

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934: For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission File No. 1-10686

MANPOWER INC.
(Exact name of registrant as specified in its charter)

WISCONSIN 39-1672779
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5301 NORTH IRONWOOD ROAD 53217
MILWAUKEE, WISCONSIN (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (414) 961-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of Exchange on which registered
Common Stock, \$.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by nonaffiliates of the registrant was \$3,094,502,451 as of February 25, 1997. As of February 25, 1997, there were 81,703,035 of the registrant's shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part I and Part II incorporate information by reference to the Annual Report to Shareholders for the fiscal year ended December 31, 1996. Part III is incorporated by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 1997.

PART I

ITEM 1. BUSINESS

Introduction and History

Manpower Inc. (the "Company") is the largest non-governmental employment services organization in the world,¹ with over 2,500 offices in 43 countries. The Company's largest operations, based on revenues, are located in the United States, France and the United Kingdom. The Company is primarily engaged in temporary help, contract services and training and testing of temporary and permanent workers. The Company provides employment services to a wide variety of customers, none of which individually comprise a significant portion of revenues within a given geographic region or for the Company as a whole. Unless the context requires otherwise, references to the Company include its subsidiaries.

The Company was organized in 1991 as a holding company to acquire Manpower International Inc. ("Manpower"). Manpower, subsequently renamed Manpower Wisconsin Inc., was the primary operating subsidiary of the Company until June 30, 1996, when it was merged into the Company. The predecessor of Manpower was organized in 1948 and its shares were listed on the New York Stock Exchange (the "NYSE") in 1962.

The Company's principal executive offices are located at 5301 North Ironwood Road, Milwaukee, Wisconsin 53217 (telephone: 414-961-1000).

THE COMPANY'S OPERATIONS - MANPOWER

United States

In the United States, the Company's operations are carried out through both branch (i.e., Company-owned) and franchise offices. The Company had 653 branch and 458 franchise offices in the United States at December 31, 1996. The Company provides a number of central support services to its branches and franchises which enable it to maintain consistent service quality throughout the United States regardless of whether an office is a branch or franchise. The Company has developed a comprehensive system of assessment/selection, training and quality assurance for its temporary help operations. All assessment/selection, training and support materials are designed and produced by the Company for both branches and franchises. In addition, the Company conducts a series of training classes for all employees of both branches and franchises, including training classes for service representatives and branch managers, at its Milwaukee headquarters. The Company provides customer invoicing and payroll processing of its temporary employees for all branch offices and virtually all franchise offices through its Milwaukee headquarters.

The Company's franchise agreement provides the franchisee with the right to use the Manpower(R) service mark and associated marks in a specifically defined exclusive territory. U.S. franchise fees range from 2-3% of franchise sales. The Company's franchise agreement provides that in the event of a proposed sale of a franchise to a third party, the Company has the right to repurchase the franchise at the same price and on the same terms as proposed by the third party. The Company frequently exercises this right and intends to continue to do so in the future if opportunities arise with appropriate prices and terms.

In the United States, the Company's operations are primarily related to providing temporary employment services. During 1996, approximately 39% of the Company's United States temporary help revenues were derived from placing office workers, 41% from placing industrial workers and 20% from placing technical and other workers.

¹ Based on publicly available information, including annual reports to shareholders, filings with governmental agencies and investment analyst reports.

France

The Company is the second largest temporary employment service provider in France (see footnote 1 on page 1). The Company conducts its operations in France through over 646 branch offices.

The temporary services market in France is predominately industrial. In 1996, the Company derived approximately 72% of its revenue in France from the industrial sector, 14% from the construction sector and 14% from the office sector.

United Kingdom

The Company is the largest supplier of temporary employment services in the United Kingdom (see footnote 1 on page 1). As of December 31, 1996, it conducted operations in the United Kingdom through 156 branch offices.

The Company uses the same approach to selection assessment, training and marketing programs in the United Kingdom as it uses in the United States with such modifications as necessary to reflect differences in language, culture and business practices. Ultraskill, the Company's proprietary program for assessing the word processing skills of its temporary workers, has received endorsement from the Royal Society of Arts, one of the world's foremost qualification standards for office skills. Candidates whose results exceed prescribed levels can be automatically certified through the RSA. The Company was the first temporary help company to be registered under BS5750-ISO9000, the international quality assurance standard.

In the United Kingdom, the Company offers temporary employment services in the office, industrial, technical, information technology, nursing and transport markets. It also offers a variety of specialized services targeted at the health sector and local government which consist of specialized assessment, selection and training, as well as the supply of specialized staff. The Company is also the leading company in the United Kingdom for the provision of managed services, project work and subcontracted activities.

During 1996, approximately 49% of the Company's revenues were derived from the supply of office staff, 31% from the supply of industrial/technical staff, 7% from the supply of information technology staff, 7% from the supply of nursing staff and 6% from the supply of drivers.

Other Europe

The Company operates through 244 branch offices and 51 franchise offices in other European countries. The largest operations are located in Belgium, Denmark, Germany, The Netherlands, Norway, Spain and Sweden, all of which are branch offices, and Switzerland, which is a 49% owned franchise. The Company is the largest non-governmental temporary employment services firm in the European Economic Community (see footnote 1 on page 1). The Company utilizes the same approach to selection, training, recruiting and marketing techniques in continental Europe as are used in the United States with such modifications as may be appropriate for local legal requirements, cultural characteristics and business practices.

Other Markets of the World

The Company operates through 157 branch offices and 63 franchise offices in the other markets of the world. The largest of these operations are located in Japan (27 branch offices) and Israel (44 branch offices). Other significant operations are located in Australia, Canada and Mexico and in 9 South American countries. The Company uses the same general approach to testing, training and marketing tools in other areas of the world as employed in the United States with such modifications as may be appropriate for local cultural differences and business practices. In most of these countries, the Company primarily supplies temporary workers to the industrial, general office and technical markets.

THE COMPANY'S OTHER OPERATIONS

The Company also owns Brook Street Bureau PLC which operates separate from the Manpower brand exclusively in the United Kingdom. Brook Street Bureau PLC, acquired by the Company in 1985, has a total of 91 branches in England, Scotland and Wales. It provides services in the office, industrial and catering markets. In 1996, approximately 90% of its revenues were derived from temporary placements and 10% were derived from permanent placement. Brook Street Bureau PLC competes in certain U.K. markets with the Company's Manpower brand. Its permanent placement business primarily consists of recruitment for office workers.

COMPETITION

Historically, in periods of economic prosperity, the number of firms operating in the temporary help industry has increased significantly due to the combination of a favorable economic climate and low barriers to entry. Recessionary periods, such as that experienced in the United States and United Kingdom in the early 1990s, result in a reduction in competition through consolidation and closures. However, historically this reduction has proven to be of a limited duration as the following periods of economic recovery have led to a return to growth in the number of competitors operating in the industry.

The temporary employment services market throughout the world is highly competitive and highly fragmented with more than 15,000 firms competing in the industry throughout the world. In addition to the Company, the largest publicly owned companies (the only companies about which financial information is readily available) specializing in temporary employment services are Adecco S.A. (Switzerland), Kelly Services, Inc. (U.S.), The Olsten Corporation (U.S.), Randstad Holding N.V. (Holland), BIS S.A. (France), Pasona (Japan), and Interim Services, Inc. (U.S.). However, except for Adecco, S.A. these companies all operate primarily in their country of origin, with only small operations in a limited number of other markets.

In the temporary help industry, competition is limited to firms with offices located within a customer's particular local market because temporary employees generally are unwilling to travel long distances. In most major markets, competitors generally include many of the publicly traded companies, and in addition, numerous regional and local competitors, some of which may operate only in a single market. Competition may also be provided by governmental entities, such as state employment offices in the United Kingdom and many European countries.

Since client companies rely on temporary employment firms having offices within the local area in which they operate, competition varies from market-to-market and country-to-country. In most areas, no single company has a dominant share of the market. Many client companies use more than one temporary employment services provider; however, in recent years, the practice of using a sole temporary supplier or a primary supplier has become an increasingly important factor among the largest customers, particularly in the United States and the United Kingdom. These sole supplier relationships can have a significant impact on the Company's revenue and operating profit growth. The Company's strategy is to build its large account business, including sole supplier relationships. While the Company believes that these large account relationships will prove to be less cyclical in the long-term than its traditional business, volume reductions by such customers, whether related to economic factors or otherwise, could have a material adverse effect on the Company's results in any period.

Methods of Competition

Temporary help firms act as intermediaries in matching available temporary workers to employer assignments. As a result, temporary help firms compete both to recruit and retain a supply of workers and to attract customers to use temporary employees. Competition is generally limited to firms having offices located in a specific local geographic market. Depending on the economy of a particular market at any point in time, it may be necessary to place greater emphasis on recruitment and retention of temporaries or marketing to customers. The Company recruits temporary workers through a wide variety of means, principally personal referrals and advertisements, and by providing an attractive compensation package, including health insurance, vacation and holiday pay, incentive plans and a recognition program.

Methods used to market temporary services to customers vary depending on the customer's perceived need for temporary workers, the local labor supply, the length of assignment and the number of workers required. Depending on these factors, the Company competes by means of quality of service provided, scope of service offered and price. In the temporary help industry, quality is measured primarily by the ability to effectively match an individual worker to a specific assignment, as well as promptness in filling an order. Success in providing a high quality service is a function of the ability to access a large supply of available temporary workers, select suitable individuals for a particular assignment and, in some cases, train available workers in skills required for an assignment.

An important aspect in the selection of a temporary worker for an assignment is the ability of the temporary services firm to identify the skills, knowledge, abilities, and personal characteristics of a temporary worker and match their competencies or capabilities to an employer's requirements. The Company has developed a variety of proprietary programs for identifying and assessing skill levels of its temporary workers, including Ultraskill(R) (for word processing skills), Ultradox0 (for several important light industrial skills) and Predicta (for critical general office skills) which are used in selecting a particular individual for a specific assignment. The Company believes that its assessment systems enable it to offer a higher quality service by increasing productivity, decreasing turnover and reducing absenteeism. The Company believes it is the only temporary employment firm whose employee selection systems have been statistically validated in full or complete accordance with the guidelines established by the Equal Employment Opportunity Commission and standards set forth by the American Psychological Association in the United States and similar authorities in various other countries. In the United Kingdom, candidates whose test results on Ultraskill(R) exceed prescribed levels are automatically certified through the Royal Society of Arts, one of the world's best known qualification standards for word processing skills.

It is also important to be able to access a large network of skilled workers and to be able to "create" certain hard-to-find skills by offering training to available workers. The Company's competitive position is enhanced by being able to offer a wide variety of skills in one of the most important market segments for temporary work, the office automation market, through the use of a proprietary training system. This system, called Skillware(R), allows temporary workers to quickly and conveniently learn new or enhance existing office automation skills in a variety of word processing, data base, spreadsheet, data entry or graphics applications from a variety of the most popular software manufacturers including Microsoft and Lotus. Skillware(R) is a hands-on, disk-based training program enabling workers to train on the actual hardware and software to be utilized on an assignment. The Skillware(R) system combines the human elements of classroom instruction with the self-paced work-related aspects of a disk-based system. A Skillware(R) Administrator sets up the training, monitors all sessions and is available to answer questions. The Company supports over 150 different software programs through Skillware(R) for the equipment of a wide variety of hardware manufacturers, including IBM compatibles (PCs, mid-range and mainframes), Apple and DEC. New Skillware(R) is constantly developed or revised as new or updated hardware or software programs are introduced. The Company's offices maintain a variety of hardware and software commonly used in their local market. Every person completing a Skillware(R) course receives an Operator Support Manual and keyboard template which serves as an on-the-job reference and refresher.

The Company also offers a variety of specific skill development programs in spelling, punctuation, keyboard skills and word processing to assist its temporaries in improving general office skills.

The Company has partnered with CBT Systems to develop TechTrack, a CD-based training program for technical professionals. TechTrack is an interactive, self-directed training program which enhances technical employees' skills to meet the current and emerging demands of the business environment. TechTrack offers a spectrum of instruction focusing on client/server, networking and operating systems technologies. The training prepares technical employees for certification testing by guiding them through Visual Basic, C++ Programming, PowerBuilder, IEEE LAN Architecture and more than 200 other courses.

Although temporary help firms compete in a local market, for administrative purposes, the largest customers demand national, and increasingly global, arrangements. Less than 5% of the Company's sales in 1996 were derived

from global arrangements, but approximately 50% of the Company's sales in 1996 were derived from national arrangements. A large national or multi-national company will frequently enter into non-exclusive arrangements with several firms, with the ultimate choice among them being left to its local managers; this effectively limits competition to the few firms, including the Company, with large branch networks.

The Company also competes in the large company market by providing permanent staff training using its Skillware(R) training capability, widespread office network and large temporary work force, to train the permanent employees of large companies, particularly in new word or data processing software programs or hardware configurations. Of the Fortune 100 companies, 90 have utilized Skillware training for their permanent staff. The Company believes its capability to offer permanent staff training, in addition to generating sufficient revenue to offset development costs, provides it with a key marketing advantage over its competitors in supplying temporary help to companies where it has been involved in significant staff training.

Beginning in 1994 the Company began delivering to all workers - both its permanent employees and temporary staff - a training program that focuses on providing exceptional service. Called Putting Quality to Work, this series of eight independent video programs introduces concepts that will influence workers' attitudes and behavior, with an emphasis on providing better service to a company's customers and providing support to co-workers.

REGULATION

The temporary employment services industry is closely regulated in all of the major markets in which the Company operates except the United States and Canada. Temporary employment service firms are generally subject to one or more of the following types of government regulation: (i) regulation of the employer/employee relationship between the firm and its temporary employees; (ii) registration, licensing, record keeping and reporting requirements; and (iii) substantive limitations on its operations.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on the Company's operations and the ability of customers to use the Company's services. In some markets, labor agreements are structured on an industry-wide (rather than Company) basis. Changes in these collective labor agreements have occurred in the past and are expected to occur in the future and may have a material impact on the operations of temporary employment services firms, including the Company.

In many countries, including the United States, temporary employment services firms are considered the legal employers of temporary workers. Therefore, the firm is governed by laws regulating the employer/employee relationship, such as tax withholding or reporting, social security or retirement, anti-discrimination and workers' compensation. In other countries, temporary employment services firms, while not the direct legal employer of temporary workers, are still responsible for collecting taxes and social security deductions and transmitting such amounts to the taxing authorities.

In many countries, particularly in continental Europe, entry into the temporary employment market is restricted by the requirement to register with, or obtain licenses from, a government agency. In addition, a wide variety of ministerial requirements may be imposed, such as record keeping, written contracts and reporting. The United States and Canada do not presently have any form of national registration or licensing requirement.

In addition to licensing or registration requirements, many countries impose substantive restrictions on temporary employment services. Such restrictions include regulations affecting the types of work permitted (e.g., Germany prohibits the use of temporary workers in construction work and Japan and Norway generally prohibit the use of temporary workers in industrial work), the maximum length of a temporary assignment (varying from 3 to 24 months), wage levels (e.g., in France, wages paid to temporaries must be the same as paid to permanent workers) or reasons for which temporary workers may be employed. In some countries special taxes, fees or costs are imposed in connection with the use of temporary workers. For example, in France, temporary workers are entitled to a 15% allowance for the precarious nature of employment which is reduced to 10% if a new assignment is offered to them

within three days. In some countries, the contract of employment with the temporary employee must differ from the length of assignment.

In the United States, the Company is subject to various federal and state laws relating to franchising, principally the Federal Trade Commission's franchise rules and analogous state laws. These laws and related rules and regulations impose specific disclosure requirements to prospective franchisees. Virtually all states also regulate the termination of franchises. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Legal Regulations and Union Relationships" which is found in the Company's 1996 Annual Report to Shareholders and which is incorporated herein by reference.

TRADEMARKS

The Company maintains a number of trademarks, tradenames, service marks and other intangible rights. The principal service marks are the Manpower(R) service mark and logo, Ultraskill(R), Skillware(R) and certain other names and logos, which are registered in the United States and certain other countries. The trademark Manpower(R) has been federally registered under United States Service Mark Registration No. 921701, issued October 5, 1971. Affidavits of use and incontestability have been filed. The Company renewed this registration for another ten years on October 5, 1991. The mark Skillware(R) has been federally registered under United States Trademark Registration No. 1413105, issued October 14, 1986, and the mark Ultraskill(R) has been federally registered under United States Trademark Registration No. 1361848, issued September 24, 1985. The Company plans to file affidavits of use and incontestability at the proper time and will effect timely renewals, as appropriate, for these and other intangible rights it maintains. The Company is not currently aware of any infringing uses which would be likely to substantially and detrimentally affect these rights.

RESEARCH AND DEVELOPMENT

The Company's research and development efforts are concentrated on the development and updating of its Skillware(R) training and employee selection programs. Approximately 23 employees are engaged in research and development at the Company's international headquarters. Independent contractors are also utilized to assist in the development of these tools. Expenditures for research and development, which were internally financed, aggregated approximately \$4.3 million in 1996, 1995 and 1994.

EMPLOYEES

The Company had approximately 10,200 permanent full-time employees at December 31, 1996. In addition, the Company estimates that it assigned over 1.6 million temporary workers on a worldwide basis in 1996. As described above, in most jurisdictions, the Company (through its subsidiaries), as the employer of its temporary workers or, as otherwise required by applicable law, is responsible for employment administration, including collection of withholding taxes, employer contributions for social security (or its equivalent outside the United States), unemployment tax, workers' compensation and fidelity and liability insurance, and other governmental requirements imposed on employers. In most jurisdictions where such benefits are not legally required, including the United States, the Company provides health and life insurance, paid holidays and paid vacations to qualifying temporary employees.

FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

Note 12 to the Company's Consolidated Financial Statements sets forth the revenues, earnings before income taxes, identifiable assets and net assets derived from each geographical area for the years ended December 31, 1996, 1995 and 1994. Such note is found in the Company's 1996 Annual Report to Shareholders and is incorporated herein by reference.

ITEM 2. PROPERTIES

The Company's headquarters are in Glendale, Wisconsin, a suburb of Milwaukee. The Company owns, free of any material encumbrances, its headquarters, consisting of an 82,000 square foot building and a 32,000 square foot building situated on a sixteen-acre site in Glendale, Wisconsin.

The Company owns two properties in England which are held for sale, consisting of a 24,000 square foot freehold building in London and a 90,000 square foot freehold building in St. Albans, Hertfordshire. The Company also owns additional properties in St. Albans and various other locations which are not material.

Most of the Company's operations are conducted from leased premises, none of which are material to the Company taken as a whole. The Company does not anticipate any difficulty in renewing these leases or in finding alternative sites in the ordinary course of business.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in litigation of a routine nature and various legal matters which are being defended and handled in the ordinary course of business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

NAME OF OFFICER - - - - -	OFFICE - - - - -
Mitchell S. Fromstein Age 69	President and Chief Executive Officer of the Company since January, 1989, and Chairman of the Board since April, 1989. President and Chief Executive Officer of Manpower from 1976 until 1996 and a director thereof from 1971 until 1996. A director of the Company and its predecessors for more than five years. Also a director of Aramark Corp.
Jon F. Chait Age 46	Executive Vice President, Secretary and a director of the Company since August, 1991, Chief Financial Officer of the Company since August, 1993 and Managing Director-International Operations since December, 1995. Executive Vice President of Manpower from September, 1989 until 1996. Also a director of Marshall & Ilsley Corporation.
Terry A. Hueneke Age 54	Executive Vice President of the Company and a director since December, 1995. Senior Vice President - Group Executive of Manpower from 1987 until 1996.
Michael J. Van Handel Age 37	Vice President, Chief Accounting Officer and Treasurer of the Company and Manpower since February, 1995. Vice President, International Accounting and Internal Audit of Manpower from September, 1992 to February, 1995 and Director of Internal Audit of Manpower prior thereto.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The Company's Common Stock is listed for trading on the New York Stock Exchange (the "NYSE"), which is the principal exchange for trading in the Company's shares. The table below sets forth the reported high and low sales price for shares of the Company's Common Stock on the NYSE during the indicated quarters based on the NYSE Trading Report:

	High ----	Low ---
Fiscal year ended December 31, 1996		
First Quarter	34 1/4	23 5/8
Second Quarter	43	29 1/2
Third Quarter	39 3/8	30
Fourth Quarter	33 5/8	27 7/8
Fiscal year ended December 31, 1995		
First Quarter	32 3/4	24 3/4
Second Quarter	34 1/4	24 1/4
Third Quarter	33 3/8	25 3/8
Fourth Quarter	31 1/8	24 1/8

HOLDERS

As of February 25, 1997, 81,703,035 shares of Common Stock were held of record by 5,247 record holders.

HISTORICAL DIVIDENDS

The Company paid a dividend of \$.07 per share in the second quarter and \$.08 per share in the fourth quarter of 1996. The Company paid a dividend of \$.06 per share in the second quarter and \$.07 per share in the fourth quarter of 1995.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this Item is set forth in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1996, under the heading "Selected Financial Data," (page 24) which information is hereby incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this Item is set forth in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1996, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," (pages 7 to 10) which information is hereby incorporated herein by reference.

