



ManpowerGroup™

## Manpower Reports 2nd Quarter and First Half 2003 Results

July 17, 2003

MILWAUKEE, Wis., Jul 17, 2003 /PRNewswire-FirstCall via COMTEX/ -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended June 30, 2003 was \$29.1 million, or 37 cents per diluted share, an increase of 14 percent, from \$25.7 million, or 33 cents per diluted share, a year earlier. Revenues for the second quarter totaled \$3.0 billion, an increase of 16 percent from the year-earlier period. Systemwide sales were \$3.3 billion. Results for the second quarter were positively affected by relatively stronger foreign currencies compared to the prior year period. On a constant currency basis, earnings per diluted share for the quarter were 30 cents on a 1 percent improvement in revenues.

"Our second quarter performance was successful from a management perspective, however, we continue to be operating in a difficult economic environment in most of our markets around the world," said Jeffrey A. Joerres, Manpower Chairman and CEO. "Our operation in France made a sizable contribution to the quarter's profit, despite these challenges, and we also benefited from strong performances in Japan, Italy and Germany.

"In the second quarter we saw marginal increases in revenue on a global basis. However, in the U.S. we have yet to experience an increase in activity to indicate that we are in the midst of a meaningful upward economic turn," Joerres stated. "Based on our current trends, we anticipate third quarter earnings per share will be between 42 and 46 cents, including a 4 cent favorable impact from currency."

Net income for the six months ended June 30, 2003 totaled \$44.0 million or 56 cents per diluted share, an increase of 35 percent from \$32.6 million, or 42 cents per diluted share in 2002. Revenues for the six-month period were \$5.7 billion, an increase of 16 percent from the prior year. Systemwide sales were \$6.2 billion. On a constant currency basis, earnings per diluted share for the six-month period were 43 cents on a 2 percent improvement in revenues.

In conjunction with its second quarter earnings release, Manpower will broadcast its conference call live over the Internet on July 17, 2003 at 8:00 a.m. CDT (9:00 a.m. EDT). Interested parties are invited to listen to the webcast by logging on to <http://investor.manpower.com>.

The systemwide sales and constant currency amounts included in this press release are further explained on the attached Results of Operations. Supplemental financial information referenced in the conference call can be found at <http://investor.manpower.com>.

Manpower Inc. is a world leader in the staffing industry, providing workforce management services and solutions to customers through 4,000 offices in 63 countries. The firm annually provides employment to 2 million people worldwide and is an industry leader in employee assessment and training. Manpower also provides a range of staffing solutions and engagement and consulting services worldwide under the subsidiary brands of Brook Street, Elan, The Empower Group and Jefferson Wells. More information on Manpower Inc. can be found at the Company's Web site, [www.manpower.com](http://www.manpower.com).

This news release contains statements, including earning projections, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause the Company's actual results to differ materially from those contained in the forward-looking statements can be found in the Company's reports filed with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2002, which information is incorporated herein by reference, and such other factors as may be described from time to time in the Company's SEC filings.

Manpower Inc.  
Results of Operations  
(In millions, except per share data)

	Three Months Ended June 30		% Variance	
	2003	2002		
	Amount	Constant	Reported	Currency
	(Unaudited)			
Systemwide sales (a)	\$3,301.6	\$2,892.1	14.2%	
Revenue from services	3,013.4	2,602.9	15.8%	1.0%
Cost of services	2,491.9	2,135.3	16.7%	
Gross profit	521.5	467.6	11.6%	-2.4%
Selling and administrative expenses	464.5	415.8	11.7%	-1.6%
Operating profit	57.0	51.8	10.1%	-8.5%

Interest and other expenses	9.2	9.6	-4.1%	
Earnings before income taxes	47.8	42.2	13.4%	
Provision for income taxes	18.7	16.5	13.0%	
Net earnings	\$29.1	\$25.7	13.6%	-8.1%
Net earnings per share - basic	\$0.38	\$0.34	11.8%	
Net earnings per share - diluted	\$0.37	\$0.33	12.1%	-9.1%
Weighted average shares - basic	77.5	75.9	2.1%	
Weighted average shares - diluted	78.3	77.5	1.0%	

