UNITED STATES
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, 2004**

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 incorporation or organization)	**(I.R.S. Employer Identification No.)**
5301 NORTH IRONWOOD ROAD MILWAUKEE, WISCONSIN	**53217**
(Address of principal executive offices)	**(Zip Code)**

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. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

The aggregate market value of the voting stock held by nonaffiliates of the registrant was $3,988,602,770 as of February 15, 2005. As of February 15, 2005, there were 89,894,135 of the registrant's shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II incorporate information by reference from the Annual Report to Shareholders for the fiscal year ended December 31, 2004. Part III is incorporated by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005.

PART I

The terms “Manpower,” “we,” “our,” “us,” or “the Company” refer to Manpower Inc. or Manpower Inc. and its consolidated subsidiaries, as appropriate in the context.

Item 1. Business

<u>Introduction and History</u>

Manpower Inc. is a world leader in the employment services industry. Our global network of over 4,300 offices in 67 countries and territories allows us to meet the needs of our customers in all industry segments, whether they are global, multi-national or local companies. By offering a complete range of services, we can help any company – no matter where they are in their business evolution – raise productivity through improved strategy, quality, efficiency and cost reduction.

We do this through the Manpower family of companies which includes:

- Manpower - temporary and permanent staffing, employee assessment, and training
- Jefferson Wells – professional financial services
- Right Management Consultants – career transition and organizational consulting services
- Elan – IT recruitment and managed services

For example, to ensure that customers have the right person – with the right skills – when business demand is high, we offer permanent, temporary and contract recruitment, and employee assessment and training services. We also provide highly specialized professional services, such as internal audit and controls, technology risk management, tax, finance and accounting services. If customers are searching for ways to work “smarter,” we also offer a wide range of organizational consulting services such as strategic talent management and leadership development. On the other hand, if a customer’s business demand is low, we offer career transition (outplacement) services. We also offer managed services if a customer wants to outsource a complete business function with us, such as call center, help desk, recruiting, or manufacturing operations. This balanced business mix allows us to offset the cyclical affects of the national economies in which we operate.

Our staffing business is organized and managed primarily on a geographic basis, and Jefferson Wells and Right are operated as separate global business units. Each country and business unit primarily has its own distinct operations, and is managed locally by its own management team. Each operation reports directly, or indirectly through a regional manager, to a member of executive management. Given this reporting structure, all of our operations have been segregated into the following segments: United States; France; EMEA (Europe, Middle East and Africa, excluding France); Jefferson Wells; Right; and Other Operations. Due to the nature of our business, we do not have export or intersegment sales. We provide services to a wide variety of customers, none of which individually comprise a significant portion of revenue for us as a whole and by segment, except for Jefferson Wells, in which approximately 19% of Jefferson Wells’ revenues for 2004 was generated from providing services to one customer.

We have a comprehensive system of assessment/selection, training and quality assurance used by our temporary staffing operations throughout the world. The system has been developed through a combination of internally designed and produced materials and materials purchased from external companies through exclusive contracts. Modifications are made, as necessary, to reflect differences in language, culture and business practices of each region or country.

We were organized in 1991 as a holding company to acquire Manpower PLC, which indirectly owned Manpower International Inc. Manpower International Inc. was our primary operating subsidiary until June 30, 1996, when it was merged into us. The predecessor of Manpower International Inc. was organized in 1948 and its shares were listed on the New York Stock Exchange in 1962.

Our Internet address is www.manpower.com. We make available through our Internet website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. In addition, we also make available through our Internet website, our articles of incorporation, the Manpower Code of Business Conduct and Ethics, our Corporate Governance Guidelines, the charters of the Audit, Executive Compensation and Nominating and Governance Committees of the Board of Directors, guidelines for selecting board candidates, categorical standards for relationships deemed not to impair independence of non-employee directors and policy on services provided by independent auditors. Documents available on the website are also available in print for any shareholder who requests them. We are not including the information contained on or available through our website as a part of, or incorporating such information by reference into, this Annual Report on Form 10-K.

Our Operations

United States

In the United States, our operations under the Manpower brand are carried out through both branch and franchise offices. We had 591 branch and 345 franchise offices in the United States as of December 31, 2004. We provide a number of central support services to our branches and franchises, which enable us to maintain consistent service quality throughout the United States regardless of whether an office is a branch or franchise. We provide customer invoicing and payroll processing of our temporary employees for all branch offices and some of our franchise offices through our Milwaukee headquarters.

Our franchise agreements provide the franchisee with the right to use the Manpower® service mark and associated marks in a specifically defined exclusive territory. In the United States, franchise fees range from 2-3% of franchise sales. Our franchise agreements provide that in the event of a proposed sale of a franchise to a third party, we have the right to repurchase the franchise at the same price and on the same terms as proposed by the third party. We frequently exercise this right and intend to continue to do so in the future if opportunities arise with appropriate prices and terms.

In the United States, our Manpower branch operations provide primarily temporary employment services. During 2004, approximately 30% of our United States temporary staffing revenues were derived from placing office staff, including contact center staff, 48% from placing industrial staff and 22% from placing professional and technical staff.

We also conduct business in the United States under our Jefferson Wells and Right Management Consultants brands. These operations are discussed further in the following sections.

France

We are a leading temporary employment service provider in France. We conduct our operations in France and the surrounding region through 1,056 branch offices under the name of Manpower and 71 branch offices under the name Supplay.

The temporary services market in France is predominately industrial. In 2004, we derived approximately 66% of our revenue in France from the supply of industrial staff, 17% from the supply of construction workers and 17% from the supply of office staff.

During 2004, a new law in France ended the French Job Center's (ANPE's) control of the placement of the unemployed. As a result of this law change, temporary staffing companies are allowed to offer placement and recruitment services beginning January 1, 2005. We expect these services will have a long-term benefit on our French business, but will not have a significant impact on 2005 results due to investments required to grow this service line.

Europe, Middle East and Africa (excluding France), or EMEA

We are a leading supplier of human resource services throughout this region and our largest operations are in Germany, Italy, the Netherlands, Norway, Spain, Sweden, and the United Kingdom. Collectively, we operate through 1,414 branch offices and 55 franchise offices in this region. Our franchise offices are primarily located in Switzerland, where we own 49% of the franchise.

Manpower UK, the largest operation in the EMEA segment, is a leading supplier of temporary employment services in the United Kingdom. As of December 31, 2004, Manpower UK conducted operations in the United Kingdom through a network of 121 branch offices and also by providing on-site services to customers who have significant temporary staffing requirements. During 2004, approximately 40% of Manpower UK's revenues were derived from the supply of office staff, including contact center staff, 33% from the supply of industrial staff, and 27% from the supply of technical staff.

We also own Brook Street Bureau PLC, or Brook Street, which operates through a total of 192 branch offices, separate from the Manpower brand. Brook Street is based in the United Kingdom. Its core business is secretarial, office and light industrial recruitment, with niche operations in accountancy, finance and social care recruitment. Brook Street operates as a local network of branches supported by a national head office and competes primarily with local or regional independents. Portions of Brook Street's revenues are derived from the placement of permanent staff, however the substantial majority of their revenues are generated from temporary placements.

Also included in our EMEA operations is Elan, which is a leading IT and technical recruitment staffing firm. In addition to IT and technical recruitment, Elan provides managed service solutions to customers, which enable them to recruit personnel efficiently and achieve ongoing cost savings. Elan provides IT staffing solutions in 16 countries.

In 2004 approximately 26% of temporary staffing revenues were derived from placing office staff, 40% from placing industrial staff and 34% from placing professional and technical staff.

We also conduct business in EMEA under Jefferson Wells and Right Management Consultants brands. These operations are discussed further in the following sections.

Jefferson Wells

Jefferson Wells provides highly skilled project personnel along three primary business lines – internal audit and controls, technology and risk management, tax and finance and accounting compliance. Our services are provided through 37 offices, which include major United States metropolitan markets, Toronto and London.

Right

Right Management is a leading global provider of career transition services and organizational consulting services operating from approximately 300 offices in 35 countries. During 2004, approximately 65% of Right's revenues derived from career transition services and 35% from organizational consulting services.

Career transition services offer assistance to individuals or groups of employees displaced from employment. Services range from advising employers on severance packages to assisting displaced employees with resume writing, networking and interviewing. Services to displaced employees are provided in individual or group programs. Managerial-level employees generally receive longer-term, individual services, while less-senior employees receive shorter-term, group-based services. Programs frequently begin with the displaced employee receiving counseling immediately after the layoff notification, followed by a combination of classroom training, support services and web-based tools to guide them along the remainder of their career transition process.

While somewhat less common outside of North America, career transition services are prevalent in the United Kingdom and Australia and are becoming more common in continental Europe and Japan.

Organizational consulting services provide assistance in addressing companies' evolving human capital needs, focusing on assisting organizations in addressing the human side of change. Organizational consultants help companies to build high performance organizations. Organizational consulting services are designed to improve employees' commitment, skill sets and confidence levels, overall teamwork and leadership development to align the workforce with an organization's overall business strategy and positively impact the success of the business. Organizational consulting services include a wide range of services centered around assessments, strategic execution, leadership development and strategic talent management. These services also address the need for companies to retain productive human capital and minimize employee turnover, which can otherwise result in lost productivity, lost business, decreased customer satisfaction, decreased morale and lost intellectual capital.

Other Operations

We operate under the Manpower name through 467 branch offices and 24 franchise offices in the other markets of the world. The largest of these operations are located in Australia, Japan, and Mexico, all of which operate through branch offices, and Canada, which operates through branch and franchise offices. Other operations are located throughout Central and South America and Asia, which operate through branch and franchise offices. In most of these countries, we primarily supply temporary workers to the office, industrial, and technical markets, which were 60%, 23%, and 17% of revenues, respectively.

Competition

Introduction

We compete in the employment service industry by offering a complete range of services, including temporary and permanent staffing, employee assessment, training, specialized professional services, career transition (outplacement) services, and organizational consulting services.

Our industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of U.S. Dollars in annual revenues. It is also a highly competitive industry, reflecting several trends in the global marketplace, notably increasing demand for skilled people and consolidation among customers and in the employment services industry itself.

We manage these trends by leveraging established strengths, including one of the employment services industry's best-recognized brands; geographic diversification; size and service scope; an innovative product mix; and a strong customer base. While staffing is an important aspect of our business, our strategy is focused on providing both the skilled employees our customers need and high-value workforce management solutions.

Customer demand for employment services is dependent on the overall strength of the labor market and secular trends toward greater workforce flexibility within each of the countries in which we operate. Improving economic growth typically results in increasing demand for labor, resulting in greater demand for our services. Correspondingly, during periods of weak economic growth or economic contraction, the demand for our staffing services typically declines, while demand for our career transition services accelerates.

During the last several years, secular trends toward greater workforce flexibility have had a favorable impact on demand for our services in several markets. As companies attempt to increase the variability of their cost base, contemporary work solutions help them to effectively address the fluctuating demand for their products or services.

Temporary Staffing Market

The temporary employment services market throughout the world is large and highly fragmented with more than 15,000 firms competing in the industry throughout the world. In addition to us, the largest publicly owned companies specializing in temporary employment services are Adecco, S.A. (Switzerland), Vedior N.V. (Netherlands), Randstad Holding N.V. (Netherlands) and Kelly Services, Inc. (U.S.).

Historically, in periods of economic prosperity, the number of firms operating in the temporary staffing industry has increased significantly due to the combination of a favorable economic climate and low barriers to entry. Recessionary periods generally result in a reduction in the number of competitors through consolidation and closures; however, historically this reduction has proven to be for a limited time as the following periods of economic recovery have led to a return in growth in the number of competitors.

In the temporary staffing industry, competition is often limited to firms with offices located within a customer’s particular local market because temporary employees (aside from certain employees in the professional services segment) are generally unwilling to travel long distances, resulting in a low barrier to entry. In most major markets, competitors generally include many of the publicly traded companies and numerous regional and local competitors, some of which may operate only in a single market. Governmental entities or agencies, such as state employment offices in the United Kingdom and many European countries may also compete in some markets.

Since customers 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 customers use more than one temporary employment services provider; however, in recent years, the practice of using a limited number of temporary suppliers, a sole temporary supplier or a primary supplier has become increasingly important among the largest customers. These sole supplier relationships can have a significant impact on our revenue and operating profit growth as volume reductions by such customers, whether related to economic factors or otherwise, could have an adverse effect on our results in any period.

Temporary staffing firms act as intermediaries in matching available temporary workers to employer assignments. As a result, temporary staffing firms compete both to recruit and retain a supply of workers and to attract customers to employ 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 for us to place greater emphasis on recruitment and retention of temporary workers or marketing to customers. We recruit temporary workers through a wide variety of means, principally personal referrals and advertisements and by providing an attractive compensation package in jurisdictions where such benefits are not otherwise required by law, including health insurance, vacation and holiday pay, incentive and pension plans and a recognition program. We also use certain online resources to help in our recruiting efforts.

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, we compete by means of quality of service provided, scope of service offered and price. In the temporary staffing industry, quality is measured primarily by the ability to effectively match an individual worker to a specific assignment, as well as the rate of and 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. We have developed a variety of proprietary programs for identifying and assessing the skill level of our temporary workers, which are used in selecting a particular individual for a specific assignment. The programs include:

- Ultraskill® – for clerical skills,
- Sureskill – for office automation skills such as word processing, spreadsheet, and presentation graphics,
- Ultradex – for several important light industrial skills,
- Predicta – for critical general office skills,
- Teleskill – for customer service and contact center skills,
- Linguaskill – for language skills, and
- Phoneskill – for verbal communication skills.

We believe that our assessment systems enable us to offer a higher quality service by increasing productivity, decreasing turnover and reducing absenteeism.

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. Our competitive position is enhanced by our ability to offer a wide variety of skills, in some of the most important market segments for temporary work, through the use of training systems.

We have developed the Global Learning Center, or GLC, an on-line university for our permanent employees and temporary workers. The GLC provides skills training, assessment and other career-related services. Students of the GLC have access to Skillware® training, which trains office workers on over 50 different applications from a variety of developers including Microsoft and Lotus. Skillware® training is also available to prepare workers for positions in contact centers, banks and other organizations where transaction processing skills are required, and to improve general office skills such as spelling, punctuation and keyboard skills. Students can also select from more than 1,500 courses in the areas of client server, programming, Internet development, and business skills. The training prepares technical employees for certification testing by guiding them through E-Commerce, Visual Basic, C++ Programming, COBOL, JAVA, SAP, PowerBuilder, IEEE LAN Architecture and more. This training is available in a number of different languages, including English, Finnish, French, German, Greek, Italian, Japanese, Portuguese and Spanish.

We continue to evolve a thoughtful and comprehensive approach to our web-based service offerings for candidates, employees, customers and prospective customers. In doing so, we continue to evaluate the need to enhance existing services or products, develop new products, or enter into key strategic relationships with outside providers to offer optimal value propositions in our market segments.

We currently use and offer Direct Hire PLUS, which provides customers with the option of hiring a Manpower-screened candidate directly onto their payroll. We help customers acquire the most relevant information about candidates for a fraction of the time and investment required to create a comparable in-house hiring program. Services include resume management, interviewing, applicant testing and online training.

Although temporary staffing firms compete in a local market, for administrative purposes, the largest customers demand national, and increasingly global, arrangements. A large national or multi-national customer will frequently enter into non-exclusive arrangements with several firms, with the ultimate choice among them being left to its local managers; as a result firms with a large network of offices compete most effectively for this business. National and multi-national arrangements, which generally have agreed-upon pricing or mark-up on services performed, represented approximately 40% of our sales in 2004.

Career Transition and Organizational Consulting Services Market

The market for career transition and organizational consulting services is also highly competitive. In the market for services required by global clients, there are several barriers to entry, such as the global coverage, specialized local knowledge and technology required to provide outstanding services to corporations on a global scale.

Our competitors in the career transition market include major career transition services firms, such as Drake Beam Morin, a subsidiary of Thomson Corporation, a publishing company, and career service divisions of global temporary staffing firms. Additionally, there are regional firms and numerous smaller boutiques operating in either limited geographic markets or providing limited services.

Our competitors in the organizational consulting market include: major firms that compete in serving the large employer worldwide, such as William M. Mercer, Towers Perrin, Watson Wyatt and Hewitt Associates; organizational consulting practice of public accounting and consulting firms, such as PricewaterhouseCoopers, Braxton (Deloitte & Touche), Cap Gemini (Ernst & Young), Bearing Point (KPMG) and Accenture; and boutique firms comprised primarily of professionals formerly associated with the firms mentioned above.

Companies choose to provide career transition services for several reasons. First, as the competition for attracting and retaining qualified employees increases, companies are increasingly attempting to distinguish themselves in the marketplace as attractive employers. Consequently, more companies are providing career transition services as part of a comprehensive benefits package that provide for the well being of employees not only during their period of employment, but also after their employment ceases. Additionally, when companies complete layoffs, many believe that providing career transition services projects a positive corporate image and improves morale among remaining employees. Finally, companies may provide career transition services to reduce costs by preparing and assisting separated employees to find new employment, thereby diminishing employment-related litigation.

Our technology solutions are designed to be an integral part of our career transition services. We have made significant investments in technology to augment our core services with online, twenty-four hours a day, seven days a week access and support. These solutions are:

- RightTrack (sm) – Web-based collaborative program management tool that enables us to instantly interact and deliver career transition services seamlessly around the world,
- Right-from-Home (R) – Web services to help clients find new careers as fast as possible,
- Right Connection(R) – Enables companies to provide a customized, co-branded career transition portal for their employees in transition,

- Job Bank – Provides thousands of exclusive positions for candidates and the opportunity to post jobs from hiring companies,
- Resume Bank – Links hiring companies with candidates through a resume database.
- Right FasTrack(sm) – A home-based career transition service that combines personalized multi-media tools and individual consulting, and
- Right Access (sm) – A customized web site for our client companies that gives our HR contacts instant access to our services.

Companies frequently augment their internal human resources professional staff with external consultants for many reasons. First, the growing importance and complexity of employee issues is creating an unprecedented administrative and technical burden on human resources departments. Additionally, human resources departments have historically been viewed as cost centers within organizations, and pressures to contain costs decrease the resources available to managers. Finally, companies increasingly choose to outsource non-core functions that can be addressed either more effectively or less costly by outside professionals.

Our technology solutions are designed to be an integral part of our organizational consulting services. We have made significant investments in technology to augment our core services with online, twenty-four hours a day, seven days a week access and support.

Organization Performance tools include:

- PeopleBrand™ – Tool for defining, declaring and delivering employment brand in order to attract and retain high-value talent,
- PeoplePoll™ – Comprehensive employee survey, and
- ECustom Surveys™ – Client-specific surveys on a variety of topics;

Leadership Development tools include:

- Compass – 360 feedback tool and workshop focusing on effective leadership,
- Matrix – 360 survey that provides feedback on employees’ power and influence, and
- ECustom 360™ – Survey that focuses on the competencies people need to succeed in a specific company, function or job.

Talent Management tools include:

- CompAssess™ – A competency-based assessment tool, and
- Strategic Career Management 2000™ – a self-directed learning tool that leads employees through the career planning process.

Regulation

The temporary employment services industry is closely regulated in all of the major markets in which we operate, except the United States and Canada. Temporary employment service firms are generally subject to one or more of the following types of government regulation:

- regulation of the employer/employee relationship between the firm and its temporary employees,
- registration, licensing, record keeping and reporting requirements, and
- substantive limitations on the operations or the use of temporary employees by customers.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on our operations and the ability of customers to use our services. In some markets, labor agreements are structured on an industry-wide, rather than company-by-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 us.

In many countries, including the United States and the United Kingdom, temporary employment services firms are considered the legal employers of temporary workers. Therefore, laws regulating the employer/employee relationship, such as tax withholding or reporting, social security or retirement, anti-discrimination and workers' compensation, govern the firm. 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 the use of temporary employment services. Such restrictions include regulations affecting the types of work permitted, the maximum length of a temporary assignment, wage levels 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, temporary workers in France are entitled to a 10% allowance for the uncertain duration of employment, which is eliminated if a full-time position 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.

Our career transition and organizational consulting services generally are not subjected to governmental regulation in the markets in which we operate.

In the United States, we are subject to various federal and state laws relating to franchising, principally the Federal Trade Commission's Franchise Rules and analogous state laws which impact our agreements with our franchised operations. These laws and related rules and regulations impose specific disclosure requirements. Virtually all states also regulate the termination of franchises.

See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Legal Regulations."

Trademarks

We maintain a number of registered trademarks, trade names and service marks in the United States and various other countries. We believe that many of these marks and trade names, including Manpower®, Right Management Consultants®, Ultraskill®, and Skillware®, Jefferson Wells®, Brook Street®, and Elan®, have significant value and are materially important to our business. In addition, we maintain other intangible property rights.

Employees

We had approximately 27,100 full-time equivalent employees as of December 31, 2004. In addition, we estimate that we assign approximately two million consultants and temporary workers on a worldwide basis each year.

As described above, in most jurisdictions, we, as the employer of our temporary workers or as otherwise required by applicable law, are responsible for employment administration. This administration includes 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, we provide health and life insurance, paid holidays and paid vacations to qualifying temporary employees.

Financial Information about Foreign and Domestic Operations

Note 15 to our consolidated financial statements sets forth the information required for each segment and geographical area for the years ended December 31, 2004, 2003 and 2002. Such note is found in our 2004 Annual Report to Shareholders and is incorporated herein by reference.