Certain information included or incorporated by reference in this Annual Report on Form 10-K, including under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," information included or incorporated by reference in future filings by the Company with the Securities and Exchange Commission or information contained in written material, releases and oral statements issued by or on behalf of the Company contain forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Certain factors such as

competitive market pressures, material changes in demand from larger customers, including customers with which the Company has national or global arrangements, availability of temporary workers, changes in customer attitudes toward outsourcing, government policies adverse to the employment services industry and changes in economic conditions could cause actual results to differ materially from those in the forward-looking statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth in the Financial Statements and the Notes thereto (pages 11 to 23) contained in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1996, which information is hereby incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

- (a) Executive Officers. Reference is made to "Executive Officers of the Registrant" in Part I after Item 4.
- (b) Directors. The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 1997 at pages 3-4 under the caption "Election of Directors," which information is hereby incorporated herein by reference.
- (c) Section 16 Compliance. The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 1997 at page 18 under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," which information is hereby incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 1997, at page 5 under the caption "Remuneration of Directors," pages 7-10 under the caption "Executive Compensation," and page 12 under the caption "Executive Compensation Committee Interlocks and Insider Participation," which information is hereby incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 1997, at page 2 under the caption "Security Ownership of Certain Beneficial Owners" and at page 6 under the caption "Security Ownership of Management," which information is hereby incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 1997, at page 5 under the caption "Remuneration of Directors" and at page 12 under the caption "Executive Compensation Committee Interlocks and Insider Participation," which information is hereby incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) Financial Statements.

PAGE NUMBER
IN ANNUAL
REPORT TO
SHAREHOLDERS

Consolidated Financial Statements. (Data incorporated by reference from the attached Annual Report to Shareholders):

Consolidated Balance Sheets as of December 31, 1996 and 1995	12-13
Consolidated Statements of Operations for the years ended December 31, 1996, 1995 and 1994	11
Consolidated Statements of Cash Flows for the years ended December 31, 1996, 1995 and 1994	14
Consolidated Statements of Stockholders' Equity for the years ended December 31, 1996, 1995 and 1994	15
Notes to Consolidated Financial Statements	16-22

(a)(2) Financial Statement Schedules.

Report of Independent Public Accountants on Financial Statement
Schedules Consent of Independent Public Accountants SCHEDULE II
- Valuation and Qualifying Accounts

(a)(3) Exhibits.

See (c) below.

(b) Reports on Form 8-K.

There were no reports on Form 8-K filed for the three months
ended December 31, 1996.

(c) Exhibits.

- 3.1 Articles of Incorporation of Manpower Inc. incorporated by
reference to Annex_C of the Prospectus which is contained in
Amendment No. 1 to Form S-4 (Registration No._33-38684).
- 3.2 Amended and Restated By-laws of Manpower Inc.
- 10.1 [Reserved]

- 10.2 Revolving Credit Agreement dated April 1, 1996, between Manpower Inc. and the banks set forth therein, Credit Lyonnais, the First National Bank of Chicago, Mellon Bank, N.A., Citibank International PLC and Citibank, N.A., incorporated by reference to Form 10-Q of Manpower Inc. dated March 31, 1996.
- 10.3 Amended and Restated Manpower 1991 Executive Stock Option and Restricted Stock Plan, incorporated by reference to Form 10-Q of Manpower Inc. dated September 30, 1996.**
- 10.4 Manpower Savings Related Share Option Scheme, incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.5 Transfer Agreement dated February 25, 1991 between Manpower and the Company (the "Transfer Agreement"), incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.6 Blue Arrow Savings Related Share Option Scheme, as assumed by Manpower pursuant to the Transfer Agreement, incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.7 Blue Arrow Executive Share Option Scheme, as assumed by Manpower pursuant to the Transfer Agreement, incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.8 Amended and Restated Manpower 1990 Employee Stock Purchase Plan**
- 10.9 Manpower Retirement Plan, as amended and restated effective as of March 1, 1989, incorporated by reference to Form 10-K of Manpower PLC, SEC File No. 0-9890, filed for the fiscal year ended October 31, 1989.**
- 10.10 Amended and Restated Manpower 1994 Executive Stock Option and Restricted Stock Plan, incorporated by reference to Form 10-Q of Manpower Inc. dated September 30, 1996.**
- 10.11(a) Employment Agreement dated September 16, 1987 among Manpower, Mitchell S. Fromstein and Manpower PLC, incorporated by reference to the Manpower PLC's registration statement on Form 20-F filed with the Securities and Exchange Commission on April 28, 1988, [Exhibit 2.11]; as amended May 19, 1989, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended October 31, 1989; and as amended on February 16, 1990 and October 4, 1990, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended December 31, 1990.**
- 10.11(b) Amendment dated June 17, 1992 to Employment Agreement dated September 16, 1987, as amended, among Manpower, Mitchell S. Fromstein and Manpower PLC, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**

- 10.11(c) Amendment dated March 22, 1994 to Employment Agreement dated September 16, 1987, as amended, among Manpower, Mitchell S. Fromstein and Manpower PLC, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.**
- 10.12(a) Employment Agreement dated September 16, 1987 among Manpower, Gilbert Palay and Manpower PLC, incorporated by reference to Manpower PLC's registration statement on Form 20-F filed with the Securities and Exchange Commission on May 1, 1989, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended October 31, 1989; and as amended on February 16, 1990 and October 4, 1990, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended December 31, 1990.**
- 10.12(b) Amendment dated June 17, 1992 to Employment Agreement dated September 16, 1987 among Manpower, Gilbert Palay and Manpower PLC, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.12(c) Amendment dated September 16, 1993 to Employment Agreement dated September 16, 1987, as amended, among Manpower, Gilbert Palay and Manpower PLC, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.12(d) Consulting Agreement dated as of January 1, 1994 between Manpower Inc. and Gilbert Palay, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.**
- 10.13(a) Employment Agreement between Jon F. Chait and Manpower International Inc., dated August 3, 1991, as amended on March 12, 1992, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.13(b) Amendment dated February 18, 1997 to Employment Agreement dated August 3, 1991, as amended, between Manpower Inc. and Jon F. Chait.**
- 10.13(c) Agreement dated February 18, 1997 between Manpower Inc. and Jon F. Chait.**
- 10.14 The Restricted Stock Plan of Manpower Inc., incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.15 Amended and Restated Manpower 1991 Directors Stock Option Plan.**
- 10.16 Amended and Restated Manpower Deferred Stock Plan.**
- 10.17(a) Agreement dated December 8, 1992 between Terry A. Hueneke and Manpower International Inc., incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.**
- 10.17(b) Employment Agreement between Terry A. Hueneke and Manpower Inc. dated February 18, 1997.**
- 10.17(c) Agreement dated February 18, 1997 between Manpower Inc. and Terry A. Hueneke.**

- 13 1996 Annual Report to Shareholders. Pursuant to Item 601 (b)(13)(ii), only the portions of the Annual Report incorporated by reference in this Form 10-K are filed as an exhibit hereto.
- 21 Subsidiaries of Manpower Inc.
- 23 Consent of Arthur Andersen LLP, incorporated by reference to the Schedules to the Financial Statements, which Schedules are contained in this Form 10-K.
- 24 Powers of Attorney
- 27 Financial Data Schedule

** Management contract or compensatory plan or arrangement.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
and Shareholders of Manpower Inc.:

We have audited in accordance with generally accepted auditing standards, the financial statements included in Manpower Inc.'s annual report to shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 31, 1997. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the index at item 14(a)(2) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

/s/ Arthur Andersen LLP

Milwaukee, Wisconsin,
January 31, 1997.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Annual Report on Form 10-K of Manpower Inc. of our report dated January 31, 1997, included in the 1996 Annual Report to Shareholders of Manpower Inc.

We also consent to the incorporation of our reports included (or incorporated by reference) in this Annual Report on Form 10-K, into the Company's previously filed Registration Statements on Form S-8 (File Nos. 33-40441, 33-51336, 33-55264, 33-84736 and 333-1040), the Company's Registration Statements on Form S-3 (File Nos. 33-89660 and 333-6545) and the Company's Registration Statements on Form S-4 (File Nos. 333-650 and 33-95896).

ARTHUR ANDERSEN LLP

/s/ Arthur Andersen LLP

Milwaukee, Wisconsin,
March 28, 1997.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

For the years ended December 31, 1996, 1995, and 1994, in thousands:

Allowance for Doubtful Accounts:

	BALANCE AT BEGINNING OF YEAR	TRANSLATION ADJUSTMENTS	PROVISIONS CHARGED TO EARNINGS	WRITE-OFFS	RECLASSIFICATIONS AND OTHER	BALANCE AT END OF YEAR
	-----	-----	-----	-----	-----	-----
Year ended December 31, 1996	\$32,901	(412)	12,360	(11,686)	363	\$33,526
Year ended December 31, 1995	\$31,170	2,203	8,981	(9,424)	(29)	\$32,901
Year ended December 31, 1994	\$19,829	1,470	14,807	(5,330)	394	\$31,170

AMENDED AND RESTATED BY-LAWS

OF

MANPOWER INC.

ARTICLE I. OFFICES

SECTION 1.1. Principal and Other Offices. The principal office of the Corporation shall be located at any place either within or outside the State of Wisconsin as designated in the Corporation's most current Annual Report filed with the Wisconsin Secretary of State. The Corporation may have such other offices, either within or outside the State of Wisconsin as the Board of Directors may designate or as the business of the Corporation may require from time to time.

SECTION 1.2. Registered Office. The registered office of the Corporation required by the Wisconsin business corporation law to be maintained in the State of Wisconsin may, but need not, be the same as any of its places of business. The registered office may be changed from time to time.

SECTION 1.3. Registered Agent. The registered agent of the Corporation required by the Wisconsin business corporation law to maintain a business office in the State of Wisconsin may, but need not, be an officer or employee of the Corporation as long as such agent's business office is identical with the registered office. The registered agent may be changed from time to time.

ARTICLE II. SHAREHOLDERS

SECTION 2.1. Annual Meeting. The annual meeting of shareholders shall be held on the third Tuesday in the month of April for each year at 10:00 a.m. (local time) or at such other date and time as shall be fixed by, or at the direction of, the Board of Directors, for the purpose of electing directors for the class of directors whose term expires in such year and for the transaction of such other business as may have been properly brought before the meeting in compliance with the provisions of Section 2.5. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day.

SECTION 2.2. Special Meetings. Except as otherwise required by applicable law, special meetings of shareholders of the Corporation may only be called by the Chairman of the Board or the President pursuant to a resolution approved by not less than three-quarters of the Board of Directors; provided, however, that the Corporation shall hold a special meeting of shareholders of the Corporation if a signed and dated written demand or demands by the holders of at least 10% of all the votes entitled to be cast on any issue proposed to be considered at

the proposed special meeting is delivered to the Corporation as required under the Wisconsin business corporation law, which demand or demands must describe one or more identical purposes for which the shareholders demand a meeting be called.

SECTION 2.3. Place of Meeting. The Board of Directors, the Chairman of the Board or the President may designate any place, within or outside the State of Wisconsin, as the place of meeting for the annual meeting or for any special meeting. If no designation is made the place of meeting shall be the principal office of the Corporation, but any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

SECTION 2.4. Notice of Meeting. The Corporation shall notify shareholders of the date, time and place of each annual and special shareholders meeting. Notice of a special meeting shall include a description of each purpose for which the meeting is called. Notice of all meetings need be given only to shareholders entitled to vote, unless otherwise required by the Wisconsin business corporation law, and shall be given not less than ten nor more than sixty days before the meeting date. The Corporation may give notice in person, by telephone, telegraph, teletype, facsimile or other forms of wire or wireless communication, or by mail or private carrier, and, if these forms of personal communication are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication. Written notice shall be deemed to be effective at the earlier of receipt or mailing and may be addressed to the shareholder's address shown in the Corporation's current record of shareholders. Oral notice shall be deemed to be effective when communicated. Notice by newspaper, radio, television or other form of public broadcast communication shall be deemed to be effective the date of publication or broadcast.

SECTION 2.5. Advance Notice Shareholder-Proposed Business at Annual Meeting. At an annual meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be: (a) specified in the notice of meeting (or any amendment or supplement thereto) given in accordance with Section 2.4, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, the Chairman of the Board or the President, or (c) otherwise properly brought before the meeting by a shareholder. In addition to any other requirements under applicable law, the Articles of Incorporation or the By-Laws for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given with timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal office of the Corporation, not less than 90 days prior to the meeting date specified in Section 2.1. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the shareholder, and (iv) any interest of the shareholder in such business. In addition, any such shareholder shall be required to provide such further information as may be requested by the Corporation in order to comply with federal

securities laws, rules and regulations. The Corporation may require evidence by any person giving notice under this Section 2.5 that such person is a bona fide beneficial owner of the Corporation's shares.

Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 2.5; provided, however, that nothing in this Section 2.5 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting in accordance with said procedure.

The presiding officer at an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 2.5, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 2.6. Procedure for Nomination of Directors. Only persons nominated in accordance with all of the procedures set forth in the Corporation's Articles of Incorporation and By-Laws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of shareholders by or at the direction of the Board of Directors, by any nominating committee or persons appointed by the Board, or by any shareholder of the Corporation entitled to vote for election of directors at the meeting who complies with all of the notice procedures set forth in this Section 2.6.

Nominations other than those made by or at the direction of the Board of Directors or any nominating committee or person appointed by the Board shall be made pursuant to timely notice in proper written form to the Secretary of the Corporation. To be timely, a shareholder's request to nominate a person for director, together with the written consent of such person to serve as a director, must be received by the Secretary of the Corporation at the Corporation's principal office (i) with respect to an election held at an annual meeting of shareholders, not less than 90 days nor more than 150 days prior to the meeting date specified in Section 2.1, or (ii) with respect to an election held at a special meeting of shareholders for the election of directors, not less than the close of business on the eighth day following the date on which notice of such meeting is given to shareholders. To be in proper written form, such shareholder's notice shall set forth in writing (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of stock of the Corporation which are beneficially owned by such person, and (iv) such other information relating to such person as is required to be disclosed in solicitations of proxies for election of directors, or as otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, and any successor to such Regulation; and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such shareholder, (ii) the class and number of shares of stock of the Corporation which are beneficially owned by such shareholder, and (iii) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and

intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or the shareholder to nominate the proposed nominee. The presiding officer at the meeting shall, if the facts so warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures or other requirements prescribed by the Corporation's Articles of Incorporation and By-Laws; and if he should so determine, such presiding officer shall so declare to the meeting and the defective nomination(s) shall be disregarded.

SECTION 2.7. Fixing of Record Date. For the purpose of determining shareholders of any voting group entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any distribution or dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders. Such record date shall not be more than 70 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is so fixed for the determination of shareholders entitled to notice of, or to vote at a meeting of shareholders, or shareholders entitled to receive a share dividend or distribution, the record date for determination of such shareholders shall be at the close of business on:

(a) With respect to an annual shareholders meeting or any special shareholders meeting called by the Board of Directors or any person specifically authorized by the Board of Directors or these By-Laws to call a meeting, the day before the first notice is mailed to shareholders;

(b) With respect to a special shareholders meeting demanded by the shareholders, the date the first shareholder signs the demand;

(c) With respect to the payment of a share dividend, the date the Board of Directors authorizes the share dividend; and

(d) With respect to a distribution to shareholders (other than one involving a repurchase or reacquisition of shares), the date the Board of Directors authorizes the distribution.

SECTION 2.8. Voting Lists. After fixing a record date for a meeting, the Corporation shall prepare a list of the name of all its shareholders who are entitled to notice of a shareholders meeting. The list shall be arranged by class or series of shares and show the address of and the number of shares held by each shareholder. The shareholders list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting. The list shall be available at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting is to be held. Subject to the provisions of the Wisconsin business

corporation law, a shareholder or his or her agent or attorney may, on written demand, inspect and copy the list during regular business hours and at his expense, during the period it is available for inspection. The Corporation shall make the shareholders list available at the meeting, and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the shareholders list shall not affect the validity of any action taken at such meeting.

SECTION 2.9. Shareholder Quorum and Voting Requirements. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Unless the Articles of Incorporation, By-Laws adopted under authority granted in the Articles of Incorporation or the Wisconsin business corporation law provide otherwise, a majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter.

If the Articles of Incorporation or the Wisconsin business corporation law provide for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately. Action may be taken by one voting group on a matter even though no action is taken by another voting group entitled to vote on the matter.

Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is deemed present for purposes of determining whether a quorum exists, for the remainder of the meeting and for any adjournment of that meeting to the extent provided in Section 2.14.

If a quorum exists, action on a matter by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation, the By-Laws or the Wisconsin business corporation law require a greater number of affirmative votes; provided, however, that for purposes of electing directors, unless otherwise provided in the Articles of Incorporation, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. For purposes of electing directors, (i) a "plurality" means that the individuals with the largest number of votes are elected as directors up to the maximum number of directors to be chosen at the election, and (ii) votes against a candidate are not given legal effect and are not counted as votes cast in an election of directors.

SECTION 2.10. Proxies. For all meetings of shareholders, a shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by a duly authorized attorney-in-fact. Such proxy shall be effective when filed with the Secretary of the Corporation or other officer or agent authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

SECTION 2.11. Voting of Shares. Unless otherwise provided in the Articles of Incorporation, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

No shares in the Corporation held by another corporation may be voted if the Corporation owns, directly or indirectly, a sufficient number of shares entitled to elect a majority of the directors of such other corporation; provided, however, that the Corporation shall not be limited in its power to vote any shares, including its own shares, held by it in a fiduciary capacity.

SECTION 2.12. Voting Shares Owned by the Corporation. Shares of the Corporation belonging to it shall not be voted directly or indirectly at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares held by this Corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

SECTION 2.13. Acceptance of Instruments Showing Shareholder Action.

(a) If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder.

(b) If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of its shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(1) the shareholder is an entity, within the meaning of the Wisconsin business corporation law, and the name signed purports to be that of an officer or agent of the entity;

(2) the name signed purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the Corporation or its agent request, evidence of fiduciary status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment;

(3) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the Corporation or its agent request, evidence of this status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment;

(4) the name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the Corporation or its agent request,

evidence acceptable to the Corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment; or

(5) two or more persons are the shareholders as cotenants or fiduciaries and the name signed purports to be the name of at least one of the coowners and the persons signing appears to be acting on behalf of all coowners.

(c) The Corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the Corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

SECTION 2.14. Adjournments. An annual or special meeting of shareholders may be adjourned at any time, including after action on one or more matters, by a majority of shares represented, even if less than a quorum. The meeting may be adjourned for any purpose, including, but not limited to, allowing additional time to solicit votes on one or more matters, to disseminate additional information to shareholders or to count votes. Upon being reconvened, the adjourned meeting shall be deemed to be a continuation of the initial meeting.

(a) Quorum. Once a share is represented for any purpose at the original meeting, other than for the purpose of objecting to holding the meeting or transacting business at a meeting, it is considered present for purposes of determining if a quorum exists, for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

(b) Record Date. When a determination of shareholders entitled to notice of or to vote at any meeting of shareholders has been made as provided in Section 2.7, such determination shall be applied to any adjournment thereof unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

(c) Notice. Unless a new record date for an adjourned meeting is or must be fixed pursuant to Section 2.14(b), the Corporation is not required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment.

SECTION 2.15. Polling. In the sole discretion of the presiding officer of an annual or special meeting of shareholders, polls may be closed at any time after commencement of any annual or special meeting. When there are several matters to be considered at a meeting, the polls may remain open during the meeting as to any or all matters to be considered, as the presiding officer may declare. Polls will remain open as to matters to be considered at any adjournment of the meeting unless the presiding officer declares otherwise. At the sole discretion of the presiding officer, the polls may remain open after adjournment of a meeting for

not more than 72 hours for the purpose of collecting proxies and counting votes. All votes submitted prior to the announcement of the results of the balloting shall be valid and counted. The results of balloting shall be final and binding after announcement of such results.

SECTION 2.16. Waiver of Notice by Shareholders. A shareholder may waive any notice required by the Wisconsin business corporation law, the Articles of Incorporation or the By-Laws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, contain the same information that would have been required in the notice under any applicable provisions of the Wisconsin business corporation law, except that the time and place of the meeting need not be stated, and be delivered to the Corporation for inclusion in the Corporation's records. A shareholder's attendance at a meeting, in person or by proxy, waives objection to (i) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to the holding of the meeting or transacting business at the meeting, and (ii) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

SECTION 2.17. Unanimous Consent without Meeting. Any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting only by unanimous written consent or consents signed by all of the shareholders of the Corporation and delivered to the Corporation for inclusion in the Corporation's records.

ARTICLE III. BOARD OF DIRECTORS

SECTION 3.1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, its Board of Directors, subject to any limitations set forth in the Articles of Incorporation.

SECTION 3.2. Number, Classification, Tenure and Qualifications.

(a) Number. Except as otherwise provided in the Articles of Incorporation, the number of directors (exclusive of directors, if any, elected by the holders of one or more series of preferred stock, voting separately as a series pursuant to the provisions of the Articles of Incorporation) shall be not less than 3 nor more than 11 directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board of Directors then in office.

(b) Classification. The directors shall be divided into three classes, designated Class I, Class II, and Class III, and the term of directors of each class shall be three years. Each class shall consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board of Directors. If the number of directors is changed by resolution of the Board of Directors pursuant to Section 3.2(a), any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each

class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director.

(c) Tenure. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be duly elected and shall qualify.

