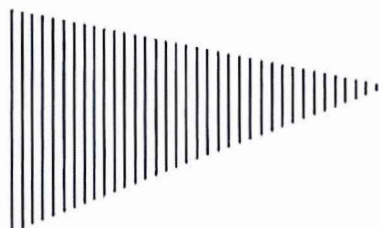


Adecco A/S

Falkoner Allé 1, 2000 Frederiksberg

CVR no. 12 93 23 75



Annual report 2016

Approved at the annual general meeting of shareholders on 31 ^{May} ~~March~~ 2017

Chairman:


.....
Stian Nygård



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Adecco A/S for the financial year 1 January - 31 December 2016.

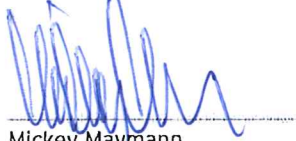
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.



Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2017
Executive Board:


Mickey Maymann
CEO

Board of Directors:


Marc Robert Angele Marie
Julien de Smedt
Chairman
Stian Nygård
Mickey Maymann

Independent auditor's report

To the shareholders of Adecco A/S

Opinion

We have audited the financial statements of Adecco A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

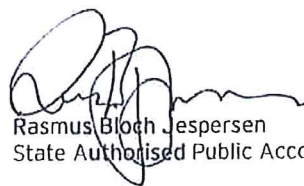
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Claus Tandgaard Jacobsen
State Authorised Public Accountant



Rasmus Bloch Jespersen
State Authorised Public Accountant



Management's review

Company details

Name	Adecco A/S
Address, Postal code, City	Falkoner Allé 1, 2000 Frederiksberg
CVR no.	12 93 23 75
Established	1 April 1989
Registered office	Frederiksberg
Financial year	1 January - 31 December
Website	www.adecco.dk
Board of Directors	Marc Robert Angele Marie Julien de Smedt, Chairman Stian Nygård Mickey Maymann
Executive Board	Mickey Maymann, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Bank Mendes Gans

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Revenue	939,507	883,747	1,009,517	667,196	431,042
Gross margin	891,554	841,346	967,932	635,824	367,910
Profit before interest, tax and amortisation of goodwill (EBITA)	6,523	5,721	6,863	-2,612	-12,220
Operating profit/loss	6,523	5,721	6,863	1,385	-3,997
Net financials	-1,384	-532	-1,012	-1,450	-1,630
Profit/loss for the year	5,139	5,196	5,831	-65	-6,371
Total assets					
Investment in property, plant and equipment	1,996	511	1,430	97	139
Equity	47,041	41,902	36,706	30,875	-19,061
Financial ratios					
Operating margin	0.7%	0.6%	0.7%	0.2%	-0.9%
Gross margin	94.9%	95.2%	95.9%	95.3%	85.4%
Return on assets	3.0%	2.8%	3.5%	0.9%	-4.6%
Current ratio	118.4%	116.2%	114.8%	0.0%	0.0%
Return on equity	11.6%	13.2%	17.3%	-1.1%	33.4%
Average number of employees	2,002	1,833	2,175	1,572	1,096

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Business review

As in previous years, the Company's core activities in the year under review were to render temporary staffing and recruitment assistance. The Company's key business segment is nationwide temporary staffing in the areas of office, canteen, storage & industry, IT, nursing, domestic help, construction, sales and demonstration.

Recognition and measurement uncertainties

In 2013, the Danish tax authorities (SKAT) raised a claim for an amount of DKK 10,487 thousand against the Company regarding a transfer pricing dispute for the income years 2006-2009. The Company disagrees with SKAT's claim and has appealed the case with the National Tax Tribunal (Landskatteretten).

In order to avoid accrued interest on the disputed amount, should the outcome of the appeal, in whole or in part, rule unfavorably for the Company, the Company decided to pay the claimed amount in 2013. This does not indicate that the Company agrees with SKAT's claim. As a result, the Company has recognised a receivable from SKAT of DKK 9,743 thousand (2015: DKK 9,743 thousand) regarding the disputed amount for the income years 2006-2009. The receivable has been classified in the balance sheet item 'Other receivables', classified as a non-current asset.

The Company expects that it may take up to one to two years before the case is settled.