Item 2. Properties

Our international headquarters are in Glendale, Wisconsin, a suburb of Milwaukee. We own, free of any material encumbrances, an 82,000 square foot building and a 32,000 square foot building situated on a sixteen-acre site in Glendale, Wisconsin. We also own additional properties at various other locations worldwide, which are not material.

Most of our operations are conducted from leased premises and we do not anticipate any difficulty in renewing these leases or in finding alternative sites in the ordinary course of business.

Item 3. Legal Proceedings

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

A search warrant was executed on November 30, 2004, at our French headquarters authorizing the French Regional Director on Inquiries of Competition to enter the office and review and obtain documents that may be pertinent to the investigation. According to the search warrant, the investigation stems from a complaint submitted during 2003 to the European Commission and subsequently transferred to France's Direction Generale de la Concurrence, de la Consommation et de la Repression des Fraudes. We understand that the purpose of the investigation is to search for evidence of price fixing and allocation of market share within the French market. The investigation is continuing and we currently are not able to predict the outcome of the investigation.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

EXECUTIVE OFFICERS OF MANPOWER

Name of Officer	Office
Jeffrey A. Joerres Age 45	Chairman of Manpower since May, 2001, and President and Chief Executive Officer of Manpower since April, 1999. Senior Vice President – European Operations and Marketing and Major Account Development of Manpower from July, 1998 to April, 1999. A director of Artisan Funds, Inc. and Johnson Controls, Inc. A director of Manpower since April, 1999. An employee of Manpower since July, 1993.
Michael J. Van Handel Age 45	Executive Vice President, Chief Financial Officer and Secretary of Manpower since April, 2002. Senior Vice President, Chief Financial Officer and Secretary of Manpower from August, 1999 to April, 2002. Senior Vice President, Chief Financial Officer, Treasurer and Secretary of Manpower from July, 1998 to August, 1999. An employee of Manpower since May, 1989.
Barbara J. Beck Age 44	Executive Vice President of Manpower – United States and Canadian Operations since January, 2002. Independent consultant from August, 2000 to January, 2002. Area Vice President and General Manager of United States - West for Sprint Corporation from February, 1996 to August, 2000. An employee of Manpower since January, 2002
Jean-Pierre Lemonnier Age 46	Executive Vice President of Manpower and President of Manpower France since April, 2002. Managing Director of Manpower France from March, 2002 to April, 2002. Director of Operations, Manpower France from April, 1998 to March, 2002. An employee of Manpower since April, 1998.
Yoav Michaely Age 48	Executive Vice President and Managing Director of Europe, Middle East and Africa for Manpower since April, 2002. Senior Vice President of Manpower and Managing Director – European Region from December, 1999 to April, 2002. Regional Director - Southern Europe from September, 1996 to December, 1999. An employee of Manpower since 1985.
Owen Sullivan Age 47	Executive Vice President of Manpower Inc., and CEO for Right Management Consultants and Jefferson Wells since January 2005; Chief Executive Officer of Jefferson Wells International, Inc. from April 2003 to January 2005; Independent consultant from 2002 to 2003; President of the Financial Services Group – Metavante Corporation from 1999 to 2003. An employee of Manpower since April, 2003.

OTHER INFORMATION

The Audit Committee of our Board of Directors has approved the following audit-related and non-audit services performed for us by our independent registered public accounting firm, PricewaterhouseCoopers LLP during 2004:

(a) audit-related services including:

(i) assistance and consultation regarding current, proposed and newly adopted accounting pronouncements;

(ii) advisory services related to our Section 404 documentation;

(iii) reviews of the Company’s quarterly financial statements;

(iv) audits of the Company’s pension and other employee benefit plans;

(b) preparation and/or review of tax returns, including sales and use tax, excise tax, income tax, local tax, property tax, and value-added tax;

(c) consultation regarding appropriate handling of items on tax returns, required disclosures, elections and filing positions available to the Company

(d) assistance with tax audits and examinations, including providing technical advice on technical interpretations, applicable laws and regulations, tax accounting, foreign tax credits, foreign income tax, foreign earnings and profits, U.S. treatment of foreign subsidiary income, and value-added tax, excise tax or equivalent taxes in foreign jurisdictions;

(e) advice and assistance with respect to transfer pricing matters, including the preparation of reports used by the Company to comply with taxing authority documentation requirements regarding royalties and inter-company pricing, and assistance with tax exemptions;

(f) advice regarding tax issues relating to the Company’s internal reorganizations;

(g) assistance relating to reporting under and compliance with the federal securities laws and the rules and regulations promulgated thereunder, including the issuance of consents and comfort letters;

(h) issuing an audit opinion needed for subsidy declaration of foreign subsidiary;

(i) conducting a technical update seminar; and

(j) purchase of disclosure software.

PART II

Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The information required by this Item is set forth in our Annual Report to Shareholders for the fiscal year ended December 31, 2004, under the heading “Quarterly Data” (page 89) and “Corporate Information” (page 92), which information is hereby incorporated herein by reference.

Item 6. Selected Financial Data

The information required by this Item is set forth in our Annual Report to Shareholders for the fiscal year ended December 31, 2004, under the heading “Selected Financial Data” (page 91), which information is hereby incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Management's Discussion and Analysis of Financial Condition and Results of Operations set forth below differs from the MD&A contained in our 2004 Annual Report to Shareholders in that it contains a revised constant currency and organic constant currency presentation. Specifically, in the MD&A set forth below we have eliminated the presentation of Net Earnings Per Share - Diluted on a constant currency basis, revised the reconciliation of constant currency and organic constant currency to GAAP, placed the reconciliation after the segment results, and revised our disclosure regarding our use of these measures in evaluating our operating results. The revisions were made in response to comments that we received from the Staff of the Securities and Exchange Commission in connection with their review of our Annual Report on Form 10-K for the fiscal year ended December 31, 2003.

BUSINESS OVERVIEW

Manpower Inc. is a world leader in the employment services industry. Our global network of over 4,300 offices in 67 countries and territories allows us to meet the needs of our customers in all industry segments, whether they are global, multi-national or local companies. By offering a complete range of services, we can help any company – no matter where they are in their business evolution – raise productivity through improved strategy, quality, efficiency and cost reduction.

REVENUES FROM SERVICES
in millions ($)

2,041.1	United States
5,226.7	France
5,084.3	EMEA
340.6	Jefferson Wells
431.1	Right
1,806.2	Other Operations

OPERATING UNIT PROFIT
in millions ($)

49.3	United States
178.8	France
115.1	EMEA
51.4	Jefferson Wells
24.5	Right
46.0	Other Operations

We do this through the Manpower family of companies (see Principal Operating Units) which includes:

- Manpower – temporary and permanent staffing, employee assessment, and training
- Jefferson Wells – professional financial services
- Right Management Consultants – career transition and organizational consulting services
- Elan – IT recruitment and managed services

For example, to ensure that customers have the right person – with the right skills – when business demand is high, we offer permanent, temporary and contract recruitment, and employee assessment and training services. We also provide highly specialized professional services, such as internal audit and controls, technology risk management, tax, finance and accounting services. If customers are searching for ways to work "smarter," we also offer a wide range of organizational consulting services such as strategic talent management and leadership development. On the other hand, if a customer's business demand is low, we offer career transition (outplacement) services. We also offer managed services if a customer wants to outsource a complete business function with us, such as call center, help desk, recruiting, or manufacturing operations. This balanced business mix allows us to offset the cyclical affects of the national economies in which we operate.

Our leadership position also allows us to be a center for quality employment opportunities for people at all different points in their career paths. Each year, we employ more than two million people who work to help our more than 400,000 customers meet their business objectives. Laborers, seasoned professionals, mothers returning to work, elderly persons wanting to supplement pensions and disabled individuals – all turn to Manpower for employment. Similarly, governments of the nations in which we operate look to us to help them reduce unemployment and train the unemployed with the skills they need to enter the workforce. In this way, Manpower is a bridge to permanent employment for those who desire it.

Our industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of U.S. Dollars in annual revenues. It is also a highly competitive industry, reflecting several trends in the global marketplace, notably increasing demand for skilled people and consolidation among customers and in the employment services industry itself.

We manage these trends by leveraging established strengths, including one of the employment services industry's best-recognized brands; geographic diversification; size and service scope; an innovative product mix; and a strong customer base. While staffing is an important aspect of our business, our strategy is focused on providing both the skilled employees our customers need and high-value workforce management solutions.

Customer demand for employment services is dependent on the overall strength of the labor market and secular trends toward greater workforce flexibility within each of the countries in which we operate. Improving economic growth typically results in increasing demand for labor, resulting in greater demand for our services. Correspondingly, during periods of weak economic growth or economic contraction, the demand for our staffing services typically declines, while demand for our career transition services accelerates.

During the last several years, secular trends toward greater workforce flexibility have had a favorable impact on demand for our services in several markets. As companies attempt to increase the variability of their cost base, contemporary work solutions help them to effectively address the fluctuating demand for their products or services. Due to our industry's dependence on economic factors, the inherent difficulty in forecasting the direction and strength of the economy and the short-term nature of staffing assignments, it is difficult to forecast future demand for our services with any certainty. As a result, we monitor a number of economic indicators, as well as recent business trends, to predict future revenue growth trends. Based upon these anticipated trends, we determine whether additional personnel and office investments are necessary to take full advantage of growth opportunities.

Our staffing business is organized and managed primarily on a geographic basis, and Jefferson Wells and Right are operated as separate global business units. Each country and business unit primarily has its own distinct operations, and is managed locally by its own management team. Each operation reports directly, or indirectly through a regional manager to a member of executive management. Given this reporting structure, all of our operations have been segregated into the following segments: United States; France; EMEA (Europe, Middle East and Africa, excluding France); Jefferson Wells; Right; and Other Operations.

The United States, France, EMEA, and Other Operations segments derive a significant majority of their revenues from the placement of temporary workers. The remaining revenues within these segments are derived from other human resource services, including permanent employee recruitment, temporary and permanent employee testing, selection, and training and development. Jefferson Wells' revenues are derived from internal audit and control services, technology risk management, tax, finance and accounting services. The Right segment revenues are derived from career transition (outplacement) services and organizational-performance consulting. Segment revenues represent sales to external customers. Due to the nature of our business, we do not have export or intersegment sales. We provide services to a wide variety of customers, none of which individually comprise a significant portion of revenue for us as a whole and by segment, except for Jefferson Wells, in which approximately 19% of Jefferson Wells' revenues for 2004 were generated from providing services to one customer.

CONSTANT CURRENCY

Changes in our revenues and operating profits include the impact of changes in foreign currency exchange rates and acquisitions and dispositions. We provide "constant currency" and "organic constant currency" calculations in this annual report to remove the impact of these items. We typically express year-over-year variances that are calculated in constant currency and organic constant currency as a percentage.

When we use the term "constant currency," it means that we have translated financial data for a period into U.S. Dollars using the same foreign currency exchange rates that we used to translate financial data for the previous period. We believe that this calculation is a useful measure, indicating the actual growth of our operations. We utilize constant currency results in our analysis of subsidiary or segment performance. We also use constant currency when analyzing our performance against that of our competitors. Earnings from our subsidiaries are not generally repatriated to the United States, and we typically do not incur significant gains or losses on foreign currency transactions with our subsidiaries. Therefore, changes in foreign currency exchange rates primarily impact only reported earnings and not our actual cash flow or economic condition.

When we use the term "organic constant currency," it means that we have further removed the impact of acquisitions in the current period and dispositions from the prior period from our constant currency calculation. We believe that this calculation is useful because it allows us to show the actual growth of our pre-existing business. The results of companies we acquire or dispose of are included in or excluded from our financial results on and after the date on which the acquisition or disposition is complete. As a result, these types of transactions distort the reported year-over-year trends in our financial results because the results of acquired companies are not included in our prior year results and the results of companies we dispose of are included in prior year but not current year results. Therefore, we believe it is more meaningful to present trend information without the impact of acquisitions and dispositions.

Constant currency and organic constant currency percent variances, along with a reconciliation of these amounts to certain of our reported results, are included on page 24.

RESULTS OF OPERATIONS – YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

Consolidated Results – 2004 compared to 2003

Revenues from Services increased 22.5% to $14.9 billion. Revenues were favorably impacted by changes in foreign currency exchange rates during the period due to the weakening of the U.S. Dollar relative to the currencies in most of our non-U.S. markets. In constant currency, revenues increased 14.1%. Revenues were also favorably impacted by acquisitions, primarily the acquisition of Right Management Consultants, Inc. ("RMC"). Revenues increased 19.2% excluding acquisitions or 10.9% on an organic constant currency basis. This growth rate is a result of improving economic conditions and increased demand for our services in all of our major markets, particularly EMEA and Jefferson Wells, where revenues increased 18.0% and 149.6% respectively, on a constant currency basis.

Gross Profit increased 30.5% to $2.8 billion in 2004. The Gross Profit Margin increased 120 basis points (1.2%) to 18.7% in 2004 from 17.5% in 2003. Gross Profit growth from acquisitions, primarily from RMC, was approximately $220 million, which favorably impacted the Gross Profit Margin by 100 basis points (1.0%). Excluding acquisitions, Gross Profit Margin was 17. 7% in 2004, an increase of 20 basis points (0.2%) over the Gross Profit Margin of 17.5% in 2003. This improvement is a result of the change in the mix of services provided, toward those with higher Gross Profit Margins. Approximately one-half of this improvement is due to the relatively higher growth at Jefferson Wells, with the remaining improvement a result of an increase in our permanent placement business, particularly in the EMEA and the Other Operations segments. While we saw Gross Profit Margin improvement in our temporary staffing business in several markets, this improvement was offset by decreases in others due to increased social costs, including increased U.S. workers' compensation costs and state unemployment taxes.

Selling and Administrative Expenses increased 27.3% during 2004 or 19.1% in constant currency. This increase is primarily in response to the increase in business volume and the impact of acquisitions, including the intangible asset amortization of $12.3 million in 2004 resulting from the RMC acquisition. Excluding the impact of acquisitions, these expenses increased 16.6%, or 8.9% on an organic constant currency basis. As a percent of revenues, Selling and Administrative Expenses were 16.0% in 2004 compared to 15.4% in 2003. This ratio is impacted by the acquisition of RMC, because RMC has a different cost structure than our existing business. Excluding acquisitions, Selling and Administrative Expenses were 15.1% of revenues in 2004, an improvement of 30 basis points (.3%) from 2003. This improvement reflects continued productivity gains in conjunction with the revenue growth, as we were able to leverage our office network.

Operating Profit increased 53.5% over 2003, with an Operating Profit Margin of 2.7% in 2004 compared to 2.1% in 2003. On a constant currency basis, Operating Profit increased 43.0%. Excluding the impact of acquisitions, Operating Profit increased 46.0%, or 35.7% on an organic constant currency basis in 2004. Operating Profit Margin, excluding acquisitions, improved to 2.6% in 2004 compared to 2.1% in 2003. This improvement in Operating Profit Margin is due to the increase in Gross Profit Margin coupled with the productivity gains.

Interest and Other Expense is comprised of interest, foreign exchange gains and losses, and other miscellaneous non-operating income and expenses. In total, Interest and Other Expenses decreased $9.5 million in 2004 from 2003. Net Interest Expense was $36.0 million in 2004 compared to $33.4 million in 2003. This increase is primarily due to increased interest rates and the impact of higher exchange rates on our euro-denominated interest expense, offset by higher interest income. Foreign exchange gains and losses primarily result from intercompany transactions between our foreign subsidiaries and the United States. Such gains were $1.6 million and $1.3 million in 2004 and 2003, respectively.

Miscellaneous Income (Expense), Net, was income of $8.1 million in 2004 compared to expense of $3.7 million in 2003. The income in 2004 includes non-operating gains of $14.2 million ($0.11 per diluted share), primarily related to the sale of our equity interest in a European internet job board during the first quarter of 2004. Net proceeds from this transaction were $29.8 million.

We provided for income taxes at a rate of 33.5% in 2004 and 38.0% in 2003. Included in the 2004 rate is the impact of the non-operating gains recorded in the first quarter and the reversal of an $8.0 million tax contingency reserve in the third quarter. Excluding these items, our rate for 2004 would have been 36.0%. This rate is higher than the U.S. Federal statutory rate of 35% due to higher foreign income tax rates and $9.5 million of taxes recorded on the unremitted earnings of foreign subsidiaries, offset by the tax benefits, including the reversal of $16.7 million of valuation allowances, of certain internal corporate restructurings and transactions.

Net Earnings Per Share - Diluted increased 53.3% to $2.59 in 2004 compared to $1.69 in 2003. The higher foreign currency exchange rates positively impacted Net Earnings Per Share - Diluted by approximately $0.14 in 2004. On an undiluted basis, Net Earnings Per Share was $2.76 in 2004 compared to $1.77 in 2003.

During September 2004, the Emerging Issues Task Force (“EITF”) issued Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings Per Share”(“EITF 04-8”), which requires the effect of contingently convertible debt securities with a market price trigger to be included in the calculation of diluted earnings per share, using the “if-converted” method, regardless of whether the market price trigger has been met. EITF 04-8 also requires restatement of previously reported earnings. Our convertible debentures, issued August 2001, have such a feature, and therefore we have restated Net Earnings Per Share - Diluted for all periods since the issuance. (See note 3 to the consolidated financial statements for further information.)

Consolidated Results – 2003 compared to 2002

Revenues from Services increased 14.8% to $12.2 billion. Revenues were favorably impacted during the year by changes in foreign currency exchange rates due to the weakening of the U.S. Dollar relative to the currencies in most of our non-U.S. markets. In constant currency, revenues increased 2.2%. Revenue growth in 2003 attributable to acquisitions was approximately $21.3 million or 0.2% of revenue. On an organic constant currency basis, revenues increased by 2.0%. This growth rate is a result of increased activity in the Other Operations segment with stable revenue levels in the other markets.

Gross Profit increased 11.9% to $2.1 billion during 2003. The Gross Profit Margin declined 50 basis points (.5%) to 17.5% in 2003 from 18.0% in 2002. This decrease was attributable to higher payroll taxes and social costs, increased pricing pressures throughout the world, changes in the service mix of business (from higher margin service lines to lower margin service lines) and changes in the geographical mix of business (as revenue growth in countries with lower Gross Profit Margins, such as France, was higher than in some countries with higher Gross Profit Margins). Gross Profit growth from acquisitions was approximately $2.5 million and had an insignificant impact on Gross Profit Margin.

Selling and Administrative Expenses increased 12.1% during 2003. This increase is primarily due to the changes in exchange rates, as these expenses increased only 0.6% on a constant currency basis. As a percent of revenues, Selling and Administrative Expenses were 15.4% in 2003 compared to 15.8% in 2002. This improvement is a result of continued productivity gains and careful expense management in conjunction with growing revenues.

Operating Profit increased 9.9% during 2003, however on a constant currency basis, Operating Profit declined 6.6%. The Operating Profit Margin was 2.1% compared to 2.2% for 2002. The Operating Profit level primarily reflects the improved leveraging of the business offset by the Gross Profit Margin declines. Acquisitions made during 2003 decreased Operating Profit by approximately $0.2 million. Excluding the impact of acquisitions, Operating Profit increased 9.8% during 2003, however on an organic constant currency basis, Operating Profit decreased 6.6%. Acquisitions had no impact to Operating Profit Margin in 2003.

Interest and Other Expense is comprised of interest, foreign exchange gains and losses, and other miscellaneous non-operating income and expenses. In total, Interest and Other Expense decreased $11.0 million from 2002 to 2003. Net interest expense was $33.4 million in 2003 and 2002. Average borrowing levels were lower throughout 2003 compared to 2002, however the impact of this was offset by our Euro-denominated interest expense which was translated at higher rates in 2003. Foreign exchange gains and losses primarily result from intercompany transactions between our foreign subsidiaries and the United States. Such gains were $1.3 million and $1.8 million in 2003 and 2002, respectively.

Miscellaneous Expenses, Net, were $3.7 million in 2003 compared to $15.2 million in 2002. In the fourth quarter of 2002, we recorded a charge of $5.1 million ($2.9 million net of tax, or $0.04 per share) related to a writedown of equity security investments where the decline in market value was determined to be other-than-temporary, as defined by Statement of Financial Accounting Standards (“SFAS”) No. 115, “Accounting for Certain Debt and Equity Securities.”

We provided for income taxes at a rate of 38.0% in 2003. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates and valuation reserves recorded against foreign net operating losses. This rate is lower than the 2002 effective tax rate of 39.8% due to an increase in the foreign tax credits used to offset the U.S. taxes on foreign earnings, offset somewhat by a shift in the mix of taxable income toward countries with relatively higher tax rates.

Net Earnings Per Share – Diluted increased 19.0% to $1.69 in 2003 compared to $1.42 in 2002. Net Earnings Per Share – Diluted in 2003 was positively impacted by the higher foreign currency exchange rates during the year by approximately $0.27. On an undiluted basis, Net Earnings Per Share was $1.77 in 2003 compared to $1.48 in 2002.

Segment Results

U.S. – The United States operation is comprised of 591 Company-owned branch offices and 345 stand alone franchise offices. Revenues in the United States consist of sales of our Company-owned branch offices and fees from our franchise operations. Revenues for the year were $ 2.0 billion, an increase of 4.9%, and include franchise fees of $25.0 million. Franchise fees are primarily based on revenues generated by the franchise network, which were $1.2 billion in 2004.