(d) Qualifications. A director need not be a resident of the state of Wisconsin or a shareholder of the corporation except if required by the Articles of Incorporation. The Board of Directors, at its discretion, may establish any qualifications for directors, which qualifications, if any, shall only be applied for determining qualifications of a nominee for director as of the date of the meeting at which such nominee is to be elected or appointed.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Articles of Incorporation applicable thereto. Directors so elected shall not be divided into classes unless expressly provided by such Articles, and during the prescribed terms of office of such directors, the Board of Directors shall consist of such directors in addition to the number of directors determined as provided in Section 3.2(a).

SECTION 3.3. Removal. Exclusive of directors, if any, elected by the holders of one or more classes of preferred stock, no director of the Corporation may be removed from office except for Cause and by the affirmative vote of two-thirds of the outstanding shares of capital stock of the Corporation entitled to vote at a meeting of shareholders duly called for such purpose. As used in this Section 3.3, the term "Cause" shall mean solely malfeasance arising from the performance of a director's duties which has a materially adverse effect on the business of the Corporation.

SECTION 3.4. Resignation. A director may resign at any time by delivering written notice to the Board of Directors, the Chairman of the Board or to the Corporation (which shall be directed to the Secretary).

SECTION 3.5. Vacancies. Exclusive of a vacancy in directors, if any, elected by the holders of one or more classes of preferred stock, any vacancy on the Board of Directors, however caused, including, without limitation, any vacancy resulting from an increase in the number of directors, shall be filled by the vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director so elected to fill any vacancy in the Board of Directors, including a vacancy created by an increase in the number of directors, shall hold office for the remaining term of directors of the class to which he has been elected and until his successor shall be elected and shall qualify. A vacancy that will occur at a specific later date may be filled before the vacancy occurs, but the new director will not take office until the vacancy occurs.

SECTION 3.6. Committees. The Board of Directors by resolution adopted by the affirmative vote of a majority of the number of directors fixed by Section 3.2(a) then in office may create one or more committees, appoint members of the Board of Directors to serve on the committees and designate other members of the Board of Directors to serve as alternates. Each committee shall consist of two or more members of the Board of Directors. Unless otherwise provided by the Board of Directors, members of the committee shall serve at the pleasure of the Board of Directors. The committee may exercise those aspects of the authority of the Board of Directors which are within the scope of the committee's assigned responsibilities or which the Board of Directors otherwise confers upon such committee; provided, however, a committee may not do any of the following:

- (a) authorize distributions;
- (b) approve or propose to shareholders action that the Wisconsin business corporation law requires be approved by shareholders;
- (c) fill vacancies on the Board of Directors or, unless the Board of Directors has specifically granted authority to the committee, its committees;
- (d) amend the Articles of Incorporation pursuant to the authority of directors to do so granted by the Wisconsin business corporation law;
- (e) adopt, amend, or repeal by-laws;
- (f) approve a plan of merger not requiring shareholder approval;
- (g) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; or
- (h) authorize or approve the issuance or sale or contract for sale of shares or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except that the Board of Directors may authorize a committee (or a senior executive officer of the corporation, including without limitation the President and any Vice President) to do so within limits prescribed by the Board of Directors.

Except as required or limited by the Articles of Incorporation, the By-Laws, the Wisconsin business corporation law, or resolution of the Board of Directors, each committee shall be authorized to fix its own rules governing the conduct of its activities. Each committee shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

SECTION 3.7. Compensation. Except as provided in the Articles of Incorporation, the Board of Directors, irrespective of any personal interest of any of its members, may fix the compensation of directors.

SECTION 3.8. Regular Meeting. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of shareholders, and each adjourned session thereof. A regular meeting of a committee, if any, shall be at such date, place, either within or outside the state of Wisconsin, and time as such committee determines. Other regular meetings of the Board of Directors shall be held at such dates, times and places, either within or without the State of Wisconsin, as the Board of Directors may provide by resolution, which resolution shall constitute exclusive notice of such meeting.

SECTION 3.9. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or three-quarters of the members of the Board of Directors. Special meetings of a committee may be called by or at the request of the Chairman of a committee or a majority of the committee members. The person or persons authorized to call special meetings of the Board of Directors or a committee may fix any date, time and place, either within or outside the State of Wisconsin, for any special meeting of the Board of Directors or committee called by them.

SECTION 3.10. Notice; Waiver. Notice of meetings, except for regular meetings, shall be given at least five days previously thereto and shall state the date, time and place of the meeting of the Board of Directors or committee. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors or committee need be specified in the notice of such meeting. Notice may be communicated in person, by telephone, telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier. Written notice is effective at the earliest of the following: (1) when received; (2) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (3) two days after it is deposited with a private carrier. Oral notice is deemed effective when communicated. Facsimile notice is deemed effective when sent.

A director may waive any notice required by the Wisconsin business corporation law, the Articles of Incorporation or the By-Laws before or after the date and time stated in the notice. The waiver shall be in writing, signed by the director entitled to the notice and retained by the Corporation. Notwithstanding the foregoing, a director's attendance at or participation in a meeting waives any required notice to such director of the meeting unless the director at the beginning of the meeting or promptly upon such director's arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

SECTION 3.11. Quorum; Voting. Unless otherwise provided in the Articles of Incorporation or the Wisconsin business corporation law, a majority of the number of directors

fixed by Section 3.2(a) or appointed by the Board of Directors to a committee shall constitute a quorum for the transaction of business at any meeting of the Board of Directors or committee; provided, however, that even though less than such quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Except as otherwise provided in the Articles of Incorporation, the By-Laws or the Wisconsin business corporation law, if a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors or committee.

SECTION 3.12. Presumption of Assent. A director of the Corporation who is present and is announced as present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken is deemed to have assented to the action taken unless (i) such director objects at the beginning of the meeting or promptly upon arrival to holding the meeting or transacting business at the meeting, (ii) such director dissents or abstains from an action taken and minutes of the meeting are prepared that show the director's dissent or abstention from the action taken, (iii) such director delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation (directed to the Secretary) immediately after adjournment of the meeting, or (iv) such director dissents or abstains from an action taken, minutes of the meeting are prepared that fail to show the director's dissent or abstention from the action taken and the director delivers to the Corporation (directed to the Secretary) a written notice of that failure promptly after receiving the minutes. A director who votes in favor of action taken may not dissent or abstain from that action.

SECTION 3.13. Informal Action Without Meeting. Any action required or permitted by the Articles of Incorporation, the By-Laws or any provision of law to be taken by the Board of Directors or a committee at a meeting may be taken without a meeting if the action is taken by all of the directors or committee members then in office. The action shall be evidenced by one or more written consents describing the action taken, signed by each director and retained by the Corporation. Any such consent is effective when the last director signs the consent, unless the consent specifies a different effective date.

SECTION 3.14. Telephonic or Other Meetings. Unless the Articles of Incorporation provide otherwise, any or all directors may participate in a regular or special meeting of the Board of Directors or any committee thereof by, or conduct the meeting through the use of, any means of communication by which (i) all directors participating may simultaneously hear each other during the meeting, (ii) all communication during the meeting is immediately transmitted to each participating director and (iii) each participating director is able to immediately send messages to all other participating directors. If the meeting is to be conducted through the use of any such means of communication all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by this means is deemed to be present in person at the meeting. Notwithstanding the foregoing, the Chairman of the Board, or other presiding officer, shall, at any time, have the authority to deem any business or resolution not appropriate for meetings held pursuant to this Section 3.14.

ARTICLE IV. OFFICERS

SECTION 4.1. Number. The principal officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, any number of whom may be designated as Senior Executive Vice President, Executive Vice President or Senior Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Until such time as the Board of Directors shall deem it desirable to elect a Chairman of the Board such office may remain vacant, and while such office is vacant, the powers and duties of the Chairman of the Board shall vest in and be performed by the President of the Corporation. Such other officers as may be deemed necessary may be elected or appointed by the Board of Directors. Such other assistant officers as may be deemed necessary may be appointed by the Board of Directors or the President for such term as is specified in the appointment. The same natural person may simultaneously hold more than one office in the Corporation.

SECTION 4.2. Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 4.3. Removal. The Board of Directors may remove any officer at any time with or without cause and notwithstanding the contract rights, if any, of the officer removed. The Board of Directors or the President may remove any assistant officer who was appointed by the Board or the President. The appointment of an officer or assistant officer does not itself create contract rights.

SECTION 4.4. Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term. A vacancy in any assistant office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors or the President.

SECTION 4.5. Chairman of the Board. The Chairman of the Board shall preside at all annual and special meetings of shareholders and all regular and special meetings of the Board of Directors, shall advise and counsel with the President and shall assume such other duties as from time to time may be assigned by the Board of Directors.

SECTION 4.6. President. The President shall be the chief executive officer of the Corporation, shall have executive authority to see that all orders and resolutions of the Board of Directors are carried into effect and shall, subject to the control vested in the Board of Directors by the Wisconsin business corporation law, administer and be responsible for the management of the business and affairs of the Corporation. In the absence of the Chairman of the Board, the

President shall also perform the duties of the Chairman of the Board. The President shall have authority to sign, execute and acknowledge, on behalf of the Corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business or which shall be authorized by the Board of Directors; and, except as otherwise provided by law, or limited by the Board of Directors, he may authorize any Vice President or other officer or agent of the Corporation to sign, execute and acknowledge such documents or instruments in his place and stead. The President shall perform such other duties as are incident to the office of President or as may be prescribed from time to time by the Board of Directors.

SECTION 4.7. Vice Presidents. One or more of the Vice Presidents may be designated as Senior Executive Vice President, Executive Vice President or Senior Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice Presidents in the order designated at the time of their election, shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign with the Secretary or Assistant Secretary certificates for shares of the Corporation. Any Vice President shall perform such other duties as are incident to the office of Vice President or as may be prescribed from time to time by the Board of Directors or the President.

SECTION 4.8. Secretary. The Secretary shall: (i) keep the minutes of the shareholders and Board of Directors meetings in one or more books provided for that purpose, (ii) see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law, (iii) be custodian of the Corporation's records and of the seal of the Corporation, (iv) see that the seal of the Corporation is affixed to all appropriate documents the execution of which on behalf of the Corporation under its seal is duly authorized, (v) keep a register of the address of each shareholder which shall be furnished to the Secretary by such shareholder and (vi) perform all duties incident to the office of Secretary and such other duties as may be prescribed from time to time by the Board of Directors or the President.

SECTION 4.9. Treasurer. The Treasurer shall: (i) have charge and custody of and be responsible for all funds and securities of the Corporation, (ii) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation, and (iii) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the Board of Directors or the President.

SECTION 4.10. Assistant Secretaries and Assistant Treasurers. An Assistant Secretary, if any, when authorized by the Board of Directors, may sign with the President or any Vice President certificates for shares of the Corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. An Assistant Treasurer, if any, shall, if required by the Board of Directors, give bonds for the faithful discharge of his duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries

and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Board of Directors, the President or the Secretary or the Treasurer, respectively.

SECTION 4.11. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors or a committee authorized by the Board to fix the same, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Corporation or a member of such committee.

ARTICLE V. CONTRACTS; VOTING OF STOCK IN OTHER CORPORATIONS

SECTION 5.1. Contracts. The Board of Directors may authorize any officer or officers, committee, or any agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances.

SECTION 5.2. Voting of Stock in Other Corporations. The Board of Directors by resolution shall from time to time designate one or more persons to vote all stock held by this Corporation in any other corporation or entity, may designate such persons in the alternative and may empower them to execute proxies to vote in their stead. In the absence of any such designation by the Board of Directors, the President shall be authorized to vote any stock held by the Corporation or execute proxies to vote such stock.

ARTICLE VI. CERTIFICATES FOR SHARES AND THEIR TRANSFER

SECTION 6.1. Certificates for Shares. Shares of the Corporation may be issued in certificated or uncertificated form. Such shares shall be in the form determined by, or under the authority of a resolution of, the Board of Directors, which shall be consistent with the requirements of the Wisconsin business corporation law.

(a) Certificated Shares. Shares represented by certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. The validity of a share certificate is not affected if a person who signed the certificate no longer holds office when the certificate is issued. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom shares are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

(b) Uncertificated Shares. Shares may also be issued in uncertificated form. Within a reasonable time after issuance or transfer of such shares, the Corporation shall

send the shareholder a written statement of the information required on share certificates under the Wisconsin business corporation law, including: (1) the name of the Corporation; (2) the name of person to whom shares were issued; (3) the number and class of shares and the designation of the series, if any, of the shares issued; and (4) either a summary of the designations, relative rights, preferences and limitations, applicable to each class, and the variations in rights, preferences and limitations determined for each series and the authority of the Board of Directors to determine variations for future series, or a conspicuous statement that the Corporation will furnish the information specified in this subsection without charge upon the written request of the shareholder.

SECTION 6.2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record of such shares, or his or her legal representative, who shall furnish proper evidence of authority to transfer or by an attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares, if any. The person in whose name shares stand on the books and records of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes, except as otherwise required by the Wisconsin business corporation law.

SECTION 6.3. Stock Regulations. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with the statutes of the State of Wisconsin as they may deem expedient concerning the issue, transfer and registration of shares of the Corporation represented in certificated or uncertificated form, including the appointment or designation of one or more stock transfer agents and one or more stock registrars.

ARTICLE VII. INDEMNIFICATION; INSURANCE

SECTION 7.1. Indemnity of Directors, Officers, Employees and Designated Agents.

(a) Definitions to Indemnification and Insurance Provisions.

(1) "Director, Officer, Employee or Agent" means any of the following: (i) A natural person who is or was a director, officer, employee or agent of the Corporation; (ii) A natural person who, while a director, officer, employee or agent of the Corporation, is or was serving either pursuant to the Corporation's specific request or as a result of the nature of such person's duties to the Corporation as a director, officer, partner, trustee, member of any governing or decision making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise; (iii) A natural person who, while a director, officer, employee or agent of the Corporation, is or was serving an employee benefit plan because his or her duties to the Corporation also impose duties on, or otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan; or (iv) Unless the context requires otherwise, the estate or personal representative of a director, officer, employee or

agent. Notwithstanding the foregoing, an agent falls within the foregoing definition only upon a resolution of the Board of Directors or committee appointed thereby that such agent shall be entitled to the indemnification provided herein.

(2) "Liability" means the obligation to pay a judgment, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, the agreement to pay any amount in settlement of a Proceeding (whether or not approved by a court order), and reasonable expenses and interest related to the foregoing.

(3) "Party" means a natural person who was or is, or who is threatened to be made, a named defendant or respondent in a Proceeding.

(4) "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal (including but not limited to any act or failure to act alleged or determined to have been negligent, to have violated the Employee Retirement Income Security Act of 1974, or to have violated Section 180.0833 of the Wisconsin Statutes, or any successor thereto, regarding improper dividends, distributions of assets, purchases of shares of the Corporation, or loans to officers), which involves foreign, federal, state or local law and which is brought by or in the right of the Corporation or by any other person or entity.

(5) "Expenses" means all reasonable fees, costs, charges, disbursements, attorneys' fees and any other expenses incurred in connection with a Proceeding.

(b) Indemnification of Officers, Directors, Employees and Agents.

(1) The Corporation shall indemnify a Director, Officer, Employee or Agent to the extent he or she has been successful on the merits or otherwise in the defense of any Proceeding, for all reasonable Expenses in a Proceeding if the Director, Officer, Employee or Agent was a Party because he or she is a Director, Officer, Employee or Agent of the Corporation.

(2) In cases not included under subsection (1), the Corporation shall indemnify a Director, Officer, Employee or Agent against Liability and Expenses incurred in a Proceeding to which the Director, Officer, Employee or Agent was a Party because he or she is a Director, Officer, Employee or Agent of the Corporation, unless it is determined by final judicial adjudication that such person breached or failed to perform a duty owed to the Corporation which constituted any of the following:

(i) A willful failure to deal fairly with the Corporation or its shareholders in connection with a matter in which the Director, Officer, Employee or Agent has a material conflict of interest;

(ii) A violation of criminal law, unless the Director, Officer, Employee or Agent had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director, Officer, Employee or Agent derived an improper personal profit; or

(iv) Willful misconduct.

(3) Indemnification under this Section 7.1 is not required to the extent the Director, Officer, Employee or Agent has previously received indemnification or allowance of expenses from any person or entity, including the Corporation, in connection with the same Proceeding.

(4) Indemnification required under subsection (b) (1) shall be made within 10 days of receipt of a written demand for indemnification. Indemnification required under subsection (b) (2) shall be made within 30 days of receipt of a written demand for indemnification.

(5) Upon written request by a Director, Officer, Employee or Agent who is a Party to a Proceeding, the Corporation shall pay or reimburse his or her reasonable Expenses as incurred if the Director, Officer, Employee or Agent provides the Corporation with all of the following:

(i) A written affirmation of his or her good faith belief that he or she is entitled to indemnification under Section 7.1; and

(ii) A written undertaking, executed personally or on his or her behalf, to repay all amounts advanced without interest to the extent that it is ultimately determined that indemnification under Section 7.1(b)(2) is prohibited. The undertaking under this subsection shall be accepted without reference to the ability of the Director, Officer, Employee or Agent to repay the allowance. The undertaking shall be unsecured.

(c) Determination that Indemnification is Proper.

(1) Unless provided otherwise by a written agreement between the Director, Officer, Employee or Agent and the Corporation, determination of whether indemnification is required under subsection (b) shall be made by one of the following methods, which in the case of a Director or Officer seeking

indemnification shall be selected by such Director or Officer:
 (i) by a majority vote of a quorum of the Board of Directors consisting of directors who are not at the time parties to the same or related proceedings or, if a quorum of disinterested directors cannot be obtained, by a majority vote of a committee duly appointed by the Board of Directors (which appointment by the Board may be made by directors who are parties to the proceeding) consisting solely of two or more directors who are not at the time parties to the same or related proceedings, (ii) by a panel of three arbitrators consisting of (a) one arbitrator selected by a quorum of the Board of Directors or its committee constituted as required under (i), above, or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings, (b) one arbitrator selected by the director or officer seeking indemnification and (c) one arbitrator selected by the other two arbitrators, (iii) by an affirmative vote of shareholders as provided under Section 2.9, except that shares owned by, or voted under the control of, persons who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not be voted in making the determination, or (iv) by a court of competent jurisdiction as permitted under the Wisconsin business corporation law; provided, however, that with respect to any additional right to indemnification permissible under the Wisconsin business corporation law and granted by the Corporation, the determination of whether such additional right of indemnification is required shall be made by any method permissible under the Wisconsin business corporation law, as such methods may be limited by the grant of such additional right to indemnification.

(2) A Director, Officer, Employee or Agent who seeks indemnification under this Section 7.1 shall make a written request to the Corporation. As a further precondition to any right to receive indemnification, the writing shall contain a declaration that the Corporation shall have the right to exercise all rights and remedies available to such Director, Officer, Employee or Agent against any other person, corporation, foreign corporation, partnership, joint venture, trust or other enterprise arising out of, or related to, the Proceeding which resulted in the Liability and the Expense for which such Director, Officer, Employee or Agent is seeking indemnification, and that the Director, Officer, Employee or Agent is hereby deemed to have assigned to the Corporation all such rights and remedies.

(d) Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is a Director, Officer, Employee or Agent against any Liability asserted against or incurred by the individual in any such capacity or arising out of his status as such, regardless of whether the Corporation is required or authorized to indemnify or allow expenses to the individual under this Section 7.1.

(e) Severability. The provisions of this Section 7.1 shall not apply in any circumstance where a court of competent jurisdiction determines that indemnification

would be invalid as against public policy, but such provisions shall not apply only to the extent that they are invalid as against public policy and shall otherwise remain in full force and effect.

(f) Limitation or Expansion of Indemnification. The right to indemnification under this Section 7.1 may be limited or reduced only by subsequent affirmative vote of not less than two-thirds of the Corporation's outstanding capital stock entitled to vote on such matters. Any limitation or reduction in the right to indemnification may only be prospective from the date of such vote. The Board of Directors, however, shall have the authority to expand the indemnification permitted under this Section 7.1 to the fullest extent permissible under the Wisconsin business corporation law as in effect on the date of any such resolution with or without further amendment to this Section 7.1.

ARTICLE VIII. AMENDMENTS

SECTION 8.1. Amendment by the Board of Directors. The By-Laws of the Corporation may be amended or repealed by the Board of Directors unless any of the following apply:

(a) The Articles of Incorporation, the particular by-law or the Wisconsin business corporation law reserve this power exclusively to the shareholders in whole or part;

(b) The shareholders in adopting, amending, or repealing a particular by-law provide expressly within the by-law that the Board of Directors may not amend, repeal or readopt that by-law; or

(c) The by-law fixes a greater or lower quorum requirement or greater voting requirement for shareholders.

Action by the Board of Directors to adopt or amend a by-law that changes the quorum or voting requirement for the Board of Directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect.

SECTION 8.2 . Amendment by the Corporation's Shareholders. The Corporation's shareholders may amend or repeal the Corporation's By-Laws or adopt new by- laws even though the Board of Directors may also amend or repeal the Corporation's By-Laws or adopt new by- laws. The adoption or amendment of a by-law that adds, changes or deletes a greater or lower quorum requirement or a greater voting requirement for shareholders or the Board of Directors must meet the same quorum and voting requirement then in effect.

