

# 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
<b>Assets</b>		
Current assets:		
• Cash and cash equivalents	45	18
• Receivables from subsidiaries	52	85
• Accrued income, prepaid expenses, and withholding taxes	19	28
<b>Total current assets</b>	<b>116</b>	<b>131</b>
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
<b>Total non-current assets</b>	<b>13,774</b>	<b>13,645</b>
<b>Total assets</b>	<b>13,890</b>	<b>13,776</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Current liabilities:		
• Amounts due to subsidiaries	224	246
• Short-term liabilities to related parties	92	61
• Other current liabilities	62	76
<b>Total current liabilities</b>	<b>378</b>	<b>383</b>
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
<b>Total non-current liabilities</b>	<b>6,866</b>	<b>6,414</b>
<b>Total liabilities</b>	<b>7,244</b>	<b>6,797</b>
<b>Shareholders' equity</b>		
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
<b>Total shareholders' equity</b>	<b>6,646</b>	<b>6,979</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,890</b>	<b>13,776</b>

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*

<i>For the fiscal years ended December 31 (in CHF)</i>	<b>2011</b>	<b>2010</b>
<b>Operating income</b>		
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
<b>Total operating income</b>	<b>695</b>	<b>665</b>
<b>Operating expenses</b>		
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)
<b>Total operating expenses</b>	<b>(837)</b>	<b>(599)</b>
<b>Net income/(loss)</b>	<b>(142)</b>	<b>66</b>

# 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
<b>Total contingent liabilities</b>	<b>2,389</b>	<b>2,200</b>

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)
<b>January 1, 2010</b>	<b>854</b>	<b>15,184,075</b>			
Disposals/utilisation for option exercises	(38)	(622,595)	60	60	56
Reversal of prior years write-down	58				
<b>December 31, 2010</b>	<b>874</b>	<b>14,561,480</b>			
Purchase	224	4,355,000	51	61	33
Utilisation for stock-based compensation settlement	(6)	(101,375)	60	60	60
Write-down	(180)				
<b>December 31, 2011</b>	<b>912</b>	<b>18,815,105</b>			

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 share-holding" 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	General Reserves					Retained earnings	Total
	Share capital	Reserve from capital contributions	Other reserves	Free reserves	Reserve for treasury shares		
<b>January 1, 2011</b>	<b>189</b>	<b>1,696</b>	<b>407</b>		<b>874</b>	<b>3,813</b>	<b>6,979</b>
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)
<b>December 31, 2011</b>	<b>189<sup>1</sup></b>	<b>1,505</b>	<b>407</b>		<b>1,092</b>	<b>3,453</b>	<b>6,646</b>

<sup>1</sup> 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<sup>quater</sup> 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. 3<sup>ter</sup> 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, totaling 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

# Adecco S.A. (Holding Company) – Notes to financial statements

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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

Name and function	Office/ compensation period in 2011	Net compensation for term served	Social contributions <sup>1</sup>	Shareholding as of December 31, 2011 <sup>2</sup>
			Old age insurance/ pensions and others	
<i>in CHF (except shares)</i>				
Rolf Dörig, Chairman	since Jan. 2011	1,800,000 <sup>3</sup>	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 <sup>4</sup>
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.
<b>Subtotal</b>		<b>4,485,097</b>	<b>535,665</b>	
<b>Total</b>			<b>5,020,762</b>	<b>786,195</b>

<sup>1</sup> Including Directors' and Company's social contributions.

<sup>2</sup> 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.

<sup>3</sup> CHF 300,000 of the total net compensation was paid with Adecco S.A. shares.

<sup>4</sup> 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 management transactions.

**For the year 2010**

	Office/ compensation period in 2010	Net compensation for term served	Social contributions <sup>1</sup>	Shareholding as of December 31, 2010 <sup>2</sup>
			Old age insurance/ pensions and others	
<i>in CHF (except shares)</i>				
<b>Name and function</b>				
Rolf Dörig, Chairman	since Jan. 2010	1,800,000 <sup>3</sup>	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 <sup>4</sup>
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
<b>Subtotal</b>		<b>4,619,937</b>	<b>430,554</b>	
<b>Total</b>			<b>5,050,491</b>	<b>758,772</b>

<sup>1</sup> Including Directors' and Company's social contributions.