U.S. REVENUES
in millions ($)

1,911.4 (-4.6%)	2002
1,945.8 (+1.8%)	2003
2,041.1 (+4.9%)	2004

U.S. OPERATING UNIT PROFIT
IN MILLIONS ($)

29.2 (-0.8%)	2002
33.7 (+15.2%)	2003
49.3 (+46.4%)	2004

Revenues in the United States accelerated through the first half of the year, after beginning the year slightly below prior year levels. Revenue growth stabilized in the second half of the year with growth exceeding 6% in both the third and fourth quarters (excluding the impact of Transpersonnel, our trucking operation that was disposed of in July 2004). Fueling this improving growth was an increase in demand for our light industrial and industrial skilled staff, which represents approximately 48% of our U.S. revenues. Revenue growth from placement of these skills increased nearly 20% from the prior year, reflecting an improvement of the U.S. manufacturing sector. Revenue from office and specialty skills lagged the prior year, however, the rate of contraction improved as we progressed through the year.

The Gross Profit Margin declined compared to the prior year due to increases in employment-related costs such as state unemployment taxes and workers' compensation. While we were able to recover a substantial portion of these increases through higher bill rates, the competitive market environment did not allow us to fully recover all of these cost increases.

Selling and Administrative Expenses trended favorably downward 0.9% during the year, primarily due to a reduction in personnel costs and branch office related costs. This cost reduction, combined with our revenue growth, reflects strong gains in productivity and our ability to leverage excess capacity across our U.S. branch office network.

Operating Unit Profit for the year increased by 46.4% to $49.3 million. Our Operating Unit Profit Margin increased to 2.4% of revenues from 1.7%, as our productivity enhancements more than offset the decline in Gross Profit Margin.

France – Revenues in France increased 12.7% to $5.2 billion. In Euros, French Revenues increased 2.8% to €4.2 billion. The majority of this revenue increase reflects hourly rate increases as volumes increased only slightly during the year. Revenue growth in Euro was modest in the first half of the year, growing by 2.7%, followed by softening in the third quarter to 1.0% and then accelerating to 4.9% in the fourth quarter of the year. Gross Profit Margins declined compared to the prior year, even after excluding adjustments to our estimated liability related to social program remittances in each year. (In 2004, there was an unfavorable adjustment of $12.8 million, and in 2003, there was a $16.1 million favorable adjustment.) This decline reflects increasing price competition from large and small competitors, partially due to their expansion of office network capacity during a period of nominal growth in the total staffing market.

FRANCE REVENUES
in millions ($)

3,848.2 (+2.2%)	2002
4,638.8 (+20.5%)	2003
5,226.7 (+12.7%)	2004

FRANCE OPERATING UNIT PROFIT
in millions ($)

143.6 (+5.8%)	2002
184.0 (+28.2%)	2003
178.8 (-2.8%)	2004

Selling and Administrative Expenses were well controlled during the year, decreasing slightly from 2003 despite continued investment in new offices. A total of 49 new offices were opened during the year, bringing the total office count to 1,127.

Operating Unit Profit was $178.8 million, a decrease of 2.8% from the prior year. Operating Unit Profit Margin was 3.4%, a decrease from 3.9% in 2003. Operating Unit Profit was unfavorably impacted by the adjustment for social program remittances in 2004, and favorably impacted by the adjustments in 2003, as discussed above.

During 2004, a new law in France ended the French Job Center’s (ANPE’s) control of the placement of the unemployed. As a result of this law change, temporary staffing companies are allowed to offer placement and recruitment services beginning January 1, 2005. We expect these services will have a long-term benefit on our French business, but will not have a significant impact on 2005 results due to investments required to grow this service line.

EMEA – The EMEA region includes our operations in Europe, the Middle East and Africa (excluding France), which covers a total of 18 countries delivering services through 1,400 offices. In addition to employment services delivered under the Manpower brand, this region also includes Elan, which is a leading IT recruitment, staffing and managed services firm operating across 16 countries in the region, and Brook Street, which provides general staffing and recruitment services primarily in the United Kingdom.

EMEA REVENUES
in millions ($)

3,434.9 (+.2%)	2002
3,920.2 (+14.1%)	2003
5,084.3 (+29.7%)	2004

EMEA OPERATING UNIT PROFIT
in millions ($)

83.0 (-21.6%)	2002
51.7 (-37.7%)	2003
115.1 (+122.4%)	2004

Geographically, the largest operations in this segment are the U.K., which comprises 27% of EMEA revenues, Germany, Italy, the Netherlands, Norway, Spain and Sweden, which combined comprise 52% of EMEA revenues. Elan comprises 11% of EMEA revenues.

Revenues in EMEA increased 29.7% to $5.1 billion, or 18.0% in constant currency. Constant currency revenue growth accelerated in the first half of the year and stabilized at 20% for the second half of the year. Fueling this strong revenue growth were investments in new offices, implementation of effective sales initiatives and positive secular trends in the usage of flexible staffing services. Revenue growth improved at all entities in the region, with significant local currency growth coming from Belgium (+27.3%), Elan (+24.6%), Italy (+18.9%) and Germany (+17.4%).

The Gross Profit Margin for the full year was slightly below the prior year, but was stable with the prior year in the second half of the year. The decline in Gross Profit Margin is due to competitive pricing pressure in certain markets and changing business mix, partially offset by the favorable impact of growth in permanent placement fees.

Selling and Administrative Expenses increased 22.3%, or 11.4% in constant currency. This growth in expenses reflects the necessary investments to support the rapid revenue growth. Additionally, we were able to achieve significant productivity gains, as we were able to leverage our existing office infrastructure.

Operating Unit Profit more than doubled to $115.1 million, an increase of 122.4%, or 104.1% in constant currency. The Operating Unit Profit Margin increased to 2.3% from 1.3%, reflecting the significant productivity gains.

Jefferson Wells – Jefferson Wells provides highly skilled project personnel along three primary business lines – internal audit and controls, technology risk management, tax and finance and accounting compliance. Our services are provided through 37 offices, which include major United States metropolitan markets, Toronto and London. The majority of employees assigned by Jefferson Wells are full-time company employees and therefore employee utilization is a significant factor in determining Gross Profit Margins.

JEFFERSON WELLS REVENUES
in millions ($)

141.7 (+105.5%)	2002
136.4 (-3.7%)	2003
340.6 (+149.6%)	2004

JEFFERSON WELLS OPERATING UNIT PROFIT
in millions ($)

(8.3) (N/A)	2002
(9.9) (N/A)	2003
51.4 (N/A)	2004

Revenues increased dramatically during the year, to $340.6 million from $136.4 million in 2003. This significant growth was primarily fueled by increased customer demand for technology risk management and internal audit and control services. Included in these services are personnel who assist companies in complying with the Sarbanes-Oxley Act legislation.

Revenue trends grew sequentially throughout the year, and reached their peak levels in October. Revenues in the fourth quarter were $102.9 million, down 7.0% sequentially from the third quarter of 2004. This decline, which may continue into 2005, reflects a lower level of demand for our services as companies complete the initial stages of Sarbanes-Oxley compliance.

Gross Profit Margins have improved by more than 650 basis points (6.5%) over the prior year and are in excess of 40% for 2004. This improvement primarily reflects the improved utilization of employees assigned to customer engagements.

Selling and Administrative Expenses increased by 56.7% as we continued to invest in new office openings and additional personnel to support the rapid revenue growth. As a percentage of revenues, these expenses declined dramatically as we were able to grow into office capacity, in which we had invested in previous years.

Operating Unit Profit was $51.4 million or 15.1% of revenue, reflecting the high employee utilization levels and expense leveraging discussed earlier.

Right – On January 22, 2004, we completed our exchange offer to acquire RMC, the world's largest career transition and organizational consulting services firm, operating through approximately 300 offices in 35 countries. The results of RMC's operations are included in our consolidated financial statements since that date. The acquisition of RMC expands the range of services that we offer to customers as a strategic partner through every stage of the employment cycle. We have merged our Empower operations into RMC, and the results of the combined entity are reported as the Right segment.

RIGHT REVENUES[a]
in millions ($)

54.4 (+36.5%)	2002
66.9 (+23.0%)	2003
431.1 (N/A)	2004

RIGHT OPERATING UNIT PROFIT
in millions ($)

(4.5) (N/A)	2002
(2.3) (N/A)	2003
24.5 (N/A)	2004

[a] Represents the operations of Right Management Consultants, Inc., since its acquisition in January 2004, and the Empower Group.

Right's revenues for the year are $431.1 million, of which, approximately 65% relates to career transition services and 35% relates to organizational consulting in 2004. Historically, the career transition services have a higher gross profit margin than the organizational consulting services.

During the first nine months of the year, demand for career transition services declined as the economy improved. Fourth quarter revenues, however, improved 4.3% sequentially due in part to seasonal factors. Demand for organizational consulting services has improved modestly during the course of the year as companies became more willing to invest in these services with an improving economy.

Operating Unit Profit for the year was $24.5 million, which is net of $8.1 million of integration costs related to the merger of Empower into RMC.

The Operating Unit Profit Margin for the year was 5.7%. This below-normal Operating Unit Profit Margin not only reflects the integration costs discussed above, but also reflects a transition period in adjusting expense levels to support lower revenue levels.

Other Operations – The Other Operations segment includes our operations in the Asia Pacific region, Canada, Mexico and South America, delivering service through 491 offices. Our largest country operation within this segment is Japan, which accounts for approximately 45% of the segment's revenues.

OTHER OPERATIONS REVENUES
in millions ($)

1,220.3 (+3.7%)	2002
1,476.4 (+21.0%)	2003
1,806.2 (+22.3%)	2004

OTHER OPERATIONS
OPERATING UNIT PROFIT
IN MILLIONS ($)

19.4 (+27.1%)	2002
40.1 (+106.7%)	2003
46.0 (+14.9%)	2004

Revenues in the region improved 22.3% to $1.8 billion, or 16.0% in constant currency. This strong local currency revenue growth was fueled by South America (+50.4%), Japan (+11.6%), Mexico (+15.0%), Australia (+10.3%) and Canada (+5.9%).

The Gross Profit Margin improved in the region primarily due to an increase in permanent placement fees. This improvement was partially offset by a decline in Gross Profit Margin in Japan, as increases in social costs were not fully recovered through higher bill rates due to competitive pressures.

Selling and Administrative Expenses increased 28.0%, or 21.3% in constant currency, reflecting increased investments in 52 new offices in the segment and additional personnel to support the growth of the permanent placement business.

Operating Unit Profit increased 14.9% to $46.0 million, or 8.5% in constant currency. The Operating Unit Profit Margin declined from 2.7% to 2.5% as Selling and Administrative Expense increases exceeded the gains in Gross Profit Margin.

FINANCIAL MEASURES – CONSTANT CURRENCY AND ORGANIC CONSTANT CURRENCY RECONCILIATION

Certain constant currency and organic constant currency percent variances are discussed throughout this annual report. A reconciliation to the percent variances calculated based on our annual financial results is provided below. (See Constant Currency on page 17 for further information.)

	Reported Amount (In Millions)	Reported Variance	Impact Of Currency	Variance In Constant Currency	Impact of Acquisitions/ Dispositions (In Constant Currency)	Organic Constant Currency Variance
Amounts represent 2003						
Percentages represent 2003 compared to 2002						
Revenues from Services						
United States	$ 1,945.8	1.8%	— %	1.8%	1.1%	.7%
France	4,638.8	20.5	19.6	.9		
EMEA	3,920.2	14.1	14.4	(.3)		
Jefferson Wells	136.4	(3.7)	—	(3.7)		
Right(a)	66.9					
Other Operations	1,476.4	21.0	6.6	14.4		14.4
Manpower Inc.	12,184.5	14.8	12.6	2.2	.2	2.0
Gross Profit - Manpower Inc.	2,136.8	11.9	12.2	(.3)	.2	(.5)
Operating Unit Profit						
United States	33.7	15.2	—	15.2		
France	184.0	28.2	20.8	7.4		
EMEA	51.7	(37.7)	7.7	(45.4)		
Jefferson Wells	(9.9)					
Right	(2.3)					
Other Operations	40.1	106.4	12.4	94.0		
Operating Profit - Manpower Inc.	257.9	9.9	16.5	(6.6)	—	(6.6)
Amounts represent 2004						
Percentages represent 2004 compared to 2003						
Revenues from Services						
United States	$ 2,041.1	4.9%	— %	4.9%	(1.0)%	5.9%
France	5,226.7	12.7	9.9	2.8		
EMEA	5,084.3	29.7	11.7	18.0	1.6	16.4
Jefferson Wells	340.6	149.6	—	149.6		
Right	431.1					
Other Operations	1,806.2	22.3	6.3	16.0		
Manpower Inc.	14,930.0	22.5	8.4	14.1	3.2	10.9
Gross Profit - Manpower Inc.	2,788.1	30.5	8.5	22.0	9.9	12.1
Operating Unit Profit						
United States	49.3	46.4	—	46.4		
France	178.8	(2.8)	8.2	(11.0)		
EMEA	115.1	122.4	18.3	104.1		
Jefferson Wells	51.4					
Right	24.5					
Other Operations	46.0	14.9	6.4	8.5		
Operating Profit - Manpower Inc.	395.8	53.5	10.5	43.0	7.3	35.7

(a) Represents the operations of Right Management Consultants, Inc. (“RMC”), since its acquisition in January 2004, and the Empower Group. Since RMC comprises most of this segment, the year-over-year variances are not meaningful and have been excluded from the above information.

CASH SOURCES AND USES

Cash used to fund our operations is primarily generated through operating activities and our existing credit facilities. We believe that our internally generated funds and our existing credit facilities are sufficient to cover our near-term projected cash needs.

Our principal ongoing cash needs are to finance working capital, capital expenditures, share repurchases, debt payments, and acquisitions. Working capital is primarily in the form of trade receivables, which generally increase as revenues increase. The amount of financing necessary to support revenue growth depends on receivable turnover, which differs in each market in which we operate.

During 2004, cash provided by operating activities was $187.4 million, compared to $223.4 million for 2003 and $227.9 million for 2002. The strong results reflect the impact of our focus on working capital management over the past few years. The change in 2004 from 2003 is due primarily to the higher working capital requirements to fund the growth in our business, offset by the higher earnings level in 2004.

Accounts receivable increased to $3,227.8 million as of December 31, 2004 from $2,600.9 million as of December 31, 2003. This increase is primarily due to increased business volumes, the acquisition of RMC, and changes in foreign currency exchange rates. At constant exchange rates, the 2004 Accounts Receivable balance would have been approximately $190 million less than reported. Days Sales Outstanding ("DSO") has remained relatively stable during 2004, and has decreased one day since 2002. However, this calculation is impacted by the effect of exchange rates on our mix of accounts receivable by country. Excluding that impact, we have reduced DSO by approximately two days compared to 2002.

One of our wholly-owned U.S. subsidiaries has an agreement to transfer, on an ongoing basis, up to $200.0 million of an interest in its Accounts Receivable. The terms of this agreement are such that transfers do not qualify as a sale of accounts receivable. Accordingly, any advances under this agreement are reflected as debt on the consolidated balance sheets. Prior to an amendment to the agreement in November 2002, transfers of accounts receivable qualified as a sale and the related amount of accounts receivable was removed from our consolidated balance sheets. In July 2004, we amended the agreement to extend it to July 2005. All other terms remain substantially unchanged. No amounts were advanced under this facility as of December 31, 2004 and 2003.

Capital expenditures were $67.9 million, $55.5 million, and $58.5 million during 2004, 2003 and 2002, respectively. These expenditures are primarily comprised of purchases of computer equipment, office furniture and other costs related to office openings and refurbishments, as well as capitalized software costs of $2.7 million, $8.2 million, and $17.7 million in 2004, 2003, and 2002, respectively.

From time to time, we acquire and invest in companies throughout the world, including U.S. franchises. The total cash consideration for such transactions was $117.3 million, $6.7 million, and $33.5 million in 2004, 2003 and 2002, respectively. The 2004 amount includes the payment of acquisition-related costs and the $123.8 million repayment of RMC's long-term debt that we were required to make due to change of control provisions contained in the agreements. We financed the acquisition-related costs and this repayment with excess cash and borrowings under our U.S. Receivables Facility, which was repaid in 2004. Cash acquired of approximately $39.5 million offsets these payments. In 2003 and 2002, in addition to the cash consideration, we acquired ownership interests in certain U.S. franchises in exchange for approximately 13,000 and 592,000 shares of our common stock, respectively, which had an aggregate market value of $0.7 million and $21.9 million, respectively, at the dates of acquisition.

On January 22, 2004, we completed our exchange offer to acquire RMC for $630.6 million. The purchase price includes the issuance of 8,852,000 shares of our common stock valued at $48.40 per share ($428.4 million); the fair value of 1,962,000 options in our common stock that resulted from our assuming both of RMC's stock option plans ($59.5 million); the repayment of RMC's long-term debt ($123.8 million); the payment of acquisition-related costs, net of tax ($11.5 million); a severance payment and accelerated vesting of RMC's Supplemental Executive Retirement Plan, net of tax ($6.0 million); and other items ($1.4 million). (See note 2 to our consolidated financial statements for further information.)

In connection with the acquisition of RMC, we have established reserves for severances and other office closure costs to streamline RMC's worldwide operations that total $24.5 million. We have recorded a net deferred tax asset of $6.5 million related to these items. During 2004, approximately $7.8 million was paid from these reserves. Of the remaining balance, approximately $15.1 million will be paid during 2005, with the remaining $1.6 million to be paid thereafter.

Net borrowings were $5.7 million for 2004, compared to repayments of $84.5 million for 2003, and $115.0 million for 2002. During 2004, 2003, and 2002, we used excess cash to pay down borrowings under various facilities when appropriate. Proceeds from Long-Term Debt and Repayments of Long-Term Debt include activity related to our commercial paper program.

In October 2004, the Board of Directors authorized the repurchase of 5 million shares of our common stock, not to exceed a total purchase price of $250.0 million. Share repurchases may be made from time to time and may be implemented through a variety of methods, including open market purchases, block transactions, privately negotiated transactions, accelerated share repurchase programs, forward repurchase agreements or similar facilities. This repurchase authorization replaces all previous authorizations. As of December 31, 2004, there were no shares repurchased under this authorization, however, as of February 18, 2005, 925,000 shares have been repurchased at a total cost of $41.0 million. There were no share repurchases in 2003 and a total of 900,000 shares at a cost of $30.7 million were repurchased in 2002 under a previous authorization.

During 2004, 2003, and 2002, the Board of Directors declared two cash dividends for a total of $0.30, $0.20, and $0.20 per share, respectively. Our total dividend payments were $27.1 million, $15.6 million, and $15.3 million in 2004, 2003, and 2002, respectively.

We have aggregate commitments of $1,614.2 million related to debt repayments, operating leases, acquisition-related severances and office closure costs, and certain other commitments, as follows:

in Millions	2005	2006	2007	2008	2009	Thereafter
Long-term debt	$215.6	$539.0	$ 0.6	$ 1.0	$135.5	$ —
Short-term borrowings	10.1	—	—	—	—	—
Operating leases	172.1	136.0	95.2	67.2	49.4	92.5
Acquisition-related severances and other office closure costs	15.1	0.4	0.4	0.4	0.4	—
Other	26.1	13.4	9.2	5.5	5.8	23.3
	$439.0	$688.8	$105.4	$74.1	$191.1	$ 115.8

We also have entered into guarantee contracts and stand-by letters of credit that total approximately $115.3 million and $135.4 million as of December 31, 2004 and 2003, respectively ($37.6 million and $68.7 million for guarantees, respectively, and $77.7 million and $66.7 million for stand-by letters of credit, respectively). Guarantees primarily relate to indebtedness, bank accounts, and leases. The stand-by letters of credit relate to workers' compensation, operating leases and indebtedness. If certain conditions were met under these arrangements, we would be required to satisfy our obligation in cash. Due to the nature of these arrangements and our historical experience, we do not expect to make any significant payments under these arrangements. Therefore, they have been excluded from our aggregate commitments identified above.

CAPITAL RESOURCES

Total capitalization as of December 31, 2004 was $3,075.8 million, comprised of $901.8 million in debt and $2,174.0 million in equity. Debt as a percentage of total capitalization was 29% as of December 31, 2004 compared to 39% as of December 31, 2003. This decrease is primarily a result of the equity issued in connection with the acquisition of RMC.

Total capitalization
in millions ($)

Debt	Equity	Total	
557.5	740.4	1,297.9	2000
834.8	814.3	1,649.1	2001
821.8	999.9	1,821.7	2002
841.7	1,310.3	2,152.0	2003
901.8	2,174.0	3,075.8	2004

We have $435.4 million in aggregate principal amount at maturity of unsecured zero-coupon convertible debentures, due August 17, 2021 (“Debentures”), with a carrying value of $265.3 million as of December 31, 2004. These Debentures were issued in August 2001 at a discount to yield an effective interest rate of 3% per year, and they rank equally with all of our existing and future senior unsecured indebtedness. There are no scheduled cash interest payments associated with the Debentures.

The Debentures are convertible into 6.1 million shares of our common stock if the closing price of our common stock on the New York Stock Exchange exceeds specified levels, or in certain other circumstances.

