

Adecco S.A. (Holding Company) – Balance sheets

in millions, except share and per share information

As of (in CHF)	Note	31.12.2015	31.12.2014
Assets			
Current assets:			
• Cash and cash equivalents		248	6
• Receivables from subsidiaries, net		63	49
• Current financial assets		41	
• Other current assets		7	5
Total current assets		359	60
Non-current assets:			
• Loans to subsidiaries, net		2,377	2,553
• Investments in subsidiaries, net	2	9,340	9,780
• Software and other intangible assets, net		37	85
• Non-current financial assets		4	
• Other non-current assets		4	24
Total non-current assets		11,762	12,442
Total assets		12,121	12,502
Liabilities and shareholders' equity			
Liabilities			
Current liabilities:			
• Payables to subsidiaries		53	133
• Payables to third parties		8	4
• Current maturities of long-term interest-bearing debt	3	350	
• Other current liabilities		80	57
Total current liabilities		491	194
Non-current liabilities:			
• Long-term interest-bearing debt to subsidiaries		7,232	6,370
• Long-term interest-bearing debt to third parties	3	475	825
• Other non-current liabilities		26	20
Total non-current liabilities		7,733	7,215
Total liabilities		8,224	7,409
Shareholders' equity			
Share capital	5	174	179
Statutory reserves from capital contribution	5	155	519
Statutory retained earnings	5	407	407
Voluntary retained earnings	5	3,446	4,357
Treasury shares	6	(285)	(369)
Total shareholders' equity		3,897	5,093
Total liabilities and shareholders' equity		12,121	12,502

Adecco S.A. (Holding Company) – Statements of operations

in millions, except share and per share information

For the fiscal years ended December 31 (in CHF)	Note	2015	2014
Income			
Royalties and license fees		359	348
Interest income from subsidiaries		76	76
Interest income from third parties		2	2
Other income		12	12
Total income		449	438
Expenses			
Interest expense to subsidiaries		(74)	(204)
Interest expense to third parties		(20)	(21)
Other expenses		(154)	(223)
Depreciation and amortisation		(45)	(46)
Change of provisions on loans and investments, net	2	(659)	(47)
Financial expenses		(102)	(5)
Total expenses		(1,054)	(546)
Loss before taxes		(605)	(108)
Direct taxes		1	13
Net loss		(604)	(95)

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

in millions, except share and per share information

Note 1 • Summary of significant accounting principles

Adecco S.A. (Chésèrex, Switzerland) is the parent company of the Adecco Group. Its financial statements are prepared in accordance with Swiss law. Adecco S.A. does not employ personnel in the years 2015 and 2014.

Basis of presentation

In 2015, the statutory financial statements have been prepared for the first time in accordance with the amended Swiss Code of Obligations ("SCO"). Prior year amounts have been restated to conform to the current year's presentation.

Foreign currencies

Foreign currency transactions are accounted for at the exchange rates at the date of the transactions. The gains and losses resulting from the settlement of such transactions and from the remeasurement of current assets and liabilities denominated in foreign currencies are recognised in other income or financial expenses. Net unrealised gains on non-current assets and liabilities are deferred in liabilities and unrealised losses are recognised in financial expenses.

Financial assets

Current and non-current financial assets contain foreign currency contracts and cross-currency interest rate swaps, and are measured at market price. Movements in market prices are recorded in other income or financial expenses.

Investments in subsidiaries

Investments in subsidiaries are valued at the lower of cost or fair value, using generally accepted valuation principles.

Share-based payments

Adecco S.A. records a provision for share-based compensation in other non-current liabilities for subsequent settlement with treasury shares. Any differences between the provision and the acquisition costs for treasury shares are recorded in other expenses at settlement.

Note 2 • Investments in subsidiaries

As of December 31, 2015 and December 31, 2014, the investments in subsidiaries amounts to CHF 10,600 and CHF 10,385, respectively and are shown net of a provision of CHF 1,260 and CHF 605, respectively. The net increase of the provision on investments of CHF 655 consists of an increase of provisions of CHF 810 and a release of provisions of CHF 155.

