



ManpowerGroup™

October 17, 2002

## Manpower Reports 3rd Quarter 2002 Results

MILWAUKEE, Wis., Oct 17, 2002 /PRNewswire-FirstCall via COMTEX/ -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended September 30, 2002 increased 9.1 percent to \$40.5 million, or 52 cents per diluted share, from \$37.1 million, or 48 cents per diluted share, a year earlier. Included in 2001 net income is \$3.9 million (net of income taxes) or 5 cents per diluted share of amortization of intangible assets which are no longer amortized, as required by the new accounting rules effective January 1, 2002. Revenues for the third quarter totaled \$2.9 billion, an increase of 7.9 percent from the year-earlier period. Systemwide sales were \$3.2 billion. Results for the third 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 45 cents on a 1.3 percent revenue increase.

"Our performance in the third quarter reaffirms the strength of our portfolio of services and geographical diversification," Manpower Chairman and CEO, Jeffrey A. Joerres, said. "We have taken aggressive actions to strengthen our relationships with current customers and to increase awareness of Manpower among a larger base of potential customers. At the same time, we have further improved our cost and expense structure, which enhances our longer-term outlook. These actions, during a difficult economic period, exemplify the quality and commitment level that is consistently demonstrated throughout Manpower worldwide."

"Given our current trends, we anticipate our fourth quarter earnings per share to be in the range of 43 to 47 cents, which includes an estimated favorable currency impact of 4 cents," Mr. Joerres said.

Net income for the nine months ended September 30, 2002 totaled \$73.1 million or 94 cents per diluted share, down 25.9 percent from \$98.6 million, or \$1.28 per diluted share in 2001. Included in 2001 net income for the nine months is \$10.5 million (net of income taxes) or 14 cents per diluted share of amortization of intangible assets. Revenues for the nine-month period were \$7.8 billion, a decline of 2.2% from the prior year. Systemwide sales were \$8.6 billion. On a constant currency basis, earnings per diluted share for the nine-month period were 85 cents on a revenue decline of 4.1%.

In conjunction with its third quarter earnings release, Manpower will broadcast its conference call live over the Internet on October 17, 2002 at 8:00 a.m. CDT (9:00 a.m. EDT). Interested parties are invited to listen by logging on to <http://investor.manpower.com>.

Manpower Inc. is a world leader in the staffing industry, providing workforce management services and solutions to customers through 3,900 offices in 61 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), which includes a comprehensive Investor Relations section.

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 statement 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, 2001, which information is incorporated herein by reference.

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

Three Months Ended		
September 30		
2002	2001	Variance
(Unaudited)		

Systemwide sales	\$3,183.5	\$3,000.2	6.1%
Revenue from services	2,885.9	2,675.4	7.9%
Cost of services	2,373.6	2,170.8	9.3%
Gross profit	512.3	504.6	1.5%
Selling and administrative expenses	435.1	436.2	-0.3%
Operating profit	77.2	68.4	13.1%
Interest and other expenses	11.3	10.4	10.5%
Earnings before income taxes	65.9	58.0	13.5%
Provision for income taxes	25.4	20.9	21.4%
Net earnings	\$40.5	\$37.1	9.1%
Net earnings per share - basic	\$0.53	\$0.49	8.2%
Net earnings per share - diluted	\$0.52	\$0.48	8.3%
Weighted average shares - basic	76.6	76.0	0.9%
Weighted average shares - diluted	77.4	76.9	0.7%

	2002	Nine Months Ended September 30 2001 (Unaudited)	Variance
Systemwide sales	\$8,615.6	\$8,955.4	-3.8%
Revenue from services	7,772.8	7,947.4	-2.2%
Cost of services	6,378.1	6,469.8	-1.4%
Gross profit	1,394.7	1,477.6	-5.6%
Selling and administrative expenses	1,247.0	1,294.4	-3.7%
Operating profit	147.7	183.2	-19.4%
Interest and other expenses	28.9	29.2	-0.7%
Earnings before income taxes	118.8	154.0	-22.9%
Provision for income taxes	45.7	55.4	-17.5%
Net earnings	\$73.1	\$98.6	-25.9%
Net earnings per share - basic	\$0.96	\$1.30	-26.2%
Net earnings per share - diluted	\$0.94	\$1.28	-26.6%

Weighted average shares - basic	76.2	75.9	0.4%
Weighted average shares - diluted	77.6	77.0	0.9%

Manpower Inc.  
Operating Unit Results  
(In millions)

	Three Months Ended September 30		% Variance	
	2002	2001	Reported	Amount Constant Currency
	(Unaudited)			
Revenues from services:				
United States (a)	\$512.8	\$482.4	6.3%	6.3%
France	1,103.3	991.5	11.3%	0.5%
United Kingdom	366.1	377.7	-3.1%	-10.4%
Other Europe	540.5	481.4	12.3%	1.5%
Other Operations	363.2	342.4	6.1%	9.0%
	\$2,885.9	\$2,675.4	7.9%	1.3%
Operating Unit Profit:				
United States	\$12.4	\$8.6	44.6%	44.6%
France	40.6	37.2	9.2%	-1.8%
United Kingdom	7.3	13.7	-46.7%	-51.0%
Other Europe	24.0	20.6	16.6%	4.4%
Other Operations	2.7	3.0	-8.3%	-22.3%
	87.0	83.1		
Corporate expenses	9.8	10.2		
Amortization of intangibles	--	4.5		
Operating profit	77.2	68.4	13.1%	2.0%
Interest and other expense (b)	11.3	10.4		
Earnings before taxes	\$65.9	\$58.0		

Footnotes:

(a) Systemwide sales in the United States, which includes sales of Company-owned branches and franchises were \$783.7 and \$757.2 for the three months ended September 30, 2002 and 2001, respectively.