Holders of the Debentures may require us to purchase these Debentures at the issue price, plus accreted original issue discount, on the first, third, fifth, tenth and fifteenth anniversary dates. We have the option to settle this obligation in cash, common stock, or a combination thereof. There were no Debentures “put” to us on the first anniversary date. On the third anniversary date, $0.1 million of principal amount at maturity of the Debentures was tendered for repurchase, resulting in a payment of approximately $0.1 million. Our intent is to settle any future “put” in cash. In the event of a significant change in the economic environment, we may choose to settle a future “put” with common stock, which would have a dilutive effect on existing shareholders. As of August 17, 2004, we may also now “call” the Debentures.

We have €150.0 million in unsecured notes due March 2005, at 6.25%, and €200.0 million in unsecured notes due July 2006, at 5.63%. We plan to repay the €150.0 million notes with cash or other available borrowing facilities when they come due. (See Significant Matters Affecting Results of Operations and notes 7 and 13 to the consolidated financial statements for further information.)

In October 2004, we entered into a new $625.0 million revolving credit agreement with a syndicate of commercial banks that expires in October 2009. The new agreement replaces our $450.0 million five-year revolving credit facility and $200.0 million 364-day revolving credit facility. Amounts borrowed under the $450.0 million five-year facility were transferred to this new facility.

The new revolving credit agreement allows for borrowings in various currencies and up to $150.0 million may be used for the issuance of stand-by letters of credit. Outstanding letters of credit totaled $77.7 million and $66.7 million as of December 31, 2004 and 2003, respectively. Additional borrowings of $411.8 million were available to us under this new revolving credit agreement as of December 31, 2004.

The interest rate and facility fee on the new agreement, as well as the fee paid for the issuance of letters of credit on the facility, vary based on our public debt ratings and borrowing level. The current interest rate is LIBOR plus .675% and the facility and issuance fees are .20% and .675%, respectively.

The new agreement requires, among other things, that we comply with a Debt-to-EBITDA ratio of less than 3.25 to 1 and a fixed charge ratio of greater than 2.00 to 1. As defined in the agreement, we had a Debt-to-EBITDA ratio of 1.84 to 1 and a fixed charge ratio of 2.69 to 1 as of December 31, 2004. Based upon current forecasts, we expect to be in compliance with these covenants throughout the coming year.

There were no borrowings outstanding under our $125.0 million U.S. commercial paper program as of December 31, 2004 and 2003.

In addition to the previously mentioned facilities, we maintain separate bank facilities with foreign financial institutions to meet working capital needs of our foreign operations. As of December 31, 2004, such facilities totaled $295.0 million, of which $284.9 million was unused.

Our current credit rating from Moody's Corporation is Baa3 with a stable outlook and our credit rating from Standard & Poor's is BBB- with a stable outlook. Both of these credit ratings are investment grade.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts. A discussion of the more significant estimates follows. Management has discussed the development, selection and disclosure of these estimates and assumptions with the Audit Committee of our Board of Directors.

Allowance for Doubtful Accounts

We have an Allowance for Doubtful Accounts recorded as an estimate of the Accounts Receivable balance that may not be collected. This allowance is calculated on an entity-by-entity basis with consideration for historical write-off experience, the current aging of receivables and a specific review for potential bad debts. Items that affect this balance mainly include bad debt expense and write-offs of accounts receivable balances.

Bad Debt Expense, which increases our Allowance for Doubtful Accounts, is recorded as a Selling and Administrative Expense and was $27.3 million, $16.7 million, and $18.2 million for 2004, 2003, and 2002, respectively. Factors that would cause this provision to increase primarily relate to increased bankruptcies by our customers and other difficulties collecting amounts billed. On the other hand, an improved write-off experience and aging of receivables would result in a decrease to the provision.

Write-offs, which decrease our Allowance for Doubtful Accounts, are recorded as a reduction to our Accounts Receivable balance and were $21.9 million, $19.5 million, and $18.4 million, for 2004, 2003 and 2002, respectively.

Employment-Related Items

The employment of temporary workers and permanent staff throughout the world results in the recognition of liabilities related to defined benefit pension plans, self-insured workers' compensation, social program remittances and payroll tax audit exposures that require us to make estimates and assumptions in determining the proper reserve levels.

We sponsor several qualified and nonqualified pension plans covering permanent employees. The most significant plans are located in the United States, France, the United Kingdom, Japan and other European countries. Annual expense relating to these plans is recorded as Selling and Administrative Expense, in accordance with the accounting rules generally accepted in the United States. The calculations of annual pension expense and the pension liability required at year-end include various actuarial assumptions such as discount rates, expected rate of return on plan assets, compensation increases and employee turnover rates. Changes to any of these assumptions will impact the level of annual expense recorded related to the plans. We review the actuarial assumptions on an annual basis and make modifications to the assumptions as necessary. (See note 9 to the consolidated financial statements for further information.)

In the United States, we are self-insured in most states for workers' compensation claims for our temporary workers. We determine the proper reserve balance using an actuarial valuation, which considers our historical payment experience and current employee demographics. Our reserve for such claims as of December 31, 2004 and 2003 was $100.0 and $103.0 million, respectively. The workers' compensation expense is recorded as a component of Cost of Services. A significant increase in claims or changes in laws may require us to record more expense related to workers' compensation. On the other hand, significantly improved claim experience may result in a lower annual expense level.

In France, the government has various social programs that are aimed at reducing the cost of labor and encouraging employment, particularly for low-wage workers, through the reduction of payroll taxes (or social contribution). A portion of these payroll tax reductions is remitted to our customers in certain circumstances. We are required to make an estimate for the amount that will be remitted, which is recorded as a reduction of Revenue from Services. We make this estimate based on our historical experience, including related trends. To the extent that our experience differs from our estimate, we will need to make adjustments to our reserve balance, which will impact the results of our French operation. In addition, future changes to laws governing these payroll tax reductions may require us to revise our estimates, which may significantly impact our consolidated financial statements. In the fourth quarter of 2003, we reduced our estimated liability related to these remittances by $16.1 million due to the recent historical trends in the amounts remitted.

On a routine basis, governmental agencies in some of the countries in which we operate will audit our payroll tax calculations and our compliance with other payroll-related regulations. These audits focus primarily on documentation requirements and our support for our payroll tax remittances. Due to the nature of our business, the number of people that we employ, and the complexity of some payroll tax regulations, we may have some adjustments to the payroll tax remittances as a result of these audits. We make an estimate of the additional remittances that may be required and record the estimate as a component of Cost of Services. The estimate is based on the results of past audits, with consideration for changing business volumes and changes to the payroll tax regulations. To the extent that our actual experience differs from our estimates, we will need to make adjustments to our reserve balance, which will impact the results of the related operation and the operating segment in which it is reported.

In France, we are currently under audit for payroll tax remittances made during 2001 and for remittances made during 2002 and 2003. We have received a preliminary notification related to 2001 and have responded to the notification with additional information. During 2004, we increased our estimated liability related to these remittances by $12.8 million.

In the Netherlands, we are currently under audit for compliance with regulations related to the collection and maintenance of payroll-related documents for our temporary employees. We have not received any notification of findings related to this audit, however we currently do not expect any assessment to have a significant impact on the consolidated financial statements.

Deferred Revenue

We recognize revenue under the provisions of Staff Accounting Bulletin No. 104, “Revenue Recognition” (“SAB 104”). SAB 104 generally provides that revenue for time-based services be recognized over the average length of the services being provided. For the career transition line of business, we recognize revenue from individual programs on a straight-line basis over the average length of time for candidates to find jobs based on statistically valid data for the specific type of program. If statistically valid data is not available, then we recognize career transition revenue on a straight-line basis over the actual term of the agreements. For group programs and large projects within the career transition line of business, we defer and recognize revenue over the period in which the contracts are completed. The difference between the amount billed for career transition services and the amount recognized as revenue is recorded as Deferred Revenue, which is included in Accrued Liabilities on our consolidated balance sheets.

Significant factors impacting Deferred Revenue are the type of programs sold, the level of current billings for new programs and projects, and the average length of the programs. Over time, an increasing volume of new billings will generally result in higher amounts of Deferred Revenue, while decreasing levels of new billings will generally result in lower amounts of Deferred Revenue. As of December 31, 2004, we had $43.8 million of Deferred Revenue recorded.

Income Taxes

We account for income taxes in accordance with SFAS No. 109, “Accounting for Income Taxes.” Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating loss and tax credit carryforwards, and tax contingencies. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We record a valuation allowance against deferred tax assets for which utilization of the asset is not likely.

Our judgment is required in determining our deferred tax assets and liabilities, and any valuation allowances recorded. Our net deferred tax assets may need to be adjusted in the event that tax rates are modified, or our estimates of future taxable income change, such that deferred tax assets or liabilities are expected to be recovered or settled at a different tax rate than currently estimated. In addition, valuation allowances may need to be adjusted in the event that our estimate of future taxable income changes from the amounts currently estimated. We have tax contingencies recorded related to items in various countries. To the extent these items are settled in our favor, a portion of our recorded contingency will be reversed. To the extent items are settled for an amount greater than the amount we have recorded, an additional tax provision will be recorded.

We provide for income taxes on a quarterly basis based on an estimated annual tax rate. In determining this rate, we make estimates about taxable income for each of our largest locations worldwide, as well as the tax rate that will be in effect for each location. To the extent these estimates change during the year, or that actual results differ from these estimates, our estimated annual tax rate may change between quarterly periods and may differ from the actual effective tax rate for the year. For 2005, we expect our effective tax rate will be approximately 36.5%.

Goodwill and Indefinite-Lived Intangible Asset Impairment

In connection with SFAS No. 142, “Goodwill and Other Intangible Assets,” we are required to perform goodwill and indefinite-lived intangible asset impairment reviews, at least annually, using a fair-value-based approach. The majority of our goodwill and indefinite-lived intangible assets result from our acquisition of RMC. Our remaining goodwill relates primarily to our acquisitions of Elan and Jefferson Wells.

As part of our impairment reviews, we estimate fair value primarily by using a discounted cash flow analysis and, for certain larger reporting units, we may also consider market comparables. Significant assumptions used in this analysis include: expected future revenue growth rates, operating unit profit margins, and working capital levels; a discount rate; and a terminal value multiple.

We have completed our annual impairment review for 2004 and determined there to be no impairment of either goodwill or indefinite-lived intangible assets. We plan to perform our next annual impairment review during the third quarter of 2005.

We may be required to perform an impairment review prior to our scheduled annual review if certain events occur, including lower-than-forecasted earnings levels for various reporting units. In addition, changes to other assumptions could significantly impact our estimate of the fair value of our reporting units. Such a change may result in an impairment charge, which could have a significant impact on the reportable segments that include the related reporting units and our consolidated financial statements.

Impact of Economic Conditions

One of the principal attractions of using temporary staffing solutions is to maintain a flexible supply of labor to meet changing economic conditions. Therefore, the industry has been and remains sensitive to economic cycles. To help minimize the effects of these economic cycles, we offer customers a continuum of services to meet their needs throughout the employment and business cycle. We believe that the breadth of our operations and the diversity of our service mix cushion us against the impact of an adverse economic cycle in any single country or industry. However, adverse economic conditions in any of our largest markets, or in several markets simultaneously, would have a material impact on our consolidated financial statements.

Legal Regulations

The temporary employment services industry is closely regulated in all of the major markets in which we operate except the United States and Canada. Many countries impose licensing or registration requirements, substantive restrictions on temporary employment services, either on the temporary staffing company or the ultimate client company, or minimum benefits to be paid to the temporary employee either during or following the temporary assignment. Regulations also may restrict 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, 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 us or the customer); or otherwise adversely affect the industry. Our career transition and organizational consulting services are currently not regulated.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on our operations and the ability of customers to utilize our 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 occurred in the past, are expected to occur in the future, and may have a material impact on the operations of temporary staffing firms, including us.

A search warrant was executed on November 30, 2004, at our French headquarters authorizing the French Regional Director on Inquiries of Competition to enter the office and review and obtain documents that may be pertinent to the investigation. According to the search warrant, the investigation stems from a complaint submitted during 2003 to the European Commission and subsequently transferred to France’s Direction Generale de la Concurrence, de la Consommation et de la Repression des Fraudes. We understand that the purpose of the investigation is to search for evidence of price fixing and allocation of market share within the French market. The investigation is continuing and we currently are not able to predict the outcome.

In 2002, the European Commission released proposed legislation, the Agency Workers Directive (“AWD”), aimed at improving the quality of temporary staffing work through a principle of non-discrimination between temporary staff and permanent employees. The AWD has been returned to a consultation and revision phase by the Commission and is the subject of strong debate and suggested amendment by a number of member states. The AWD will be discussed in the future, but given the uncertainty surrounding the AWD, we cannot currently estimate the impact, if any, on the future results of our European operations or our consolidated financial statements.

Recently Issued Accounting Standards

During May 2004, the FASB (Financial Accounting Standards Board) issued FASB Staff Position (“FSP”) No. 106-2, “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003” (“FSP 106-2”), which provides guidance on accounting for the effects of the new Medicare prescription drug legislation (“the Act”). The Act, which was signed into law on December 8, 2003, introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. FSP 106-2 was adopted by us in the third quarter of 2004 and did not have a material impact on our consolidated financial statements.

During September 2004, the Emerging Issues Task Force (“EITF”) issued Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings Per Share” (“EITF 04-8”), which requires the effect of contingently convertible debt securities with a market price trigger to be included in the calculation of diluted earnings per share, using the “if-converted” method, regardless of whether the market price trigger has been met. EITF 04-8 also requires that previously reported diluted earnings per share be restated. We adopted EITF 04-8 in the fourth quarter of 2004. (See note 3 to our consolidated financial statements for further information.)

During December 2004, the FASB issued SFAS No. 123R “Share-Based Payment” (“SFAS 123R”), which replaces SFAS No. 123, “Accounting for Stock-Based Compensation,” (“SFAS 123”) and supercedes APB Opinion No. 25, “Accounting for Stock Issued to Employees.” SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized as expense in the financial statements based on their fair values beginning with the first interim or annual period after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 will no longer be an alternative to expense recognition. We will adopt SFAS 123R using the modified-prospective method in the third quarter of 2005. We expect SFAS 123R will have approximately a $0.06 per share impact on Net Earnings Per Share – Diluted in the second half of 2005.

During December 2004, the FASB issued FSP No. 109-2, “Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004” (“FSP 109-2”), which provides guidance on accounting for the potential impact of the repatriation provisions of the American Jobs Creation Act of 2004 (the “Jobs Act”) on enterprises’ income tax expense and deferred tax liability. The Jobs Act was enacted on October 22, 2004. FSP 109-2 states that an enterprise is allowed time beyond the financial reporting period of enactment to evaluate the effect of the Jobs Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS 109. Based on our analysis to date, we are not yet in a position to decide on whether, or to what extent, we might repatriate foreign earnings under the Jobs Act. However, we expect to be in a position to finalize our assessment by June 2005.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The information required by this Item is set forth in our Annual Report to Shareholders for the fiscal year ended December 31, 2004, under the heading “Significant Matters Affecting Results of Operations” (pages 53 to 55), which information is hereby incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

Statements made in this report that are not statements of historical fact are forward-looking statements. In addition, from time to time, we and our representatives may make statements that are forward-looking. All forward-looking statements involve risks and uncertainties. This section provides you with cautionary statements identifying, for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, important factors that could cause our actual results to differ materially from those contained in forward-looking statements made in this report or otherwise made by us or on our behalf. You can identify these forward-looking statements by forward-looking words such as “expect”, “anticipate”, “intend”, “plan”, “may”, “will”, “believe”, “seek”, “estimate”, and similar expressions. You are cautioned not to place undue reliance on these forward-looking statements.

The following are some of the factors that could cause actual results to differ materially from estimates contained in our forward-looking statements:

- material changes in the demand from larger customers, including customers with which we have national, multi-national, or sole-supplier arrangements
- availability of temporary workers or workers with the skills required by customers
- increases in the wages paid to temporary workers
- competitive market pressures, including pricing pressures
- inability to pass along direct cost increases to customers
- changes in demand for our specialized services, including assisting companies in complying with the Sarbanes-Oxley Act legislation, and career transition services
- our ability to successfully expand into new markets or offer new service lines
- our ability to successfully invest in and implement information systems
- unanticipated technological changes, including obsolescence or impairment of information systems
- changes in customer attitudes toward the use of staffing services
- government, tax or regulatory policies adverse to the employment services industry
- general economic conditions in domestic and international markets
- interest rate and exchange rate fluctuations
- difficulties related to acquisitions, including integrating the acquired companies and achieving the expected benefits
- impairments to the carrying value of acquisitions and other investments resulting from poor financial performance
- factors disclosed below
- other factors that may be disclosed from time to time in our SEC filings or otherwise

Some or all of these factors may be beyond our control. We caution you that any forward-looking statement reflects only our belief at the time the statement is made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made.

Any significant economic downturn could result in our customers using fewer temporary employees, which would materially adversely affect our business.

Because demand for temporary personnel services is sensitive to changes in the level of economic activity, our business may suffer during economic downturns. As economic activity begins to slow down, companies tend to reduce their use of temporary employees before undertaking layoffs of their regular employees, resulting in decreased demand for temporary personnel. Significant declines in demand, and thus in revenues, can result in expense de-leveraging, which would result in lower profit levels.

The worldwide staffing services industry is highly competitive with limited barriers to entry, which could limit our ability to maintain or increase our market share or profitability.

The worldwide staffing services market is highly competitive with limited barriers to entry, and in recent years has been undergoing significant consolidation. We compete in markets throughout North America, South America, Europe, Australia and Asia with full-service and specialized temporary service agencies. Several of our competitors, including Adecco S.A., Vedior N.V., Randstad Holding N.V. and Kelly Services, Inc., have very substantial marketing and financial resources. Price competition in the staffing industry is intense and pricing pressures from competitors and customers are increasing. We expect that the level of competition will remain high in the future, which could limit our ability to maintain or increase our market share or profitability.

Government regulations may result in prohibition or restriction of certain types of employment services or the imposition of additional licensing or tax requirements that may reduce our future earnings.

In many jurisdictions in which we operate, such as France and Germany, the temporary employment industry is heavily regulated. For example, governmental regulations in Germany restrict the length of contracts of temporary employees and the industries in which temporary employees may be used. In some countries, special taxes, fees or costs are imposed in connection with the use of temporary workers. For example, temporary workers in France are entitled to a 10% allowance for the uncertain duration of employment, which is eliminated if a full-time position is offered to them within three days. The countries in which we operate may:

- create additional regulations that prohibit or restrict the types of employment services that we currently provide;
- impose new or additional benefit requirements;
- require us to obtain additional licensing to provide staffing services; or
- increase taxes, such as sales or value-added taxes, payable by the providers of staffing services.

Any future regulations may have a material adverse effect on our financial condition, results of operations and liquidity because they may make it more difficult or expensive for us to continue to provide staffing services.

Our acquisition strategy may have a material adverse effect on our business due to unexpected or underestimated costs.

We acquired Elan Group Limited in 2000 for a total purchase price of $146.2 million and we acquired Jefferson Wells International, Inc. in 2001 for a purchase price of $174.0 million. In addition, we acquired and invested in other companies during 2002 for a total consideration of $55.4 million, $33.5 million of which was paid in cash. In 2003, we acquired and invested in other companies for a total consideration of $6.7 million.

In January 2004, we acquired Right Management Consultants Inc., or RMC, by means of an exchange offer for all of RMC’s outstanding common stock. The purchase price for this acquisition is $630.6 million, the majority of which represents the fair value of shares exchanged and stock options.

We may make acquisitions in the future. Our acquisition strategy involves significant risks, including:

- difficulties in the assimilation of the operations, services and corporate culture of acquired companies;
- over-valuation by us of acquired companies;
- insufficient indemnification from the selling parties for legal liabilities incurred by the acquired companies prior to the acquisitions; and
- diversion of management’s attention from other business concerns.

These risks could have a material adverse effect on our business because they may result in substantial costs to us and disrupt our business. In addition, future acquisitions could materially adversely effect our business, financial condition, results of operations and liquidity because they would likely result in the incurrence of additional debt or dilution, contingent liabilities, an increase in interest expense and amortization expenses related to separately identified intangible assets. Possible impairment losses on goodwill and intangible assets with an indefinite life, and restructuring charges could also occur.

Intense competition may limit our ability to attract, train and retain the qualified personnel necessary for us to meet our customers' staffing needs.

We depend on our ability to attract and retain qualified temporary personnel who possess the skills and experience necessary to meet the staffing requirements of our customers. We must continually evaluate and upgrade our base of available qualified personnel through recruiting and training programs to keep pace with changing customer needs and emerging technologies. Competition for individuals with proven professional skills, particularly employees with accounting and technological skills, is intense, and we expect demand for such individuals to remain very strong for the foreseeable future. Qualified personnel may not be available to us in sufficient numbers and on terms of employment acceptable to us. Developing and implementing training programs requires significant expenditures and may not result in the trainees developing effective or adequate skills. We may not be able to develop training programs to respond to our customers' changing needs or retain employees who we have trained. The failure to recruit, train and retain qualified temporary employees could materially adversely affect our business because it may result in an inability to meet our customers' staffing needs.

We may be exposed to employment-related claims and costs and other litigation that could materially adversely affect our business, financial condition and results of operations.

