



ManpowerGroup™

## Manpower Reports 1st Quarter Results; Earnings Per Share Rise 6% on 3% Revenue Gain

April 23, 2001

MILWAUKEE, WI, USA, April 23, 2001 -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended March 31, 2001 rose 5 percent to \$26.8 million, or 35 cents per diluted share, from \$25.6 million, or 33 cents per diluted share, a year earlier. Revenues for the first quarter were up 3 percent from the year-ago period to \$2.7 billion. Results for the quarter were affected by relatively weaker foreign currencies compared to the prior year period and a further contraction throughout the quarter in our U.S. operation. On a constant currency basis, earnings per share rose 15% on a 9% revenue increase.

"As we anticipated, the strength of our European operations allowed us to meet our profit forecasts despite a weakening market in the U.S.," Manpower President and Chief Executive Officer Jeffrey A. Joerres said. Operating profits in Europe grew 36% in constant currency on a 12% revenue increase. Joerres also noted that the gross profit margin improved in the quarter to 18.2% from 17.4% a year earlier, reflecting the Company's continued focus on business mix and pricing.

Commenting on the outlook for the balance of the year Joerres stated, "Given the highly uncertain economic outlook, profit forecasts are difficult. It's inevitable that the economic slowing in the U.S. will have some impact on other markets of the world in which the Company operates, but predicting the exact impact would be too speculative. With that in mind, we estimate earnings per share in the second quarter will range between 47 and 51 cents and that earnings per share for the year will range between \$2.14 and \$2.30."

In conjunction with its first quarter earnings release, Manpower will broadcast its conference call live over the Internet on April 24, 2001 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 3,700 offices in 59 countries. The firm annually provides employment to more than 2.7 million people worldwide and is an industry leader in employee assessment and training. Manpower also offers organizational performance consulting services worldwide through its independent operating division, The Empower Group. More information on Manpower Inc. can be found at the company's website, [www.manpower.com](http://www.manpower.com). More information can also be found about The Empower Group at its website, [www.empowergrp.com](http://www.empowergrp.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 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, 2000, which information is incorporated herein by reference.

# Manpower Inc.

## Results of Operations

(Unaudited, in millions, except per share data)

	<u>Three Months Ended March 31</u>		
	<u>2001</u>	<u>2000</u>	<u>Variance</u>
Systemwide sales	\$ 3,011.1	\$ 2,972.5	1.3%
Revenue from services	2,651.9	2,568.3	3.3%
Cost of services	<u>2,168.0</u>	<u>2,122.3</u>	2.2%
Gross profit	483.9	446.0	8.5%
Selling and administrative expenses	<u>431.7</u>	<u>395.5</u>	9.2%
Operating profit	52.2	50.5	3.4%
Interest and other expenses	<u>10.3</u>	<u>10.8</u>	(4.7%)
Earnings before income taxes	41.9	39.7	5.5%
Provision for income taxes	<u>15.1</u>	<u>14.1</u>	7.1%
Net earnings	<u>\$ 26.8</u>	<u>\$ 25.6</u>	4.7%
Net earnings per share - basic	<u>\$ 0.35</u>	<u>\$ 0.34</u>	2.9%
Net earnings per share - diluted	<u>\$ 0.35</u>	<u>\$ 0.33</u>	6.1%
Weighted average shares - basic	<u>75.8</u>	<u>76.1</u>	(0.4%)
Weighted average shares - diluted	<u>76.9</u>	<u>77.2</u>	(0.3%)

# Manpower Inc.

## Operating Unit Results

(Unaudited, in millions)

	<b>Three Months Ended</b>	
	<b>March 31</b>	
	<b>2001</b>	<b>2000</b>
Revenues from services:		
United States (a)	\$ 546.3	\$ 563.9
France	939.2	913.6
United Kingdom	381.0	365.0
Other Europe	499.4	459.5
Other Countries	286.0	266.3
	<u>\$ 2,651.9</u>	<u>\$ 2,568.3</u>
Operating Unit Profit:		
United States	\$ 8.2	\$ 15.4
France	26.3	20.8
United Kingdom	9.8	8.0
Other Europe	19.3	14.7
Other Countries	2.0	3.7
	<u>65.6</u>	<u>62.6</u>
Corporate expenses	9.6	8.5
Amortization of intangibles	3.8	3.6
Operating profit	<u>52.2</u>	<u>50.5</u>
Interest and other expense (b)	10.3	10.8
Earnings before taxes	<u>\$ 41.9</u>	<u>\$ 39.7</u>

Footnotes:

(a) Total systemwide sales in the United States, which includes sales of Company-owned branches and franchises were \$861.5 and \$922.1 for the three months ended March 31, 2001 and 2000, respectively.

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

	<b>Three Months Ended</b>	
	<b>March 31</b>	
	<b>2001</b>	<b>2000</b>
Interest expense	\$ 8.7	\$ 7.9
Interest income	(2.7)	(2.0)
Translation loss (gain)	0.7	1.1
Loss on sale of accounts receivable	2.3	3.2
Miscellaneous	1.3	0.6
	<u>\$ 10.3</u>	<u>\$ 10.8</u>

---

**Manpower Inc.**  
**Condensed Balance Sheets**  
(In millions)

	<b>March 31</b>	<b>Dec. 31</b>
	<b>2001</b>	<b>2000</b>
	(Unaudited)	
<b>Current assets:</b>		
Cash and cash equivalents	\$ 173.5	\$ 181.7
Accounts receivable	1,988.2	2,094.4
Prepaid expenses and other assets	<u>128.4</u>	<u>120.6</u>
 Total current assets	 2,290.1	 2,396.7
<b>Other assets</b>	461.7	453.3
<b>Property and equipment</b>	<u>186.7</u>	<u>191.6</u>
 Total assets	 <u>\$ 2,938.5</u>	 <u>\$ 3,041.6</u>
 <b>Current liabilities:</b>		
Accounts payable	\$ 462.8	\$ 453.1
Employee compensation payable	73.1	81.2
Accrued liabilities	283.4	269.2
Accrued payroll taxes and insurance	319.0	341.8
Value added tax payable	273.5	311.0
Short-term borrowings and current maturities of long-term debt	<u>17.9</u>	<u>65.9</u>
 Total current liabilities	 1,429.7	 1,522.2
<b>Other liabilities:</b>		
Long-term debt	492.9	491.6
Other long-term liabilities	<u>291.9</u>	<u>287.4</u>
 Total other liabilities	 784.8	 779.0
<b>Shareholders' equity</b>	<u>724.0</u>	<u>740.4</u>
 Total liabilities and shareholders' equity	 <u>\$ 2,938.5</u>	 <u>\$ 3,041.6</u>

Contact Information:  
Mike Van Handel  
Chief Financial Officer  
(414) 906-6305