ARTICLE IX. CORPORATE SEAL

SECTION 9.1. Corporate Seal. The Board of Directors may provide for a corporate seal which may be circular in form and have inscribed thereon any designation including the name of the corporation, Wisconsin as the state of incorporation, and the words "Corporate Seal." Any

instrument executed in the corporate name by the proper officers of the Corporation under any seal, including the words "Seal," "Corporate Seal" or similar designation, is sealed even though the corporate seal is not used.

ARTICLE X. EMERGENCY BY-LAWS

SECTION 10.1. Emergency By-Laws. Unless the Articles of Incorporation provide otherwise, the following provisions of this Article X shall be effective during an "Emergency," which is defined as a catastrophic event that prevents a quorum of the Corporation's directors from being readily assembled.

SECTION 10.2. Notice of Board Meetings. During an Emergency, any one member of the Board of Directors or any one of the following officers: Chairman of the Board, President, any Vice-President or Secretary, may call a meeting of the Board of Directors. Notice of such meeting need be given only to those directors whom it is practicable to reach, and may be given in any practical manner, including by publication or radio. Such notice shall be given at least six hours prior to commencement of the meeting.

SECTION 10.3. Temporary Directors and Quorum. One or more officers of the Corporation present at the Emergency meeting of the Board of Directors, as is necessary to achieve a quorum, shall be considered to be directors for the meeting, and shall so serve in order of rank, and within the same rank, in order of seniority. In the event that less than a quorum (as determined by Section 3.11) of the directors are present (including any officers who are to serve as directors for the meeting), those directors present (including the officers serving as directors) shall constitute a quorum.

SECTION 10.4. Actions Permitted To Be Taken. The board as constituted in Section 10.3, and after notice as set forth in Section 10.2 may:

(a) Officers' Powers. Prescribe emergency powers to any officers of the Corporation;

(b) Delegation of Any Power. Delegate to any officer or director, any of the powers of the Board of Directors;

(c) Lines of Succession. Designate lines of succession of officers and agents, in the event that any of them are unable to discharge their duties;

(d) Relocate Principal Place of Business. Relocate the principal place of business, or designate successive or simultaneous principal places of business; and

(e) All Other Action. Take any and all other action, convenient, helpful, or necessary to carry on the business of the Corporation.

Corporate action taken in good faith in accordance with the emergency by-laws binds the Corporation and may not be used to impose liability on any of the Corporation's directors, officers, employees or agents.

MANPOWER 1990 EMPLOYEE STOCK PURCHASE PLAN
AMENDED AND RESTATED AS OF JANUARY 1, 1997

1. Purpose. The purpose of this Plan is to provide employees of Manpower Inc. (the "Company") and certain of its subsidiaries with an opportunity to purchase Company common stock through annual offerings to be made commencing on the 1st day of January (1st day of May for 1990), and thus develop a stronger incentive to work for the continued success of the Company. Under this Plan, employees of United States subsidiaries of the Company will be eligible to purchase Company common stock under the provisions hereof and employees of non-United States subsidiaries will be eligible to purchase Company common stock pursuant to the Manpower Foreign Subsidiary Employee Stock Purchase Plan (the "Foreign Plan"), the provisions of which are fully incorporated herein and are expressly deemed to be a part hereof. From time to time, the Plan may, subject to Paragraph 3(a) hereof, be adopted by certain subsidiaries of the Company as determined by the Boards of Directors of such subsidiaries (a "Participating Subsidiary"), provided that the aggregate number of shares of common stock of the Company authorized to be sold pursuant to options granted under this Plan and the Foreign Plan is 1,250,000 shares, subject to adjustment as provided in Paragraph 17 hereof. In computing the number of shares available for grant, any shares relating to options which are granted, but which subsequently lapse, are canceled or are otherwise not exercised by the final date for exercise, shall be deemed available for future grants of options. It is the intention of the Company to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986 (the "Code") of the United States with respect to U.S. employees of the Company or a Participating Subsidiary and, therefore, the provisions of the Plan shall be construed so as to govern participation in a manner consistent with the requirements of Section 423(b) of the Code.

2. Administration. Subject to the general control of the Company's Board of Directors (the "Board") and the Executive Compensation Committee of the Board (the "Executive Compensation Committee"), the Plan shall be administered by a Stock Purchase Plan Committee (the "Committee") which shall be appointed by the Board, or with respect to employees of a Participating Subsidiary, by the Board of Directors thereof. The Committee shall consist of three (3) members who shall serve without compensation, and who need not be members of the applicable Board of Directors. The Board of Directors of the Company or the Participating Subsidiary may at any time replace a member of such Committee. Any expenses of the Committee shall be paid by the Company or the Participating Subsidiary. The Committee may adopt regulations not inconsistent with the provisions of this Plan for the administration thereof, and its interpretation and construction of the Plan and the regulations shall be final and conclusive. Any action to be taken by the Committee shall be on a vote of a majority of the Committee either at a meeting or in writing.

3. Eligibility.

(a) All employees of the Company or of any Participating Subsidiary designated from time to time by the Committee will be eligible to participate in the Plan provided they have a minimum period of continuous service with the Company or a Participating Subsidiary, such period to be determined by the Committee from time to time, but in all events not to exceed two years, subject to the additional limitations imposed herein. Only subsidiaries that satisfy the requirements of Section 424(f) of the Code shall be entitled to participate in the Plan.

(b) Any provision of this Plan to the contrary notwithstanding, no employee shall be granted an option:

(i) if, immediately after the grant, such employee would own, and/or hold outstanding options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any parent or subsidiary of the Company within the meaning of Section 423 of the Code; or

(ii) which permits the employee's rights to purchase stock under all employee stock purchase plans, as defined in Section 423 of the Code, of the Company and its subsidiaries to accrue at a rate which exceeds \$25,000 of fair market value of the stock (determined at the time such option is granted) for each calendar year in which such stock option is outstanding at any time; or

(iii) if the employee's customary employment does not meet certain requirements for length of employment determined by the Committee from time to time; provided, however, that any such requirement for length of employment shall comply with Section 423 of the Code.

4. Offerings. The Executive Compensation Committee may authorize the Committee to make one or more annual offerings to employees to purchase stock under this Plan. The term of any offering, except the first offering, shall be for a period of 12 months' duration. For each offering, each eligible employee shall be granted an option to purchase a number of shares of the Company equal to \$25,000 divided by 100% of the Fair Market Value of a share of stock of the Company on the date immediately preceding the Effective Date of the Offering (as defined in Paragraph 12(a) hereof).

In addition, once options to purchase an aggregate of 750,000 shares have been granted to participating employees pursuant to the terms of the Plan, any additional grants to a participating employee who is subject to Section 16 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), are subject to approval by the Company's shareholders, or the shareholders of a Participating Subsidiary, as the case may be.

5. Participation. An employee eligible on the Effective Date of any Offering (as defined in Paragraph 12(a) hereof) may participate in such offering by completing and forwarding a payroll deduction authorization form to his appropriate payroll location before August 1st of the offering period. The form will authorize a regular payroll deduction from the employee's pay.

6. Deductions. The Company or its Participating Subsidiary will maintain payroll deduction accounts for all participating employees. With respect to any offering made under this Plan, an employee may authorize a regular payroll deduction in multiples of \$5.00.

7. Deduction Changes. An employee may increase or decrease his payroll deduction by filing a new payroll deduction authorization form before August 1st of the offering period. The change may not become effective sooner than the next pay period after receipt of the form. A payroll deduction may be increased only once and reduced only once during the term of any offering period.

8. Withdrawal From Participation in an Offering. An employee may, at any time and for any reason, withdraw from participation in an Offering under this Plan, upon advance written notice to the Committee. An employee who withdraws from an Offering may elect in writing, on a form provided by the Committee, to receive a cash refund of the entire balance in his payroll deduction account (partial refunds are not permitted), or to retain the entire balance in such account and use it to purchase shares of the common stock of the Company, in such Offering, under Paragraph 9 of this Plan. Any employee who withdraws from an Offering under this Plan may resume participation in such Offering only once, provided he does so before August 1st of such offering period.

9. Purchase of Shares.

(a) Each employee participating in an offering under this Plan will be entitled to purchase as many whole shares of common stock of the Company as can be purchased with the total payroll deductions credited to his account during the specified offering periods in the manner and on the terms herein provided.

(b) The purchase price for a share granted under any offering will be the lower of either:

(i) the Offering Price of 85% of the Fair Market Value of a share of common stock of the Company on the Effective Date of the Offering; or

(ii) the Alternative Offering Price of 85% of the Fair Market Value of a share of common stock of the Company on the day one year from the Effective Date of the Offering;

provided, however, that the purchase price shall not be less than par value.

(c) As of the date one year from the Effective Date of the Offering, the account of each participating employee shall be totaled and the Alternative Offering Price determined. If a participating employee shall have sufficient funds in his account to purchase one or more full shares at the lower of either the Offering Price or the Alternative Offering Price as of that date, the employee shall be deemed to have exercised his option to purchase such share or shares at such lower price, his account shall be charged for the amount of the purchase and a stock certificate shall be issued to him as of such day. The balance of any payroll deductions credited to his account during the offering shall be refunded to him in cash or shall remain credited to his account and used to purchase shares of common stock of the Company in the next Offering under this Plan, as he so elects. If the employee does not participate in the next Offering, the balance that remains credited to his account shall be refunded to him in cash.

10. Interest. Unless otherwise determined by the Executive Compensation Committee, interest will not accrue on any employee payroll deduction accounts.

11. Registration of Certificates. Certificates will be registered only in the name of the employee. If an employee makes written request to the Committee, the Committee may cause the certificates to be issued in his name jointly with a member of his family with right of survivorship.

12. Definitions.

(a) "Effective Date of the Offering" shall be the date established by the Committee in making any offering under this Plan.

(b) "Fair Market Value" shall be the closing price of the common stock of the Company on the New York Stock Exchange (the "NYSE") as reported in the Midwest Edition of The Wall Street Journal on the applicable valuation date hereunder, or if no sale of common stock of the Company is made on the NYSE on any such date, then the closing price of the common stock of the Company on the next preceding day on which a sale was made on said NYSE.

13. Rights as a Shareholder. None of the rights or privileges of a shareholder of the Company shall exist with respect to shares purchased under this Plan unless and until such full shares shall have been duly issued.

14. Rights on Retirement, Death or Termination of Employment. In the event of a participating employee's retirement, death, or termination of employment, no payroll deduction shall be taken from any pay due and owing to him at such time and the balance in his account shall be paid to him or, in the event of his death, to his estate. Transfer of a participating employee from the Company to a Participating Subsidiary or vice versa shall not constitute termination of employment.

15. Rights Not Transferable. Rights under this Plan are not transferable by a participating employee and are exercisable only by him.

16. Application of Funds. All funds received or held by the Company or any Participating Subsidiary under this Plan may be used for any corporate purpose and need not be segregated.

17. Adjustment in Case of Changes Affecting the Common Stock of the Company. In the event of any stock dividend, split-up, recapitalization, merger, consolidation, combination or exchange of shares, or the like, as a result of which shares of any class shall be issued in respect of the outstanding common stock, or the common stock shall be changed into the same or a different number of the same or another class of stock, or into securities of another person, cash or other property (not including a regular cash dividend), the total number of shares authorized to be offered in accordance with Paragraph 1, the number of shares subject to each outstanding option, the option price applicable to each such option, and/or the consideration to be received upon exercise of each such option shall be adjusted in a fair and reasonable manner by the Committee. In addition, the Committee shall, in its sole discretion, have authority to provide, in appropriate cases, for (i) acceleration of the exercise date of outstanding options or (ii) the conversion of outstanding options into cash or other property to be received in certain of the transactions specified in the preceding sentence upon effectiveness of such transactions.

18. Amendment of the Plan. The Board, the Executive Compensation Committee or the Committee may at any time, or from time to time, amend this Plan in any respect; provided, however, that no amendment shall be made without the approval of a majority of the common stock of the Company then issued and outstanding and entitled to vote if shareholder approval is required for such amendment under applicable tax, securities or other law. Any action taken by the Board, the Executive Compensation Committee or the Committee pursuant hereto that is otherwise inconsistent with the terms and conditions hereof shall be given effect and be deemed to be an amendment hereof as related to such action, to the extent allowed by this Paragraph 18, so as to make such terms and conditions consistent with such action.

19. Termination of the Plan.

(a) This Plan and all rights of employees under any offering hereunder shall terminate:

(i) on the day that participating employees become entitled to purchase a number of shares equal to or greater than the number of shares remaining available for purchase. If the number of shares so purchasable is greater than the shares remaining available, the available shares shall be allocated by the Committee among such participating employees in such manner as it deems fair and consistent with Section 423 of the Code; or

(ii) at any time, at the discretion of the Board or the Executive Compensation Committee.

(b) Upon termination of this Plan, all amounts in the accounts of participating employees shall be promptly refunded.

20. Governmental Regulations. The obligation to sell and deliver shares of the Company's common stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance or sale of such stock.

21. Indemnification of Committee. In addition to such other rights of indemnification as they may have as directors or as members of the Committee, the members of the committee shall be indemnified by the Company or a Participating Subsidiary against the reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any option granted thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company or a Participating Subsidiary) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding, that such Committee member is liable for gross negligence or willful misconduct in the performance of his duties; provided that within 60 days after the institution of any such action, suit or proceeding, a Committee member shall in writing offer the Company or a Participating Subsidiary the opportunity, at its own expense, to handle and defend the same.

MANPOWER INC.
5301 NORTH IRONWOOD ROAD
MILWAUKEE, WISCONSIN 53217

February 18, 1997

Mr. Jon F. Chait:

Please refer to our letter agreement dated August 3, 1991, as amended by a letter agreement dated March 12, 1992 (as amended, the "Prior Agreement"), concerning your compensation and other benefits as an employee of Manpower Inc. (the "Company"), successor to Manpower International Inc. We have agreed to the following modifications of the Prior Agreement:

1. Subparagraph 2 of the Prior Agreement is modified to provide that the incentive bonus to which you will be entitled for each fiscal year of the Company, beginning with the year ending December 31, 1997, will be determined in accordance with Schedule A attached hereto in lieu of the amount previously specified for any incentive bonus.
2. Notwithstanding the foregoing or any other provision of the Prior Agreement, you will not be entitled to receive the incentive bonus provided under paragraph 2 of such agreement for the year ending December 31, 1997, or any subsequent fiscal year unless the shareholders of Manpower Inc. approve the bonus arrangement set out in Schedule A at the 1997 annual meeting of shareholders by the vote required under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Except as expressly modified by the foregoing, the Prior Agreement will remain in full force and effect.

To confirm your agreement with the terms of this letter, kindly sign a copy in the place provided below and return it to the Company.

Sincerely,

MANPOWER INC.

By:/s/ Mitchell S. Fromstein

Mitchell S. Fromstein, President and
Chief Executive Officer

I hereby confirm my agreement with the terms of this letter.

/s/ Jon F. Chait

Jon F. Chait

SCHEDULE A

Incentive Bonus Formula

Adjusted Net Profit Before Tax	Amount of Bonus is 25% of Following Amount
\$44 Million or less	None
More than \$44 Million but equal to or less than \$49 Million	1% of Adjusted Net Profit Before Tax in excess of \$44 Million
More than \$49 Million but equal to or less than \$59 Million	\$50,000 plus 1-1/2% of Adjusted Net Profit Before Tax in excess of \$49 Million
More than \$59 Million	\$200,000 plus 1-3/4% of Adjusted Net Profit Before Tax in excess of \$59 Million

"Adjusted Net Profit Before Tax" shall mean the net profit (or loss) before income taxes, cumulative effects of changes in accounting principles, and extraordinary items, shown on the year-end audited Consolidated Statement of Operations of Manpower Inc. and subsidiaries with the following adjustments:

- a. Add to income the aggregate charges included for base salaries, incentive bonuses, or severance (and charges for withheld employment taxes on such items) paid or payable to Messrs. Fromstein and Chait.
- b. Add to income the aggregate charges included for employee noncash compensation items.
- c. Add to income any charges included for the amortization of goodwill, restructuring, losses resulting from the disposition of real estate or businesses, and other unusual items, and subtract from income any gains included resulting from the disposition of real estate or businesses and other unusual items.

Notwithstanding the foregoing, charges included for the amortization of goodwill or restructuring will not be added back with respect to any year to the extent determined by the Executive Performance Compensation Committee of the Board of Directors of Manpower Inc. in its sole discretion.

MANPOWER INC.
5301 NORTH IRONWOOD ROAD
MILWAUKEE, WISCONSIN 53217

February 18, 1997

Mr. Jon F. Chait:

This letter will confirm our agreement regarding your bonus for 1996 and grant of Credited Shares under the Deferred Stock Plan of Manpower Inc., as amended on this date (the "Plan"):

1. Notwithstanding the terms of any prior agreements or understandings between us regarding any bonus or incentive bonus, we agree that your bonus for the 1996 calendar will equal \$587,769.

2. You have been granted 6,100 Credited Shares under the Plan, all of which are vested as of this date. The shares of Common Stock of Manpower Inc. to which you are entitled under the terms of the Plan with respect to this grant shall be distributed to you on January 2 of the year following the year in which your employment by Manpower Inc. terminates or, if sooner, upon the occurrence of a Triggering Event (as defined in the Plan). Except as otherwise provided in this letter, this grant of Credited Shares is subject to the terms and conditions of the Plan.

Mr. Jon F. Chait
February 18, 1997
Page 2

To confirm your agreement with the terms of this letter, kindly sign a copy in the place provided below and return it to us.

Sincerely,

MANPOWER INC.

By: /s/ Mitchell S. Fromstein

Mitchell S. Fromstein, President and
Chief Executive Officer

I hereby confirm my agreement with the terms of this letter.

/s/ Jon F. Chait

Jon F. Chait

1991 DIRECTORS STOCK OPTION PLAN
OF
MANPOWER INC.

(AMENDED AND RESTATED EFFECTIVE FEBRUARY 18, 1997)

PURPOSE OF THE PLAN

The purpose of the Plan is to attract and retain superior Directors, to provide a stronger incentive for such Directors to put forth maximum effort for the continued success and growth of the Company and its Subsidiaries, and in combination with these goals, to encourage stock ownership in the Company by Directors.

1. DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set forth below:

(a) "Board of Directors" shall mean the entire board of directors of the Company, consisting of both Employee and non-Employee members.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) "Company" shall mean Manpower Inc., a Wisconsin corporation.

(d) "Director" shall mean an individual who is a non-Employee member of the Board of Directors of the Company.

(e) "Disability" shall mean a physical or mental incapacity which results in a Director's termination of membership on the Board of Directors of the Company.

(f) "Effective Date" shall mean the date on and as of which the Plan originally became effective, as specified in Paragraph 11 hereof.

(g) "Employee" shall mean an individual who is a full-time employee of the Company or a Subsidiary.

(h) An "Election Date" shall mean (i) in the case of any Director who was a Director on the Effective Date, November 5 of any year beginning with 1996, (ii) in the case of any Director who was not a Director on the Effective Date but who made an election under the Plan prior to November 5, 1996, the day following the last day of the period covered by such election and thereafter November 5 of any year, and (iii) in the case of any other Director, the date of the Director's initial appointment to the Board of Directors and thereafter November 5 of any year.

(i) An "Election Period" shall mean the period beginning November 5, 1996, and ending November 4, 2001, or a subsequent period of five years beginning on the day following the end of the prior Election Period.

(j) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(k) "Market Price" shall mean the closing sale price of a Share on the New York Stock Exchange as reported in the Midwest Edition of The Wall Street Journal, or such other market price as may be determined in conformity with pertinent law and regulations of the Treasury Department.

(l) "Nonstatutory Stock Option" shall mean an option to purchase Shares which does not comply with the provisions of Section 422 of the Code.

(m) "Option" shall mean a Nonstatutory Stock Option granted under the Plan.

(n) "Option Agreement" shall mean the agreement between the Company and a Director whereby an Option is granted to such Director.

(o) "Plan" shall mean the 1991 Directors Stock Option Plan of the Company, as amended from time to time after its Effective Date.

(p) "Share" shall mean a share of the \$0.01 par value common stock of the Company.

(q) "Subsidiary" shall mean a subsidiary corporation of the Company as defined in Section 424(f) of the Code.

(r) "Triggering Event" shall mean the first to occur of any of the following:

(1) the acquisition (other than from the Company), by any person, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), directly or indirectly, of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of 20% or more of the then outstanding shares of common stock of the Company or voting securities representing 20% or more of the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; provided, however, no Triggering Event shall be deemed to have occurred as a result of an acquisition of shares of common stock or voting securities of the Company (i) by the Company, any of its Subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Subsidiaries or (ii) by any other corporation or other entity with respect to which, following such acquisition, more than 60% of the outstanding shares of the common stock, and voting securities representing more than 60% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of such other corporation or entity are then beneficially owned, directly or indirectly, by the persons who were the Company's shareholders immediately prior to such acquisition in substantially the same

proportions as their ownership, immediately prior to such acquisition, of the Company's then outstanding common stock or then outstanding voting securities, as the case may be; or

(2) any merger or consolidation of the Company with any other corporation, other than a merger or consolidation which results in more than 60% of the outstanding shares of the common stock, and voting securities representing more than 60% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the surviving or consolidated corporation being then beneficially owned, directly or indirectly, by the persons who were the Company's shareholders immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Company's then outstanding common stock or then outstanding voting securities, as the case may be; or

(3) any liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or

(4) individuals who, as of the Effective Date of this Plan, constitute the Board of Directors of the Company (as of such date, the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided, however, that any person becoming a director subsequent to the Effective Date of this Plan whose election, or nomination for election by the shareholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest which was (or, if threatened, would have been) subject to Exchange Act Rule 14a-11; or

(5) the Company shall enter into any agreement (whether or not conditioned on shareholder approval) providing for or contemplating, or the Board of Directors of the Company shall approve and recommend that the shareholders of the Company accept, or approve or adopt, or the shareholders of the Company shall approve, any acquisition that would be a Triggering Event under clause (1), above, or a merger or consolidation that would be a Triggering Event under clause (2), above, or a liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or

(6) whether or not conditioned on shareholder approval, the issuance by the Company of common stock of the Company representing a majority of the outstanding common stock, or voting securities representing a majority of the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors, after giving effect to such transaction.