We are in the business of employing people and placing them in the workplaces of other businesses. Risks relating to these activities include:

- claims of misconduct or negligence on the part of our employees;
- claims by our employees of discrimination or harassment directed at them, including claims relating to actions of our customers;
- claims related to the employment of illegal aliens or unlicensed personnel;
- payment of workers' compensation claims and other similar claims;
- violations of wage and hour requirements;
- retroactive entitlement to employee benefits;
- errors and omissions of our temporary employees, particularly in the case of professionals, such as accountants; and
- claims by our customers relating to our employees' misuse of customer proprietary information, misappropriation of funds, other criminal activity or torts or other similar claims.

We may incur fines and other losses or negative publicity with respect to these problems. In addition, some or all of these claims may give rise to litigation, which could be time-consuming to our management team and costly and could have a negative impact on our business. We cannot assure you that we will not experience these problems in the future or that our insurance will be sufficient in amount or scope to cover any of these types of liabilities.

We cannot assure you that our insurance will cover all claims that may be asserted against us. Should the ultimate judgments or settlements exceed our insurance coverage, they could have a material effect on our results of operations, financial position and cash flows. We also cannot assure you that we will be able to obtain appropriate types or levels of insurance in the future or that adequate replacement policies will be available on acceptable terms, if at all.

If we lose our key personnel, then our business may suffer.

Our operations are dependent on the continued efforts of our officers and executive management. In addition, we are dependent on the performance and productivity of our local managers and field personnel. Our ability to attract and retain business is significantly affected by local relationships and the quality of service rendered. The loss of those key officers and members of executive management who have acquired significant experience in operating an employment services company on an international level may cause a significant disruption to our business. Moreover, the loss of our key managers and field personnel may jeopardize existing customer relationships with businesses that continue to use our services based upon past relationships with these local managers and field personnel. The loss of such key personnel could materially adversely affect our operations, because it may result in an inability to establish and maintain customer relationships and otherwise operate our business.

Some of our subsidiaries might have significant customers, which if lost, could have a material adverse impact on their earnings.

Jefferson Wells is a global professional services provider of internal audit and controls, technology risk management, tax, finance and accounting services, with operations in the United States and Canada and has recently expanded into the United Kingdom. Approximately 19% of Jefferson Wells' revenues for 2004 were generated from providing services to one customer. Should this customer's demand for our services decrease, this would negatively impact our Jefferson Wells segment and overall profitability for us as a whole.

Foreign currency fluctuations may have a material adverse effect on our operating results.

We conduct our operations in 67 countries and territories and the results of our local operations are reported in the applicable foreign currencies and then translated into U.S. Dollars at the applicable foreign currency exchange rates for inclusion in our consolidated financial statements. During 2004, approximately 80% of our revenues were generated outside of the United States, the majority of which were generated in Europe. Furthermore, approximately $634 million of our outstanding indebtedness as of December 31, 2004 was denominated in foreign currencies. Because of devaluations and fluctuations in currency exchange rates or the imposition of limitations on conversion of foreign currencies into U.S. Dollars, we are subject to currency translation exposure on the profits of our operations, in addition to economic exposure. This exposure could have a material adverse effect on our business, financial condition, cash flow and results of operations in the future because, among other things, it could cause our reported revenues and profitability to decline or debt levels and interest expense to increase.

As of December 31, 2004, we had $901.8 million of total debt. This level of debt could adversely affect our operating flexibility and put us at a competitive disadvantage.

Our level of debt and the limitations imposed on us by our credit agreements could have important consequences for investors, including the following:

- we will have to use a portion of our cash flow from operations for debt service rather than for our operations;
- we may not be able to obtain additional debt financing for future working capital, capital expenditures or other corporate purposes or may have to pay more for such financing;
- some or all of the debt under our current or future revolving credit facilities may be at a variable interest rate, making us more vulnerable to increases in interest rates;
- we could be less able to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions;
- we will be more vulnerable to general adverse economic and industry conditions; and
- we may be disadvantaged compared to competitors with less leverage.

The terms of our revolving credit facility permit additional borrowings, subject to certain conditions. If new debt is added to our current debt levels, the related risks we now face could intensify.

We expect to obtain the money to pay our expenses, to repay borrowings under our credit facility and to repay our other debt primarily from our operations. Our ability to meet our expenses thus depends on our future performance, which will be affected by financial, business, economic and other factors. We are not able to control many of these factors, such as economic conditions in the markets where we operate and pressure from competitors. The money we earn may not be sufficient to allow us to pay principal and interest on our debt and to meet our other debt obligations. If we do not have enough money, we may be required to refinance all or part of our existing debt, sell assets or borrow additional funds. We may not be able to take such actions on terms that are acceptable to us, if at all. In addition, the terms of our existing or future debt agreements, including the revolving credit facilities and our indentures, may restrict us from adopting any of these alternatives.

Our failure to comply with restrictive covenants under our revolving credit facilities or a failure to maintain an "investment grade" rating on our debt could trigger prepayment obligations.

Our failure to comply with the restrictive covenants under our revolving credit facilities could result in an event of default, which, if not cured or waived, could result in us being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms, our results of operations and financial condition could be adversely affected by increased costs and rates.

Certain of our financing agreements require us to maintain "investment grade" credit ratings on our debt. As of February 16, 2005, we had such ratings from Standard & Poors and Moody's Corporation. If our ratings were lowered, our accounts receivable securitization facility would need to be re-negotiated or would no longer be available. In addition, a lowering of our credit ratings could result in a portion or all of our zero-coupon convertible debentures being converted into shares of our common stock.

The holders of our zero-coupon convertible debentures could require us to purchase the debentures resulting in dilution in the value of our outstanding common stock or the incurrence of additional debt.

The terms of the zero-coupon convertible debentures give holders of the debentures the option to require us to purchase the debentures at the issue price plus accreted original issue discount. Such holders can exercise this option on the first, third, fifth, tenth, and fifteenth anniversary dates. The next such option date is August 16, 2006. If the option were exercised, we would be required to purchase all or a portion of the debentures through the issuance of common stock, with available cash, or by financing the purchase using other available facilities which could result in dilution of the value of common stock held by our shareholders or the incurrence of a significant amount of additional debt.

The performance of our subsidiaries may vary, negatively affecting our ability to service our debt.

Since we conduct a significant portion of our operations through our subsidiaries, our cash flow and our consequent ability to service our debt depends in part upon the earnings of our subsidiaries and the distribution of those earnings, or upon loans or other payments of funds by those subsidiaries, to us. The payment of dividends and the making of loans and advances to us by our subsidiaries may be subject to statutory or contractual restrictions, depend upon the earnings of those subsidiaries and be subject to various business considerations.

The price of our common stock may fluctuate significantly, which may result in losses for investors.

The market price for our common stock has been and may continue to be volatile. For example, during the fiscal year ended December 31, 2004, the prices of our common stock as reported on the New York Stock Exchange ranged from a high of $50.77 to a low of $38.71. Our stock price can fluctuate as a result of a variety of factors, including factors listed in these "Risk Factors" and others, many of which are beyond our control. These factors include:

- actual or anticipated variations in our quarterly operating results;
- announcement of new services by us or our competitors;
- announcements relating to strategic relationships or acquisitions;
- changes in financial estimates or other statements by securities analysts; and
- changes in general economic conditions.

Because of this volatility, we may fail to meet the expectations of our shareholders or of securities analysts, and our stock price could decline as a result.

Wisconsin law and our articles of incorporation and bylaws contain provisions that could make the takeover of us more difficult.

Certain provisions of Wisconsin law and our articles of incorporation and bylaws could have the effect of delaying or preventing a third party from acquiring us, even if a change in control would be beneficial to our shareholders. These provisions of our articles of incorporation and bylaws include:

- providing for a classified board of directors with staggered, three-year terms;
- permitting removal of directors only for cause;
- providing that vacancies on the board of directors will be filled by the remaining directors then in office; and
- requiring advance notice for shareholder proposals and director nominees.

In addition, the Wisconsin control share acquisition statute and Wisconsin's "fair price" and "business combination" provisions limit the ability of an acquiring person to engage in certain transactions or to exercise the full voting power of acquired shares under certain circumstances. These provisions and other provisions of Wisconsin law could make it more difficult for a third party to acquire us, even if doing so would benefit our shareholders. As a result, offers to acquire us, which represent a premium over the available market price of our common stock, may be withdrawn or otherwise fail to be realized. The provisions described above could cause our stock price to decline.

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 59 to 88) contained in our Annual Report to Shareholders for the fiscal year ended December 31, 2004, which information is hereby incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. We carried out an evaluation, under the supervision and with the participation of our management, including our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of December 31, 2004.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation discussed above that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Internal Control over Financial Reporting

The Management Report on Internal Control Over Financial Reporting is set forth on page 57 in our Annual Report to Shareholders for the fiscal year ended December 31, 2004 which information is hereby incorporated herein by reference. The Independent Registered Public Accounting Firm's report with respect to our assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting is included on pages 58 of our Annual Report to Shareholders for the fiscal year ended December 31, 2004 which information is hereby incorporated herein by reference.

PART III

Item 10. Directors and Executive Officers of the Registrant

(a) Executive Officers. Reference is made to “Executive Officers of Manpower” in Part I after Item 4.

(b) Directors. The information required by this Item is set forth in our Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005 under the caption “Election of Directors,” which information is hereby incorporated herein by reference.

(c) The board of directors has determined that Edward J. Zore, chairman of the audit committee, is an “audit committee financial expert.” Mr. Zore is “independent” as that term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934.

(d) Section 16 Compliance. The information required by this Item is set forth in our Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005 under the caption “Section 16(a) Beneficial Ownership Reporting Compliance,” which information is hereby incorporated herein by reference.

(e) We have adopted a Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller. We have posted the Code on our Internet website at www.manpower.com.

Item 11. Executive Compensation

The information required by this Item is set forth in our Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005, under the caption “Remuneration of Directors”; under the caption “Executive Compensation”; and 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 and related Shareholder Matters

The information required by this Item is set forth in our Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005, under the caption “Security Ownership of Certain Beneficial Owners” and 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 our Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005, under the caption “Remuneration of Directors,” which information is hereby incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item is set forth in our Proxy Statement for the Annual Meeting of Shareholders to be held on April 26, 2005, under the caption “Audit Committee Report,” which information is hereby incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

		Page Number(s) in Annual Report to Shareholders
(a)(1)	Financial Statements	
	Consolidated Financial Statements (data incorporated by reference from the attached Annual Report to Shareholders):	
	Report of Independent Registered Public Accounting Firm	58
	Consolidated Statements of Operations for the years ended December 31, 2004, 2003 and 2002	59
	Consolidated Balance Sheets as of December 31, 2004 and 2003	60
	Consolidated Statements of Cash Flows for the years ended December 31, 2004, 2003 and 2002	61
	Consolidated Statements of Shareholders' Equity for the years ended December 31, 2004, 2003 and 2002	62
	Notes to Consolidated Financial Statements	63 - 88
(a)(2)	Financial Statement Schedules.	
	Report of Independent Registered Public Accounting Firm on Financial Statement Schedule	
	Consent of Independent Registered Public Accounting Firm	
	SCHEDULE II - Valuation and Qualifying Accounts	
(a)(3)	Exhibits.	

See (c) below.

Pursuant to Regulation S-K, Item 601(b)(4)(iii), Manpower hereby agrees to furnish to the Commission, upon request, a copy of each instrument and agreement with respect to long-term debt of Manpower and its consolidated subsidiaries which does not exceed 10 percent of the total assets of Manpower and its subsidiaries on a consolidated basis.

(c) Exhibits.

2.1	Agreement and Plan of Merger among Right Management Consultants, Inc., Manpower Inc. and Hoosier Acquisition Corp. dated as of December 10, 2003, incorporated by reference to Appendix A to the Prospectus included in the Company's Registration Statement on Form S-4 (Registration No. 333-111337). (Certain exhibits and schedules to the Agreement and Plan of Merger have been omitted pursuant to Regulation S-K, Item 601(b)(2) of the Securities Act. Such exhibits and schedules are described in the Agreement and Plan of Merger. The Company hereby agrees to furnish to the Securities and Exchange Commission, upon its request, any or all of such omitted exhibits or schedules).
2.2	Letter Agreement between Manpower Inc. and Right Management Consultants, Inc. dated as of January 14, 2004, incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-4 (Registration No. 333-111337) filed on January 15, 2004.
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	Amendment of Amended and Restated Articles of Incorporation of Manpower Inc., incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001.
3.3	Amended and Restated By-laws of Manpower Inc., incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.
4.1	Indenture between Manpower Inc. and Citibank, N.A., dated as of August 17, 2001, incorporated by reference to the Company's Registration Statement on Form S-3 (Registration No. 333-71040) filed on October 5, 2001.
10.1	Manpower Inc. Senior Management Performance-Based Deferred Compensation Plan incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004. **
10.2	Five-Year Credit Agreement dated as of October 8, 2004 among Manpower Inc., the initial lenders named therein, Citibank N.A., Wachovia Bank, BNP Paribas, Bank One N.A., and The Royal Bank of Scott, incorporated by reference to the Company's Current Report on Form 8-K dated October 14, 2004.
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	Amended and Restated Manpower 1990 Employee Stock Purchase Plan, incorporated by reference to the Company's Registration Statement on Form S-8 (Registration No. 333-31021). **
10.6	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. **

10.7(a)	1994 Executive Stock Option and Restricted Stock Plan of Manpower Inc. (Amended and Restated October 29, 2002), incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002. **
10.7(b)	Procedures Governing the Grant of Options to Non-Employee Directors under 1994 Executive Stock Option and Restricted Stock Plan of Manpower Inc. dated May 1, 2001, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. **
10.8(a)	Manpower Inc. 2002 Corporate Senior Management Incentive Program, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. **
10.8(b)	Amendment to Manpower Inc. 2002 Corporate Senior Management Incentive Program dated as of October 29, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002. **
10.9	Amended and Restated Manpower 1991 Directors Stock Option Plan, incorporated by reference to the Company's Registration Statement on Form S-8 (Registration No. 333-31021). **
10.10	Amended and Restated Manpower Deferred Stock Plan, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996. **
10.11(a)	Employment Agreement between Terry A. Hueneke and Manpower Inc. dated February 18, 1997, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996. **
10.11(b)	Employment Agreement between Terry A. Hueneke and Manpower Inc. dated February 23, 1998, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998. **
10.11(c)	Separation Agreement between Terry Hueneke and Manpower Inc. dated as of March 27, 2002, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002. **
10.12(a)	Employment Agreement between Jeffrey A. Joerres and Manpower Inc. dated as of February 19, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. **
10.12(b)	Severance Agreement between Jeffrey A. Joerres and Manpower Inc. dated as of February 19, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. **
10.12(c)	Amendment to Severance Agreement between Jeffrey A. Joerres and Manpower Inc. dated as of October 29, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002. **
10.13(a)	Employment Agreement between Michael J. Van Handel and Manpower Inc. dated as of February 19, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. **
10.13(b)	Severance Agreement between Michael J. Van Handel and Manpower Inc. dated as of February 19, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. **

10.13(c)	Amendment to Severance Agreement between Michael J. Van Handel and Manpower Inc. dated as of October 29, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002. **
10.14(a)	Employment Agreement between Barbara J. Beck and Manpower Inc. dated as of December 18, 2001, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002. **
10.14(b)	Severance Agreement between Barbara J. Beck and Manpower Inc. dated as of August 15, 2002, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002. **
10.15(a)	Description of Bonus Arrangement for Yoav Michaely, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002. **
10.15(b)	Severance Agreement between Manpower Inc. and Yoav Michaely dated as of July 20, 2004. **
10.16(a)	Description of Bonus Arrangement for Jean-Pierre Lemonnier, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002. **
10.16(b)	Severance Agreement among Manpower S.A.S., Manpower Inc. and Jean-Pierre Lemonnier dated as of September 1, 2003, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003. **
10.17(a)	2003 Equity Incentive Plan of Manpower Inc. (Amended and Restated Effective December 15, 2004). **
10.17(b)	Terms and Conditions Regarding the Grant of Options in Lieu of Cash Directors Fees to Non-Employee Directors Under 2003 Equity Incentive Plan of Manpower Inc., incorporated by reference in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003. **
10.17(c)	Terms and Conditions Regarding the Grant of Awards to Non-Employee Directors under the 2003 Equity Incentive Plan of Manpower Inc. (Amended and Restated Effective December 15, 2004). **
10.18(a)	Employment Agreement dated as of December 10, 2003 between Manpower Inc. and Richard J. Pinola, incorporated by reference to the Company's Registration Statement on Form S-4 (Registration No. 333-111337) filed on December 19, 2003. **
10.18(b)	Change of Control Agreement dated as of December 10, 2003 between Manpower Inc. and Richard J. Pinola, incorporated by reference to the Company's Registration Statement on Form S-4 (Registration No. 333-111337) filed on December 19, 2003. **
10.18(c)	Separation Agreement dated as of December 20, 2004 between Manpower Inc. and Richard J. Pinola, incorporated by reference to the Company's Report on Form 8-K filed on December 20, 2004.
10.19	Right Management Consultants, Inc. 1993 Stock Incentive Plan, as amended, incorporated by reference to the Registration Statement on Form S-8 of Right Management Consultants, Inc. (Registration No. 333-84493). **

10.20	Right Management Consultants, Inc. Amended and Restated Directors' Stock Option Plan, incorporated by reference to the Annual Report on Form 10-K for the year ended December 31, 2001 of Right Management Consultants, Inc. **
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges.
13	2004 Annual Report to Shareholders. Pursuant to Item 601(b)(13) of Regulation S-K, the portions of the Annual Report incorporated by reference in this Form 10-K are filed as an exhibit hereto.
14	Manpower Inc. Code of Business Conduct and Ethics (Amended and Restated Effective December 9, 2003) incorporated by reference to the Annual Report on Form 10-K for the year ended December 31, 2003.
21	Subsidiaries of Manpower Inc.
23.1	Consent of PricewaterhouseCoopers LLP.
24	Powers of Attorney.
31.1	Certification of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Statement of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to 18 U.S.C. ss. 1350.
32.2	Statement of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. ss. 1350.

** Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MANPOWER INC.

By: /s/ JEFFREY A. JOERRES

Jeffrey A. Joerres
Chairman, President and Chief Executive Officer

Date: February 22, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ JEFFREY A. JOERRES **Jeffrey A. Joerres**	Chairman, President, Chief Executive Officer and a Director (Principal Executive Officer)	February 22, 2005
/s/ MICHAEL J. VAN HANDEL **Michael J. Van Handel**	Executive Vice President, Chief Financial Officer, and Secretary (Principal Financial Officer and Principal Accounting Officer)	February 22, 2005

Directors: J. Thomas Bouchard, Marc J. Bolland, Stephanie A. Burns, Willie D. Davis, Jack M. Greenberg, Terry A. Hueneke, Rozanne L. Ridgway, Dennis Stevenson, John R. Walter and Edward J. Zore

By: /s/ MICHAEL J. VAN HANDEL — February 22, 2005

Michael J. Van Handel
Attorney-In-Fact*

* Pursuant to authority granted by powers of attorney, copies of which are filed herewith.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON FINANCIAL STATEMENT SCHEDULE

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

Our audits of the consolidated financial statements referred to in our report dated February 16, 2005 appearing in the 2004 Annual Report to Shareholders of Manpower Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
February 16, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-40441, 33-55264, 33-84736, 333-1040, 333-31021, 333-82459, 333-66656, 333-105205 and 333-112164), Form S-3 (Nos. 33-89660, 333-6545, 333-71040) and Form S-4 (File Nos. 333-650, 33-95896 and 333-87554) of Manpower Inc. of our report dated February 16, 2005 relating to the financial statements, management’s assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 16, 2005 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
February 22, 2005

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

For the years ended December 31, 2004, 2003 and 2002, in millions:

Allowance for Doubtful Accounts:

	Balance at Beginning of Year	Provisions Charged to Earnings	Write-Offs	Translation Adjustments	Reclassifications and Other	Balance at End of Year
2004	$ 79.1	27.3	(21.9)	6.9	—	$ 91.4
2003	$ 70.3	16.7	(19.5)	11.4	.2	$ 79.1
2002	$ 61.8	18.2	(18.4)	7.2	1.5	$ 70.3

Exhibit 10.15(b)

Manpower Inc.
5301 North Ironwood Road
Milwaukee, Wisconsin 53217

July 20, 2004

Mr. Yoav Michaley:

Manpower Inc. (the "Corporation") desires to retain experienced, well-qualified executives, like you, to assure the continued growth and success of the Corporation and its direct and indirect subsidiaries (collectively, the "Manpower Group"). Accordingly, as an inducement for you to continue your employment in order to assure the continued availability of your services to the Manpower Group, we have agreed as follows:

1. Definitions. For purposes of this letter:

(a) Benefit Plans. "Benefit Plans" means all benefits of employment generally made available to executives of the Corporation from time to time.

(b) Cause. Termination by the Manpower Group of your employment with the Manpower Group for "Cause" will mean termination upon (i) your repeated failure to perform your duties with the Manpower Group in a competent, diligent and satisfactory manner as determined by the Corporation's Chief Executive Officer in his reasonable judgment, (ii) insubordination, (iii) your commission of any material act of dishonesty or disloyalty involving the Manpower Group, (iv) your chronic absence from work other than by reason of a serious health condition, (v) your commission of a crime which substantially relates to the circumstances of your position with the Manpower Group or which has material adverse effect on the Manpower Group, or (vi) the willful engaging by you in conduct which is demonstrably and materially injurious to the Manpower Group. For purposes of this Subsection 1(b), no act, or failure to act, on your part will be deemed "willful" unless done, or omitted to be done, by you not in good faith.