(a) Systemwide sales represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales is calculated as follows:

Revenue from services	\$3,013.4	\$2,602.9
Less: Franchise fees	5.9	6.0
Add: Franchise sales	294.1	295.2
Systemwide sales	\$3,301.6	\$2,892.1

Manpower Inc.  
Operating Unit Results  
(In millions)

Three Months Ended June 30  
% Variance  
Amount Constant  
2003 2002 Reported Currency  
(Unaudited)

Revenues from services:

United States (a)	\$483.9	\$474.9	1.9%	1.9%
France	1,172.0	943.3	24.3%	0.6%
EMEA	951.2	830.1	14.6%	-2.7%
Other Operations	406.3	354.6	14.6%	9.5%
	\$3,013.4	\$2,602.9	15.8%	1.0%

Operating Unit Profit:

United States	\$10.3	\$8.3	25.8%	25.8%
France	41.9	32.7	27.9%	3.6%
EMEA	7.6	16.7	-54.3%	-61.0%
Other Operations	6.5	1.6	308.4%	271.6%
	66.3	59.3		
Corporate expenses	9.3	7.4		
Amortization of other intangible assets	-	0.1		
Operating profit	57.0	51.8	10.1%	-8.5%
Interest and other expenses (b)	9.2	9.6		
Earnings before income taxes	\$47.8	\$42.2		

(a) Systemwide sales in the United States represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales in the United States is calculated as follows:

Revenue from services	\$483.9	\$474.9
Less: Franchise fees	4.9	5.5
Add: Franchise sales	248.4	254.9

Systemwide sales	\$727.4	\$724.3
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(b) The components of interest and other expense (income) were:

Interest expense	\$10.4	\$10.5
Interest income	(2.1)	(2.1)
Foreign exchange gains	(0.3)	(0.9)
Miscellaneous, net	1.2	2.1
	\$9.2	\$9.6

Manpower Inc.  
Results of Operations  
(In millions, except per share data)

Six Months Ended June 30  
% Variance  
Amount Constant  
2003 2002 Reported Currency  
(Unaudited)

Systemwide sales (a)	\$6,241.0	\$5,432.1	14.9%	
Revenue from services	5,692.1	4,886.9	16.5%	2.1%
Cost of services	4,704.6	4,004.5	17.5%	
Gross profit	987.5	882.4	11.9%	-1.8%
Selling and administrative expenses	897.5	811.9	10.5%	-2.4%
Operating profit	90.0	70.5	27.7%	4.1%
Interest and other expenses	17.8	17.6	1.6%	
Earnings before income taxes	72.2	52.9	36.4%	
Provision for income taxes	28.2	20.3	38.2%	
Net earnings	\$44.0	\$32.6	35.3%	3.8%
Net earnings per share - basic	\$0.57	\$0.43	32.6%	
Net earnings per share - diluted	\$0.56	\$0.42	33.3%	2.4%
Weighted average shares - basic	77.4	76.0	1.8%	
Weighted average shares - diluted	78.2	77.6	0.7%	

(a) Systemwide sales represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales is calculated as follows:

Revenue from services	\$5,692.1	\$4,886.9
Less: Franchise fees	11.9	12.3
Add: Franchise sales	560.8	557.5
Systemwide sales	\$6,241.0	\$5,432.1

Manpower Inc.  
Operating Unit Results  
(In millions)

Six Months Ended June 30  
% Variance  
Amount Constant

2003 2002 Reported Currency  
(Unaudited)

Revenues from services:				
United States (a)	\$947.4	\$903.6	4.8%	4.8%
France	2,126.6	1,710.4	24.3%	1.1%
EMEA	1,837.6	1,594.3	15.3%	-2.1%
Other Operations	780.5	678.6	15.0%	11.1%
	\$5,692.1	\$4,886.9	16.5%	2.1%

Operating Unit Profit:

United States	\$13.0	\$3.4	287.4%	287.4%
France	68.8	54.9	25.3%	1.8%
EMEA	17.4	27.7	-37.1%	-46.8%
Other Operations	8.9	(0.2)	N/A	N/A
	108.1	85.8		