Following the occurrence of an event which is not a Triggering Event whereby there is a successor holding company to the Company, or, if there is no such successor, whereby the

Company is not the surviving corporation in a merger or consolidation, the surviving corporation or successor holding company (as the case may be), for purposes of this definition, shall thereafter be referred to as the Company.

Words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine.

2. SHARES RESERVED UNDER PLAN

The aggregate number of Shares which may be issued or sold under the Plan and which are subject to outstanding Options at any time shall not exceed 800,000 Shares, which may be treasury Shares or authorized but unissued Shares, or a combination of the two, subject to adjustment as provided in Paragraph 8 hereof. Any Shares subject to an Option which expires or terminates for any reason (whether by voluntary surrender, lapse of time or otherwise) and is unexercised as to such Shares may again be the subject of an Option under the Plan subject to the limits set forth above. A Director shall be entitled to the rights and privileges of ownership with respect to the Shares subject to the Option only after actual purchase and issuance of such Shares pursuant to exercise of all or part of an Option.

3. PARTICIPATION; NUMBER OF OPTION SHARES GRANTED

Only Directors shall be eligible to receive Options under the Plan. A Director may elect to receive, in lieu of all cash compensation to which he or she would otherwise be entitled as a Director (other than reimbursement for expenses), an Option granted in accordance with the following. The election shall cover a period of whole years (except as provided below) determined by the Director at the time of election beginning on any Election Date as of which no prior election is in effect under the Plan (or the Deferred Stock Plan of the Company) and ending no later than the expiration of the then current Election Period. If the Election Date is other than November 5 of any year, the first year covered by an election shall be a partial year beginning on the Election Date and ending on the next succeeding November 4, and the number of shares covered by the Option for this first partial year shall be prorated based on the ratio of the number of days in such partial year to 365. The election to receive an Option in lieu of cash compensation must be made on or before the commencement of the period covered by the election. Notwithstanding the foregoing, no Director who is a resident of the United Kingdom shall be eligible to make an election hereunder but rather shall be required to receive an Option in lieu of cash compensation and, as such, treated as if he or she had made an election covering a period of five years effective beginning on each Election Date as of which no prior election is in effect. The Option will be for the following number of shares, subject to adjustment pursuant to Paragraph 8 hereof:

Years of Cash Compensation Waived	Shares Covered by Option
5	10,000
4	10,000
3	10,000
2	10,000
1	10,000

Said election shall be in writing and delivered to the Secretary of the Company. The date of grant of the Option shall be the date on which the period covered by the election begins. A Director who has been granted an Option under the Plan may be granted additional Options under the Plan. The Company shall effect the granting of Options under the Plan by the execution of Option Agreements.

4. OPTIONS: GENERAL PROVISIONS

(a) Option Exercise Price. The per share purchase price of the Shares under each Option granted pursuant to this Plan shall be equal to one hundred percent (100%) of the fair market value per Share on the date of grant of such Option. The fair market value per Share on the date of grant shall be the Market Price for the business day immediately preceding the date of grant of such Option.

(b) Exercise Period.

(1) An Option shall not initially be exercisable. On November 5 of each year following the date of grant of an Option, the Option shall become exercisable as to a number of shares equal to that number attributable to a period of one year under the Option. Notwithstanding the foregoing sentence, if an election covers a partial year as provided in Paragraph 3, above, then with respect to the number of shares attributable to that partial year the Option shall become exercisable on the later of the November 5 following the date of grant or the day that is six months after the date of grant, and thereafter the foregoing sentence shall apply to the Option.

(2) Upon termination of a Director's tenure as a Director, any portion of an Option which has not become exercisable shall lapse except as follows:

(A) The Option shall become immediately exercisable as to a prorated number of Shares based on the time served during the one-year period (or partial-year period, if applicable) indicated in Paragraph 4(b)(1), above, in which termination occurs.

(B) Upon the death or Disability of a Director, each Option of such Director shall become immediately exercisable as to 100% of the Shares covered thereby.

(3) Upon the occurrence of a Triggering Event, each Option outstanding under this Plan shall become immediately exercisable as to 100% of the Shares covered thereby.

(4) Once any portion of an Option becomes exercisable, it shall remain exercisable for the greater of five years after the date of grant or two years after the date such portion becomes exercisable.

(c) Payment of Exercise Price. The purchase or exercise price shall be payable in whole or in part in cash or Shares; and such price shall be paid in full at the time that an Option is exercised. If a Director elects to pay all or a part of the purchase or exercise price in Shares, such Director shall make such payment by delivering to the Company a number of Shares already owned by the Director equal in value to the purchase or exercise price. All Shares so delivered shall be valued at their Market Price on the business day immediately preceding the day on which such Shares are delivered.

5. TRANSFERABILITY

(a) Restrictions on Transferability. Except as otherwise provided in this Paragraph 5, an Option granted to a Director under this Plan shall be not transferable or subjected to execution, attachment or similar process, and during the lifetime of the Director shall be exercisable only by the Director.

(b) Transfer upon Death. A Director shall have the right to transfer the Option upon such Director's death, either pursuant to a beneficiary designation described below or, if the Director dies without a surviving designated beneficiary, by the terms of such Director's will or under the laws of descent and distribution, and all such transferees shall be subject to all terms and conditions of this Plan to the same extent as would the Director, except as otherwise expressly provided herein. Upon the death of a Director, each Option of such Director shall be exercisable (1) by the deceased Director's designated beneficiary (such designation to be made in writing at such time and in such manner as the Company shall approve or prescribe), or (2) if the deceased Director dies without a surviving designated beneficiary, by the personal representative, administrator, or other representative of the estate of the deceased Director, or by the person or persons to whom the deceased Director's rights under such Option shall pass by will or the laws of descent and distribution. A Director who has so designated a beneficiary may change such designation at any time by giving written notice to the Company.

(c) Certain Transfers Permitted. A Director shall have the right to transfer all or part of an Option during his or her lifetime to members of the Director's immediate family, to trusts for the benefit of such immediate family members, and to partnerships in which the Director or such family members are the only partners. For purposes of the preceding sentence, "immediate family" shall mean a Director's children, grandchildren, and spouse. Upon such a transfer, the Option (or portion of the Option) thereafter shall be exercisable by the transferee to the extent and on the terms it would have been exercisable by the transferring Director.

6. EXERCISE

An Option shall be exercisable by a Director's giving written notice of exercise to the Secretary of the Company specifying the number of Shares to be purchased accompanied by payment in full of the required exercise price. The Company shall have the right to delay the issue or delivery of any Shares under the Plan until (a) the completion of such registration or qualification of such Shares under any federal or state law, ruling or regulation as the Company shall determine to be necessary or advisable, and (b) receipt from the Director of such documents and information as the Company may deem necessary or appropriate in connection with such registration or qualification.

7. SECURITIES LAWS

Each Option Agreement shall contain such representations, warranties and other terms and conditions as shall be necessary in the opinion of counsel to the Company to comply with all applicable federal and state securities laws.

8. ADJUSTMENT PROVISIONS

(a) Adjustment Based On Changes in the Market Price of Shares. For any Option having a date of grant after November 5, 1996, each of the numbers in the schedule in Paragraph 3 hereof under "Shares Covered by Option" shall be adjusted, in accordance with the following formula, to equal the value of X, where

$$X = \frac{\text{Number Shown in Schedule} \times \$28.00}{\text{Market Price of Shares on the Date of Grant}}$$

(b) Adjustment for Stock Dividends, Split-Ups, Etc. In the event of any stock dividend, split-up, recapitalization, merger, consolidation, combination or exchange of shares, or the like, as a result of which shares of any class shall be issued in respect of the outstanding Shares, or the Shares shall be changed into the same or a different number of the same or another class of stock, or into securities of another person, cash or other property (not including a regular cash dividend), the total number of Shares authorized to be offered in accordance with Paragraph 2, the number of Shares subject to each outstanding Option, the exercise price applicable to each such Option, and/or the consideration to be received upon exercise of each such Option shall be adjusted.

9. TIME OF GRANTING

Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board of Directors or the shareholders of the Company shall constitute the granting of any Option hereunder. The granting of an Option pursuant to the Plan shall take place only when a written Option Agreement shall have been duly executed by and on behalf of the Company.

10. TAXES

The Company shall be entitled to pay or withhold the amount of any tax which it believes is required as a result of the exercise of any Option under the Plan, and the Company may defer making delivery with respect to Shares obtained pursuant to exercise of any Option until arrangements satisfactory to it have been made with respect to any such withholding obligations. If a withholding obligation should arise, a Director exercising an Option may, at his election, provided applicable laws and regulations are complied with, satisfy his obligation for payment of withholding taxes either by having the Company retain a number of Shares having an aggregate Market Price on the date the Shares are withheld equal to the amount of the withholding tax or by delivering to the Company Shares already owned by the Director having an aggregate Market Price on the business day immediately preceding the day on which such Shares are delivered equal to the amount of the withholding tax.

11. EFFECTIVENESS OF THE PLAN

The Plan originally became effective on and as of October 2, 1991, subject to shareholder approval. The shareholders of the Company approved the Plan on April 20, 1992. The Plan was amended and restated on November 5, 1996 and February 18, 1997.

12. TERMINATION AND AMENDMENT

The Board of Directors of the Company may terminate the Plan or make such modifications or amendments thereof as it shall deem advisable, including, but not limited to, such modifications or amendments as it shall deem advisable in order to conform to any law or regulation applicable thereto; provided, however, that the Board of Directors may not amend the Plan more frequently than once every six months (except as to comport with changes in the Code) and may not, unless otherwise permitted under federal law, without further approval of the holders of a majority of the Shares voted at any meeting of shareholders at which a quorum is present and voting, adopt any amendment to the Plan for which shareholder approval is required under tax, securities or any other applicable law, including, but not limited to, any amendment to the Plan which would cause the Plan to no longer comply with Rule 16b-3 of the Exchange Act or any successor rule or other regulatory requirements. No termination, modification or amendment of the Plan may, without the consent of a Director, adversely affect the rights of such Director under an outstanding Option then held by the Director.

13. TENURE

The grant of an Option pursuant to the Plan is no guarantee that a Director will be renominated, reelected or reappointed as a Director; and nothing in the Plan shall be construed as conferring upon a Director the right to continue to be associated with the Company as a Director or otherwise.

DEFERRED STOCK PLAN
OF
MANPOWER INC.

(Amended and Restated Effective February 18, 1997)

SECTION I
Establishment and Purpose of Plan

1.1. Establishment and Duration of Plan. The Board of Directors of Manpower Inc. hereby establishes the Deferred Stock Plan of Manpower Inc., effective as of October 2, 1991 (the "Effective Date"). The Plan shall continue until terminated by the Board of Directors of the Company, subject to the provisions of Section VIII, below.

1.2. Purposes of Plan. The purposes of this Deferred Stock Plan are: (a) to provide a form of incentive compensation to those Directors of the Company who elect to defer to a future date the receipt of their Compensation as Directors and (b) to provide for the grant of Credited Shares to Mr. Jon F. Chait and Mr. Terry A. Hueneke, executive officers of the Company.

SECTION II
Definitions

"Account" means a bookkeeping account being administered for the benefit of a Participant.

"Code" means the Internal Revenue Code of 1986, as amended.

"Board of Directors" means the Board of Directors of the Company.

"Common Stock" means the \$0.01 par value common stock of the Company.

"Company" means Manpower Inc., a Wisconsin corporation, or any successor thereto.

"Compensation" means the annual directors fees and meeting fees payable by the Company to a Director for a Fiscal Year without reduction for withholding taxes and exclusive of reimbursement for expenses and the value of any fringe benefits which the Director receives or is entitled to receive as a Director of the Company.

"Director" means any member of the Board of Directors of the Company who is not an employee of the Company.

"Disability" shall mean a physical or mental incapacity which results in a Director's termination of membership on the Board of Directors of the Company.

"Discount Rate" means the appropriate applicable federal rate as defined in Section 1274(d) of the Code.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Initial Election Date" shall mean, for each Director, the earlier to occur of (i) the Effective date or (ii) the date of such Director's initial election or appointment to the Board of Directors.

"Market Value" of a security as of any date means the closing sale price on such date of such security as listed in the New York Stock Exchange - Composite Transactions, as reported in the Midwest Edition of The Wall Street Journal; provided, however, if a security is not susceptible of valuation by the above method, or the asset being valued is not a security, the term "Market Value" shall mean the fair market value of the security or asset as determined in conformity with Treasury Regulation Section 20.2031-2, 20.2031-3 or 20.2031-4, as the case may be.

"Participant" means each Director who elects to participate in the Plan, Mr. Jon F. Chait and/or Mr. Terry A. Hueneke, as the case may be.

"Plan" means the Deferred Stock Plan of Manpower Inc. as described herein and as the same hereafter may be amended from time to time.

"Subsidiary" means a subsidiary corporation of the Company as defined in Section 424(f) of the Code.

"Triggering Event" means the first to occur of any of the following:

(1) the acquisition (other than from the Company), by any person, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), directly or indirectly, of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of 20% or more of the then outstanding shares of Common Stock of the Company or voting securities representing 20% or more of the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; provided, however, no Triggering Event shall be deemed to have occurred as a result of an acquisition of shares of Common Stock or voting securities of the Company (i) by the Company, any of its Subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Subsidiaries or (ii) by any other corporation or other entity with respect to which, following such acquisition, more than 60% of the outstanding shares of the common stock, and voting securities representing more than 60% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of such other corporation or entity are then beneficially owned, directly or indirectly, by the persons who were the Company's shareholders immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Company's then outstanding Common Stock or then outstanding voting securities, as the case may be; or

(2) any merger or consolidation of the Company with any other corporation, other than a merger or consolidation which results in more than 60% of the outstanding shares of the Common Stock, and voting securities representing more than 60% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the surviving or consolidated corporation being then beneficially owned, directly or indirectly, by the persons who were the Company's shareholders immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Company's then outstanding Common Stock or then outstanding voting securities, as the case may be; or

(3) any liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or

(4) individuals who, as of the date of this Plan, constitute the Board of Directors of the Company (as of such date, the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided, however, that any person becoming a director subsequent to the date this Plan is adopted by the Board of Directors of the Company whose election, or nomination for election by the shareholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest which was (or, if threatened, would have been) subject to Exchange Act Rule 14a-11; or

(5) the Company shall enter into any agreement (whether or not conditioned on shareholder approval) providing for or contemplating, or the Board of Directors of the Company shall approve and recommend that the shareholders of the Company accept, or approve or adopt, or the shareholders of the Company shall approve, any acquisition that would be a Triggering Event under clause (1), above, or a merger or consolidation that would be a Triggering Event under clause (2), above, or a liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or

(6) whether or not conditioned on shareholder approval, the issuance by the Company of Common Stock of the Company representing a majority of the outstanding Common Stock, or voting securities representing a majority of the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors, after giving effect to such transaction.

Following the occurrence of an event which is not a Triggering Event whereby there is a successor holding company to the Company, or, if there is no such successor, whereby the Company is not the surviving corporation in a merger or consolidation, the surviving corporation or successor holding company (as the case may be), for purposes of this definition, shall thereafter be referred to as the Company.

SECTION III Director Participation and Election of Accounts

This Section sets forth the special provisions in this Plan that govern only the participation of Directors.

3.1. Participation. In lieu of receiving Compensation in accordance with the prevailing practice of Company, each Director may, prior to such Director's Initial Election Date and each anniversary thereof irrevocably elect to become a Participant in the Plan until the next anniversary of such Director's Initial Election Date, or such later time as such Director shall then elect up to the fifth anniversary of such Director's Initial Election Date, and to have all or a portion of his or her Compensation for such year or years deferred for his or her benefit under the Plan. In the event a Participant elects to participate in the Plan, the Compensation deferred hereunder shall be credited to the Account of the Participant in an amount equal to the present value of such Compensation. The present value shall be computed assuming the Compensation deferred would have been paid quarterly on the first day of each quarter during the year to which it relates at the prevailing rate of Compensation at the time of the election, discounted to present value using an interest rate equal to the Discount Rate. Amounts shall be deemed credited to the Account of the Participant on the date of the election

3.2. Manner of Election. Any election pursuant to Paragraph 3.1, above, shall be made in writing on such form or forms as the Board of Directors shall prescribe from time to time.

3.3. Vesting. If prior to the occurrence of a Triggering Event a Participant's tenure as a Director ends other than by reason of death or Disability, effective as of the day on which the Participant to be a Director, the number of Credited Shares credited to the Participant's Account shall be reduced to the number of Credited Shares that would have been in the Account on the date the Participant ceased to be a Director had the Compensation the Participant elected to defer included only Compensation payable for the period of actual service as a Director, prorated for the year of cessation on a monthly basis.

3.4. Normal Distributions. After a Director Participant ceases to be a Director, such Participant shall be entitled to receive from the Company one (1) share of Common Stock for each Credited Share in the Participant's account (as adjusted from time-to-time in the manner set forth in Section V, below). The Common Stock shall be distributed to the Participant in such number of annual installments (which shall be not less than one (1) or more than fifteen (15)) as are elected by the Participant by written notice to the Board of Directors at least twelve (12) months before the Participant ceases to be a Director or, if no such election is made, in five (5) annual installments. The number of shares of Common Stock for each such annual installment shall be equal to the product of the total Credited Shares credited to the Account on each distribution date times a fraction, the numerator of which is one (1) and the denominator of which is the remaining number of unpaid distributions on that date (including the distribution to be made on that date), rounded to the next largest whole share. Upon a distribution of Common Stock to a Participant the number of Credited Shares in the Account shall be reduced by the number of shares of Common Stock distributed to the Participant. The first distribution shall be made on the last day of the month following the month in which a Participant ceases to be a Director and the remaining distributions

shall be made on each anniversary thereafter until the entire balance of the Account has been distributed.

3.5. Distribution After Death of a Participant. If a Participant ceases to be a Director by reason of death or if the Participant dies after he or she is no longer a Director but prior to the distribution to him or her of all amounts payable to the Participant under the Plan, the amounts that would otherwise be distributable to the Participant, if living, shall be distributed to his or her designated beneficiary or beneficiaries and any reference to a Participant in Paragraph 3.4, above, shall be deemed to include a reference to the Participant's designated beneficiary or beneficiaries. All beneficiary designations shall be made in such form and manner as from time to time may be prescribed by the Board of Directors. A Participant from time to time may revoke or change any beneficiary designation on file with the Board of Directors. If there is no effective beneficiary designation on file with the Board of Directors at the time of the Participant's death, distribution of amounts otherwise payable to the deceased Participant under this Plan shall be made to the Participant's estate. If a beneficiary designated by a Participant to receive benefits shall survive the Participant but die before receiving all distributions hereunder, the balance thereof shall be paid to such deceased beneficiary's estate, unless the deceased Participant's beneficiary designation provides otherwise.

3.6. Withholding. The Company shall deduct from distributions made to a Director Participant or his designated beneficiary or beneficiaries under this Plan any taxes or other charges which may be required to be withheld and paid to any federal, state or local government.

SECTION IV

Awards to Jon F. Chait and Terry A. Hueneke

This Section sets forth the special provisions in this Plan that govern only grants to Jon F. Chait and Terry A. Hueneke. No other persons are eligible to participate under this Section of the Plan.

4.1. Administration and Vesting. The Board of Directors shall have sole authority in its discretion, but always subject to the express provisions of this Plan, to determine the time or times at which Credited Shares shall be granted to the Participant, the number of Credited Shares to be granted, and the extent to which Credited Shares shall vest. The Board of Directors may grant Credited Shares to the Participant pursuant to a formula which sets forth the amount and timing of grants using objective criteria such as earnings of the Company and/or its Subsidiaries, value of the Common Stock, years of service, compensation levels or such other objective factors as the Board of Directors shall determine. In determining the number of Credited Shares to be granted, the Board of Directors may take into account the nature of the services rendered by the Participant, his present and potential contributions to the success of the Company, and other such factors as the Board of Directors in its discretion shall deem relevant. If the Participant has been granted Credited Shares under the Plan, he may be granted additional Credited Shares under the Plan if the Board of Directors shall so determine. Grants of Credited Shares under the Plan shall be effected by execution of agreements in such forms as may be determined by the officers of the Company.

4.2. Normal Distributions. The Participant shall be entitled to receive from the Company one (1) share of Common Stock for each Credited Share in his Account (as adjusted from time-to-time in the manner set forth in Section V, below). Except as the Board of Directors may otherwise establish, these shares of Common Stock shall be distributed to the Participant as soon as practicable after the underlying Credited Shares vest.