Direct investments in subsidiaries as of December 31, 2015 and December 31, 2014

Country	Registered office	Name of legal entity	2015	2014
			Ownership & voting power	Ownership & voting power
Andorra	Andorra la Vella	Adecco Recursos Humanos SA	67%	67%
Argentina	Buenos Aires	Adecco Argentina S.A.	81%	81%
Australia	Melbourne	Adecco Holdings Pty Ltd	100%	100%
Austria	Vienna	Adecco Holding GmbH	100%	100%
Austria	Vienna	Tuja Holding GmbH	100%	100%
Belgium	Groot-Bijgaarden	Adecco Construct NV	100%	100%
Belgium	Groot-Bijgaarden	Adecco Personnel Services NV	100%	100%
Belgium	Groot-Bijgaarden	Adecco Professional Staffing NV	100%	100%
Bermuda	Hamilton	Adecco Reinsurance Company Limited	100%	100%
Brazil	Sao Paulo	Adecco Recursos Humanos S.A.	100%	100%
Bulgaria	Sofia	Adecco Bulgaria EOOD	100%	100%
Canada	Toronto, ON	Adecco Employment Services Limited	100%	100%
Canada	Saint John	Beeline International Company	100%	100%
Croatia	Zagreb	Adecco d.o.o. za privremeno zaposljavanje	100%	100%
Croatia	Zagreb	Adecco Hrvatska d.o.o.	100%	100%
Croatia	Zagreb	Adecco Outsourcing d.o.o.	100%	100%
Czech Republic	Prague	Adecco SPOL. S.R.O.	100%	100%
Czech Republic	Prague	Chronos International srl	10%	10%
Finland	Helsinki	Adecco Finland Oy	100%	100%
France	Villeurbanne	Adecco Holding France	100%	100%
France	Villeurbanne	Adecco IT Services	100%	100%
Germany	Düsseldorf	Adecco Beteiligungs GmbH	100%	100%
Greece	Athens	Adecco HR SATW	100%	100%
Hong Kong	Hong Kong	Templar International Consultants Limited	100%	100%
Hong Kong	Hong Kong	Lee Hecht Harrison Pty Limited	100%	100%
Hungary	Budapest	Adecco Szemelyzeti Kozvetito Kft	100%	100%
India	Bangalore	Adecco India Private Limited	1%	1%
Japan	Tokyo	Adecco Ltd	100%	100%
Luxembourg	Bertrange	Adecco Luxembourg SA	100%	100%
Luxembourg	Luxembourg	Ajilon Luxembourg SA	100%	100%
Luxembourg	Luxembourg	Alexandre Tic (Luxembourg) SA	100%	100%
Malaysia	Kuala Lumpur	Spring Professional (Malaysia) Sdn. Bhd.	49%	49%
Netherlands	Utrecht	Adecco International Financial Services BV	100%	100%
New Zealand	Auckland	Adecco New Zealand Ltd	100%	100%
Norway	Oslo	Olsten Norway AS	100%	100%
Poland	Warsaw	Adecco Poland Sp. z o.o.	100%	100%
Portugal	Lisbon	Adecco Recursos Humanos	100%	100%
Puerto Rico	Manati	Adecco Personnel Services Inc.	100%	100%
Romania	Bucharest	Adecco Resurse Umane SRL	99%	99%
Romania	Bucharest	Adecco Romania SRL	100%	100%
Russia	Moscow	Adecco OOO	99%	99%
Russia	St. Petersburg	OOO Avanta Personnel	1%	1%
Russia	Moscow	Adecco Outsourcing Limited Liability Company ¹	1%	n.a.
Serbia	Belgrade	Adecco Outsourcing d.o.o. Beograd	100%	100%

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

in millions, except share and per share information

Country	Registered office	Name of legal entity	2015	2014
			Ownership & voting power	Ownership & voting power
Singapore	Singapore	Adecco Engineering Pte Ltd	100%	100%
Singapore	Singapore	Lee Hecht Harrison Pte Ltd	100%	100%
Slovakia	Bratislava	Adecco Slovakia, s.r.o	100%	100%
Slovenia	Ljubljana	Adecco H.R. d.o.o	100%	100%
South Korea	Seoul	Adecco Korea Co. Ltd.	100%	100%
Spain	Madrid	Adecco Iberia SA	100%	100%
Sweden	Stockholm	Adecco Sweden AB ²	100%	n.a.
Sweden	Stockholm	Adecco Health AB ³	n.a.	100%
Sweden	Stockholm	Adecco IT & Engineering AB ³	n.a.	100%
Switzerland	Lausanne	Adecco Ressources Humaines S.A.	100%	100%
Switzerland	Geneva	Lee Hecht Harrison Sàrl	100%	100%
Switzerland	Lausanne	Adecco management & consulting S.A.	100%	100%
Switzerland	Lucerne	Adecco Germany Holding Management S.A.	100%	100%
Switzerland	Lucerne	Adecco Invest S.A.	100%	100%
Thailand	Samutprakan	Adecco Bangna Recruitment Limited	20%	20%
Thailand	Bangkok	Adecco Consulting Limited	49%	49%
Thailand	Bangkok	Adecco Eastern Seaboard Recruitment Limited	49%	49%
Thailand	Bangkok	Adecco International Consultants Recruitment Limited	25%	25%
Thailand	Bangkok	Adecco New Petchburi Recruitment Limited	49%	49%
Thailand	Bangkok	Adecco Phaholyothin Recruitment Limited	9%	9%
Thailand	Bangkok	Adecco Rama IV Recruitment Limited	49%	49%
Thailand	Bangkok	Spring Professional Recruitment (Thailand) Limited	50%	50%
Turkey	Istanbul	Adecco Hizmet ve Danismanlik AS	0%	0%
Ukraine	Kiev	TOV 'Adecco Ukraine'	100%	100%
USA	Wilmington, DE	Adecco, Inc	100%	100%
Vietnam	Ho Chi Minh City	CÔNG TY CỔ PHẦN ADECCO VIỆT NAM	99%	99%