As a result of the uncertainty regarding the outcome of the National Tax Tribunal's ruling, there is uncertainty associated with the recognition and measurement of the receivable.

Financial review

In 2016, the Company's revenue came in at DKK 939,507 thousand against DKK 883,747 thousand last year. The income statement for 2016 shows a profit of DKK 5,139 thousand against DKK 5,196 thousand last year, and the balance sheet at 31 December 2016 shows equity of DKK 47,041 thousand. The markets for staffing and recruitment are highly competitive and with low entry barriers, the markets consist of a significant amount of competitors. The Company still experiences that the contribution margin on the individual projects is under pressure, which has an adverse effect on the financial performance. On this basis, Management considers the profit for the year as satisfactory.

Statutory CSR report

Adecco Global has established policies for social corporate responsibility, including policies for climate and human rights. As a subsidiary of Adecco Global, Adecco A/S has to ensure compliance and adhere to these Group policies.

The Adecco Group's positions on social responsibility is published on the Adecco Group's website, <http://www.adecgroup.com/sustainability/social-responsibility/>.

Account of the gender composition of Management

In Adecco A/S, it is our clear objective to ensure diversity in the staff composition - not least at executive level. We believe that diversity can contribute positively to the development and competitiveness of the organisation. Diversity relates to both gender, age and ethnic background and are all an integral part of our Global Code of Conduct.

As of January 2017, the gender composition is 59% women and 41% men and at executive level it is 43% women and 57% men.

The current level of women at executive level is considered as satisfactory. As Adecco has a clear policy regarding equal opportunities for all in relation to promotion and career development, it is considered natural that the gender composition will be at an equivalent level over the coming years.

At the same time, it should be emphasised that Adecco A/S at all times chooses to promote and appoint executive officers - at all levels - not based on gender, but on who is best suited for the job - technically and personally. As such, both genders are taken into considerations upon promotion and appointment of new executives.



Management's review

Management commentary

Events after the balance sheet date

No events have occurred subsequent to the balance sheet date with significance impact of the financial statement 2016.

Outlook

Adecco expects that, in 2017, the Company's revenue and earnings will develop negatively within a range of -10-0% compared to 2016.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2016	2015
3	Revenue	939,507	883,747
	Other external expenses	-47,953	-42,401
	Gross margin	891,554	841,346
4	Staff costs	-883,275	-833,261
5	Amortisation/depreciation of intangible assets and property, plant and equipment	-1,756	-2,364
	Profit before net financials	6,523	5,721
	Financial income	18	4
6	Financial expenses	-1,402	-536
	Profit before tax	5,139	5,189
	Tax for the year	0	7
	Profit for the year	5,139	5,196

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Non-current assets		
7	Intangible assets		
	Acquired software	2,617	3,122
		<u>2,617</u>	<u>3,122</u>
8	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	1,443	85
	Leasehold improvements	582	681
		<u>2,025</u>	<u>766</u>
9	Financial assets		
	Other receivables	11,508	10,906
		<u>11,508</u>	<u>10,906</u>
	Total non-current assets	<u>16,150</u>	<u>14,794</u>
	Current assets		
	Receivables		
	Trade receivables	194,988	190,189
	Receivables from group entities	0	70
	Other receivables	1,624	649
10	Prepayments	1,002	685
		<u>197,614</u>	<u>191,593</u>
	Cash	936	8,791
	Total Current assets	<u>198,550</u>	<u>200,384</u>
	TOTAL ASSETS	<u>214,700</u>	<u>215,178</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	10,002	10,002
	Retained earnings	37,039	31,900
	Total equity	47,041	41,902
	Non-current liabilities		
	Other provisions	0	775
	Total non-current liabilities	0	775
	Current liabilities		
	Prepayments received from customers	14	820
	Trade payables	9,287	6,653
	Payables to group entities	45,742	53,504
	Other payables	112,616	111,524
	Total current liabilities	167,659	172,501
	Total liabilities	167,659	173,276
	TOTAL EQUITY AND LIABILITIES	214,700	215,178

- 1 Accounting policies
- 2 Uncertainties regarding recognition and measurement
- 13 Contractual obligations and contingencies, etc.
- 14 Contingent assets
- 15 Collateral
- 16 Related parties
- 17 Fee to the auditors appointed by the Company in general meeting

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	10,002	26,704	36,706
18 Transfer, see "Appropriation of profit"	0	5,196	5,196
Equity at 1 January 2016	10,002	31,900	41,902
18 Transfer, see "Appropriation of profit"	0	5,139	5,139
Equity at 31 December 2016	10,002	37,039	47,041

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Adecco A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are part of the consolidated cash flow statement for the Parent Company, Adecco S.A.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

The Company generates revenue from sales of temporary staffing services, permanent placement services, outsourcing services and other services.

