (including recruitment administration) from the client to a services provider.

Retail business Service rendered to small account clients.

Retention The ability of an organisation to retain its employees.

Skill shortage Is an economic condition in which there are insufficient qualified candidates/employees to fill the marketplace demands for employment at any price.

Solutions Refers to Adecco's Career Transition & Talent Development and its Workforce Management solutions.

Succession planning The process by which successors are identified for key positions throughout an organisation. According to Adecco, the process should focus not only on the top levels of the company, but also on other vital roles throughout the organisation. Succession planning should take into account the strategic vision and culture of the organisation.

Talent development Empowering individuals to advance their careers and reach their full potential.

Talent management Talent management requires that a company recognises the individual strengths and weaknesses of its employees or workforce, as well as striving to revise and improve the talents and skills of its workforce.

Temporary placement The placement of human resources for non-permanent employment needs. Placements may be definite or indefinite.

Training The development of a company's human capital.

TWA Temporary work agencies.

Vendor Management System (VMS) A web-based application for automating the procurement of contingent staff. Adecco's VMS is Beeline.

The evolution of the Adecco Group is characterised by productive acquisitions, organic growth, industry innovation and global expansion, creating a story already spanning over 50 years. In 1996, the founding companies Adia and Ecco merged to form the global leader.

History

1957

Adia SA is founded in Lausanne, Switzerland, by Henri-Ferdinand Lavanchy. The firm grows rapidly in its home country before expanding abroad.

1964

Philippe Foriel-Destezet founds Ecco in Lyon. By the early 1980s, Ecco is the largest supplier of temporary personnel in France.

1961–1980

In the 1960s, Adia opens offices in various European countries and then in 1972 takes a first step overseas, with a branch in Menlo, California. In 1974, Lavanchy recruits Martin O. Pestalozzi and a phase of expansion by acquisitions begins. In the next twelve years, Adia buys over 85 companies, tripling in size and gaining footholds in more than a dozen countries. These include France (1975) and the UK (1977), where it buys the market leader: Alfred Marks Bureau Ltd.

Early 1980s

Adia continues to expand overseas, including Australia, New Zealand, Japan, Hong Kong and Canada. Meanwhile, Ecco is focusing on its home market. By the mid-1980s, it is the market leader in France and a decade later world no. 2. The growth of both companies is part of a wider trend: temporary staffing becomes the world's third-fastest growing industry in the 1980s.

Late 1980s

Revenues topping USD 1 billion in 1986 make Adia the European leader. Its success is partly down to a focus on quality and high-value services. The 1990s see a growing trend towards specialised skills, e.g. accounting and word-processing, including in-house training programmes.

1990s

Further acquisitions from the late 1980s onwards strengthen the presence in highly skilled, specialised fields. Also, moves are made into socially related programmes for mature workers in the USA, promoting the benefits of temporary work for retirees and the value for companies of tapping into their experience, skills and dedication. In 1991, recognising the importance of the industry's role in job creation and its growth potential, Klaus J. Jacobs invests in Adia on the way to becoming its majority shareholder.

1996

Adia and Ecco merge to form Adecco. Two of the world's top three personnel services firms, with complementary geographical profiles, merge to form a strong global leader with annualised revenues of over EUR 5.4 billion. Operations are combined to form a global network of 2,500 branches. The new company has an exceptional range and quality of services. The core staffing business places around 250,000 people in work each day.

1997–2000

The 1997 acquisition of TAD Resources International strengthens Adecco's technical and IT staffing business in the USA. In 2000, Adecco acquires the IT and generalist staffing business of the Olsten Corporation to become the no. 1 staffing services business in the USA and worldwide leader in the IT sector. The merged companies' revenues reach over EUR 11.6 billion, reflecting organic growth and successful acquisitions. Partnerships with Monster.com and Jobs.com mark Adecco's intent to be at the forefront of harnessing the web in the recruitment process.

2002

To keep at the forefront of the trend towards increasing demand for professional and expert services, Adecco consolidates its business under three operating divisions: Adecco Staffing; Ajilon Staffing/Managed Services; and Career Services/e-Business. Legislative change in Germany creates a more favourable environment for the growth of temporary staffing, reflecting greater acceptance of the industry's positive role in generating employment and economic growth.

2004

The acquisition of PeopleOne Consulting in India signals Adecco's commitment to play a leading role in the industry's development in Emerging Markets. As a result of the delay in the audit of the 2003 financial statements in early 2004, the Group strengthened its financial reporting and governance structure.

2005–2006

In 2005, Klaus J. Jacobs assumes the Chairman and CEO roles, initiating a strategy review. The Group's focus on professional staffing services intensifies. To create a strong platform for growth, Adecco's existing operations are realigned into global business lines defined by specific occupational fields, complementing the established office and industrial offering with professional staffing lines.

Acquisitions of Altedia and HumanGroup strengthen Adecco's involvement in professional segments in Europe. In 2006, the acquisition of DIS AG in Germany gives Adecco leadership in the German professional staffing industry. Adecco adopts a dual strategy focused on professional and general staffing.

2007

The Annual General Meeting of Shareholders approves the nomination of Jürgen Dormann as Chairman of the Board. Rolf Dörig becomes Vice-Chairman. As planned, Klaus J. Jacobs hands back his mandate. Adecco acquires Tuja Group, an industry leader in Germany, one of the world's fastest-growing temporary staffing markets.

2008

Adecco acquires the professional staffing businesses DNC in the Netherlands and IT specialist Group Datavance in France. Country operations take greater responsibility for growing professional business as the dual professional and general staffing model becomes further embedded.

September 11: Klaus J. Jacobs, co-founder and Honorary President of the Adecco Group, passes away. Jürgen Dormann, who contributed to the successful turnaround of the Group and its long-term strategy, steps down as Chairman of the Board at the end of the year. He is succeeded by Rolf Dörig on January 1, 2009.

2009

January 1: Rolf Dörig starts his term as Chairman of the Board of Directors of the Adecco Group. June 1: Patrick De Maeseneire becomes Chief Executive Officer of the Adecco Group.

Adecco acquires Spring Group in the UK, bolstering the Adecco Group's UK professional and general staffing business, and tables an offer for MPS Group, a leading professional staffing firm based in the USA.

2010

The acquisition of MPS Group is officially closed. With MPS's strength in North America and the UK, the Adecco Group also becomes the world leader in professional staffing.

Adecco sets up a joint venture in Shanghai with leading Chinese HR services company Fesco. FESCO Adecco begins operations on January 1, 2011, with over 100,000 associates and a well-established local and multinational client base.

2011

Adecco aquires US-based Drake Beam Morin Inc., taking the worldwide lead in career transition and talent development services.

2012

Adecco announces the acquisition of VSN Inc., a leading provider of professional staffing services in Japan. The acquisition expands the professional staffing exposure in the world's second-largest staffing market.

Henri Ferdinand Lavanchy, founder of Adia, passes away. In 1996 Adia merged with Ecco to become the world's leading provider of HR solutions, Adecco.

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