4.3. Distribution After Death of the Participant. If the Participant dies prior to the distribution to him of all amounts payable to him under the Plan, the amounts that would otherwise be distributable to him, if living, shall be distributed to his designated beneficiary or beneficiaries and any reference to the Participant in Paragraph 4.2, above, shall be deemed to include a reference to the Participant's designated beneficiary or beneficiaries. All beneficiary designations shall be made in such form and manner as determined by the officers of the Company. The Participant from time to time may revoke or change any beneficiary designation on file with the Board of Directors. If there is no effective beneficiary designation on file with the Board of Directors at the time of the Participant's death, distribution of amounts otherwise payable to the Participant under this Plan shall be made to the Participant's estate. If a beneficiary designated by the Participant to receive benefits shall survive the Participant but die before receiving all distributions hereunder, the balance thereof shall be paid to such deceased beneficiary's estate, unless the Participant's beneficiary designation provides otherwise.

4.4. Withholding The Company shall be entitled to pay or withhold the amount of any tax which it believes is required as a result of the vesting or distribution of any Credited Shares or Common Stock under the Plan, and the Company may defer making delivery with respect to the shares of Common Stock until arrangements satisfactory to it have been made with respect to any such withholding obligations. The Participant may, at his election, satisfy his obligation for payment of withholding taxes either by having the Company retain a number of shares having an aggregate market price on the date the shares are withheld equal to the amount of the withholding tax or by delivering to the Company shares already owned by him having an aggregate market price on the business day immediately preceding the day on which such shares are delivered equal to the amount of the withholding tax.

SECTION V Administration of Accounts

Amounts credited to a Participant's Account pursuant to Paragraphs 3.1 or 4.1, above, shall be considered to be invested in Common Stock, and such Participant's Account shall be credited with the equivalent of the number of shares of Common Stock (hereinafter referred to as "Credited Shares") which the amount credited would have purchased at the Market Value of Common Stock on the date of credit. In addition, as of each record date for the payment of dividends on Common Stock, each Participant's Account shall be credited with a number of additional Credited Shares equal to the quotient of the amount of dividends which would have been received by a shareholder of record of a number of shares of Common Stock equal to the number of Credited Shares credited to the account immediately before such dividend, divided by the Market Value of Common Stock on such date. In the event of any distribution with respect to Common Stock other than a cash dividend, or in the event of a stock split, stock dividend or similar transaction, then each

Participant's Account shall be credited with a number of additional Credited Shares which could have been purchased at the Market Value of the Company's Common Stock as of the date of the such distribution, stock split, stock dividend or similar transaction, with an amount equal to the Market Value of the consideration which would have been received on such date by a holder of a number of shares of Common Stock equal to the number of Credited Shares then held by the Participant. In the event the Company's Common Stock shall be changed into a smaller number of shares, the number of Credited Shares shall be adjusted accordingly.

SECTION VI

Rights, Privileges and Duties of Participants

6.1. No Participant or any other person shall have any interest in any fund or in any specific asset or assets of the Company by reason of any amounts credited to any Account hereunder, nor any right to exercise any of the rights or privileges of a stockholder with respect to any securities hypothetically credited to a Participant's Account under the Plan, nor any right to receive any distributions under the Plan except as and to the extent expressly provided in the Plan.

6.2. The Company shall be under no obligation to fund the amounts payable under the Plan or to purchase securities hypothetically credited to a Participant's Account. The Company may, in its discretion, purchase such securities, allocate such funds or make such investment, but if it does so it shall have no obligation to segregate securities purchased or acquired.

6.3. Each Participant shall be entitled to receive a current copy of the Plan upon designation as a participant. Thereafter, as long as he or she remains a Participant, he or she shall be entitled to receive copies of any amendments to the Plan within sixty (60) days after their adoption.

6.4. To the extent permitted by law, the right of any Participant or any beneficiary to receive any payment hereunder shall not be subject to alienation, transfer, sale, assignment, pledge, attachment, garnishment or encumbrance of any kind other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined by the Code). Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such payments whether presently or thereafter payable shall be void. Any payment due hereunder shall not in any manner be subject to debts or liabilities of any Participant or his beneficiary.

6.5. If any Participant shall bring any legal or equitable action against the Company by reason of being a Participant under this Plan or if it is necessary for the Company to bring any legal or equitable action under this Plan against any Participant or any person claiming an interest by or through such Participant, the results of which shall be adverse to the Participant or the person claiming an interest by or through such Participant, the cost of defending or bringing such action, including attorneys' fees, shall be charged first, to the extent possible, directly to the Account of the Participant.

6.6. Every person receiving or claiming payments or rights under the Plan shall be conclusively presumed to be mentally competent until the date on which the Board of Directors receives a written notice in a form and manner acceptable to the Board of Directors that such person

is incompetent and that a guardian, conservator or other person legally vested with the interest of his estate has been appointed. In the event a guardian or conservator of the estate of any person receiving or claiming payments under the Plan shall be appointed by a court of competent jurisdiction, payments under this Plan may be made to such guardian or conservator provided that proper proof of appointment and continuing qualification is furnished in a form and manner acceptable to the Board of Directors. Any such payments so made shall be a complete discharge of any liability therefor.

6.7. Each person, whether a Participant, a duly designated beneficiary of a Participant, a guardian or any other person entitled to receive a payment under this Plan shall provide the Board of Directors with such information as it may from time to time deem necessary or in its best interests in administering the Plan. Any such person shall furnish the Board of Directors with such documents, evidence, data or other information as the Board of Directors may from time to time deem necessary or advisable.

SECTION VII Board of Directors

7.1. The Plan shall be administered by the Board of Directors.

7.2. A majority of the Board of Directors shall constitute a quorum for the transaction of business. All actions taken by the Board of Directors at a meeting shall be by vote of a majority of those present at such meeting but any action may be taken by the Board of Directors without a meeting upon written consent signed by all of the members of the Board of Directors.

7.3. The Board of Directors may from time to time establish rules and regulations for the administration of the Plan and adopt standard forms for such matters as elections, beneficiary designations and applications for benefits, provided such rules and forms are not inconsistent with the provisions of the Plan.

7.4. All determinations of the Board of Directors, irrespective of their character or nature, including, but not limited to, all questions of construction and interpretation, shall be final, binding and conclusive upon all parties. Without limiting the generality of the foregoing, the determination of the Board of Directors as to whether a Participant has terminated his or her services and the date thereof shall be final, binding and conclusive upon all persons.

7.5. The Company and/or the Board of Directors may consult with legal counsel, who may be counsel for the Company or other counsel with respect to its obligations and duties hereunder or with respect to any claim, action or proceeding or any other matter, and shall not be liable for any action taken or not taken by it in good faith pursuant to the advice of such counsel.

7.6. The Board of Directors shall be responsible for maintaining books and records for the Plan. Such books and records shall only be open for examination by a Participant or his or her duly designated beneficiary to the extent that they specifically involve the Account created for his or her benefit or any payments which are to be made to the Participant's beneficiary hereunder. Each

Participant or his or her duly designated beneficiary shall be notified no less frequently than annually of the balance in his or her Account.

7.7. Neither the Board of Directors nor any member of the Board of Directors nor the Company nor any other person who is acting on behalf of the Board of Directors or the Company shall be liable for any act or failure to act hereunder except for gross negligence or fraud.

SECTION VIII Amendment or Termination

The Board of Directors may terminate the Plan or make such modifications or amendments thereof as it shall deem advisable, including, but not limited to, such modifications or amendments as it shall deem advisable in order to conform to any law or regulation applicable thereto; provided, however, that the Board of Directors may not, unless otherwise permitted under federal law, without further approval of the holders of a majority of the shares of Common Stock voted at any meeting of shareholders at which a quorum is present and voting, adopt any amendment to the Plan for which shareholder approval is required under tax, securities or any other applicable law, including, but not limited to, any amendment to the Plan which would cause the Plan to no longer comply with Rule 16b-3 of the Exchange Act or any successor rule or other regulatory requirements. No termination, modification or amendment of the Plan may, without the consent of the Participant, adversely affect the rights of such Participant under any Credited Shares then held by the Participant.

SECTION IX Construction and Expenses

9.1. Wherever the context so requires, words in the masculine include the feminine and words in the feminine include the masculine and the definition of any term in the singular may include the plural.

9.2. All expenses of administering the Plan shall be paid by the Company except as expressly provided herein to the contrary.

9.3. The Plan shall be construed, administered and governed in all respects under and by the laws of the State of Wisconsin.

9.4. To the extent the provisions of this Plan are inconsistent with, in conflict with, or insufficient to comply with the provisions of the Employee Retirement Income Security Act of 1974, as amended, the provisions of such Act shall be controlling for the purpose of removing any such inconsistency, conflict or insufficiency.

SECTION X Shares

The aggregate number of shares of Common Stock that may be issued under the Plan shall not exceed 180,000, subject to adjustment in the event of any stock dividend, stock split or other similar transaction. In the event of any recapitalization, merger, consolidation, combination or exchange of shares, or other transaction, as a result of which Common Stock shall be changed into securities of a different type or person, cash or other property, appropriate adjustments shall be made.

SECTION XI
Division of Plan

The Board of Directors may divide this Plan into two separate plans, one for the exclusive benefit of the Directors and the other for Mr. Chait and Mr. Hueneke, in the event it determines that such division is necessary or appropriate to further the purposes of

MANPOWER INC.
5301 NORTH IRONWOOD ROAD
MILWAUKEE, WISCONSIN 53217

February 18, 1997

Mr. Terry A. Hueneke:

We have agreed as follows with respect to the compensation to be paid and the other benefits to be provided to you in connection with your continuing employment by Manpower Inc. (the "Company"):

1. For so long as you remain employed by the Company, you will be paid base compensation at a rate equal to Three Hundred Fifty Thousand Dollars (\$350,000.00) per year or such greater amount as may from time to time be approved by the Board of Directors of the Company, payable in accordance with the Company's regular payroll practices. Your base compensation will not be reduced below the amount so approved by the Board of Directors from time to time.

2. For so long as you remain employed by the Company, you will be entitled to an incentive bonus for each fiscal year of the Company in an amount determined in accordance with Schedule A attached hereto. Such incentive bonus for any fiscal year will be paid to you in cash within seventy-five (75) days after the last day of such fiscal year.

3. For so long as you remain employed by the Company, the Company will provide you, when and as you become eligible therefor, with all benefits of employment

generally made available to the Company's executive or key management personnel as of the date hereof or as hereafter made available, including benefits available under any group life insurance, savings or any similar plans or arrangements (collectively, the "Benefits Plans"), subject to and on a basis consistent with the terms, conditions and overall administration of such Benefit Plans, or with other plans or arrangements providing you with at least equivalent benefits. Except as otherwise expressly provided herein, you will be considered for participation in Benefit Plans which by the terms thereof are discretionary in nature (such as stock option plans) on the same basis as other executive personnel of similar rank. You also will be entitled to vacations and perquisites in accordance with the Company's policies as in effect from time to time for executive or key management personnel.

4. Notwithstanding the foregoing, you will not be entitled to receive the incentive bonus provided under paragraph 2, above, for the year ending December 31, 1997, or any subsequent fiscal year unless the shareholders of Manpower Inc. approve the bonus arrangement set out in Schedule A at the 1997 annual meeting of shareholders by the vote required under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

To confirm your agreement with the terms of this letter, kindly execute a copy in the place provided below and return it to us.

Sincerely,

MANPOWER INC.

By: /s/ Mitchell S. Fromstein

Mitchell S. Fromstein, President and
Chief Executive Officer

I hereby confirm my agreement with the terms of this letter.

/s/ Terry A. Hueneke

Terry A. Hueneke

SCHEDULE A

Incentive Bonus Formula

Specified Operating Unit Profits	Amount of Bonus
\$20,000,000 or less	None
More than \$20,000,000	1% of Specified Operating Unit Profits in excess of \$20,000,000

"Specified Operating Unit Profits" will mean the sum of the Operating Unit Profit for the fiscal year in each of the United States, Canada, Mexico, South America, the Caribbean, and Australia. "Operating Unit Profit" for any such region will mean the revenues less direct costs of operations for the region, further reduced by branch and head office selling, general and administrative expenses for the region, as shown in the management reports of the Company. In addition, "Specified Operating Unit Profits" may be further reduced by charges relating to operations in any such region for any year for amortization of goodwill, restructuring or interest to the extent determined by the Executive Performance Compensation Committee of the Board of Directors of the Company in its sole discretion.

MANPOWER INC.
5301 NORTH IRONWOOD ROAD
MILWAUKEE, WISCONSIN 53217

February 18, 1997

Mr. Terry A. Hueneke:

This letter will confirm our agreement regarding your bonus for 1996 and grant of Credited Shares under the Deferred Stock Plan of Manpower Inc., as amended on this date (the "Plan"):

1. Notwithstanding the terms of any prior agreements or understandings between us regarding any bonus or incentive bonus, we agree that your bonus for the 1996 calendar will equal \$644,839.

2. You have been granted 1,500 Credited Shares under the Plan, all of which are vested as of this date. The shares of Common Stock of Manpower Inc. to which you are entitled under the terms of the Plan with respect to this grant shall be distributed to you on January 2 of the year following the year in which your employment by Manpower Inc. terminates or, if sooner, upon the occurrence of a Triggering Event (as defined in the Plan). Except as otherwise provided in this letter, this grant of Credited Shares is subject to the terms and conditions of the Plan.

Mr. Terry A. Hueneke
February 18, 1997
Page 2

To confirm your agreement with the terms of this letter, kindly sign a copy in the place provided below and return it to us.

Sincerely,

MANPOWER INC.

By: /s/ Mitchell S. Fromstein

Mitchell S. Fromstein, President and
Chief Executive Officer

I hereby confirm my agreement with the terms of this letter.

/s/ Terry A. Hueneke

Terry A. Hueneke

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NATURE OF OPERATIONS

Manpower Inc. (the "Company") is the largest non-governmental employment services organization in the world, with over 2500 offices in 43 countries. The Company is primarily engaged in temporary help, contract services and employee training and testing.

RESULTS OF OPERATIONS - YEARS ENDED
DECEMBER 31, 1996, 1995 AND 1994

Revenues from Services increased 10.9% and 27.6% in 1996 and 1995, respectively. Revenues were unfavorably impacted 2.1% in 1996 and were favorably impacted 7.0% in 1995 by currency exchange rates. Volume, as measured by billable hours of branch operations, was up 10.3% in 1996 and 17.3% in 1995. All of the Company's major markets experienced revenue increases in 1996, including the United States (14.4%), France (5.9% in French Francs) and the United Kingdom (7.1% in Pound Sterling).

Cost of services, which consists of payroll and related expenses of temporary workers, decreased as a percentage of revenues to 81.1% in 1996 from 81.8% in 1995 and 81.5% in 1994. This decrease is primarily attributable to the reduction of payroll taxes, as a result of government employment incentive programs, in certain of the Company's European markets. The Company does not anticipate that it will benefit from this payroll tax reduction in future periods, and accordingly expects the cost of services percentage to increase in 1997 to prior year levels.

Selling and administrative expenses, as a percentage of revenues, were 15.1% in 1996, 14.4% in 1995 and 15.0% in 1994. The increase in 1996 is due, among other factors, to advertising costs related to sponsorship of the 1998 World Cup and non-recurring costs related to the employment incentive programs discussed above. Excluding the impact of changes in foreign currency, selling and administrative expenses increased 19.0% in 1996 and 16.6% in 1995.

Net interest and other was income of \$15.4 million in 1996, compared to expense of \$7.9 million in 1995 and expense of \$15.3 million in 1994. During 1996, the Company recorded gains of \$15.5 million related to the sale of its remaining equity interests in two former non-Manpower brand subsidiaries based in the United Kingdom. The cash proceeds received from the equity interests and a note receivable was \$18.4 million. The Company had previously deferred recognition of the equity interests and the note due to uncertainties regarding their eventual realization. The remaining change in net interest and other is primarily due to the change in net interest, which was \$.9 million of income in 1996, compared to \$5.8 million of expense in 1995 and \$9.1 million of expense in 1994. The 1996 change is the result of lower worldwide borrowing levels, due to the conversion of the Company's Convertible Subordinated Debentures in October of 1995, and lower interest rates. The 1995 change is the result of both increased investment income and lower worldwide borrowing levels.

The Company provided for income taxes at a rate of 33.0% in 1996 compared to 37.2% in 1995 and 38.5% in 1994. In 1996, the Company's effective income tax rate is lower than the U.S. Federal statutory rate of 35% due to the utilization of capital and net operating loss carryforwards which had been fully reserved for in prior years. In 1995 and 1994, the Company's effective income tax rate is higher than the U.S. Federal statutory rate due to state income taxes and, in 1994, operating losses in certain countries which were not tax benefited.

Net earnings per share was \$1.95 in 1996, compared to net earnings per share of \$1.65 in 1995 and \$1.12 in 1994. The 1996 earnings include non-recurring gains, net of taxes, of \$.12 per share on the sale of the Company's equity interests discussed above. The weighted average shares outstanding increased by 5.5 million shares in 1996. This increase is due primarily to the conversion of the Company's Convertible Subordinated Debentures in October of 1995.

LIQUIDITY & CAPITAL RESOURCES

CASH SOURCES

Cash provided by operating activities was \$88.4 million, \$98.0 million and \$36.5 million in 1996, 1995 and 1994, respectively. Cash provided by operating activities was significantly impacted by changes in working capital. Cash provided by operating activities before working capital changes was \$183.4 million, \$159.9 million and \$110.4 million in 1996, 1995 and 1994, respectively. The increase in this amount is primarily due to the increased net earnings of the Company. Cash uses to support net working capital needs were \$95.0 million, \$61.9 million and \$73.9 million in 1996, 1995 and 1994, respectively,

primarily as a result of the increase in business volumes.

Accounts receivable increased to \$1,167.5 million at December 31, 1996 from \$1,043.7 million at December 31, 1995. The change includes a \$32.3 million decrease due to the change in foreign exchange rates, offset by a general increase in receivables due to the higher sales levels.

Cash was favorably impacted in 1996 by the \$18.4 million of proceeds received from the sale of equity interests. (See discussion above and in Note 8 to the Consolidated Financial Statements.)

Net cash provided by borrowings was \$29.5 million, \$9.5 million and \$12.8 million in 1996, 1995 and 1994, respectively. The 1996 borrowings were used for acquisitions, as discussed below.

CASH USES

During 1996, the Company acquired A Teamwork Sverige AB, the largest employment services organization in Sweden, and several franchises in the United States, Canada and Spain. The total cash consideration paid for these acquisitions, net of cash acquired, was \$32.4 million.

Capital expenditures were \$40.9 million, \$43.7 million and \$26.6 million in 1996, 1995 and 1994, respectively. Capital expenditures primarily relate to office openings and refurbishment and purchases of computer equipment and office furniture used in the branch office network.

In November 1996, the Board of Directors authorized the purchase of up to five million shares of the Company's common stock. The purchases may be made from time to time at prevailing market prices. At December 31, 1996, 101,700 shares at a cost of \$3.2 million had been purchased under this authorization. Subsequent to December 31, 1996, an additional 665,600 shares have been purchased at a cost of \$21.2 million.

The Company paid dividends of \$12.3 million, \$10.2 million and \$8.1 million in 1996, 1995 and 1994, respectively.

During 1996, the Company expended the remaining \$2.7 million of reserves related to the strategic restructuring plan started in 1989. These reserves were used to cover general operating costs and lease costs of properties vacated under the restructuring plan.

Cash and cash equivalents increased \$37.8 million, \$60.7 million and \$18.8 million in 1996, 1995 and 1994, respectively.

CAPITALIZATION

Total capitalization at December 31, 1996 was \$728.9 million, comprised of \$128.2 million of debt and \$600.7 million of equity. Debt as a percentage of total capitalization was 17.6% in 1996 and 18.1% in 1995.

CAPITAL RESOURCES

On April 1, 1996, the Company entered into a \$275 million unsecured revolving credit agreement which includes a \$60 million commitment to be used exclusively for standby letters of credit. Borrowings of \$49.3 million and letters of credit of \$43.9 million were outstanding under the facility at December 31, 1996. The facility matures on May 15, 1999 but may be extended for an additional two years with the lenders' consent. The agreement requires, among other things, that the Company maintain minimum tangible net worth levels of not less than \$331.1 million, an interest coverage ratio of not less than 3.0 and a debt-to-capitalization ratio of less than .55 to 1. As of December 31, 1996, the Company had tangible net worth of \$530.5 million, an interest coverage ratio of 37.1 and a debt-to-capitalization ratio of .26 to 1.

Borrowings of \$47.3 million were outstanding under the Company's U.S. commercial paper program. These borrowings have been classified as long-term debt due to the availability to refinance them on a long-term basis under the revolving credit facility.

In addition to the above, the Company and some of its foreign subsidiaries maintain separate lines of credit with foreign financial institutions to meet working capital needs. As of December 31, 1996, such lines totaled \$168.0 million, of which \$143.6 million was unused.

The Company's principal on-going cash needs are to finance working capital, capital expenditures and the share repurchase program. Working capital is primarily in the form of trade receivables, which increase as revenues increase. The amount of financing necessary to support revenue growth depends on receivable turnover, which differs in each market in which the Company operates.