(c) Change of Control. A "Change of Control" will mean the first to occur of the following:

(i) the acquisition (other than from the Corporation), by any Person (as defined in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), directly or indirectly, of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of

more than 50% of the then outstanding shares of common stock of the Corporation or voting securities representing more than 50% of the combined voting power of the Corporation's then outstanding voting securities entitled to vote generally in the election of directors; provided, however, no Change of Control shall be deemed to have occurred as a result of an acquisition of shares of common stock or voting securities of the Corporation (A) by the Corporation, any of its subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any of its subsidiaries or (B) 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 Corporation's shareholders immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Corporation's then outstanding common stock or then outstanding voting securities, as the case may be; or

(ii) the consummation of any merger or consolidation of the Corporation 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 Corporation's shareholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of the Corporation's then outstanding common stock or then outstanding voting securities, as the case may be; or

(iii) the consummation of any liquidation or dissolution of the Corporation or a sale or other disposition of all or substantially all of the assets of the Corporation; or

(iv) individuals who, as of the date of this letter, constitute the Board of Directors of the Corporation (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 of this letter whose election, or nomination for election by the shareholders of the Corporation, was approved by at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this letter, 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

(v) whether or not conditioned on shareholder approval, the issuance by the Corporation of common stock of the Corporation 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 Corporation 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 Change of Control whereby there is a successor holding company to the Corporation, or, if there is no such successor, whereby the Corporation 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 letter, shall thereafter be referred to as the Corporation.

(d) Good Reason. “Good Reason” will mean, without your consent, the occurrence of any one or more of the following during the Term:

(i) a reduction in the duties assigned to you that is material based on your overall responsibilities and authority (ignoring incidental duties) prior to and after such reduction in duties, provided you object to such reduction in duties by written notice to the Corporation within twenty business days after it is made and the Corporation fails to cure, if necessary, within ten business days after such notice is given;

(ii) any material breach of this agreement by the Corporation or of any material obligation of any member of the Manpower Group for the payment or provision of compensation or other benefits to you which remains uncured ten business days after you give written notice to the Corporation which specifies the breach;

(iii) any reduction in your base salary as in effect from time to time or a failure by the Manpower Group to provide an arrangement for you for any fiscal year of the Manpower Group giving you the opportunity to earn an incentive bonus for such year; or

(iv) any reduction in the amount of the annual bonus received by you for a given fiscal year (calculated on a prorated basis for partial years) within two years after the occurrence of a Change of Control, as compared to the amount of the annual bonus received by you (prorated for comparison to partial years) for either of the two fiscal years of the Manpower Group immediately preceding the fiscal year in which a Change of Control occurred, unless the bonus for such given fiscal year is based on criteria to which you have agreed.

Your continued employment or failure to give Notice of Termination will not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder except as otherwise provided.

(e) Notice of Termination. Any termination of your employment by the Manpower Group, or termination by you for Good Reason during the Term will be communicated by Notice of Termination to the other party hereto. A "Notice of Termination" will mean a written notice which specifies a Date of Termination (which date shall be on or after the date of the Notice of Termination) and, if applicable, indicates the provision in this letter applying to the termination and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

(f) Date of Termination. "Date of Termination" will mean the date specified in the Notice of Termination where required (which date shall be on or after the date of the Notice of Termination) or in any other case upon your ceasing to perform services for the Manpower Group.

(g) Protected Period. The "Protected Period" shall be a period of time determined in accordance with the following:

(i) if a Change in Control is triggered by an acquisition of shares of common stock of the Corporation pursuant to a tender offer, the Protected Period shall commence on the date of the initial tender offer and shall continue through and including the date of the Change in Control, provided that in no case will the Protected Period commence earlier than the date that is six months prior to the Change in Control;

(ii) if a Change in Control is triggered by a merger or consolidation of the Corporation with any other corporation, the Protected Period shall commence on the date that serious and substantial discussions first take place to effect the merger or consolidation and shall continue through and including the date of the Change in Control, provided that in no case will the Protected Period commence earlier than the date that is six months prior to the Change in Control; and

(iii) in the case of any Change in Control not described in clause (i) or (ii) above, the Protected Period shall commence on the date that is six months prior to the Change in Control and shall continue through and including the date of the Change in Control.

(h) Term. The "Term" will be a period beginning on the date of this letter indicated above and ending on the first to occur of the following: (a) the date which is the two-year anniversary of the occurrence of a Change of Control; (b) the date which is the three-year anniversary of the date of this letter indicated above if no Change of Control occurs between the date of this letter indicated above and such three-year anniversary; and (c) the Date of Termination.

2. Compensation and Benefits on Termination.

(a) Termination by the Manpower Group for Cause or by You Other Than for Good Reason. If your employment with the Manpower Group is terminated by the Manpower Group for Cause or by you other than for Good Reason, the Corporation will pay or provide you with (i) your full base salary as then in effect through the Date of Termination, (ii) your unpaid bonus, if any, attributable to any complete fiscal year of the Manpower Group ended before the Date of Termination (but no incentive bonus will be payable for the fiscal year in which termination occurs), and (iii) all benefits to which you are entitled under any Benefit Plans in accordance with the terms of such plans. The Manpower Group will have no further obligations to you.

(b) Termination of Reason of Disability or Death. If your employment with the Manpower Group terminates during the Term by reason of your disability or death, the Corporation will pay or provide you with (i) your full base salary as then in effect through the Date of Termination, (ii) your unpaid bonus, if any, attributable to any complete fiscal year of the Manpower Group ended before the Date of Termination, (iii) a bonus for the fiscal year during which the Date of Termination occurs equal in amount to the bonus you would have received for the full fiscal year had your employment not terminated, determined under the criteria applicable to you for receipt of a bonus for such year (with any discretionary component to be based on your progress towards attainment of relevant performance goals for such component during the portion of the year you are employed), but prorated for the actual number of days you were employed during such fiscal year, payable within forty-five days after the close of such fiscal year, and (iv) all benefits to which you are entitled under any Benefit Plans in accordance with the terms of such plans. The Manpower Group shall be entitled to terminate your employment by reason of your disability if you become disabled and entitled to benefits under the terms of the long-term disability plan of the Manpower Group applicable to you. The Manpower Group will have no further obligations to you.

(c) Termination for Any Other Reason.

(i) If, during the Term and either during a Protected Period or within two years after the occurrence of a Change of Control, your employment with the Manpower Group is terminated for any reason not specified in Subsections 2(a) or (b), above, you will be entitled to the following:

(A) the Corporation will pay you, your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given;

(B) the Corporation will pay you, your unpaid bonus, if any, attributable to any complete fiscal year of the Manpower Group ended before the Date of Termination;

(C) the Corporation will pay you, a bonus for the fiscal year during which the Date of Termination occurs equal in amount to your largest annual bonus for the three fiscal years of the Manpower Group immediately preceding the Date of Termination but prorated for the actual number of days you were employed during such fiscal year;

(D) the Corporation will pay, as a severance benefit to you a lump-sum payment equal to two times the sum of (1) your annual base salary at the highest rate in effect during the term and (2) the amount of your largest annual bonus for the three fiscal years of the Manpower Group immediately preceding the Date of Termination; and

(E) for a twelve-month period after the Date of Termination, the Corporation will arrange to provide you and your eligible dependents, at the Manpower Group's expense, with coverage under the medical, dental, life, and disability plans of the Corporation, or other substantially similar coverage, in which you were participating at any time during the ninety-day period immediately prior to the time Notice of Termination is given; provided, however, that benefits otherwise receivable by you pursuant to this Subsection 2(c)(i)(E) will be reduced to the extent other comparable benefits are actually received by you during the eighteen-month period following your termination, and any such benefits actually received by you or your dependents will be reported to the Corporation; and provided, further that any insurance continuation coverage that you may be entitled to receive under the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA") or similar foreign or state laws will commence on the Date of Termination.

(ii) If your employment with the Manpower Group is terminated during the Term for any reason not specified in Subsection 2(a) or (b), above, and Subsection 2(c)(i) does not apply to the termination, you will be entitled to the following:

(A) the Corporation will pay you your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given;

(B) the Corporation will pay you your unpaid bonus, if any, attributable to any complete fiscal year of the Manpower Group ended before the Date of Termination;

(C) the Corporation will pay you a bonus for the fiscal year during which the Date of Termination occurs equal in amount to the bonus you would have received for the full fiscal year had your employment not terminated, determined under the criteria applicable to you for receipt of a bonus for such year (with any discretionary component to be based on your progress towards attainment of the relevant performance goals for such component during the portion of the year you were employed), but prorated for the actual number of days you were employed during such fiscal year, payable within forty-five days after the close of such fiscal year;

(D) the Corporation will pay a severance benefit to you equal to the amount of your annual base salary at the highest rate in effect during the Term plus an amount equal to your largest annual bonus for the three fiscal years of the Manpower Group immediately preceding the Date of Termination; and

(E) for the twelve-month period after the Date of Termination, the Corporation will arrange to provide you and your eligible dependents with coverage under the medical and dental plans of the Corporation in which you were participating as of the Date of Termination, or other substantially similar coverage, at a cost to you equal to the cost of such coverage to executives of the Corporation; provided, however, that benefits otherwise receivable by you pursuant to this Subsection 2(c)(ii)(E) will be reduced to the extent other comparable benefits are actually received by you during the twelve-month period following your termination, and any such benefits actually received by you or your dependents will be reported to the Corporation; and provided, further that any insurance continuation coverage that you may be entitled to receive under COBRA or similar federal or state laws will commence on the Date of Termination.

The amounts paid to you pursuant to Subsection 2(c)(i)(D) or 2(c)(ii)(D) will not be included as compensation for purposes of any qualified or nonqualified pension or welfare benefit plan of the Manpower Group. Notwithstanding the above, if the Corporation, based on advice of its legal or tax counsel, determines that any of the amounts otherwise to be paid to you pursuant to Subsection 2(c)(i)(D) or 2(c)(ii)(D), when added to any other payment or benefit received or to be received by you in connection with the Change in Control or the termination of your employment, will be subject to the excise tax imposed by section 4999 of the United States Internal Revenue Code (or any similar tax that hereafter may be imposed), the amounts

otherwise to be paid to you pursuant to Subsection 2(c)(i)(D) or 2(c)(ii)(D) will be reduced to the maximum amount that will result in no portion of the amounts to be paid to you pursuant to Subsection 2(c)(i)(D) or 2(c)(ii)(D) being subject to such excise tax.

(d) Payment. The payments provided for in Subsections 2(c)(i)(A) through (D) or 2(c)(ii)(A) and (B), above, will be made not later than the fifteenth business day following the Date of Termination. The bonus payment provided for in Subsection 2(c)(ii)(C) will be paid within forty-five days after the close of the fiscal year as provided in that subsection. The severance benefit provided for in Subsection 2(c)(ii)(D) will be paid in two equal installments, the first payable on the date that is six months after the Date of Termination and second on the first anniversary of the Date of Termination. If any of such payments is not made when due (hereinafter a "Delinquent Payment"), in addition to such principal sum, the Corporation will pay you interest on any and all such Delinquent Payments from the date due computed at the prime rate, compounded monthly. Such prime rate shall be the prime rate (currently the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks) in effect from time to time as reported in *The Wall Street Journal*, Midwest edition (or, if not so reported, as reported in such other similar source(s) as the Corporation shall select).

(e) Release of Claims. Notwithstanding the foregoing, you will have no right to receive any payment or benefit described in Subsections 2(c)(i)(D) or (E) or 2(c)(ii)(D) or (E), above, unless and until you execute, and there shall be effective following any statutory period for revocation, a release, in a form reasonably acceptable to the Corporation, that irrevocably and unconditionally releases, waives, and fully and forever discharges the Manpower Group and its past and current directors, officers, employees, and agents from and against any and all claims, liabilities, obligations, covenants, rights, demands and damages of any nature whatsoever, whether known or unknown, anticipated or unanticipated, relating to or arising out of your employment with the Manpower Group, including without limitation claims arising under the Age Discrimination in Employment Act of 1967, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, but excluding any claims covered under any applicable workers' compensation act.

(f) Forfeiture. Notwithstanding the foregoing, your right to receive the payments and benefits to be provided to you under this Section 2 beyond those described in Subsection 2(a), above, is conditioned upon your performance of the obligations stated in Section 3, below, and upon your breach of any such obligations, you will immediately return to the Corporation the amount of such payments and benefits and you will no longer have any right to receive any such payments or benefits.

3. Nondisclosure, Nonsolicitation and Noncompetition Agreement.

(a) Nondisclosure.

(i) You will not, directly or indirectly, at any time during the term of your employment with the Manpower Group, or during the two-year period following your termination of employment with the Manpower Group, use for yourself or others or disclose to others except in the good faith performance of your duties for the Manpower Group any Confidential Information (as defined below), whether or not conceived, developed, or perfected by you and no matter how it became known to you, unless (a) you first secure written consent of the Corporation to such disclosure or use, (b) the same shall have lawfully become a matter of public knowledge other than by your act or omission, or (c) you are ordered to disclose the same by a court of competent jurisdiction or are otherwise required to disclose the same by law, and you promptly notify the Corporation of such disclosure. “Confidential Information” shall mean all business information (whether or not in written form) which relates to the Manpower Group and which is not known to the public generally (absent your disclosure), including but not limited to confidential knowledge, operating instructions, training materials and systems, customer lists, sales records and documents, marketing and sales strategies and plans, market surveys, cost and profitability analyses, pricing information, competitive strategies, personnel-related information, and supplier lists. This obligation will survive the termination of your employment for a period of two years and, notwithstanding the foregoing, will not be construed to in any way limit the rights of the Manpower Group to protect Confidential Information which constitute trade secrets under applicable trade secrets law even after such two-year period.

(ii) Upon your termination of employment with the Manpower Group, or at any other time upon request of the Corporation, you will promptly surrender to the Corporation, or with the permission of the Corporation destroy and certify such destruction to the Corporation, any documents, materials, or computer or electronic records containing any Confidential Information which are in your possession or under your control.

(b) Nonsolicitation of Employees. You agree that you will not, at any time during the term of your employment with the Manpower Group or during the one-year period following your termination of employment with the Manpower Group, either on your own account or in conjunction with or on behalf of any other person, company, business entity, or other organization whatsoever, directly or indirectly induce, solicit, entice or procure any person who is a managerial employee of any company in the Manpower Group (but in the event of your termination, any such managerial employee that you have had contact with in the two years prior to your termination) to terminate his or her employment with the Manpower Group so as to accept employment elsewhere or to diminish or curtail the services such person provides to the Manpower Group.

(c) Noncompetition.

(i) During the term of your employment with the Manpower Group, you will not assist any competitor of any company in the Manpower Group in any capacity.

(ii) During the one-year period which immediately follows the termination of your employment with the Manpower Group, you will not, directly or indirectly, contact any customer of the Manpower Group with whom you have had contact on behalf of the Manpower Group during the two-year period preceding the Date of Termination or about whom you obtained confidential information in connection with your employment with the Manpower Group during such two-year period so as to cause or attempt to cause such customer not to do business or to reduce such customer's business with the Manpower Group or divert any business from any company in the Manpower Group.

(iii) During the six month period which immediately follows the termination of your employment with the Manpower Group, you will not, directly or indirectly, provide services or assistance of a nature similar to the services provided to the Manpower Group during the term of your employment with the Manpower Group to any entity engaged in the business of providing temporary staffing services anywhere in the United States or any other country in which the Manpower Group conducts business as of the date of termination which has, together with its affiliated entities, annual revenues from such business in excess of US $500,000,000. You acknowledge that the scope of this limitation is reasonable in that, among other things, providing any such services or assistance during such one-year period would permit you to use unfairly your close identification with the Manpower Group and the customer contacts you developed while employed by the Manpower Group and would involve the use or disclosure of Confidential Information pertaining to the Manpower Group.

(d) Injunction. You recognize that irreparable and incalculable injury will result to the Manpower Group and its businesses and properties in the event of your breach

of any of the restrictions imposed by this Section 3. You therefore agree that, in the event of any such actual, impending or threatened breach, the Corporation will be entitled, in addition to the remedies set forth in Subsection 2(f), above, (which the parties agree, above, would not be an adequate remedy), and any other remedies and damages, to temporary and permanent injunctive relief (without the necessity of posting a bond or other security) restraining the violation, or further violation, of such restrictions by you and by any other person or entity from whom you may be acting or who is acting for you or in concert with you.

(e) Equitable Extension. The duration of any restriction in this Section 3 will be extended by any period during which such restriction is violated by you.

(f) Nonapplication. Notwithstanding the above, Subsection 3(c) above, regarding noncompetition, will not apply if your employment with the Manpower Group is terminated by you for Good Reason or by the Corporation without Cause either during a Protected Period or within two years after the occurrence of a Change of Control.

4. Vesting of Options. Any unvested options you hold at the time of a Change of Control to purchase stock of the Corporation will vest and become immediately exercisable at such time.

5. Unemployment Compensation. The severance benefits provided for in Subsection 2(c)(i)(D) will be assigned for unemployment compensation benefit purposes to the two-year period following the Date of Termination, and the severance benefits provided for in Subsection 2(c)(ii)(D) will be assigned for unemployment compensation purposes to the one-year period following the Date of Termination, and you will be ineligible to receive, and you agree not to apply for, unemployment compensation during such periods.

6. Nondisparagement. Upon your termination of employment with the Manpower Group for any reason, the Corporation agrees on behalf of the Manpower Group to refrain from making any statements that disparage or otherwise impair your reputation or commercial interests. Upon your termination of employment with the Manpower Group for any reason, you agree to refrain from making any statements that disparage or otherwise impair the reputation, goodwill, or commercial interests of the Manpower Group, or its officers, directors, or employees. However, the foregoing will not preclude the Corporation from providing truthful information about you concerning your employment or termination of employment with the Manpower Group in response to an inquiry from a prospective employer in connection with your possible employment, and will not preclude either party from providing truthful testimony pursuant to subpoena or other legal process or in the course of any proceeding that may be commenced for purposes of enforcing this agreement.

7. Successors; Binding Agreement. This letter agreement will be binding on the Corporation and its successors and will inure to the benefit of and be enforceable by your personal or legal representatives, heirs and successors.

8. Notice. Notices and all other communications provided for in this letter will be in writing and will be deemed to have been duly given when delivered in person, sent by telecopy, or two days after mailed by United States registered or certified mail, return receipt requested, postage prepaid, and properly addressed to the other party.

9. No Right to Remain Employed. Nothing contained in this letter will be construed as conferring upon you any right to remain employed by the Corporation or any member of the Manpower Group or affect the right of the Corporation or any member of the Manpower Group to terminate your employment at any time for any reason or no reason, with or without cause, subject to the obligations of the Corporation as set forth herein.

10. Modification. No provision of this letter may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by you and the Corporation.

11. Withholding. The Manpower Group shall be entitled to withhold from amounts to be paid to you hereunder any federal, state, or local withholding or other taxes or charges which it is, from time to time, required to withhold under applicable law.

12. Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws o the State of Wisconsin, United State of America, without regard to its conflict of law provisions.

13. Previous Agreement. This letter, upon acceptance by you, expressly supersedes any and all previous agreements or understandings relating to your employment by the Corporation or the Manpower Group, except for the employment letter from the Corporation to you dated the same date hereof and any such agreements or understandings shall, as of the date of your acceptance, have no further force or effect.

If you are in agreement with the foregoing, please sign and return one copy of this letter which will constitute our agreement with respect to the subject matter of this letter.

Sincerely,

MANPOWER INC.

By: /s/ JEFFREY A. JOERRES

Jeffrey A. Joerres, President and Chief Executive Officer

Agreed as of the 20th day of July, 2004.

/s/ YOAV MICHAELY

Yoav Michaley

Exhibit 10.17(a)

2003 EQUITY INCENTIVE PLAN

OF

MANPOWER INC.

(Amended and Restated Effective December 15, 2004)

PURPOSE OF THE PLAN

The purpose of the Plan is to provide for compensation alternatives for certain Employees and Directors using or based on the common stock of the Company. These alternatives are intended to be used as a means to attract and retain superior Employees and Directors, to provide a stronger incentive for such Employees and 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 provide Employees and Directors with a proprietary interest in the performance and growth of the Company.

1. GENERAL

This Plan exclusive of Section A below applies to all Directors and Employees. Section A of the Plan applies to those Employees who are employed in the United Kingdom.

2. DEFINITIONS

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

(a) “Administrator” shall mean the Committee or the Board of Directors with respect to grants to Employees under the Plan and the Board of Directors with respect to grants to Directors under the Plan.

(b) “Award” shall mean an Option, Restricted Stock, an SAR or Deferred Stock granted under the Plan.

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

(d) A termination of employment for “Cause” will mean termination upon (1) on Employee’s repeated failure to perform his or her duties in a competent, diligent and satisfactory manner as determined by the Company’s Chief Executive Officer in his reasonable judgment, (2) insubordination, (3) an Employee’s commission of any material act of dishonesty or disloyalty involving the Company or a Subsidiary, (4) an Employee’s chronic absence from work other than by reason of a serious health condition, (5) an Employee’s commission of a crime

which substantially relates to the circumstances of his or her position with the Company or a Subsidiary or which has material adverse effect on the Company or a Subsidiary, or (6) the willful engaging by an Employee in conduct which is demonstrably and materially injurious to the Company or a Subsidiary.