¹ New company in 2015.

² Purchased from subsidiary in 2015.

³ Merged into Adecco Sweden AB in 2015.

All significant indirect investments in subsidiaries of Adecco S.A. are listed in section "Major consolidated subsidiaries of the Adecco Group".

Note 3 • Long-term interest-bearing debt

The long-term debt issued by Adecco S.A. as of December 31, 2015 consists of the following:

<i>in CHF</i>	Principal at maturity	Maturity	Fixed interest rate	31.12.2015
8-year Swiss Franc fixed rate notes	CHF 125	2020	2.625%	125
5-year Swiss Franc fixed rate notes	CHF 350	2017	1.875%	350
4-year Swiss Franc fixed rate notes	CHF 350	2016	2.125%	350
Total long-term debt				825
Less current maturities				(350)
Long-term debt, less current maturities				475

8-year Swiss Franc fixed rate notes and 5-year Swiss Franc fixed rate notes

On July 18, 2012, Adecco S.A. issued CHF 125 fixed rate notes with a coupon of 2.625% ("2020 notes") and CHF 250 fixed rate notes with a coupon of 1.875% ("2017 notes") due on December 18, 2020, and December 18, 2017, respectively. Furthermore, on October 19, 2012, the Company increased the outstanding 2017 notes by CHF 100. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used to fund the share buyback programme approved by the Board of Directors in June 2012. Interest is paid annually in arrears.

4-year Swiss Franc fixed rate notes

On February 8, 2012, Adecco S.A. issued CHF 350 fixed rate notes due on February 8, 2016 ("2016 notes"). The 2016 notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes. Interest is paid annually in arrears at a fixed annual rate of 2.125%.

Note 4 • Contingent liabilities

The contingent liabilities including guarantees and letters of comfort amount to CHF 2,211 as of December 31, 2015 and to CHF 1,865 as of December 31, 2014.

Adecco S.A. has irrevocably and unconditionally guaranteed the 2022 notes of CHF 544 (EUR 500) and accrued interest of CHF 1, the 2019 notes of CHF 435 (EUR 400) and accrued interest of CHF 2, the 2018 notes of CHF 544 (EUR 500) and accrued interest of CHF 19, 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 11 (EUR 10) 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 109 utilised from the revolving credit facility in the form of letters of credit as of December 31, 2015. Approximately CHF 454 of the credit facilities issued to several subsidiaries in Europe, North America, South America, Asia, and Australia have been guaranteed for operational needs.

Additionally, Adecco S.A. has provided guarantees and letters of comfort amounting to CHF 91 relating to government requirements for operating a temporary staffing business and for 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.

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

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Note 5 - Shareholders' equity

in CHF	Statutory reserves					Treasury shares	Total
	Share capital	Statutory reserves from capital contribution	Statutory retained earnings	Free reserves	Voluntary retained earnings		
January 1, 2015	179	519	407	-	4,357	(369)	5,093
Allocation from statutory reserves from capital contribution to free reserves for dividend distribution		(364)		364			
Dividend distribution				(364)			(364)
Share cancellation	(5)				(307)	312	
Other movements in treasury shares, net						(228)	(228)
Net loss					(604)		(604)
December 31, 2015	174¹	155	407	-	3,446	(285)	3,897

¹ Common shares of CHF 174,474,937 at CHF 1 par value.