The Company believes that the combination of internally generated funds and its existing credit facilities are sufficient to cover its near term projected cash needs. With continued revenue increases, additional borrowings

under the existing facilities would be necessary to finance anticipated working capital requirements.

SIGNIFICANT MATTERS AFFECTING RESULTS OF OPERATIONS

EFFECT OF EXCHANGE RATE FLUCTUATIONS

Over 70% of the Company's revenues and 65% of operating profits are generated outside of the United States. As a result, fluctuations in the value of foreign currencies against the dollar may have a significant impact on the reported results of the Company. Revenues and expenses denominated in foreign currencies are translated into United States dollars at the weighted average exchange rate for the year. Consequently, as the value of the dollar strengthens relative to other currencies in the Company's major markets, as it did on average in 1996, the resulting translated revenues, expenses and operating profits are lower. Using constant exchange rates, 1996 revenues and operating profits would have been approximately 2-3% higher than reported.

Fluctuations in currency exchange rates may also impact the stockholders' equity of the Company. Assets and liabilities of the Company's non-U.S. subsidiaries are translated into United States dollars at the exchange rates in effect at year-end. The resulting translation adjustments are recorded in stockholders' equity as cumulative translation adjustments. The dollar was stronger relative to many of the foreign currencies at December 31, 1996 compared to December 31, 1995. Consequently, the cumulative translation adjustments component of stockholders' equity decreased \$16.6 million at December 31, 1996 compared to the prior year.

Although currency fluctuations impact the Company's reported results, such fluctuations generally do not affect the Company's cash flow or result in actual economic gains or losses. Each of the Company's subsidiaries derives revenues and incurs expenses within a single country and consequently, does not generally incur currency risks in connection with the conduct of their normal business operations. The Company generally has few cross border transfers of funds, except for transfers to the United States to fund the expense of the Company's international headquarters and working capital loans made from the United States to the Company's foreign subsidiaries. To reduce the currency risk related to the loans, the Company may borrow funds under the Revolving Credit Agreement in the foreign currency, to lend to the subsidiary, or alternatively, may enter into a contract to hedge the loan. Foreign exchange gains and losses recognized on any transfers are included in the Consolidated Statements of Operations and historically have been immaterial. The Company generally does not engage in hedging activities, except as discussed above. As a result, the Company did not hold any derivative instruments other than hedges of specific transactions with foreign subsidiaries, at December 31, 1996.

IMPACT OF ECONOMIC CONDITIONS

Because one of the principal attractions of using temporary help is to maintain a flexible supply of labor to meet changing economic conditions, the industry has been and remains sensitive to economic cycles. The Company believes that the wide spread of its operations generally cushions it against the impact of an adverse economic cycle in any single country.

LEGAL REGULATIONS AND UNION RELATIONSHIPS

The temporary employment services industry is closely regulated in all of the major markets in which the Company operates except the United States and Canada. In addition to licensing or registration requirements, many countries impose substantive restrictions on the provision of temporary employment services, either on the temporary help company or the ultimate client company, including restrictions on the length of temporary assignments, the type of work permitted for temporary workers or the occasions on which temporary workers may be used. Changes in applicable laws or regulations have occurred in the past and are expected in the future to affect the extent to which temporary employment services firms may operate. These changes could impose additional costs, taxes, or additional record keeping or reporting requirements; restrict the tasks to which temporaries may be assigned; limit the duration of or otherwise impose restrictions on the nature of the temporary relationship (with the Company or the client) or otherwise adversely affect the industry.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on the Company's operations and the ability of customers to utilize the Company's services. In some markets, labor agreements are structured on a national or industry-wide (rather than a company) basis. Changes in these collective labor agreements have occur-

red in the past and are expected in the future and may have a material impact on the operations of temporary staffing firms, including the Company.

The International Labor Organization (ILO), a UN specialized agency which sets international labor standards, through its adoption of Convention 96 in 1949, required that member states abolish or strictly control the operation of private (i.e., non-governmental) firms engaged in the "fee charging employment agency business." The convention was widely ratified (although not in the U.S., Canada or UK) and served as the legal basis in many nations for restricting, or in some cases, prohibiting, the operation of private temporary help companies. In recent years, however, many countries relaxed or eliminated restrictions on the temporary help industry, and in some instances renounced their previous ratification of Convention 96. In 1994, the ILO determined that the restrictions of Convention 96 were no longer reasonable or desirable in view of the positive role played by temporary help companies in labor markets. The ILO determined that Convention 96 should be revised to reflect the reality of the current situation. The ILO has included such revision on the agenda for its 1997 annual conference.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

To the Board of Directors and Shareholders
of Manpower Inc.:

We have audited the accompanying consolidated balance sheets of Manpower Inc. (a Wisconsin corporation) and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended December 31, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Manpower Inc. and subsidiaries as of December 31, 1996 and 1995 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/Arthur Andersen LLP

ARTHUR ANDERSEN LLP
Milwaukee, Wisconsin,
January 31, 1997.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

YEAR ENDED DECEMBER 31	1996	1995	1994
Revenues from Services	\$ 6,079,905	\$ 5,484,175	\$ 4,296,443
Cost of services	4,931,937	4,483,343	3,499,833
Gross profit	1,147,968	1,000,832	796,610
Selling and administrative expenses	921,011	789,179	644,864
Operating profit	226,957	211,653	151,746
Interest and other (income) expenses	(15,355)	7,862	15,257
Earnings before income taxes	242,312	203,791	136,489
Provision for Income Taxes	80,014	75,749	52,558
Net earnings	\$ 162,298	\$ 128,042	\$ 83,931
Net earnings per share	\$ 1.95	\$ 1.65	\$ 1.12

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

SUPPLEMENTAL SYSTEMWIDE INFORMATION
(unaudited, dollars in thousands)

YEAR ENDED DECEMBER 31	1996	1995	1994
Systemwide sales	\$ 7,474,212	\$ 6,883,605	\$ 5,609,608
Systemwide offices at year end	2,519	2,449	2,213

Systemwide information represents total of Company-owned branches and franchises.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

ASSETS

DECEMBER 31	1996	1995

Current Assets:		
Cash and cash equivalents	\$ 180,553	\$ 142,773
Accounts receivable, less allowance for doubtful accounts of \$33,526 and \$32,901, respectively	1,167,468	1,043,694
Prepaid expenses and other assets	42,913	39,224
Future income tax benefits	48,151	51,617

Total current assets	1,439,085	1,277,308
Other Assets:		
Investments in licensees	29,409	31,591
Other assets	162,390	100,868

Total other assets	191,799	132,459
Property and Equipment:		
Land, buildings, leasehold improvements and equipment	302,547	267,526
Less: accumulated depreciation and amortization	181,168	159,507

Net property and equipment	121,379	108,019

Total assets	\$ 1,752,263	\$ 1,517,786
=====		

Liabilities and Stockholders' Equity

DECEMBER 31	1996	1995

Current Liabilities:		
Payable to banks	\$ 24,375	\$ 37,559
Accounts payable	235,466	219,794
Employee compensation payable	60,222	56,630
Accrued liabilities	87,444	72,325
Accrued payroll taxes and insurance	195,194	177,150
Value added taxes payable	174,624	167,937
Income taxes payable	30,945	25,286
Current maturities of long-term debt	2,986	1,408

Total current liabilities	811,256	758,089
Other Liabilities:		
Long-term debt	100,848	61,783
Other long-term liabilities	239,453	242,921

Total other liabilities	340,301	304,704
Stockholders' Equity:		
Preferred stock, \$.01 par value, authorized 25,000,000 shares, none issued	--	--
Common stock, \$.01 par value, authorized 125,000,000 shares, issued 82,206,446 and 81,153,023 shares, respectively		
Capital in excess of par value	1,579,868	1,564,305
Accumulated deficit	(998,230)	(1,148,223)
Cumulative translation adjustments	21,476	38,099

Treasury stock at cost, 101,700 shares	(3,230)	--

Total stockholders' equity	600,706	454,993

Total liabilities and stockholders' equity	\$1,752,263	\$1,517,786
=====		

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

YEAR ENDED DECEMBER 31	1996	1995	1994
Cash Flows from Operating Activities			
Net earnings	\$ 162,298	\$ 128,042	\$ 83,931
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Amortization of intangible assets	3,780	3,487	6,955
Depreciation	31,838	24,334	20,738
Deferred income taxes	(11,405)	(4,977)	(16,014)
Provision for doubtful accounts	12,360	8,981	14,807
Gain on sale of securities	(15,509)	--	--
Change in operating assets and liabilities:			
Accounts receivable	(168,735)	(175,064)	(291,741)
Other assets	(26,170)	(27,305)	(9,268)
Other liabilities	99,958	140,542	227,056
Cash provided by operating activities	88,415	98,040	36,464
Cash Flows from Investing Activities:			
Purchases of property and equipment	(40,918)	(43,705)	(26,608)
Acquisitions of businesses, net of cash acquired	(32,362)	--	--
Proceeds from the sale of property and equipment	1,669	3,111	1,880
Proceeds from sale of securities	18,440	--	--
Cash used by investing activities	(53,171)	(40,594)	(24,728)
Cash Flows from Financing Activities:			
Net change in payable to banks	(11,124)	(21,204)	16,074
Proceeds from long-term debt	57,681	32,362	2,466
Repayment of long-term debt	(17,051)	(1,666)	(5,774)
Repurchase of common stock	(3,230)	--	--
Dividends paid	(12,305)	(10,171)	(8,148)
Cash provided (used) by financing activities	13,971	(679)	4,618
Effect of exchange rate changes on cash	(11,435)	3,957	2,421
Net increase in cash and cash equivalents	37,780	60,724	18,775
Cash and cash equivalents, beginning of year	142,773	82,049	63,274
Cash and cash equivalents, end of year	\$ 180,553	\$ 142,773	\$ 82,049
Supplemental Cash Flow Information:			
Interest paid	\$ 7,119	\$ 15,297	\$ 11,728
Income taxes paid	\$ 79,230	\$ 80,582	\$ 49,231

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Stockholders' Equity
(in thousands, except per share data)

	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Cumulative Translation Adjustments	Restricted Treasury Stock	Stock Plan Deferred Compensation	Total
Balance, December 31, 1993	\$ 737	\$ 1,443,568	\$ (1,341,877)	\$ 1,353	\$ --	\$ (1,100)	\$ 102,681
Issuances under option and purchase plans	3	3,485	--	--	--	--	3,488
Net earnings	--	--	83,931	--	--	--	83,931
Dividends (\$.11 per share)	--	--	(8,148)	--	--	--	(8,148)
Translation	--	--	--	19,370	--	--	19,370
Amortization of restricted stock plan deferred compensation	--	--	--	--	--	1,100	1,100
Other	3	1,049	--	--	--	--	1,052

Balance, December 31, 1994	743	1,448,102	(1,266,094)	20,723	--	--	203,474
Issuances under option and purchase plans	9	14,252	--	--	--	--	14,261
Issuance on conversion of sub- ordinated convertible debentures	54	97,986	--	--	--	--	98,040
Net earnings	--	--	128,042	--	--	--	128,042
Dividends (\$.13 per share)	--	--	(10,171)	--	--	--	(10,171)
Translation	--	--	--	17,376	--	--	17,376
Other	6	3,965	--	--	--	--	3,971

Balance, December 31, 1995	812	1,564,305	(1,148,223)	38,099	--	--	454,993
Issuances under option and purchase plans	6	9,865	--	--	--	--	9,871
Net earnings	--	--	162,298	--	--	--	162,298
Dividends (\$.15 per share)	--	--	(12,305)	--	--	--	(12,305)
Translation	--	--	--	(16,623)	--	--	(16,623)
Repurchase of common stock	--	--	--	--	(3,230)	--	(3,230)
Issuances for acquisitions and other	4	5,698	--	--	--	--	5,702

Balance, December 31, 1996	\$ 822	\$ 1,579,868	\$ (998,230)	\$ 21,476	\$ (3,230)	\$ --	\$ 600,706

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share data)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

Nature of operations

Manpower Inc. (the "Company") is an employment services organization with over 2,500 offices in 43 countries. The Company's largest operations, based on revenues, are located in the United States, France and the United Kingdom. The Company's employment services include temporary help, contract services and training and testing of temporary and permanent workers. The Company provides employment services to a wide variety of customers, none of which individually comprise a significant portion of revenues within a given geographic region or for the Company as a whole.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries in which an ownership interest greater than 50% is held. For subsidiaries in which the Company has an ownership interest of 50% or less, but more than 20%, the consolidated financial statements reflect the Company's ownership share of those earnings using the equity method of accounting. These investments are recorded as Investments in licensees in the Consolidated Balance Sheets. Included in stockholders' equity at December 31, 1996 are \$25,530 of unremitted earnings from investments accounted for using the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenues

The Company generates revenues from sales of services by its own branch operations and from fees earned on sales of services by its franchise operations. Franchise fees, which are included in revenues from services, were \$34,653, \$33,688 and \$32,273 for the years ended December 31, 1996, 1995 and 1994, respectively.

Foreign currency translation

The financial statements of the Company's non-U.S. subsidiaries have been translated in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52. Under SFAS No. 52, asset and liability accounts are translated at the current exchange rate and income statement items are translated at the weighted average exchange rate for the year. Resulting translation adjustments are made directly to a separate component of stockholders' equity. Translation adjustments for those operations in highly inflationary economies and certain other transaction adjustments are included in earnings and were immaterial for all periods presented.

Intangible assets

Intangible assets consist primarily of trademarks and the excess of cost over the fair value of net assets acquired. Trademarks are amortized on a straight-line basis over their useful lives. The excess of cost over the fair value of net assets acquired is amortized on a straight-line basis over its useful life, estimated based on the facts and circumstances surrounding each individual acquisition, ranging from five to twenty years. Total intangible assets of \$48,744 and \$6,067, net of accumulated amortization of \$4,712 and \$5,730 at December 31, 1996 and 1995, respectively, are included in Other assets in the Consolidated Balance Sheets. Amortization expense was \$3,780, \$3,487, and \$6,955 in 1996, 1995 and 1994, respectively. The intangible asset and related accumulated amortization are removed from the Consolidated Balance Sheets when the intangible asset becomes fully amortized.

Property and equipment

Property and equipment is depreciated over estimated useful lives using the straight-line method. The cost of leasehold improvements is amortized over the lesser of the life of the improvement or the term of the lease. Expenditures for renewals and betterments are capitalized whereas expenditures for repairs and maintenance are charged to income as incurred. Upon sale or disposition of properties, the difference between unamortized cost and the proceeds is charged or credited to income.

Earnings per share

Net earnings per share is computed based upon the weighted average number of common shares and common share equivalents related to stock options. The average number of common shares and common share equivalents used in the computation of the net earnings per share were 83,105,553, 77,644,287 and 75,041,735 for the years ended December 31, 1996, 1995 and 1994, respectively.

Statements of cash flows

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Stockholders' equity

In November 1996, the Board of Directors authorized the purchase of up to five million shares of the Company's common stock. The purchases may be made from time to time at prevailing market prices. At December 31, 1996, 101,700 shares at a cost of \$3,230 have been purchased under this authorization.

Advertising costs

The Company generally expenses production costs of media advertising as they are incurred. Advertising expenses, including the sponsorship of the 1998 World Cup, were \$24,300 in 1996. Advertising expenses in 1995 and 1994 were not material.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Reclassifications

Certain amounts in the 1995 and 1994 financial statements have been reclassified to be consistent with the current year presentation.

(2) INCOME TAXES

The provision for income taxes consists of:

	1996	1995	1994
Current:			
United States			
Federal	\$ 19,309	\$ 24,611	\$ 30,339
State	4,312	5,892	7,614
Foreign	67,798	50,223	30,619
Total current	91,419	80,726	68,572
Deferred:			
United States			
Federal	2,103	2,268	(10,347)
State	676	(1,180)	(1,574)
Foreign	(14,184)	(6,065)	(4,093)
Total deferred	(11,405)	(4,977)	(16,014)
Total provision	\$ 80,014	\$ 75,749	\$ 52,558

A reconciliation between taxes computed at the United States Federal statutory tax rate of 35% and the consolidated effective tax rate is as follows:

	1996	1995	1994
Income tax based on statutory rate	\$ 84,809	\$ 71,327	\$ 47,771
Increase (decrease) resulting from:			
State income taxes	2,803	2,554	3,350
Change in valuation reserve	(6,231)	(3,062)	2,259
Other, net	(1,367)	4,930	(822)
Total provision	\$ 80,014	\$ 75,749	\$ 52,558

Deferred income taxes are recorded on temporary differences at the tax rate expected to be in effect when the temporary differences reverse. Temporary differences which gave rise to the deferred tax assets at December 31 are as follows:

	1996	1995
Accrued payroll taxes and insurance	\$ 45,116	\$ 44,705
Employee compensation payable	11,402	17,388
Pension and postretirement benefits	14,749	13,319
Net operating losses and other	60,475	59,738
Valuation allowance	(32,059)	(38,290)
Total future income tax benefits	99,683	96,860
Less--Noncurrent future income tax benefits	(51,532)	(45,243)

Noncurrent future income tax benefits have been classified as Other assets in the Consolidated Balance Sheets.

The Company has recorded a deferred tax asset of \$27,569 for the benefit of loss carryforwards, all of which expire in 1999 and beyond. Realization is dependent on generating sufficient taxable income prior to the expiration of the loss carryforwards. A valuation allowance has been recorded against the entire amount of this asset as management believes that the asset's realization is unlikely.

United States income taxes have not been provided on undistributed earnings of foreign subsidiaries which are considered to be permanently invested. If such earnings were remitted, foreign tax credits would substantially offset any resulting United States income tax. At December 31, 1996, the estimated amount of unremitted earnings of the foreign subsidiaries totaled \$376,300.

(3) PAYABLE TO BANKS AND BANK LINES
OF CREDIT

Information concerning short-term borrowings at December 31 is as follows:

	1996	1995	1994
Payable to banks	\$24,375	\$37,559	\$54,682
Average interest rates	3.6%	5.8%	5.5%

The Company and its subsidiaries have lines of credit, exclusive of the revolving credit commitments discussed in Note 4, totaling \$168,007 at December 31, 1996, of which \$143,632 was unused. The Company has no significant compensating balance requirements or commitment fees.

(4) LONG-TERM DEBT

A summary of long-term debt at December 31 is as follows:

	1996	1995
Commercial paper, maturing within 90 days, at average interest rates of 5.7% and 6.1%, respectively	\$ 47,321	\$ 40,927
Revolving credit agreement		
U.S. dollar denominated borrowings, at average interest rate of 5.8%	30,000	--
Yen-denominated borrowings, at rates of .6% and .7%, respectively	19,286	15,541
Other	7,227	6,723
	103,834	63,191
Less--Current maturities	(2,986)	(1,408)
Other long-term debt	\$ 100,848	\$ 61,783

On April 1, 1996, the Company entered into a \$275,000 unsecured revolving credit agreement which includes a \$60,000 commitment to be used exclusively for standby letters of credit. Letters of credit totaling \$43,853 and \$41,063 were outstanding as of December 31, 1996 and 1995, respectively.

The interest rate and facility fee payable on the total line vary based upon the Company's financial performance, debt rating and borrowing level, and are currently at LIBOR plus .225% and .125%, respectively. The facility matures on May 15, 1999, but may be extended for an additional two years with the lenders' consent. The agreement requires, among other things, that the Company comply with minimum tangible net worth levels and interest coverage and debt-to-capitalization ratios. This agreement replaced the Company's \$240 million unsecured revolving credit agreement.

Due to the availability of long-term financing, commercial paper borrowings have been classified as long-term debt.

On October 16, 1995, the Company called for redemption of all \$100,000 of its 6 1/4% Convertible Subordinated Debentures. The Debentures were converted into 5,421,489 shares of the Company's common stock prior to the redemption date. Stockholders' equity was increased by the full amount of the debentures less the unamortized issuance costs.

If the conversion of the debentures had taken place on January 1, 1994, net income per share would have been \$1.60 and \$1.09 for the years ended December 31, 1995

and 1994, respectively. These amounts were calculated by adjusting the reported net earnings by the interest, net of tax, on the debentures and adjusting the weighted average shares for the shares issued on conversion.

The maturities of long-term debt payable within each of the four years subsequent to December 31, 1997 are as follows: 1998 - \$1,356, 1999 - \$98,078, 2000 - \$740 and 2001 - \$67.

The carrying value of long-term debt approximates fair value.

(5) STOCK COMPENSATION PLANS

During 1996 the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation." As permitted by the statement, the Company will continue to account for its stock-based compensation plans as presented by APB Opinion No. 25 and related Interpretations. Accordingly, no compensation cost related to these plans was charged against earnings in 1996 and 1995. In 1994, the Company recorded expense of \$1,100 related to the amortization of the fair market value of restricted stock awards. The Company has included the additional disclosures required by SFAS No. 123, however, the pro forma impact of determining compensation cost based on the fair value of stock awards is not material to earnings.

Fixed stock option plans

The Company has reserved 5,625,000 shares of common stock for issuance under the Executive Stock Option and Restricted Stock Plans. Under the plans, all full-time employees of the Company are eligible to receive stock options, purchase rights and restricted stock. The options, rights and stock are granted to eligible employees at the discretion of a committee appointed by the Board of Directors. All options have generally been granted at a price equal to the fair market value of the Company's common stock at the date of grant. The purchase price per share pursuant to a purchase right is determined by the Board of Directors. The committee also determines the period during which options and rights are exercisable. Generally, options are granted with a vesting period of up to five years and expire ten years from the date of grant. Rights may generally be exercised for up to sixty days from the date of grant. Under the plans, the committee may also authorize the granting of stock appreciation rights and cash equivalent rights in conjunction with the stock options and purchase rights, respectively.