(e) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(f) “Committee” shall mean the committee of the Board of Directors constituted as provided in Paragraph 5 of the Plan.

(g) “Company” shall mean Manpower Inc., a Wisconsin corporation.

(h) “Deferred Stock” shall mean a right to receive one or more Shares from the Company in accordance with, and subject to, Paragraph 10 of the Plan.

(i) “Deferred Stock Agreement” shall mean the agreement between the Company and a Participant whereby Deferred Stock is granted to such Participant.

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

(k) “Disability” shall mean (i) with respect to an Employee, a physical or mental incapacity which, as determined by the Committee, results in an Employee ceasing to be an Employee and (ii) with respect to a Director, a physical or mental incapacity which results in a Director’s termination of membership on the Board of Directors of the Company.

(l) “Employee” shall mean an individual who is an employee of the Company or a Subsidiary.

(m) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(n) “Grant Value” of an SAR means the dollar value assigned to the SAR by the Administrator on the date the SAR is granted under the Plan.

(o) “Incentive Stock Option” shall mean an option to purchase Shares which complies with the provisions of Section 422 of the Code.

(p) “Market Price” shall mean the closing sale price of a Share on the New York Stock Exchange; provided, however, if a Share is not susceptible of valuation by the above method, the term “Market Price” shall mean the fair market value of a Share as the Administrator may determine in conformity with pertinent law and regulations of the Treasury Department.

(q) “Nonstatutory Stock Option” shall mean an option to purchase Shares which does not comply with the provisions of Section 422 of the Code or which is designated as such pursuant to Paragraph 7 of the Plan.

(r) “Option” shall mean (1) with respect to an Employee, an Incentive Stock Option or Nonstatutory Stock Option granted under the Plan and (2) with respect to a Director, a Non-Statutory Stock Option granted under the Plan.

(s) “Option Agreement” shall mean the agreement between the Company and a Participant whereby an Option is granted to such Participant.

(t) “Participant” shall mean an Employee or Director to whom an Award has been granted under the Plan.

(u) “Plan” shall mean the 2003 Equity Incentive Plan of the Company.

(v) “Protected Period” shall be a period of time determined in accordance with the following:

(1) if a Triggering Event is triggered by an acquisition of shares of common stock of the Company pursuant to a tender offer, the Protected Period shall commence on the date of the initial tender offer and shall continue through and including the date of the Triggering Event, provided that in no case will the Protected Period commence earlier than the date that is six months prior to the Triggering Event;

(2) if a Triggering Event is triggered by a merger or consolidation of the Company with any other corporation, the Protected Period shall commence on the date that serious and substantial discussions first take place to effect the merger or consolidation and shall continue through and including the date of the Triggering Event, provided that in no case will the Protected Period commence earlier than the date that is six months prior to the Triggering Event; and

(3) in the case of any Triggering Event not described in clause (1) or (2) above, the Protected Period shall commence on the date that is six months prior to the Triggering Event and shall continue through and including the date of the Triggering Event.

(w) “Restricted Stock” shall mean Shares granted to a Participant by the Administrator which are subject to restrictions imposed under Paragraph 8 of the Plan.

(x) “Restricted Stock Agreement” shall mean the agreement between the Company and a Participant whereby Restricted Stock is granted to such Participant.

(y) “SAR” shall mean a stock appreciation right with respect to one Share granted under the Plan.

(z) “SAR Agreement” shall mean the agreement between the Company and a Participant whereby an SAR is granted to such Participant.

(aa) “Share” or “Shares” shall mean the $0.01 par value common stock of the Company.

(bb) “Subsidiary” shall mean any subsidiary entity of the Company, including without limitation, a subsidiary corporation of the Company as defined in Section 424(f) of the Code.

(cc) “Triggering Event” shall mean the first to occur of any of the following:

(1) the acquisition (other than from the Company), by any Person (as defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), directly or indirectly, of beneficial ownership (determined in accordance with 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) the consummation of 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) the consummation of any liquidation or dissolution of the Company or a sale or other disposition of all or substantially all of the assets of the Company; or

(4) individuals who, as of the date this Plan is adopted by the Board of Directors of the Company, 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-12(c); or

(5) 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.

3. AWARDS AVAILABLE UNDER THE PLAN

The Administrator may grant Nonstatutory Stock Options, Incentive Stock Options, Restricted Stock, SARs and Deferred Stock under the Plan.

The Administrator shall have sole authority in its discretion, but always subject to the express provisions of the Plan and applicable law, to determine the Employees or Directors to whom Awards are granted under the Plan and the terms and provisions of each such Award, and to make all other determinations and interpretations deemed necessary or advisable for the administration of the Plan. The Administrator's determination of the foregoing matters shall be conclusive and binding on the Company, all Participants and all other persons.

4. SHARES RESERVED UNDER PLAN

The aggregate number of Shares which may be issued under the Plan pursuant to the exercise or grant of Awards shall not exceed 4,500,000 Shares, which may be treasury Shares or authorized but unissued Shares, or a combination of the two, subject to adjustment as provided in Paragraph 12 hereof. In no event (a) shall the number of shares of Restricted Stock granted under the Plan plus the number of shares of Deferred Stock granted under the Plan exceed 200,000 Shares (subject to adjustment as provided in Paragraph 12 hereof), (b) shall the number of Shares delivered through the exercise of Incentive Stock Options exceed 1,000,000 Shares (subject to adjustment as provided in Paragraph 12 hereof), (c) shall any Employee be eligible to receive Options and SARs for more than an aggregate of 750,000 Shares during any three-year period (subject to adjustment as provided in Paragraph 12 hereof), or (d) shall any one Participant be eligible to receive an aggregate amount of Restricted Stock and Deferred Stock in an amount in excess of $4,000,000 (valuing the Shares at their Market Price on the business day immediately preceding the date of grant) during any three-year period. For purposes of determining the maximum number of Shares available for issuance under the Plan, (a) any Shares which are used in settlement of tax withholding obligations with respect to an Award shall be deemed not to have been issued, (b) if any Option is exercised by tendering Shares, either actually or by attestation, to the Company as full or partial payment for such exercise under this Plan, only the number of Shares issued net of the Shares tendered shall be deemed

issued, and (c) any Shares which have been issued as Restricted Stock which are forfeited to the Company shall be treated, following such forfeiture, as Shares which have not been issued.

5. ADMINISTRATION OF THE PLAN

(a) The Plan shall be administered by the Board of Directors with respect to grants to Directors under the Plan.

(b) The Plan shall be administered by the Committee or by the Board of Directors with respect to grants to Employees under the Plan. Except as otherwise determined by the Board of Directors, the Committee shall be so constituted as to permit grants to be exempt from Section 16(b) of the Exchange Act by virtue of Rule 16b-3 thereunder, as such rule is currently in effect or as hereafter modified or amended ("Rule 16b-3"), and to permit the Plan to comply with Section 162(m) of the Code and any regulations promulgated thereunder, or any other statutory rule or regulatory requirements. The members of the Committee shall be appointed from time to time by the Board of Directors.

6. ELIGIBILITY

(a) Directors shall be eligible to receive Nonstatutory Stock Options, Restricted Stock, SARs and Deferred Stock under the Plan.

(b) Employees shall be eligible to receive Nonstatutory Stock Options, Incentive Stock Options, Restricted Stock, SARs and Deferred Stock under the Plan. In determining the Employees to whom Awards shall be granted and the number of Shares to be covered by each Award, the Administrator may take into account the nature of the services rendered by the respective Employees, their present and potential contributions to the success of the Company, and other such factors as the Administrator in its discretion shall deem relevant.

(c) A Participant may be granted additional Awards under the Plan if the Administrator shall so determine subject to the limitations contained in Paragraph 4.

7. OPTIONS: GENERAL PROVISIONS

Options granted under this Plan shall be subject to such terms and conditions not inconsistent with the Plan as the Administrator shall determine, including the following:

(a) Types of Options. An Option to purchase Shares granted pursuant to this Plan shall be specified to be either an Incentive Stock Option or a Nonstatutory Stock Option. Any grant of an Option shall be confirmed by the execution of an Option Agreement. An Option Agreement may include both an Incentive Stock Option and a Nonstatutory Stock Option, provided each Option is clearly identified as either an Incentive Stock Option or a Nonstatutory Stock Option.

(b) Maximum Annual Grant of Incentive Stock Options to Any Employee. The aggregate fair market value (determined at the time the Incentive Stock Option is granted) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Employee during any calendar year under this Plan (and under all other plans of the Company or

any Subsidiary) shall not exceed $100,000, and/or any other limit as may be prescribed by the Code from time to time.

(c) Option Exercise Price. The per share purchase price of the Shares under each Option granted pursuant to this Plan shall be determined by the Administrator but shall not be less than 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.

(d) Exercise. An Option Agreement may provide for exercise of an Option in such amounts and at such times as shall be specified therein; provided, however, except as provided in Paragraph 7(g), below, or as otherwise determined by the Administrator, no Option granted to an Employee may be exercised unless that person is then in the employ of the Company or a Subsidiary and shall have been continuously so employed since its date of grant. Except as otherwise permitted by the Administrator, an Option shall be exercisable by a Participant's giving written notice of exercise to the Secretary of the Company accompanied by payment of the required exercise price.

(e) General Exercise Period. The Administrator may, in its discretion, determine the periods during which Options or portions of Options may be exercised by a Participant. Notwithstanding any limitation on the exercise of any Option or anything else to the contrary herein contained, except as otherwise determined by the Administrator at the time of grant, upon the occurrence of a Triggering Event, all outstanding Options shall become immediately exercisable, and if a person ceases to be an Employee during a Protected Period because of a termination of that person's employment by the Company other than for Cause, all Options held by such person shall become immediately exercisable. Notwithstanding the foregoing, no Option shall be exercisable after the expiration of ten years from its date of grant. Every Option which has not been exercised within ten years of its date of grant shall lapse upon the expiration of said ten-year period unless it shall have lapsed at an earlier date.

(f) Payment of Exercise Price. The exercise price shall be payable in whole or in part in cash, Shares held by the Participant for more than six months, other property, or such other consideration consistent with the Plan's purpose and applicable law as may be determined by the Administrator from time to time. Unless otherwise determined by the Administrator, such price shall be paid in full at the time that an Option is exercised. If the Participant elects to pay all or a part of the exercise price in Shares, such Participant may make such payment by delivering to the Company a number of Shares already owned by the Participant for more than six months, either directly or by attestation, which are 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.

(g) Cessation of Employee Status. With respect to Participants who are Employees, except as determined otherwise by the Administrator at the time of grant:

(1) Any Participant who ceases to be an Employee due to retirement on or after such person's normal retirement date (as defined in the Manpower Inc. Retirement Plan or any successor plan providing retirement benefits) or due to early retirement with the consent of the Administrator shall have three (3) years from the date of such cessation to

exercise any Option granted hereunder as to all or part of the Shares subject to such Option; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant, and provided further that on the date the Participant ceases to be an Employee, he or she then has a present right to exercise such Option.

(2) Any Participant who ceases to be an Employee due to Disability shall have three (3) years from the date of such cessation to exercise any Option granted hereunder as to all or part of the Shares subject to such Option to the extent that such Participant then has a present right to exercise such Option or would have become entitled to exercise such Option had that Participant remained an Employee during such three-year period; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant.

(3) In the event of the death of an Employee while an Employee, any Option, as to all or any part of the Shares subject to such Option, granted to such Employee shall be exercisable:

(A) for three (3) years after the Employee's death, but in no event later than ten (10) years from its date of grant;

(B) only (1) by the deceased Employee's designated beneficiary (such designation to be made in writing at such time and in such manner as the Administrator shall approve or prescribe), or, if the deceased Employee dies without a surviving designated beneficiary, (2) by the personal representative, administrator, or other representative of the estate of the deceased Employee, or by the person or persons to whom the deceased Employee's rights under the Option shall pass by will or the laws of descent and distribution; and

(C) only to the extent that the deceased Employee would have been entitled to exercise such Option on the date of the Employee's death or would have become entitled to exercise such Option had the deceased Employee remained employed during such three-year period.

(4) An Employee or former Employee who holds an Option who has designated a beneficiary for purposes of Subparagraph 7(g)(3)(B)(1), above, may change such designation at any time, by giving written notice to the Administrator, subject to such conditions and requirements as the Administrator may prescribe in accordance with applicable law.

(5) If a Participant ceases to be an Employee for a reason other than those specified above, that Participant shall have eighteen (18) months from the date of such cessation to exercise any Option granted hereunder as to all or part of the Shares subject thereto; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant, and provided further that on the date the person ceases to be an Employee, he or she then has a present right to exercise such Option. Notwithstanding the foregoing, if a person ceases to be an Employee because of a termination of employment for Cause, to the extent an Option is not effectively exercised prior to such cessation, it shall lapse immediately upon such cessation.

(h) Extension of Periods. The Administrator may in its sole discretion increase the periods permitted for exercise of an Option if a Participant ceases to be an Employee as provided in Subparagraphs 7(g)(1), (2), (3) and (5), above, if allowable under applicable law; provided, however, in no event shall an Option be exercisable subsequent to ten (10) years after its date of grant.

(i) Transferability.

(1) Except as otherwise provided in this Paragraph 7(i), or unless otherwise provided by the Administrator, Options granted to a Participant under this Plan shall not be transferable or subjected to execution, attachment or similar process, and during the lifetime of the Participant shall be exercisable only by the Participant. A Participant shall have the right to transfer the Options granted to such Participant upon such Participant's death, either to the deceased Participant's designated beneficiary (such designation to be made in writing at such time and in such manner as the Administrator shall approve or prescribe), or, if the deceased Participant dies without a surviving designated beneficiary, by the terms of such Participant's will or under the laws of descent and distribution, subject to any limitations set forth in this Plan or otherwise determined by the Administrator, and all such distributees shall be subject to all terms and conditions of this Plan to the same extent as would the Participant.

(2) Nonstatutory Stock Options granted to Directors or to any Employee who is subject to Section 16 of the Exchange Act shall be transferable to members of the Participant's immediate family, to trusts for the benefit of the Participant and/or such immediate family members, and to partnerships in which the Participant and/or such family members are the only partners, provided the transferee agrees to be bound by any vesting or other restrictions applicable to the Participant with respect to the Options. For purposes of the preceding sentence, "immediate family" shall mean a Participant's spouse, children, descendants of children, and spouses of children and descendants. 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 Participant.

8. RESTRICTED STOCK

Restricted Stock granted under this Plan shall be subject to such terms and conditions not inconsistent with the Plan as the Administrator shall determine, including the following:

(a) Grants. The terms of any grant of Restricted Stock shall be confirmed by the execution of a Restricted Stock Agreement.

(b) Restrictions. Restricted Stock may not be sold, assigned, conveyed, donated, pledged, transferred or otherwise disposed of or encumbered for the period determined by the Administrator (the "Restricted Period"), subject to the provisions of this Paragraph 8. In the event that a Participant shall sell, assign, convey, donate, pledge, transfer or otherwise dispose of or encumber the Restricted Stock, said Restricted Stock shall, at the Administrator's option, and in addition to such other rights and remedies available to the Administrator (including the right

to restrain or set aside such transfer), upon written notice to the transferee thereof at any time within ninety (90) days after its discovery of such transaction, be forfeited to the Company.

(c) Cessation of Employee Status. With respect to Participants who are Employees, except as determined otherwise by the Administrator at the time of grant:

(1) If a Participant ceases to be an Employee for any reason, then except as provided in Subparagraphs (c)(2) and (d), below, all Restricted Stock held by such Participant shall be forfeited to the Company.

(2) In the event a Participant ceases to be an Employee on or after such person's normal retirement date (as defined in the Manpower Inc. Retirement Plan or any successor plan providing retirement benefits), or due to early retirement with the consent of the Administrator, or due to death or Disability, all restrictions applicable to any Restricted Stock then held by the Participant shall immediately lapse.

(d) Vesting on Triggering Event. Except as determined otherwise by the Administrator at the time of grant, notwithstanding anything to the contrary herein contained, upon the occurrence of a Triggering Event, the restrictions applicable to any Restricted Stock then held by all Participants shall immediately lapse, and all such Restricted Stock shall be treated as Shares of the Company and the holders thereof shall be entitled to receive the same consideration thereupon, if any, payable to the holders of outstanding shares of the Company in connection with the Triggering Event. In addition, except as otherwise determined by the Administrator at the time of grant, in the case of any individual Employee, upon that person's ceasing to be an Employee during a Protected Period because of a termination of such person's employment by the Company other than for Cause, the restrictions applicable to any Restricted Stock then held by such Employee shall immediately lapse.

(e) Retention of Certificates. The Company will retain custody of the stock certificates representing Restricted Stock during the Restricted Period as well as a stock power signed by the Participant to be used in the event the Restricted Stock is forfeited to the Company.

(f) No Release of Restrictions by Administrator. The Administrator may not, through amendment of the Restricted Stock Agreement or otherwise, accelerate the lapse of any restrictions applicable to Restricted Stock which has been granted under the Plan. This limitation is not intended to apply to the lapse of restrictions pursuant to Subparagraph 8(c)(2) or Paragraph 8(d), above.

9. SARs

Each SAR granted under this Plan shall be subject to such terms and conditions not inconsistent with the Plan as the Administrator shall determine, including the following:

(a) Grants. The terms of any grant of SARs shall be confirmed by the execution of an SAR Agreement.

(b) Grant Value. The Grant Value of each SAR granted pursuant to this Plan shall be determined by the Administrator, but shall not be less than one hundred percent (100%) of the fair market value per Share on the date of grant of such SAR. 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 SAR.

(c) Exercise. An SAR Agreement may provide for exercise of an SAR by a Participant in such amounts and at such times as shall be specified therein; provided, however, except as provided in Paragraph 9(f) below, or as otherwise determined by the Administrator, no SAR granted to an Employee may be exercised unless that person is then in the employ of the Company or a Subsidiary and shall have been continuously so employed since its date of grant. Except as otherwise permitted by the Administrator, an SAR shall be exercisable by a Participant by such Participant giving written notice of exercise to the Secretary of the Company.

(d) General Exercise Period. The Administrator may, in its discretion, determine the periods during which SARs may be exercised by a Participant. Notwithstanding any limitation on the exercise of any SAR or anything else to the contrary herein contained, except as otherwise determined by the Administrator at the time of grant, upon the occurrence of a Triggering Event, all outstanding SARs shall become immediately exercisable, and if a person ceases to be an Employee during a Protected Period because of a termination of that person's employment by the Company other than for Cause, all SARs held by such person shall become immediately exercisable. Notwithstanding the foregoing, no SAR shall be exercisable after the expiration of ten years from its date of grant. Every SAR which has not been exercised within ten years of its date of grant shall lapse upon the expiration of said ten-year period unless it shall have lapsed at an earlier date.

(e) Rights on Exercise. An SAR shall entitle the Participant to receive from the Company that number of full Shares having an aggregate Market Price, as of the business day immediately preceding the date of exercise (the "Valuation Date"), substantially equal to (but not more than) the excess of the Market Price of one Share on the Valuation Date over the Grant Value for such SAR as set forth in the applicable SAR Agreement, multiplied by the number of SARs exercised. However, the Company, as determined in the sole discretion of the Administrator, shall be entitled to elect to settle its obligation arising out of the exercise of an SAR by the payment of cash substantially equal to the aggregate Market Price on the Valuation Date of the Shares it would otherwise be obligated to deliver, or by the issuance of a combination of Shares and cash, in the proportions determined by the Administrator, substantially equal to the aggregate Market Price on the Valuation Date of the Shares the Company would otherwise be obligated to deliver.

(f) Cessation of Employee Status. With respect to Participants who are Employees, except as determined otherwise by the Administrator at the time of grant:

(1) Any Participant who ceases to be an Employee due to retirement on or after such person's normal retirement date (as defined in the Manpower Inc. Retirement Plan or any successor plan providing retirement benefits) or due to early retirement with the consent of the Administrator shall have three (3) years from the date of such cessation to exercise any SAR granted hereunder; provided, however, that no SAR shall be exercisable subsequent to ten (10) years after its date of grant, and provided further that on the date the Participant ceases to be an Employee, he or she then has a present right to exercise such SAR.

(2) Any Participant who ceases to be an Employee due to Disability shall have three (3) years from the date of such cessation to exercise any SAR granted hereunder to the extent such Participant then has a present right to exercise such SAR or would have become entitled to exercise such SAR had that person remained an Employee during such three-year period; provided, however, that no SAR shall be exercisable subsequent to ten (10) years after its date of grant.

(3) In the event of the death of an Employee while an Employee, any SAR granted to such Employee shall be exercisable:

(A) for three (3) years after the Employee's death, but in no event later than ten (10) years from its date of grant;

(B) only (1) by the deceased Employee's designated beneficiary (such designation to be made in writing at such time and in such manner as the Administrator shall approve or prescribe), or, if the deceased Employee dies without a surviving designated beneficiary, (2) by the personal representative, administrator, or other representative of the estate of the deceased Employee, or by the person or persons to whom the deceased Employee's rights under the SAR shall pass by will or the laws of descent and distribution; and

(C) only to the extent that the deceased Employee would have been entitled to exercise such SAR on the date of the Employee's death or would have become entitled to exercise such SAR had the deceased Employee remained employed during such three-year period.