<sup>2</sup> 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.

<sup>3</sup> CHF 300,000 of the total net compensation was paid with Adecco S.A. shares.

<sup>4</sup> 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.



# Adecco S.A. (Holding Company) – Notes to financial statements

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## Executive Committee's compensation

### For the year 2011

in CHF	Patrick De Maeseneire, CEO <sup>1</sup>	Total Executive Committee <sup>2</sup>
Gross cash compensation <sup>3</sup> :		
• Base salary	1,800,263	9,214,661
• Annual bonus	1,620,000	6,131,195
Compensation in kind <sup>4</sup>	120,000	1,137,987
Social contributions <sup>5</sup> :		
• 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
<b>Total conferred</b>	<b>3,910,537</b>	<b>20,838,381</b>
Share awards granted in 2011 under the long-term incentive plan (LTIP) <sup>6</sup> :		
• 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 <sup>5</sup>		49,237
<b>Total conferred including LTIP</b>	<b>5,400,788</b>	<b>26,039,490</b>

<sup>1</sup> Highest conferred individual compensation in 2011.

<sup>2</sup> 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), Martin 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.

<sup>3</sup> Including employee's social contributions.

<sup>4</sup> 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.

<sup>5</sup> Employer's social contributions.

<sup>6</sup> 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 Martin 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 <sup>1</sup>	Total Executive Committee <sup>2</sup>
Gross cash compensation <sup>3</sup> :		
• Base salary	1,800,000	9,631,381
• Annual bonus	2,160,000	8,649,131
Compensation in kind <sup>4</sup>	120,000	1,217,944
Social contributions <sup>5</sup> :		
• Old age insurance/pensions and others	351,416	2,087,315
• Additional health/accident insurance	36,841	80,228
<b>Total conferred</b>	<b>4,468,257</b>	<b>21,665,999</b>
Share awards granted in 2010 under the long-term incentive plan (LTIP) <sup>6</sup> :		
• 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 <sup>5</sup>		48,550
<b>Total conferred including LTIP</b>	<b>6,202,643</b>	<b>27,881,098</b>

<sup>1</sup> Highest conferred individual compensation in 2010.

<sup>2</sup> 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.

<sup>3</sup> Including employee's social contributions.

<sup>4</sup> 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.

<sup>5</sup> Employer's social contributions.

<sup>6</sup> 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).

# Adecco S.A. (Holding Company) – Notes to financial statements

*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 <sup>1</sup>	Patrick De Maese-neire	Dominik de Daniel	Alain Dehaze	Theron I (Tig) Gilliam Jr.	Peter Searle	Andreas Dinges	Mark Du Ree	Martin Alonso <sup>2</sup>	Federico Vione	Sergio Picarelli	Christian Vasino	François Davy <sup>3</sup>	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

<sup>1</sup> Indicating the number of registered shares held, with a par value of CHF 1 each.

<sup>2</sup> Became a member of the Executive Committee in 2011.

<sup>3</sup> 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			Strike price (CHF)	Granted	Exercised	Lapsed	Held by	Held by	Held by
	Marin Alonso	Federico Vione	Christian Vasino					Marin Alonso	Federico Vione	Christian Vasino
<b>Stock options held</b>										
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			Strike price (CHF)	Granted	Exercised	Lapsed	Held by	Held by
	Federico Vione	Christian Vasino						Federico Vione	Christian Vasino
<b>Stock options held</b>									
2003	2012	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".

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## 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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>2</sup>	TSR awards	Total
Patrick De Maeseneire <sup>3</sup>	22,500	22,500	45,000
Total Executive Committee	70,042	109,137	179,179

December 31, 2010	EPS awards <sup>2</sup>	TSR awards	Total
Patrick De Maeseneire <sup>3</sup>	22,500	22,500	45,000
Total Executive Committee	80,912	128,945	209,857

<sup>1</sup> Split into relative TSR, absolute TSR, and additional TSR awards (one third each).

<sup>2</sup> 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.

<sup>3</sup> 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%.