Information related to options outstanding under the plans, and the related weighted-average exercise prices, is as follows:

	1996		1995		1994	
	Shares (000)	Price	Shares (000)	Price	Shares (000)	Price
Options outstanding, beginning of period	2,906	\$ 16	3,352	\$ 16	3,471	\$ 15
Granted	273	34	231	25	82	20
Exercised	(471)	16	(659)	16	(149)	15
Expired or cancelled	(15)	27	(18)	18	(52)	17
end of period	2,693	\$ 18	2,906	\$ 16	3,352	\$ 16
Options exercisable, end of period	2,390	\$ 16	2,738	\$ 16	3,326	\$ 16

Options outstanding as of December 31, 1996 are as follows:

Exercise prices	Options outstanding			Options exercisable	
	Number	Weighted- average remaining contractual life	Weighted- average exercise price	Number	Weighted- average exercise price
10.68-14.25	612	4.5 years	\$ 12	612	\$ 12
15.00-17.13	1,608	6.3 years	16	1,608	16
24.00-29.75	201	8.7 years	26	143	26
30.38-36.88	272	9.4 years	34	27	32
	2,693		\$ 18	2,390	\$ 16

As of December 31, 1996, no purchase rights, stock appreciation rights or cash equivalent rights had been granted.

Other stock plans

The Company has reserved 1,250,000 shares of common stock for issuance under the 1990 Employee Stock Purchase Plan. Under the plan, designated Manpower employees meeting certain service requirements may purchase shares of the Company's common stock through payroll deductions. These shares may be purchased at the lesser of 85% of their fair market value at the beginning or end of each year. During 1996, 1995 and 1994, 183,666, 111,395 and 194,873 shares were respectively purchased under the plan.

The Company also has the Savings Related Share Option Scheme for employees in the United Kingdom with at least one year of service. These employees are offered the opportunity to obtain an option for a specified number of shares of common stock at not less than 85% of their market value on the day prior to the offer to participate in the plan. Options are generally exercisable after 60 months, but may lapse earlier. Funds used to purchase the shares are accumulated through specified payroll deductions over a 60 month period. As of December 31, 1996, 178,539 options were outstanding under this plan with exercise prices ranging from \$10.70 to \$31.75.

(6) RETIREMENT PLANS

Defined benefit plans

The Company has defined benefit pension and retirement plans covering substantially all permanent employees. Pension benefits are generally based upon years of service and compensation levels prior to retirement. The components of pension expense are as follows:

	1996	1995	1994
Service cost	\$ 2,969	\$ 2,773	\$ 2,851
Interest cost	3,575	3,213	2,803
Actual return on assets	(5,022)	(4,735)	(2,524)
Net amortization and deferral	897	1,484	(559)
Total pension expense	\$ 2,419	\$ 2,735	\$ 2,571

The following is a reconciliation of the funded status of the pension plans at December 31:

	U.S. Plans		Non-U.S. Plans	
	1996	1995	1996	1995
Projected benefit obligation:				
Vested benefits	\$ (19,650)	\$ (19,120)	\$ (22,207)	\$ (17,614)
Nonvested benefits	(407)	(307)	(1,394)	(1,146)
Accumulated benefit obligation	(20,057)	(19,427)	(23,601)	(18,760)
Effect of projected compensation increases	(4,141)	(3,852)	(7,336)	(6,494)
	(24,198)	(23,279)	(30,937)	(25,254)
Plan assets at fair value	20,903	19,112	31,462	26,795
Plan assets in excess of (less than) projected benefit obligation	(3,295)	(4,167)	525	1,541
Unrecognized net gain	(3,930)	(2,186)	(617)	(2,490)
Unrecognized transitional asset	(884)	(999)	(202)	(36)
Unrecognized prior service cost	--	1	468	458
Accrued pension cost	\$ (8,109)	\$ (7,351)	\$ 174	\$ (527)

Assumptions used in determining the plans' funded status are as follows:

	U.S. Plans		Non-U.S. Plans	
	1996	1995	1996	1995
Discount rate	7.5%	7.5%	6.5%	7.2%
Rate of return on plan assets	8.5%	8.5%	7.8%	8.7%

Projected salary levels utilized in the determination of the projected benefit obligation are based upon historical experience. The unrecognized transitional asset is being amortized over the estimated remaining service lives of the employees.

Plan assets are primarily comprised of common stocks and U.S. government and agency securities.

Defined contribution plans

The Company has defined contribution plans covering substantially all permanent U.S. employees. Under the plans, employees may elect to contribute a portion of their salary to the plans. The Company, at its discretion, may match a portion of the employees' contributions. The Company elected not to provide a matching contribution in 1996, 1995 and 1994.

Retiree health care plan

The Company provides medical and dental benefits to eligible retired employees in the United States. Generally, retired employees who have reached age 65, or those who have reached age 55 with at least 20 years of service, are eligible to receive health care benefits. In determining benefits, the plan has taken into consideration payments by Medicare and other coverages. The plan is unfunded.

The Company charges the expected costs of retiree health care benefits to expense during the years that employees render service. The components of periodic postretirement benefit cost are as follows:

	1996	1995	1994
Service cost--benefits earned during the year	\$ 1,276	\$ 1,431	\$ 1,282
Interest cost on accumulated postretirement benefit obligation	1,339	1,235	1,118
Amortization of unrecognized gain	(27)	--	--
Net periodic postretirement benefit cost	\$ 2,588	\$ 2,666	\$ 2,400

The components of the accumulated postretirement benefit obligation at December 31 are as follows:

	1996	1995
Retirees	\$ 4,001	\$ 3,890
Fully eligible active participants	2,537	2,392
Other active participants	13,235	12,681
Accumulated postretirement benefit obligation	19,773	18,963
Unrecognized net gain	2,777	1,296
Accrued benefit cost	\$ 22,550	\$ 20,259

The accumulated postretirement benefit obligation was computed using a discount rate of 7.5% in 1996 and 1995.

The health care cost trend rate has a significant effect on the amounts reported. The rate was assumed to be 8.5% for 1996 and decreases gradually to 6% for the years 2001 and beyond. A one percentage point increase in the assumed health care cost trend rates would increase the accumulated postretirement benefit obligation by \$3,987 and increase the periodic benefit cost by \$606.

(7) LEASES

The Company leases property and equipment primarily under operating leases. Renewal options exist for substantially all leases.

Future minimum payments, by year and in the aggregate, under noncancellable operating leases with initial or remaining terms of one year or more consist of the following at December 31, 1996:

Year	
1997	\$ 27,637
1998	22,441
1999	16,282
2000	11,538
2001	7,976
Thereafter	34,280
Total minimum lease payments	\$ 120,154

Rental expense for all operating leases was \$67,198, \$64,974 and \$57,614 for the years ended December 31, 1996, 1995 and 1994, respectively.

(8) INTEREST AND OTHER (INCOME) EXPENSES

Interest and other (income) expenses consist of the following:

	1996	1995	1994
Interest expense	\$ 6,388	\$ 12,655	\$ 12,342
Interest income	(7,294)	(6,826)	(3,224)
Gain on sale of securities	(15,509)	--	--
Foreign exchange losses	941	362	556

Miscellaneous, net	119	1,671	5,583

Interest and other (income) expenses	\$ (15,355)	\$ 7,862	\$ 15,257
=====			

During 1996, the Company recorded gains of \$15.5 million related to the sale of its interest in two non-Manpower brand subsidiaries in the United Kingdom. Total cash proceeds received from the equity interests and a note receivable was \$18.4 million. The Company had previously deferred recognition of most of the equity interests and the note due to uncertainties regarding their eventual realization.

(9) ACQUISITIONS OF BUSINESSES

During 1996, the Company acquired A Teamwork Sverige AB, the largest employment services organization in Sweden, as well as several franchises in the United States, Canada and Spain. The Consolidated Financial Statements include the operating results of each business from the date of acquisition. Pro forma results of operations have not been presented because the effect of these acquisitions was not significant individually or in the aggregate. The total consideration for these acquisitions was \$41,072, the majority of which was recorded as intangible assets.

(10) RESTRUCTURING AND OTHER UNUSUAL ITEMS

Since 1989, the Company has made several strategic decisions which have eliminated redundancies in operations, particularly those in non-Manpower brand businesses, reduced operating overhead and re-established its corporate presence in the United States.

In 1993 the Company recorded a non-cash charge of \$20,000 related to the restructuring, \$7,500 to cover the estimated remaining costs and contingencies associated with the strategic restructuring plan and \$12,500 to further adjust the carrying value of two office buildings related to the former Blue Arrow operations which will be disposed of under the plan. During 1996, the remaining accrual of \$2,700 was used to cover general operating costs and lease costs of properties vacated under the restructuring plan.

(11) CONTINGENCIES

The Company is involved in a number of lawsuits arising in the ordinary course of business which will not, in the opinion of management, have a material effect on the financial condition of the Company.

(12) BUSINESS SEGMENT DATA BY
GEOGRAPHICAL AREA

Geographical segment information is as follows:

	1996	1995	1994
Revenues from services:			
United States (a)	\$ 1,774,240	\$ 1,551,407	\$ 1,339,314
France	2,274,761	2,208,729	1,706,384
United Kingdom	867,884	818,023	642,356
Other Europe	678,337	528,363	310,462
Other Countries	484,683	377,653	297,927
	\$ 6,079,905	\$ 5,484,175	\$ 4,296,443

	1996	1995	1994
Earnings			
before income taxes:			
United States	\$ 88,165	\$ 75,970	\$ 82,625
France	73,688	72,593	47,261
United Kingdom	33,246	34,972	24,672
Other Europe	38,440	34,971	17,196
Other Countries	22,452	16,492	7,864
Corporate -			
Amortization of intangible assets	(3,780)	(3,487)	(6,955)
Interest and other (income) expenses	15,355	(7,862)	(15,257)
Other (b)	(25,254)	(19,858)	(20,917)
	\$ 242,312	\$ 203,791	\$ 136,489

	1996	1995	1994
Identifiable assets:			
United States	\$ 426,732	\$ 365,479	\$ 255,638
France	723,900	678,027	558,097
United Kingdom	183,857	157,240	136,035
Other Europe	221,645	175,445	122,841
Other Countries	130,303	102,838	74,145
Corporate (b)	65,826	38,757	44,441
	\$ 1,752,263	\$ 1,517,786	\$ 1,191,197

	1996	1995	1994
Net assets:			
United States	\$ 142,731	\$ 107,680	\$ (49,486)
France	279,480	241,156	179,894
United Kingdom	71,277	32,088	21,022
Other Europe	77,199	46,481	31,697
Other Countries	30,019	27,588	20,347
	\$ 600,706	\$ 454,993	\$ 203,474

(a) Total systemwide sales in the United States, which include sales of Company-owned branches and franchises, were \$2,938,926, \$2,666,782 and \$2,435,098 for the years ended December 31, 1996, 1995 and 1994, respectively.

(b) Other corporate expense includes costs incurred by the parent company which do not pertain to any specific geographical segment. Corporate assets include assets of the parent company that are not used in the operations of any geographical segment.

Due to the nature of its business, the Company does not have export sales.

QUARTERLY DATA (UNAUDITED)
(in thousands, except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total

Year Ended December 31, 1996					
Revenues from services	\$ 1,309,167	\$ 1,460,624	\$ 1,694,523	\$ 1,615,591	\$ 6,079,905
Gross profit	244,639	269,260	315,324	318,745	1,147,968
Net earnings	23,195	38,602	52,416	48,085	162,298
Net earnings per share	\$.28	\$.46	\$.63	\$.58	\$ 1.95
Dividends per share	\$ --	\$.07	\$ --	\$.08	\$.15
Market price-					
High	\$ 34 1/4	\$ 43	\$ 39 3/8	\$ 33 5/8	
Low	23 5/8	29 1/2	30	27 7/8	

Year Ended December 31, 1995					
Revenues from services	\$ 1,199,601	\$ 1,371,130	\$ 1,520,900	\$ 1,392,544	\$ 5,484,175
Gross profit	216,324	245,721	278,650	260,137	1,000,832
Net earnings	18,185	28,248	45,045	36,564	128,042
Net earnings per share	\$.24	\$.37	\$.59	\$.45	\$ 1.65
Dividends per share	\$ --	\$.06	\$ --	\$.07	\$.13
Market price-					
High	\$ 32 3/4	\$ 34 1/4	\$ 33 3/8	\$ 31 1/8	
Low	24 3/4	24 1/4	25 3/8	24 1/8	

SELECTED FINANCIAL DATA
(in millions, except per share data)

YEAR ENDED DECEMBER 31	1996	1995	1994	1993	1992
Operations Data					
Revenues from services	\$ 6,079.9	\$ 5,484.2	\$ 4,296.4	\$ 3,180.4	\$ 3,186.6
Amortization of intangible assets	3.8	3.5	7.0	78.1	79.2
Restructuring and other unusual items	--	--	--	20.0	--
Net earnings (loss) from continuing operations before cumulative effect of change in accounting principle	162.3	128.0	83.9	(48.9)	(39.7)
Net earnings (loss)	162.3	128.0	83.9	(48.9)	(46.7)
Per Share Data					
Net earnings (loss) from continuing operations before cumulative effect of change in accounting principle	\$ 1.95	\$ 1.65	\$ 1.12	\$ (.66)	\$ (.54)
Net earnings (loss)	1.95	1.65	1.12	(.66)	(.64)
Dividends	.15	.13	.11	--	--
Balance Sheet Data					
Total assets	\$ 1,752.3	\$ 1,517.8	\$ 1,191.2	\$ 833.3	\$ 922.4
Long-term debt	100.8	61.8	130.9	130.0	203.1

The Notes to Consolidated Financial Statements should be read in conjunction with the above summary, specifically Note 10 which discusses restructuring charges.

During the fourth quarter of 1992, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" via a cumulative adjustment effective January 1, 1992. As a result, the Company recorded a non-cash, pre-tax charge of \$11,608 (\$7,080 after income taxes, or \$.10 per share) against earnings in 1992.

SUBSIDIARIES OF MANPOWER INC.

Corporate Name -----	Incorporated in State/Country of -----
Alabama Services Contractors, Inc.	Alabama
Manpower de Servicios S.A.	Argentina
Benefits S.A.	Argentina
Cotecsud S.A.S.E. (Compania Tecnica Sudamericana S.A.S.E.)	Argentina
Manpower Services (Australia) Pty Ltd.	Australia
Manpower Holding GmbH	Austria
Jade Personnel Services GmbH	Austria
Manpower Unternehmens und- Personalberatung Gesellschaft m.b.H.	Austria
Manpower Temporaerpersonal Gesellschaft m.b.H.	Austria
Jade Industrieanlagenmontagen G.m.b.H.	Austria
S.A. Manpower (Belgium) N.V.	Belgium
S.A. Multiskill N.V.	Belgium
Manpower Participacoes Ltda. (Inactive)	Brazil
Manpower Ltda. S/C (Inactive)	Brazil
Snyder Services, Inc.	Colorado
Manpower Praha	Czech Republic
Manpower Franchises, L.L.C.	Delaware

Corporate Name	Incorporated in State/Country of
-----	-----
Staffing Trends Inc.	Delaware
Manpower Employment Inc.	Delaware
Positions, Inc.	Delaware
U.S. Caden	Delaware
Manpower International Inc.	Delaware
Manpower A/S	Denmark
Manpower France S.A.R.L.	France
Supplay S.A.	France
Fortec SARL	France
Manpower Planen & Leisten GmbH.	
Unternehmen Fur Zeitpersonal	Germany
Adservice GmbH.	Germany
PITS GmbH.	Germany
Manpower Munkaero Szervezesi KFT	Hungary
Transpersonnel, Inc.	Illinois
Manpower (Ireland) Limited	Ireland
Manpower (Israel) Limited	Israel
Adam Ltd. (Inactive)	Israel
Career Ltd.	Israel
Nativ ZIsrael	

Corporate Name	Incorporated in State/Country of
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Unison Engineering Projects Ltd.	Israel
S.T.M. Technologies (Inactive)	Israel
MNAM Ltd.	Israel
M.P.H. Holdings	Israel
T. Market (M.A.)	Israel
Telepower	Israel
Tirgumey Eichut	Israel
Manpower Italia S.r.l.	Italy
Manpower Japan Co., Ltd.	Japan
Support Services Specialists of Topeka	Kansas
Aide Temporaire S.A.R.L.	Luxembourg
Manpower S.A. de C.V.	Mexico
Servicio de Personal Industrial	Mexico
Manpower S.A.M.	Monaco
Manpower B.V.	Netherlands
Manpower Kantoor-en Paramodisch B.V.	Netherlands
Manpower Consultancy B.V.	Netherlands
Manpower Industrie B.V.	Netherlands
Manpower Management B.V.	Netherlands

Corporate Name	Incorporated in State/Country of
-----	-----
Manpower Project Support B.V.	Netherlands
Manpower Uitzendorganisatie	Netherlands
Manpower Incorporated of New York	New York
Manpower Services (New Zealand) Limited	New Zealand
Manpower A/S	Norway
Techpower A/S	Norway
Techpower Telemark A/S	Norway
Manpower Kantineservice A/S	Norway
Bankpower A/S	Norway
Bedtiftsassistanse A/S	Norway
Tri County Business Services, Inc.	Ohio
Manpower Services (Ontario) Limited	Ontario
Manpower Services (Toronto) Limited	Ontario
Manjoven Services Limited	Ontario
Services de Personel du Quebec Ltee.	Quebec
Manpower Incorporated of Providence	Rhode Island
Manpower Personnel Southeast Asia Pte Ltd	Singapore
Manpower Team Empresa de Trabajo Temporal, S.A. Spain	

Corporate Name	Incorporated in State/Country of
-----	-----
Other Activities S.L.	Spain
Manpower Aktiebolag	Sweden
A Teamwork Sverige Aktiebolag	Sweden
Teamwork Kommanditbolag	Sweden
Manpower S.A.	Switzerland
Caden Corporation S.A.	Switzerland
Manpower Services S.A.	Switzerland
Bafin Holdings Limited	United Kingdom
Manpower Public Limited Company	United Kingdom
Manpower Nominees Limited	United Kingdom
Girlpower Limited (Inactive)	United Kingdom
Manpower Contract Services Limited	United Kingdom
Manpower Services Limited (Inactive)	United Kingdom
Overdrive PLC	United Kingdom
LPNS Limited	United Kingdom
Salespower Limited (Inactive)	United Kingdom
Manpower IT Services Limited	United Kingdom
Brook Street Bureau PLC	United Kingdom
Bafin Services Limited	United Kingdom

Corporate Name	Incorporated in State/Country of
-----	-----
Manpower (Hemel) Limited	United Kingdom
Falcon Management (Driving) Services Limited	United Kingdom
A. Foy Limited	United Kingdom
Falcon Management Services Limited	United Kingdom
A&R Foy	United Kingdom
Extrastaff Limited	United Kingdom
Crewcorp Limited	United Kingdom
Total Staff Recruitment Limited	United Kingdom
Roco Limited	United Kingdom
Corporate Services Group PLC	United Kingdom
B.A. Challenge Limited	United Kingdom
Ferrishbush Limited	United Kingdom
Brook Street (UK) Limited	United Kingdom
Psyconsult International Limited	United Kingdom
Challoners Limited	United Kingdom
Temp Finance & Accounting Service Limited	United Kingdom
BS Project Services Limited	United Kingdom
Aris S.A.	Uruguay
Manpower de Venezuela C.A.	Venezuela

Corporate Name

Incorporated in
State/Country of

Manpower Nominees Inc.
Signature Graphics of Milwaukee, Inc.
Manpower of Indiana Limited Partnership
Manpower Professional Staffing Services Inc.
Manpower Texas Holdings L.L.C.
Manpower of Texas Limited Partnership

Wisconsin
Wisconsin
Wisconsin
Wisconsin
Wisconsin
Wisconsin

POWER OF ATTORNEY FOR ANNUAL REPORT ON FORM 10-K

Each of the undersigned directors of Manpower Inc. (the "Company") hereby constitutes and appoints Mitchell S. Fromstein and Jon F. Chait, and each of them, the undersigned's true and lawful attorney-in- fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign for the undersigned and in the undersigned's name in the capacity as a director of the Company the Annual Report on Form 10-K for the Company's fiscal year ended December 31, 1996, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission and any other regulatory authority, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or the undersigned's substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have each executed this Power of Attorney for Annual Report on Form 10-K, on one or more counterparts, this 27th day of March, 1997.

/s/ Audrey Freedman

Audrey Freedman

/s/ Dudley J. Godfrey, Jr.

Dudley J. Godfrey, Jr.

/s/ Marvin B. Goodman

Marvin B. Goodman

/s/ J. Ira Harris

J. Ira Harris

/s/ Terry A. Hueneke

Terry A. Hueneke

/s/ Newton N. Minow

Newton N. Minow

/s/ Gilbert Palay

Gilbert Palay

/s/ Dennis Stevenson

Dennis Stevenson

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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12-MOS		
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	DEC-31-1996	
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