



# ManpowerGroup™

## Manpower Reports 1st Quarter Results

April 16, 2002

MILWAUKEE, Wis., Apr 16, 2002 /PRNewswire-FirstCall via COMTEX/ -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended March 31, 2002 declined 74 percent to \$6.9 million, or 9 cents per diluted share, from \$26.8 million, or 35 cents per diluted share, a year earlier. Included in 2001 net income is \$3.7 million of amortization of intangible assets which are no longer amortized in accordance with the new accounting rules effective January 1, 2002. Revenues for the first quarter were down 14 percent from the year-ago period to \$2.3 billion. Systemwide sales were \$2.5 billion. On a constant currency basis, earnings per share fell 71% on a 10% revenue decline.

"For the first time in several months we have seen an increase in demand for our services," Manpower Chairman and CEO Jeffrey A. Joerres stated. "While we are still below the prior year in sales, the direction of the trend in our two major markets, France and the U.S., has reversed. The second quarter is a pivotal quarter. We expect that it will determine the strength and pace of the recovery.

"We anticipate that a modest increase in demand for our services will continue throughout the second quarter. We are estimating earnings for the second quarter to be in the range of 23 to 27 cents per share," Mr. Joerres said.

In conjunction with its first quarter earnings release, Manpower will broadcast its conference call live over the Internet on April 16, 2002 at 9:00 a.m. CDT (10:00 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, 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, <http://www.manpower.com>.

This news release contains statements, including revenue and 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 10K for the year ended December 31, 2001, 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			Variance
	2002	2001		
	March 31			
	(Unaudited)			
Systemwide sales	\$2,540.0	\$3,011.1	-15.6%	
Revenue from services	2,284.0	2,651.9	-13.9%	
Cost of services	1,869.2	2,168.0	-13.8%	
Gross profit	414.8	483.9	-14.3%	
Selling and administrative expenses		396.1	431.7	-8.2%
Operating profit	18.7	52.2	-64.2%	
Interest and other expenses		8.0	10.3	-22.5%
Earnings before income taxes	10.7	41.9	-74.4%	
Provision for income taxes	3.8	15.1	-74.4%	

Net earnings	\$6.9	\$26.8	-74.4%
Net earnings per share - basic	\$0.09	\$0.35	-74.3%
Net earnings per share - diluted	\$0.09	\$0.35	-74.3%
Weighted average shares - basic	76.1	75.8	0.3%
Weighted average shares - diluted	77.3	76.9	0.5%

Manpower Inc.  
Operating Unit Results  
(In millions)

Three Months Ended March 31  
% Variance  
Amount Constant  
2002 2001 Reported Currency  
(Unaudited)

Revenues from services:				
United States (a)	\$428.7	\$546.3	-21.5%	-21.5%
France	767.1	939.2	-18.3%	-14.1%
United Kingdom	322.2	381.0	-15.4%	-13.3%
Other Europe	442.0	499.4	-11.5%	-6.8%
Other Countries	324.0	286.0	13.3%	21.9%
	\$2,284.0	\$2,651.9	-13.9%	-10.3%

Operating Unit Profit:

United States	\$(4.9)	\$8.2	N/A	N/A
France	22.2	26.3	-15.7%	-11.4%
United Kingdom	3.2	9.8	-67.7%	-66.9%
Other Europe	10.5	19.3	-45.5%	-43.0%
Other Countries	(1.8)	2.0	N/A	N/A
	29.2	65.6		
Corporate expenses	10.5	9.6		
Amortization of intangibles	--	3.8		
Operating profit	18.7	52.2	-64.2%	-61.1%
Interest and other expense (b)	8.0	10.3		
Earnings before taxes	\$10.7	\$41.9		

Footnotes:

(a) Total systemwide sales in the United States, which includes sales of Company-owned branches and franchises were \$654.0 and \$861.5 for 2002 and 2001 respectively.

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

Interest expense	\$9.9	\$8.7
Interest income	(2.6)	(2.7)
Translation loss (gain)	0.2	0.7
Loss on sale of accounts receivable	0.1	2.3
Miscellaneous	0.4	1.3
	\$8.0	\$10.3

Manpower Inc.  
Consolidated Balance Sheets  
(In millions)

Mar. 31 Dec. 31  
2002 2001  
(Unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$210.8	\$245.8
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Accounts receivable, net	1,847.4	1,917.8
Prepaid expenses and other assets	74.0	77.0
Future income tax benefits	71.7	73.8
Total current assets	2,203.9	2,314.4

Other assets:

Intangible assets, net	498.8	480.8
Investments in licensees	44.6	44.7
Other assets	221.0	204.7
Total other assets	764.4	730.2

Property and equipment:

Land, buildings, leasehold improvements and equipment	464.2	465.4
Less: accumulated depreciation and amortization	279.6	271.4
Net property and equipment	184.6	194.0
Total assets	\$3,152.9	\$3,238.6

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$458.0	\$382.1
Employee compensation payable	80.9	93.2
Accrued liabilities	180.2	234.9
Accrued payroll taxes and insurance	253.7	300.8
Value added taxes payable	244.2	255.9
Short-term borrowings and current maturities of long-term debt	21.4	23.7
Total current liabilities	1,238.4	1,290.6

Other liabilities:

Long-term debt	805.6	811.1
Other long-term liabilities	323.1	322.6
Total other liabilities	1,128.7	1,133.7

Shareholders' equity:

Common stock	0.9	0.9
Capital in excess of par value	1,654.1	1,644.9
Accumulated deficit	(380.7)	(387.6)
Accumulated other comprehensive income (loss)	(204.7)	(190.8)
Treasury stock, at cost	(283.8)	(253.1)
Total shareholders' equity	785.8	814.3
Total liabilities and shareholders' equity	\$3,152.9	\$3,238.6

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

Three Months Ended  
March 31  
2002 2001  
(Unaudited)

Cash Flows from Operating Activities:

Net earnings	\$6.9	\$26.8
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	14.9	18.2
Deferred income taxes	1.2	0.3
Provision for doubtful accounts	4.9	4.8
Changes in operating assets and liabilities:		
Amounts advanced under the Receivables Facility	--	(67.0)
Accounts receivable	40.0	58.9

Other assets	(12.1)	(26.2)	
Other liabilities	(25.4)	65.8	
Cash provided by operating activities	30.4		81.6

Cash Flows from Investing Activities:

Capital expenditures	(14.1)	(21.6)	
Acquisitions of business, net of cash acquired	(21.5)		(50.3)
Proceeds from the sale of property and equipment	1.3	1.2	
Net cash used by investing activities	(34.3)		(70.7)

Cash Flows from Financing Activities:

Net borrowings from short-term facilities and long-term debt	(7.0)	(11.4)	
Proceeds from stock option and purchase plans	9.2		5.0
Repurchase of common stock	(30.7)	(3.3)	
Net cash used by financing activities	(28.5)		(9.7)

Effect of exchange rate changes on cash	(2.6)		(9.4)
Change in cash and cash equivalents	(35.0)		(8.2)

Cash and cash equivalents, beginning of period	245.8		181.7
Cash and cash equivalents, end of period	\$210.8		\$173.5

SOURCE Manpower Inc.

CONTACT: Mike Van Handel, Chief Financial Officer of Manpower Inc.,  
+1-414-906-6305

URL: <http://www.manpower.com>