On April 21, 2015, Adecco S.A. held its Annual General Meeting of Shareholders in Lausanne.

Conditional capital

As of December 31, 2015, 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 may issue in the future.

As of December 31, 2015 and December 31, 2014, 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^{ter} of the Articles of Incorporation of Adecco S.A. These shares shall be fully paid up by the exercise of option 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 2015 and 2014, Adecco S.A. did not issue any shares and no options were outstanding as of December 31, 2015 and as of December 31, 2014.

Statutory reserves from capital contribution

Pursuant to Swiss tax legislation, the statutory reserves from capital contribution amounted to CHF 155 and CHF 519 as of December 31, 2015 and as of December 31, 2014, respectively. Any dividend distribution made out of the statutory reserves from capital contribution (or from free reserves allocated from the statutory reserves from capital contribution) 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 statutory reserves from capital contribution.

In 2015, upon approval at the Annual General Meeting of Shareholders, dividends for 2014 of CHF 2.10 per share, totalling CHF 364 (EUR 348), were allocated from Adecco S.A.'s statutory reserves from capital contribution to free reserves and subsequently distributed to shareholders. For 2015, the Board of Directors of Adecco S.A. will propose two dividends for a total of CHF 2.40 per share outstanding for the approval of shareholders at the Annual General Meeting of Shareholders, whereas a dividend of CHF 0.90 shall be allocated from Adecco S.A.'s statutory reserves from capital contribution to free reserves and subsequently distributed to shareholders and a dividend of CHF 1.50 shall be directly distributed from voluntary retained earnings.

Note 6 • Treasury shares

As of December 31, 2015 and December 31, 2014, all treasury shares held by the Adecco Group are held by Adecco S.A.

	Carrying value (in CHF millions)	Number of shares	Average price per share (in CHF)
January 1, 2014	565	11,125,506	
Purchases	27	409,631	67
Purchased over second trading line (share buyback)	312	4,606,873	68
Share cancellation	(517)	(10,181,696)	51
Utilisation for stock-based compensation settlement	(18)	(327,073)	55
December 31, 2014	369	5,633,241	
Purchases	22	319,905	68
Purchased over second trading line (share buyback)	224	3,130,750	71
Share cancellation	(312)	(4,606,873)	68
Utilisation for stock-based compensation settlement	(18)	(316,311)	58
December 31, 2015	285	4,160,712	

In 2015 and 2014, the number of treasury shares acquired by Adecco S.A. on the regular trading line amounted to 319,905 and 409,631, respectively. The highest and lowest price per share paid for the shares acquired in 2015 amounted to CHF 76 and CHF 59, respectively, and for the shares acquired in 2014 CHF 79 and CHF 58, respectively.

In 2015 and 2014, Adecco S.A. awarded 19,991 and 16,335 treasury shares, respectively, to the Board of Directors as part of their compensation package (refer to section 5.1.1 "Board of Directors' compensation and shareholding" in the Remuneration Report). In addition, in 2015 and 2014, 296,320 treasury shares and 310,738 treasury shares, respectively, were used to settle share awards under the long-term incentive plan.

Adecco S.A. launched the following share buyback programmes on a second trading line with the aim of subsequently cancelling the shares and reducing share capital:

- EUR 400 in June 2012 (completed in September 2013);
- EUR 250 in September 2013 (completed in November 2014);
- EUR 250 in November 2014 (acquired 3,707,500 shares for EUR 239 as of December 31, 2015 and was completed on January 20, 2016).

As of December 31, 2015 and December 31, 2014, Adecco S.A. held 3,130,750 shares and 4,606,873 shares, respectively, acquired under the share buyback programmes. Adecco S.A. has acquired 3,130,750 shares for CHF 224 (EUR 207) in 2015, and 4,606,873 shares for CHF 312 (EUR 257) in 2014, under the share buyback programmes. The highest and lowest price per share paid under the share buyback programmes in 2015 amounted to CHF 79 and CHF 59, respectively, and in 2014 CHF 73 and CHF 58, respectively.

From January 1 to January 20, 2016, the Company acquired an additional 188,000 shares for CHF 12 (EUR 11) to complete the EUR 250 share buyback launched in November 2014.

At the Annual General Meeting of Shareholders of Adecco S.A. held on April 21, 2015, the shareholders approved the cancellation of 4,606,873 treasury shares acquired until December 31, 2014 under the share buyback programmes and the corresponding reduction of Adecco S.A.'s share capital by 4,606,873 registered shares with a nominal value of CHF 1.00 each. The cancellation of 4,606,873 treasury shares was completed on June 26, 2015. Effective June 26, 2015, the share capital of Adecco S.A. amounts to CHF 174 divided into 174,474,937 shares.