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

Interest expense	\$11.5	\$10.8
Interest income	(1.9)	(2.4)
Foreign exchange (gains) losses	(0.1)	(0.3)
Loss on sale of accounts receivable	0.1	1.1
Miscellaneous, net	1.7	1.2
	\$11.3	\$10.4

Manpower Inc.  
Operating Unit Results  
(In millions)

	Nine Months Ended September 30		% Variance	
	2002	2001	Reported	Amount Constant Currency
	(Unaudited)			
Revenues from services:				

United States (a)	\$1,416.4	\$1,552.2	-8.7%	-8.7%
France	2,813.7	2,879.3	-2.3%	-6.3%
United Kingdom	1,020.7	1,128.2	-9.5%	-12.2%
Other Europe	1,480.2	1,456.0	1.7%	-1.9%
Other Operations	1,041.8	931.7	11.8%	16.9%
	\$7,772.8	\$7,947.4	-2.2%	-4.1%
Operating Unit Profit:				
United States	\$15.8	\$29.0	-45.6%	-45.6%
France	95.5	98.9	-3.5%	-8.3%
United Kingdom	14.8	33.6	-56.0%	-57.7%
Other Europe	50.1	57.5	-13.0%	-17.9%
Other Operations	2.5	6.2	-57.0%	-71.6%
	178.7	225.2		
Corporate expenses	30.9	29.9		
Amortization of intangibles	0.1	12.1		
Operating profit	147.7	183.2	-19.4%	-24.3%
Interest and other expense (b)	28.9	29.2		
Earnings before taxes	\$118.8	\$154.0		

Footnotes:

(a) Systemwide sales in the United States, which includes sales of Company-owned branches and franchises were \$2,162.1 and \$2,420.2 for the nine months ended September 30, 2002 and 2001, respectively.

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

Interest expense	\$31.9	\$28.3
Interest income	(6.6)	(7.4)
Foreign exchange (gains) losses	(0.8)	(0.5)
Loss on sale of accounts receivable	0.3	5.1
Miscellaneous, net	4.1	3.7
	\$28.9	\$29.2

Manpower Inc.  
Consolidated Balance Sheets  
(In millions)

	Sept. 30 2002 (Unaudited)	Dec. 31 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$236.6	\$245.8
Accounts receivable, net	2,249.0	1,917.8
Prepaid expenses and other assets	80.9	77.0
Future income tax benefits	73.9	73.8
Total current assets	2,640.4	2,314.4
Other assets:		
Intangible assets, net	530.1	480.8
Investments in licensees	61.6	44.7
Other assets	236.2	204.7
Total other assets	827.9	730.2
Property and equipment:		
Land, buildings, leasehold improvements and equipment	501.3	465.4
Less: accumulated depreciation and		

amortization	316.3	271.4
Net property and equipment	185.0	194.0
Total assets	\$3,653.3	\$3,238.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$507.5	\$382.1
Employee compensation payable	105.7	93.2
Accrued liabilities	283.3	234.9
Accrued payroll taxes and insurance	301.9	300.8
Value added taxes payable	326.4	255.9
Short-term borrowings and current maturities of long-term debt	29.9	23.7
Total current liabilities	1,554.7	1,290.6
Other liabilities:		
Long-term debt	847.7	811.1
Other long-term liabilities	325.0	322.6
Total other liabilities	1,172.7	1,133.7
Shareholders' equity:		
Common stock	0.9	0.9
Capital in excess of par value	1,690.3	1,644.9
Accumulated deficit	(322.1)	(387.6)
Accumulated other comprehensive income (loss)	(159.4)	(190.8)
Treasury stock, at cost	(283.8)	(253.1)
Total shareholders' equity	925.9	814.3
Total liabilities and shareholders' equity	\$3,653.3	\$3,238.6

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

	Nine Months Ended September 30	
	2002	2001
	(Unaudited)	
Cash Flows from Operating Activities:		
Net earnings	\$73.1	\$98.6
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	48.9	62.3
Deferred income taxes	3.0	(6.6)
Provision for doubtful accounts	15.2	15.4
Changes in operating assets and liabilities:		
Amounts advanced under the Receivables Facility	--	(102.0)
Accounts receivable	(172.8)	14.7
Other assets	26.2	(21.1)
Other liabilities	76.5	(3.7)
Cash provided by operating activities	70.1	57.6
Cash Flows from Investing Activities:		
Capital expenditures	(40.2)	(66.6)
Acquisitions of business, net of		

cash acquired	(31.2)	(291.8)
Proceeds from the sale of property and equipment	2.2	4.7
Cash used by investing activities	(69.2)	(353.7)
Cash Flows from Financing Activities:		
Net borrowings from short-term facilities and long-term debt	(19.7)	356.4
Proceeds from stock option and purchase plans	30.4	8.6
Repurchase of common stock	(30.7)	(3.3)
Dividends paid	(7.6)	(7.6)
Cash (used) provided by financing activities	(27.6)	354.1
Effect of exchange rate changes on cash	17.5	(6.8)
Change in cash and cash equivalents	(9.2)	51.2
Cash and cash equivalents, beginning of period	245.8	181.7
Cash and cash equivalents, end of period	\$236.6	\$232.9

SOURCE Manpower Inc.