Corporate expenses 18.1 15.2

Amortization of other intangible assets - 0.1

Operating profit 90.0 70.5 27.7% 4.1%

Interest and other expenses (b) 17.8 17.6

Earnings before income taxes \$72.2 \$52.9

(a) Systemwide sales in the United States represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales in the United States is calculated as follows:

Revenue from services	\$947.4	\$903.6
Less: Franchise fees	10.1	10.4
Add: Franchise sales	478.0	485.1
Systemwide sales	\$1,415.3	\$1,378.3

(b) The components of interest and other expense (income) were:

Interest expense	\$20.4	\$20.4
Interest income	(4.5)	(4.7)
Foreign exchange gains	(1.5)	(0.7)
Miscellaneous, net	3.4	2.6
	\$17.8	\$17.6

Manpower Inc.  
Consolidated Balance Sheets  
(In millions)

June 30 Dec. 31  
2003 2002  
(Unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$252.1	\$284.0
Accounts receivable, net	2,437.8	2,214.2
Prepaid expenses and other assets	84.6	76.0
Future income tax benefits	77.1	79.1
Total current assets	2,851.6	2,653.3

Other assets:

Goodwill and other intangible assets, net	556.6	545.7
Investments in licensees	61.8	60.5
Other assets	305.0	253.4
Total other assets	923.4	859.6

Property and equipment:

Land, buildings, leasehold improvements and equipment	569.2	533.4
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Less: accumulated depreciation and amortization	385.1	344.6
Net property and equipment	184.1	188.8
Total assets	\$3,959.1	\$3,701.7

#### LIABILITIES AND SHAREHOLDERS' EQUITY

##### Current liabilities:

Accounts payable	\$521.8	\$447.0
Employee compensation payable	96.0	96.2
Accrued liabilities	313.9	295.7
Accrued payroll taxes and insurance	395.2	391.6
Value added taxes payable	343.4	309.0
Short-term borrowings and current maturities of long-term debt	15.4	22.8
Total current liabilities	1,685.7	1,562.3

##### Other liabilities:

Long-term debt	813.5	799.0
Other long-term liabilities	351.2	340.5
Total other liabilities	1,164.7	1,139.5

##### Shareholders' equity:

Common stock	0.9	0.9
Capital in excess of par value	1,710.1	1,696.2
Accumulated deficit	(253.5)	(289.7)
Accumulated other comprehensive income (loss)	(65.0)	(123.7)
Treasury stock, at cost	(283.8)	(283.8)
Total shareholders' equity	1,108.7	999.9
Total liabilities and shareholders' equity	\$3,959.1	\$3,701.7

Manpower Inc.  
Consolidated Statements of Cash Flows  
(In millions)

Six Months Ended  
June 30  
2003      2002  
(Unaudited)

##### Cash Flows from Operating Activities:

Net earnings	\$44.0	\$32.6
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	31.4	32.8
Amortization of discount on convertible debentures	3.8	3.6
Deferred income taxes	4.7	2.4
Provision for doubtful accounts	8.0	9.1
Changes in operating assets and liabilities:		
Accounts receivable	(76.5)	(146.4)
Other assets	(25.8)	(4.8)
Other liabilities	28.1	108.8
Cash provided by operating activities	17.7	38.1

##### Cash Flows from Investing Activities:

Capital expenditures	(23.8)	(31.0)
Acquisitions of business, net of cash acquired	(2.5)	(29.6)
Proceeds from the sale of property and equipment	2.5	1.5
Cash used by investing activities	(23.8)	(59.1)

Cash Flows from Financing Activities:

Net (repayments) borrowings of short-term facilities and long-term debt	(44.5)	17.3
Proceeds from stock option and purchase plans	13.9	26.1
Repurchase of common stock	-	(30.7)
Dividends paid	(7.8)	(7.6)
Cash (used) provided by financing activities	(38.4)	5.1
Effect of exchange rate changes on cash	12.6	19.1
Change in cash and cash equivalents	(31.9)	3.2
Cash and cash equivalents, beginning of period	284.0	245.8
Cash and cash equivalents, end of period	\$252.1	\$249.0

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