Revenue related to temporary staffing services is generally negotiated and invoiced on an hourly basis. Associates record the hours they have worked and these hours, at the rate agreed with the customer, are then accumulated and invoiced according to the agreed terms. Temporary staffing service revenue is recognised upon the rendering of the service.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Revenue related to permanent placement services is generally recognised at the time at which the candidate begins full-time employment, or as the fee is earned. An allowance provision is established based on historical information for any non-fulfillment of permanent placement obligations.

Revenue related to outsourcing services and other services is negotiated with the client on a project basis and are recognised upon rendering of the services. Revenue invoiced prior to providing the services are deferred and recognised in other current liabilities until the services have been rendered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, royalty, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's employees and temporary workers. The item is net of refunds made by public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired software	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, financial expenses relating to realised and unrealised capital gains and losses, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Other intangible assets include software licences and other acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Property plant and equipment comprise other fixtures, fitting tools, equipment and leasehold improvements.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash in banks.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Provisions

Provisions comprise expected expenses relating to restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated based on the liability method of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

2 Uncertainties regarding recognition and measurement

In 2013, the Danish tax authorities (SKAT) raised a claim for an amount of DKK 10,487 thousand against the Company regarding a transfer pricing dispute for the income years 2006-2009. The Company disagrees with SKAT's claim and has appealed the case with the National Tax Tribunal (Landsskatteretten).

In order to avoid accrued interest on the disputed amount, should the outcome of the appeal, in whole or in part, rule unfavorably for the Company, the Company decided to pay the claimed amount in 2013. This does not indicate that the Company agrees with SKAT's claim. As a result, the Company has recognised a receivable from SKAT of DKK 9,743 thousand (2015: DKK 9,743 thousand) regarding the disputed amount for the income years 2006-2009. The receivable has been classified in the balance sheet item 'Other receivables', classified as a non-current asset.

The Company expects that it may take up to one to two years before the case is settled.

As a result of the uncertainty regarding the outcome of the National Tax Tribunal's ruling, there is uncertainty associated with the recognition and measurement of the receivable.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	<u>2016</u>	<u>2015</u>
3 Segment information		
Temporary staffing services	891,971	832,790
Permanent staffing, outsourcing, and other services	<u>47,536</u>	<u>50,957</u>
	<u>939,507</u>	<u>883,747</u>
Breakdown of revenue by geographical segment:		
Denmark	<u>939,507</u>	<u>883,747</u>
	<u>939,507</u>	<u>883,747</u>

With reference to section 96 (1) of the Danish Financial Statements Act, the Company does not disclose customer segments of revenue as Management is of the opinion that such disclosure is of significant interest to its competitors and may, therefore, be highly detrimental to the Company.

DKK'000	<u>2016</u>	<u>2015</u>
4 Staff costs		
Wages/salaries	744,303	699,474
Pensions	66,396	66,258
Other social security costs	58,561	50,987
Other staff costs	<u>14,015</u>	<u>16,542</u>
	<u>883,275</u>	<u>833,261</u>
Average number of full-time employees	<u>2,002</u>	<u>1,833</u>

Total remuneration of the Executive Board and the Board of Directors amounts to: DKK 2,130 thousand (2015: DKK 2,550 thousand).

