

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 Development, outsourcing and other services. We have more than 31,000 FTE employees and place more than 650,000 people at work every day through a network of around 5,100 branches in over 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 manufacturing impact the production cycle and reduce the predictability of our clients' business development. We help our clients 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 in 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 staffing and permanent placement services, 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 services expand during periods of economic growth and contract during recessions. On the other hand, Career Transition, where we offer outplacement services, is counter-cyclical and expands during difficult economic periods.

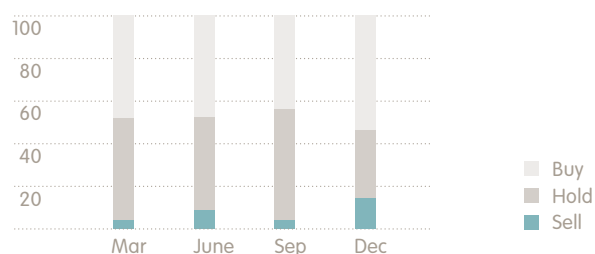
Through organic initiatives and past acquisitions we have improved our business mix. Today we are the largest player in Professional Staffing, having increased our exposure to this higher-growth and higher-margin business. We are also the leader in the Career Transition and Talent Development segment, where we achieve very attractive double-digit EBITA margins.

The profitability of the Group is dependent on 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 practise price discipline to optimise gross profit and we consistently manage our cost base very strictly, to protect profitability in downturns and to deliver increasing returns in upturns.

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 paid a dividend to our shareholders every year since the creation of Adecco in 1996, even in economically very challenging times. Given Adecco's solid financial position and strong cash flow generation, the dividend pay-out range was increased for the year 2011 and going forward to 40–50% of adjusted net earnings. In addition, the Company is committed to pay at least a stable dividend compared to the previous year even if the pay-out range is temporarily exceeded, barring seriously adverse economic conditions.

We are confident that we are in good shape to enhance our leadership position in the HR services industry. We continue to be very focused on reaching our EBITA margin target of above 5.5% in 2015. Based on the good progress on our six strategic priorities, recent trends and more favourable economic conditions expected going forward, we remain convinced we will achieve this target.

Distribution of broker ratings in 2013* in %



* At quarter end.

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 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. We are 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 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. 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 2013, devoting 24 days to market communication around the time of our quarterly results releases. We participated in 13 broker conferences and 30 roadshows in Europe and North America during 2013.

In addition, the Investor Relations section on the Adecco website, investor.adecco.com, provides 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. After reporting the Q4 and FY results for 2012, at the end of March 2013, 48% of the analysts recommended to buy the stock, 48% had a neutral view and 4% recommended selling. The year 2013 ended with 54% of the analysts being positive, 32% being neutral and 14% being negative on Adecco shares. This evolution has been influenced by continued strong profitability, improving revenue trends and the strong share price performance.

Currently 23 brokers are actively covering Adecco, maintaining regular contact with Group Management and the Investor Relations team. They comprise: ABN Amro, Bank am Bellevue, Bank of America Merrill Lynch, Bank Vontobel, Barclays Capital, Bryan Garnier & Co., Citigroup, Credit Suisse, Deutsche Bank, Exane BNP Paribas, Goldman Sachs, Helvea, HSBC, Jeferies, JP Morgan Cazenove, KeplerChevreux, MainFirst, Morgan Stanley, Natixis, Rabo Bank, Royal Bank of Canada, UBS and Zürcher Kantonalbank.

Adecco share price in CHF and main events 2013



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 25–30% of adjusted net earnings. For 2010 a dividend of CHF 1.10 per share was paid, equivalent to a 30% pay-out ratio based on adjusted net earnings. Subsequently, the pay-out ratio was increased to a range of 40–50% of adjusted net earnings and the dividend paid was CHF 1.80 per share for 2011 and 2012. At the next Annual General Meeting, the Board of Directors will propose a dividend of CHF 2.00 per share for 2013 for approval by shareholders. This amount represents an increase of 11% compared to the dividend paid for 2012 and is equivalent to a pay-out ratio of 47% of adjusted net earnings.

Share performance report

After a 22% increase in 2012, the Adecco share price started 2013 at CHF 48.04. The shares continued to rise by more than the market in January and February, as the US economy continued to grow steadily and expectations formed for a European recovery in the second half of 2013. March saw the release of the Q4 2012 results, which were somewhat lower than market expectations. This, together with the re-emergence of broader macro-economic concerns in Europe, caused the shares to fall back, ultimately giving up their relative out-performance from the first part of the year.

At the beginning of May, Adecco's Q1 2013 results highlighted an improving revenue trend and outlook, pushing the shares to a price of CHF 57.15, their high point for the first half of the year. However, by late May the possibility of an end to the stimulus programme from the Federal Reserve pushed markets lower and the share closed at CHF 53.85 at the end of June.