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

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The Board of Directors of Adecco S.A. will propose to the Annual General Meeting of Shareholders of April 21, 2016 a reduction of share capital through the cancellation of the remaining 3,318,750 repurchased shares on the second trading line that were not already cancelled by the Annual General Meeting 2015.

As of December 31, 2015, the treasury shares, excluding those acquired on the second trading line with the aim of subsequently cancelling the shares and reducing share capital, are intended to be used for the settlement of the Company's long-term incentive plan (for further details refer to Note 8 to the consolidated financial statements) as well as for the Board of Directors' compensation.

Note 7 - Restriction regarding the distribution of dividends

Adecco S.A. may only pay dividends from statutory reserves from capital contribution, and statutory and voluntary retained earnings, 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 statutory reserves from capital contribution and statutory retained earnings 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 statutory retained earnings until the statutory reserves from capital contribution and the statutory retained earnings 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 statutory reserves from capital contribution and statutory retained earnings the following: (1) any surplus over par value upon the issue of new shares after deduction of the issuance 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 statutory reserves from capital contribution and statutory retained earnings amounted to CHF 562 and CHF 926 as of December 31, 2015 and December 31, 2014, respectively, thereby exceeding 20% of the paid-in share capital in both years.

Note 8 - 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, 2015, on shareholders' disclosures or on other information available to Adecco S.A.

On February 19, 2015, Harris Associates Investment Trust, Chicago, US, shareholding in Adecco S.A. fell below 5%. Harris Associates Investment Trust held 9,181,200 shares as of November 14, 2014.

Refer to Note 6 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 9 - Board of Directors and Executive Committee shareholdings

Board of Directors' shareholdings

	Shareholding as of December 31, 2015 ¹	Shareholding as of December 31, 2014 ¹
Name and function		
Rolf Dörig, Chairman	57,228	50,432
Thomas O'Neill, Vice-Chairman	9,207	7,269
Dominique-Jean Chertier	9,449	8,088
Jean-Christophe Deslarzes ²	1,057	n.a.
Alexander Gut	16,870	14,831
Didier Lamouche	2,449	1,088
David Prince	8,514	6,627
Wanda Rapaczynski	11,370	9,331
Kathleen P. Taylor ²	1,057	n.a.
Andreas Jacobs ³	n.a.	1,631
Total	117,201	99,297

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

² Became a member of the Board of Directors on April 21, 2015.

³ Member of the Board of Directors until April 21, 2015.

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

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Executive Committee's shareholdings

Name	Position	Shareholding as of December 31, 2015 ¹	Shareholding as of December 31, 2014 ¹
Alain Dehaze	Chief Executive Officer	22,734	14,670
Hans Ploos van Amstel ²	Chief Financial Officer	2,000	n.a.
Christophe Catoir ²	Regional Head of France	5,638	n.a.
Robert P. (Bob) Crouch	Regional Head of North America	5,103	2,037
John L. Marshall III ²	Regional Head of UK & Ireland	2,000	n.a.
Christophe Duchatellier	Regional Head of Asia Pacific	5,236	2,894
Mark De Smedt	Chief Human Resources Officer	5,000	2,500
Sergio Picarelli	Regional Head of Italy, Eastern Europe & MENA ⁴ and India	7,854	10,650
Enrique Sanchez	Regional Head of Iberia & South America	5,184	5,043
Federico Vione	Chief Sales & Innovation Officer	5,043	2,220
Stephan-Thomas Howeg ²	Chief Marketing & Communication Officer	5,336	n.a.
Patrick De Maeseneire ³		n.a.	60,000
Dominik de Daniel ³		n.a.	32,463
Martín Alonso ³		n.a.	3,266
Andreas Dinges ³		n.a.	3,611
Peter Searle ³		n.a.	2,000
Total		71,128	141,354

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 2015.

³ Left the Executive Committee in 2015.

⁴ Middle East and North Africa.

The members of the Board of Directors and of the Executive Committee are required to disclose to Adecco S.A. direct or indirect purchases and sales of equity-related securities of Adecco S.A. in accordance with the requirements of the SIX Swiss Exchange.

Note 10 • Subsequent events

On February 8, 2016, Adecco S.A. repaid the CHF 350 fixed rate notes issued within the framework of the Euro Medium-Term Note Programme upon maturity.