DKK'000	<u>2016</u>	<u>2015</u>
5 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,379	3,943
Depreciation of property, plant and equipment	<u>377</u>	<u>-1,579</u>
	<u>1,756</u>	<u>2,364</u>
6 Financial expenses		
Interest expenses, group entities	576	176
Other financial expenses	<u>826</u>	<u>360</u>
	<u>1,402</u>	<u>536</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Acquired software
Cost at 1 January 2016	27,306
Additions in the year	874
Cost at 31 December 2016	28,180
Impairment losses and amortisation at 1 January 2016	24,184
Amortisation/depreciation in the year	1,379
Impairment losses and amortisation at 31 December 2016	25,563
Carrying amount at 31 December 2016	2,617
Amortised over	3-5 years

8 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	6,134	5,439	11,573
Additions in the year	1,574	422	1,996
Disposals in the year	0	-775	-775
Cost at 31 December 2016	7,708	5,086	12,794
Impairment losses and depreciation at 1 January 2016	6,049	4,758	10,807
Amortisation/depreciation in the year	216	160	376
Reversal of amortisation/depreciation and impairment of disposals	0	-414	-414
Impairment losses and depreciation at 31 December 2016	6,265	4,504	10,769
Carrying amount at 31 December 2016	1,443	582	2,025
Amortised over	3-5 years	3-5 years	

9 Investments

DKK'000	Other receivables
Cost at 1 January 2016	10,906
Additions in the year	602
Cost at 31 December 2016	11,508
Carrying amount at 31 December 2016	11,508

Financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	<u>2016</u>	<u>2015</u>
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11 Share capital

Analysis of the share capital:

10,002 shares of DKK 1,000.00 nominal value each	<u>10,002</u>	<u>10,002</u>
	<u>10,002</u>	<u>10,002</u>

Analysis of changes in the share capital over the past 5 years:

DKK'000	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	10,002	10,002	10,002	10,001	10,001
Capital increase	0	0	0	1	0
	<u>10,002</u>	<u>10,002</u>	<u>10,002</u>	<u>10,002</u>	<u>10,001</u>

DKK'000	<u>2016</u>	<u>2015</u>
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12 Deferred tax

Deferred tax at 1 January	0	0
Current year adjustment of deferred tax	1,514	1,704
Accounting estimate for utilisation of deferred tax assets	<u>-1,514</u>	<u>-1,704</u>
Deferred tax at 31 December	<u>0</u>	<u>0</u>

Further reference is made to note 15.

13 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK'000	<u>2016</u>	<u>2015</u>
Rent and lease liabilities	<u>10,143</u>	<u>4,034</u>

Rent and lease liabilities include a rent obligation, totalling DKK 9,429,758 (2015: DKK 2,290 thousand), in interminable rent agreements with remaining contract terms of 0-5 years. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 713,228 (2015: DKK 1,429 thousand), with remaining contract terms of 2-3 years.

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14 Contingent assets

The Company has tax loss carry-forwards totalling DKK 130,104 thousand (2015: DKK 137,080 thousand). The nominal value totals DKK 28,623 thousand (2015: DKK 30,158 thousand) using a tax rate of 22% (2015: 22%).

The Company's deferred tax asset has not been recognised in the balance sheet due to uncertainty as to the outcome of the transfer pricing disputes discussed in note 2 and to the future utilisation of the tax losses.

15 Collateral

The Company has not put up any security or provided other collateral in assets at the balance sheet date

The Company has provided a bank guarantee amounting to DKK 314 thousand (2015: DKK 314 thousand).

16 Related parties

Adecco A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Adecco Norway AS	Norway	Immediate Parent Company
Adecco SA	Switzerland	Ultimate Parent Company

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<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Adecco SA	Switzerland	Sägereistrasse 10, 8152 Glattbrugg

Related party transactions

Adecco A/S was engaged in the below related party transactions:

<u>DKK'000</u>	<u>2016</u>	<u>2015</u>
Royalty fees, management costs from parties exercising control	27,871	18,779
Management costs and other costs from other group entities	2,780	3,962
Payables to parties exercising control	418	108
Payables to other group entities	324	306
Payables to the Adecco Group cash pool	45,000	53,056

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

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Notes to the financial statements

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Adecco AS	Rosenkrantzgate 16, Oslo, Norge

	2016	2015
DKK'000		
17 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	187	210
Tax assistance	44	43
Other assistance	56	51
	<u>287</u>	<u>304</u>
DKK'000		
18 Appropriation of profit		
Recommended appropriation of profit	5,139	5,196
Retained earnings	<u>5,139</u>	<u>5,196</u>