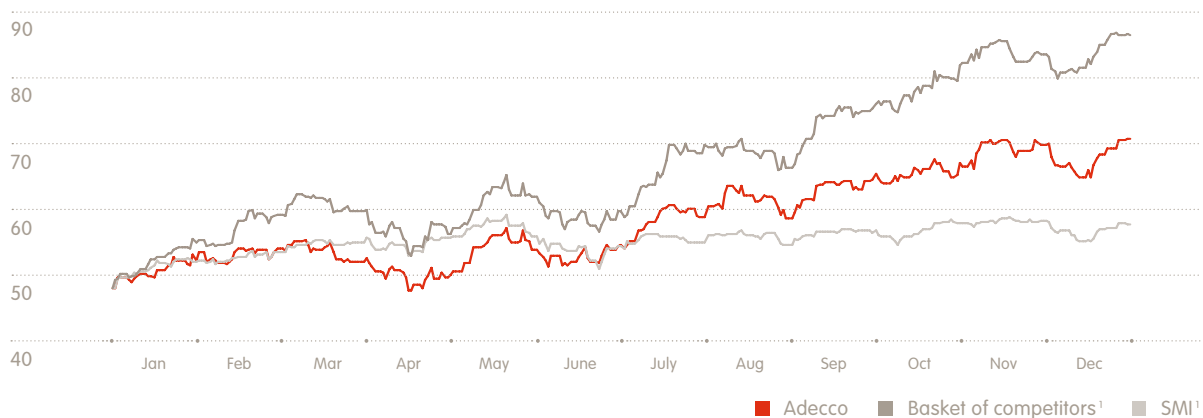
Economic data during the months of July and August showed the end of the recession in Europe, while it became clear that the accommodative monetary policy would not change in the short term. This helped markets move gradually higher during the third quarter and Adecco shares outperformed, helped by the release of good Q2 2013 results and the announcement of a new share buyback programme of up to EUR 250 million. At the end of September, the shares stood at CHF 64.40, up 20% from the end of June.

In September and October, continued good employment reports and the reaching of an agreement to raise the debt ceiling in the USA, together with positive corporate results, further lifted the equity markets. Following strong Q3 2013 results, the Adecco share price rose further to CHF 70.45, in mid-November. After a brief dip in early December, our shares ended 2013 at CHF 70.60, the highest level of the year.

Over the year 2013, Adecco shares increased 47% and closed at CHF 70.60 on December 31, 2013, compared with CHF 48.04 on December 31, 2012. Adecco shares outperformed the Swiss Market Index (SMI) by 27% (in CHF), but underperformed a basket of key competitors¹ in the staffing industry by 33%. Adecco's market capitalisation, based on issued shares, was CHF 13.4 billion at the end of 2013, compared with CHF 9.1 billion a year earlier.

Share price performance comparison 2013

in CHF



Shareholder base

Adecco has a broad investor base of over 14,000 shareholders. At the same time, the shareholder base is relatively concentrated, with 66% of all issued shares held by our top 20 investors. Some year-on-year changes were observed within the group of institutional shareholders. European institutional investors increased their holdings in Adecco to 32% of shares issued at the end of 2013, compared to 27% at the end of 2012. The percentage held by North American institutions declined by 5% to 27%.

¹ SMI and Basket of competitors (Manpower, Randstad and Kelly Services market capitalisation weighted in CHF) relative to Adecco's share price: 1.1.2013 = CHF 48.04.

Investor structure

<i>in % of shares issued</i>	2013	2012
Institutional:		
• Europe	32%	27%
• North America	27%	32%
• Rest of world	2%	1%
Retail	4%	4%
Insider and treasury	24%	21%
Unassigned	11%	15%

Insider and treasury holdings

as of year end 2013 *in % of shares issued*

Group represented by Jacobs Holding AG	18.4%
Treasury shares	5.9%
Management and Board ²	0.1%

Shareholder concentration

as of year end 2013 *in % of shares issued*

Top 5 investors	40%
Rest of top 10 investors	13%
Rest of top 20 investors	13%
Rest of top 50 investors	12%
Others	22%

Key data

	2013	2012
Shares issued	189,263,506	189,263,506
Treasury shares	11,125,506	4,653,738
Shares outstanding	178,138,000	184,609,768
Weighted-average shares	180,511,706	188,393,511 ³
Basic earnings per share in EUR	3.09	2.00
Diluted earnings per share in EUR	3.08	2.00
Dividend per share in CHF	2.00 ⁴	1.80
Year end share price in CHF	70.60	48.04
Highest share price in CHF	70.60	49.18
Lowest share price in CHF	47.72	36.33
Year end market capitalisation ⁵ in CHF million	13,362	9,092
Price/earnings ratio ⁶	18.6	19.9
Enterprise value ⁷ /EBITA	14.6	11.7

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 delivered under the prepaid forward (for details refer to page 106, Note 15).

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 2013: 1.23 (year end 2012: 1.21).

⁷ Enterprise value equals net debt plus market capitalisation at year end; CHF/EUR per year end 2013: 1.23 (year end 2012: 1.21).