(4) An Employee or former Employee who holds an SAR who has designated a beneficiary for purposes of Subparagraph 9(f)(3)(B)(1), above, may change such designation at any time, by giving written notice to the Administrator, subject to such conditions and requirements as the Administrator may prescribe in accordance with applicable law.

(5) If a Participant ceases to be an Employee for a reason other than those specified above, that Participant shall have eighteen (18) months from the date of such cessation to exercise any SAR granted hereunder; provided, however, that no SAR shall be exercisable subsequent to ten (10) years after its date of grant, and provided further that on the date the person ceases to be an Employee, he or she then has a present right to exercise such SAR. Notwithstanding the foregoing, if a person ceases to be an Employee because of a termination of employment for Cause, to the extent an SAR is not effectively exercised prior to such cessation, it shall lapse immediately upon such cessation.

(g) Extension of Periods. The Administrator may in its sole discretion increase the periods permitted for exercise of an SAR if a person ceases to be an Employee as provided in Subparagraphs 9(f)(1), (2), (3) and (5), above, if allowable under applicable law; provided, however, in no event shall an SAR be exercisable subsequent to ten (10) years after its date of grant.

(h) Transferability. Except as otherwise provided in this Paragraph 9(h), or unless otherwise provided by the Administrator, SARs granted to a Participant under this Plan shall not be transferable or subjected to execution, attachment or similar process, and during the lifetime of the Participant shall be exercisable only by the Participant. A Participant shall have the right to transfer the SARs upon such Participant's death, either to the deceased Participant's designated beneficiary (such designation to be made in writing at such time and in such manner as the Administrator shall approve or prescribe), or, if the deceased Participant dies without a surviving designated beneficiary, by the terms of such Participant's will or under the laws of descent and distribution, subject to any limitations set forth in the Plan or otherwise determined by the Administrator, and all such distributees shall be subject to all terms and conditions of the Plan to the same extent as would the Participant.

10. DEFERRED STOCK

Deferred Stock granted under this Plan shall be subject to such terms and conditions not inconsistent with the Plan as the Administrator shall determine, including the following:

(a) Grants. The terms of any grant of Deferred Stock shall be confirmed by the execution of a Deferred Stock Agreement.

(b) Distributions of Shares. Each Participant who holds Deferred Stock shall be entitled to receive from the Company one Share for each share of Deferred Stock, as adjusted from time to time in the manner set forth in Paragraph 12, below. However, the Company, as determined in the sole discretion of the Administrator, shall be entitled to settle its obligation to deliver Shares by instead making a payment of cash substantially equal to the fair market value of the Shares it would otherwise be obligated to deliver, or by the issuance of a combination of Shares and cash, in the proportions determined by the Administrator, substantially equal to the fair market value of the Shares the Company would otherwise be obligated to deliver. The fair market value of a Share for this purpose will mean the Market Price on the business day immediately preceding the date of the cash payment. Deferred Stock shall vest and Shares shall be distributed to the Participant in respect thereof at such time or times as determined by the Administrator at the time of grant; provided, however, that no Shares shall be distributed in respect of Deferred Stock prior to the date on which such Deferred Stock vests.

[Effective for grants made on or after January 1, 2005, this subparagraph 10(b) will read as follows:

(b) Distributions of Shares. Each Participant who holds Deferred Stock shall be entitled to receive from the Company one Share for each share of Deferred Stock, as adjusted from time to time in the manner set forth in Paragraph 12, below. However, the Company, as determined in the sole discretion of the Administrator, shall be entitled to settle its obligation to deliver Shares by instead making a payment of cash substantially equal to the fair market value of the Shares it would otherwise be obligated to deliver, or by the issuance of a combination of Shares and cash, in the proportions determined by the Administrator, substantially equal to the fair market value of the Shares the Company would otherwise be obligated to deliver. The fair market value of a Share for this purpose will mean the Market Price on the business day immediately preceding the date of the cash payment. Deferred Stock shall vest and Shares shall be distributed to the Participant in respect thereof at such time or times as determined by the

Administrator at the time of grant; provided, however, that Deferred Stock shall only be distributed in accordance with the rules of Section 409A of the Code and any guidance issued thereunder; and provided, further, that no Shares shall be distributed in respect of Deferred Stock prior to the date on which such Deferred Stock vests.]

(c) Cessation of Employee Status. With respect to Participants who are Employees, except as determined otherwise by the Administrator at the time of grant:

(1) If a Participant ceases to be an Employee for any reason, then except as provided in Subparagraphs (c)(2) and (d), below, all Deferred Stock held by such Participant on the date of termination that has not vested shall be forfeited.

(2) In the event a Participant ceases to be an Employee on or after such person's normal retirement date (as defined in the Manpower Inc. Retirement Plan or any successor plan providing retirement benefits) or due to early retirement with the consent of the Administrator, or due to death or Disability, all Deferred Stock then held by such Participant shall immediately vest.

(d) Vesting on Triggering Event. Except as determined otherwise by the Administrator, notwithstanding anything to the contrary herein contained, upon the occurrence of a Triggering Event, all Deferred Stock then held by Participants shall immediately vest. In addition, except as otherwise determined by the Administrator at the time of grant, in the case of any individual Employee, upon that person's ceasing to be an Employee during a Protected Period because of a termination of such person's employment by the Company other than for Cause, all Deferred Stock then held by such Employee shall immediately vest.

(e) Transferability. Deferred Stock may not be sold, assigned, conveyed, donated, pledged, transferred or otherwise disposed of or encumbered or subjected to execution, attachment, or similar process; provided, however, Shares distributed in respect of such Deferred Stock may be transferred in accordance with applicable securities laws. A Participant shall have the right to transfer Deferred Stock upon such Participant's death, either to the deceased Participant's designated beneficiary (such designation to be made in writing at such time and in such manner as the Administrator shall prescribe or approve), or, if the deceased Participant dies without a surviving designated beneficiary, by the terms of such Participant's will or under the laws of descent and distribution, subject to any limitations set forth in the Plan or otherwise determined by the Administrator, and all such distributees shall be subject to all terms and conditions of the Plan to the same extent as would the Participant.

(f) No Rights as Shareholders. No Participant shall have any interest in any fund or in any specific asset or assets of the Company by reason of any Deferred Stock granted hereunder, nor any right to exercise any of the rights or privileges of a shareholder with respect to any Deferred Stock or any Shares distributable with respect to any Deferred Stock until such Shares are so distributed.

(g) Dividends and Distributions. As of each record date for the payment of dividends on the Company's common stock, each Participant shall be granted a number of additional shares of Deferred Stock equal to the quotient of the amount of dividends which would have been received by a shareholder of record of a number of Shares equal to the number of shares of Deferred Stock held by such Participant immediately before such dividend, divided by the Market Price on

such date. In the event of any distribution with respect to Shares other than a cash dividend, then each Participant shall be granted a number of additional shares of Deferred Stock which could have been purchased at the Market Price as of the date of such distribution with an amount equal to the Market Price of the consideration which would have been received on such date by a shareholder of record of a number of Shares equal to the number of shares of Deferred Stock then held by such Participant.

(h) Accelerated Distribution. Notwithstanding any other provision of the Plan, the Administrator may, at any time after Deferred Stock held by a Participant has vested, accelerate the time that Shares are distributed with respect to such Deferred Stock.

[Effective for grants made on or after January 1, 2005, this subparagraph 10(h) will read as follows:

(h) Accelerated Distribution. The Administrator may not, at any time after Deferred Stock held by a Participant has vested, accelerate the time that Shares or cash are or is distributed with respect to such Deferred Stock, except as permitted in accordance with Code Section 409A or any guidance promulgated thereunder.]

(i) No Accelerated Vesting by Administrator. The Administrator may not, through amendment of the Deferred Stock Agreement or otherwise, accelerate the vesting of Deferred Stock which has been granted under the Plan subject to vesting limitations. This limitation is not intended to apply to the vesting of Deferred Stock pursuant to Subparagraph 10(c)(2) or Paragraph 10(d), above.

11. LAWS AND REGULATIONS

Each Option Agreement, Restricted Stock Agreement, SAR Agreement or Deferred Stock 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. 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 Participant of such documents and information as the Administrator may deem necessary or appropriate in connection with such registration or qualification.

12. ADJUSTMENT PROVISIONS

(a) Share Adjustments. In the event of any stock dividend, stock split, 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 4 and the other limitations contained in Paragraph 4, the number of Shares subject to each outstanding Option, the number of Shares of Restricted Stock then held by each Participant, the number of shares to which each then outstanding SAR relates, the number of shares to which each outstanding Award of

Deferred Stock relates, the exercise price applicable to each outstanding Option and the Grant Value of each outstanding SAR shall be appropriately adjusted as determined by the Administrator.

(b) Acquisitions. In the event of a merger or consolidation of the Company with another corporation or entity in which the Company is not the survivor, or a sale or disposition by the Company of all or substantially all of its assets, the Administrator shall, in its sole discretion, have authority to provide for (1) waiver in whole or in part of any remaining restrictions or vesting requirements in connection with any Award granted hereunder, (2) the conversion of outstanding Options, Restricted Stock, SARs or Deferred Stock into cash and/or (3) the conversion of Awards into the right to receive securities of another person upon such terms and conditions as are determined by the Administrator in its discretion.

(c) Binding Effect. Any adjustment, waiver, conversion or other action taken by the Administrator under this Paragraph 12 shall be conclusive and binding on all Participants.

13. TAXES

(a) Options and SARs. The Company shall be entitled to pay and withhold from any amounts payable by the Company to a Participant the amount of any tax which it believes is required as a result of the grant, vesting or exercise of any Option or SAR, and the Company may defer making delivery with respect to cash and/or Shares obtained pursuant to exercise of any Option or SAR until arrangements satisfactory to it have been made with respect to any such withholding obligations. A Participant exercising an Option or SAR may, at his or her election, satisfy his or her obligation for payment of required withholding taxes by having the Company retain a number of Shares having an aggregate Market Price on the business day immediately preceding the date the Shares are withheld equal to the amount of the required withholding tax.

(b) Restricted Stock. The Company shall be entitled to pay and withhold from any amounts payable by the Company to a Participant the amount of any tax which it believes is required as a result of the issuance of or lapse of restrictions on Restricted Stock, and the Company may defer the delivery of any Shares or Share certificates until arrangements satisfactory to the Administrator shall have been made with respect to any such withholding obligations. A Participant may, at his or her election, satisfy his or her obligation for payment of required withholding taxes with respect to Restricted Stock by delivering to the Company a number of Shares which were Restricted Stock upon the lapse of restrictions, or Shares already owned, having an aggregate Market Price on the business day immediately preceding the day on which such Shares are withheld equal to the amount of the required withholding tax.

(c) Deferred Stock. The Company shall be entitled to pay and withhold from any amounts payable by the Company to a Participant the amount of any tax which it believes is required as a result of the grant or vesting of any Deferred Stock or the distribution of any Shares or cash payments with respect to Deferred Stock, and the Company may defer making delivery of Shares with respect to Deferred Stock until arrangements satisfactory to the Administrator have been made with respect to any such withholding obligations. A Participant who holds Deferred Stock may, at his or her election, satisfy his or her obligation to pay the required withholding taxes by having the Company withhold from the number of Shares distributable, if

any, a number of Shares having an aggregate Market Price on the business day immediately preceding the date the Shares are withheld equal to the amount of the required withholding tax.

14. EFFECTIVENESS OF THE PLAN

The Plan, as approved by the Company's Executive Compensation Committee and Board of Directors, shall become effective as of the date of such approval, subject to ratification of the Plan by the vote of the shareholders.

15. TERMINATION AND AMENDMENT

Unless the Plan shall theretofore have been terminated as hereinafter provided, no Award shall be granted after February 18, 2013. 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, 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 or the listing standards of the New York Stock Exchange (or if the Shares are not then listed on the New York Stock Exchange, the listing standards of such other exchange or inter-dealer quotation system on which the Shares are listed). No termination, modification or amendment of the Plan may, without the consent of the Participant, adversely affect the rights of such Participant under an outstanding Award then held by the Participant.

Except as otherwise provided in this Plan, the Administrator may amend an outstanding Award or any Stock Option Agreement, Restricted Stock Agreement, SAR Agreement, or Deferred Stock Agreement; provided, however, that the Participant's consent to such action shall be required unless the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant. The Administrator may also modify or amend the terms of any Award granted under the Plan for the purpose of complying with, or taking advantage of, income or other tax or legal requirements or practices of foreign countries which are applicable to Employees. However, notwithstanding any other provision of the Plan, the Administrator may not adjust or amend the exercise price of any outstanding Option or SAR, whether through amendment, cancellation and replacement grants, or any other means, except in accordance with Paragraph 12 of the Plan.

16. OTHER BENEFIT AND COMPENSATION PROGRAMS

Payments and other benefits received by an Employee under an Award granted pursuant to the Plan shall not be deemed a part of such Employee's regular, recurring compensation for purposes of the termination, indemnity or severance pay law of any country and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company or any Subsidiary unless expressly so provided by such other plan, contract or arrangement, unless required by law, or unless the Administrator expressly determines otherwise.

17. NO RIGHT TO EMPLOYMENT.

The Plan shall not confer upon any person any right with respect to continuation of employment by the Company or a Subsidiary, nor shall it interfere in any way with the right of the Company or such Subsidiary to terminate any person's employment at any time.

SECTION A

1. GENERAL

(a) Except to the extent inconsistent with and/or modified by the terms specifically set out below, this Section A incorporates all of the provisions of the Plan exclusive of this Section A (the “Main Plan”). This Section A of the Plan shall apply to Employees who are employed in the United Kingdom and shall be referred to below as the “Scheme”. Options shall not be granted under this Scheme until approval by the Board of Inland Revenue is received by the Company.

(b) SARs shall not be granted to Employees under the Scheme.

(c) Neither Restricted Stock nor Deferred Stock shall be granted to Employees under the Scheme.

2. DEFINITIONS

In this Scheme the following words and expressions have the following meanings except where the context otherwise requires:

(a) “Act” shall mean the Income Tax (Earnings and Pensions) Act 2003.

(b) “Approval” shall mean approval under Schedule 4.

(c) “Approved Scheme” shall mean a share option scheme, other than a savings-related share option scheme, approved under Schedule 4.

(d) “Employee” shall mean any employee of the Company or its Subsidiaries, provided that no person who is precluded from participating in the Scheme by paragraph 9 of Schedule 4 shall be regarded as an Employee.

(e) “Exercise Price” shall mean the Market Price as defined in Paragraph 2(p) of the Main Plan (save that the proviso to that Paragraph 2(p) shall not apply) for the business day immediately preceding the date of grant of an Option provided that if, at the date of grant, Shares are not listed on the New York Stock Exchange, then the Exercise Price shall be the market value of a Share determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance for the purposes of the Scheme with the Shares Valuation Division of the Board of Inland Revenue, provided that the Exercise Price shall not be less than the par value of a Share.

(f) “PAYE Liability” shall mean the amount of any taxes and/or primary class 1 national insurance contributions or other social security taxes which the Company or any of its Subsidiaries would be required to account for to the Inland Revenue or other taxation authority by reference to the exercise of an Option and, if so required by and agreed with the Company,

any secondary class 1 national insurance contributions which the Company or any of its Subsidiaries would be required to account for to the Inland Revenue on exercise of an Option.

(g) "Redundancy" shall mean dismissal by reason of redundancy within the meaning of the Employment Rights Act 1996.

(h) "Revenue Limit" shall mean £30,000 or such other amount as may from time to time be the appropriate limit for the purpose of paragraph 6(1) of Schedule 4.

(i) "Schedule 4" shall mean Schedule 4 to the Act.

(j) "Share" shall mean $0.01 par value common stock of the Company which satisfies the conditions of paragraphs 15 to 20 of Schedule 4.

(k) "Subsidiary" shall mean a company which is for the time being a subsidiary of the Company within the meaning of Section 736 of the Companies Act 1985.

Other words or expressions, so far as not inconsistent with the context, have the same meanings as in Schedule 4.

Any reference to a statutory provision shall be deemed to include that provision as the same may from time to time hereafter be amended or re-enacted.

3. LIMITS

An Option granted to an Employee shall be limited and take effect so that the aggregate market value of Shares subject to that Option, taken together with the aggregate market value of Shares which the Employee may acquire in pursuance of rights obtained under the Scheme or under any other Approved Scheme established by the Company or by any associated company (within the meaning of paragraph 35(1) of the Schedule 4) of the Company (and not exercised), shall not exceed the Revenue Limit. Such aggregate market value shall be determined at the time the rights are obtained.

4. TERMS OF OPTIONS

(a) No Option granted under the Scheme may be transferred, assigned, charged or otherwise alienated save that an Option may be exercised after the relevant Employee's death in accordance with the provisions of this Scheme. The provisions of Paragraph 7(i) of the Main Plan shall not apply for the purposes of this Scheme.

(b) An Option granted under the Scheme shall not be exercised by a Holder at any time when he is ineligible to participate by virtue of paragraph 9 of Schedule 4.

(c) As provided in Paragraph 7(d) of the Main Plan, an Option shall be exercised by notice in writing given by the Holder to the Secretary of the Company accompanied by payment of the required Exercise Price which must be satisfied in cash. The provisions of Paragraph 7(f) of the Main Plan shall not apply for the purposes of this Scheme.

(d) For purposes of this Scheme, Subparagraph 7(g)(1) of the Main Plan shall read:

"Any person who ceases to be an Employee due to retirement on or after such person's normal retirement date (as defined in the Manpower Inc. Retirement Plan or any successor plan providing retirement benefits) or due to early retirement with the consent of the Administrator shall have three (3) years from the date of such cessation to exercise any Option granted hereunder as to all or part of the Shares subject to such Option; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant or one (1) year after the date of the Participant's death, and provided further that on the date the Participant ceases to be an Employee, he or she then has a present right to exercise such Option."

(e) For purposes of this Scheme, Subparagraph 7(g)(2) of the Main Plan shall read:

"Any person who ceases to be an Employee due to Disability, injury, Redundancy, or his or her employer ceasing to be a Subsidiary or the operating division by which he or she is employed being disposed of by a Subsidiary or the Company shall have:

(A) Three (3) years from the date of such cessation due to Disability to exercise any Option granted hereunder as to all or part of the Shares subject to such Option, to the extent that such person then has a present right to exercise such Option or would have become entitled to exercise such Option had such person remained an Employee during such three-year period; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant or one (1) year after the date of the Participant's death; and

(B) Eighteen (18) months from the date of such cessation due to injury, Redundancy, or his or her employer ceasing to be a Subsidiary or the operating division by which he or she is employed being disposed of by a Subsidiary or the Company to exercise any Option granted hereunder as to all or part of the Shares subject to such Option; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant or one (1) year after the date of the Participant's death, and provided further that on the date that person ceases to be an Employee, he or she then has a present right to exercise such Option".

(f) For purposes of this Scheme, Subparagraph 7(g)(3) shall read:

"In the event of the death of an Employee while an Employee, any Option, as to all or any part of the Shares subject to the Option, granted to such Employee shall be exercisable:

(A) For one (1) year from the date of the Employee's death, but in no event later than ten (10) years from its date of grant;

(B) Only by the personal representative, administrator or the representative of the estate of the deceased Employee; and

(C) Only to the extent that the deceased Employee would have been entitled to exercise such Option on the date of the Employee's death or would have become entitled

to exercise such Option had the deceased Employee remained employed during a period of three (3) years from the date of the Employee's death."

(g) For purposes of this Scheme, Subparagraph 7(g)(5) of the Main Plan shall read:

"If a person ceases to be an Employee for a reason other than those specified above, that person shall have eighteen (18) months from the date of such cessation to exercise any Option granted hereunder as to all or part of the Shares subject thereto; provided, however, that no Option shall be exercisable subsequent to ten (10) years after its date of grant or one (1) year after the date of the Participant's death, and provided further that on the date the person ceases to be an Employee, he or she then has a present right to exercise such Option. Notwithstanding the foregoing, if a person ceases to be an Employee because of a termination of employment for Cause, to the extent an Option is not effectively exercised prior to such cessation, it shall lapse immediately upon such cessation."

(h) For purposes of this Scheme, Subparagraph 7(h) of the Main Plan shall read:

"The Administrator may in its sole discretion, acting fairly and reasonably, increase the periods permitted for exercise of an Option as provided in Subparagraphs 7(g)(1), (2), and (5) above; provided, however, in no event shall an Option be exercisable subsequent to ten (10) years after its date of grant, and provided further that such Option is exercised within one (1) year after the date of the Participant's death."

(i) For purposes of this Scheme, Paragraph 13(a) of the Main Plan shall read:

"If any PAYE Liability would arise on the exercise of an Option, the Option may only be validly exercised if the Participant remits to the Company with his exercise notice a payment of an amount equal to such PAYE Liability (which being a cheque or similar instrument shall only be valid if honored on first presentation), or if the Participant gives instructions to the Company's brokers (or any person acceptable to the Company) for the sale of sufficient Shares acquired under the Scheme to realize an amount equal to the PAYE Liability and the payment of the PAYE Liability to the Company, or if the Participant makes other arrangements to meet the PAYE Liability that are acceptable to the Administrator (acting fairly and reasonably) and the Board of Inland Revenue."

(j) The second paragraph of Paragraph 15 of the Main Plan providing for the amendment of outstanding Options shall not apply for purposes of this Scheme.

(k) If Shares are to be issued to the Participant following the exercise of an Option, such Shares shall be issued to the Participant within 30 days of the Option being exercised. If Shares are to be purchased on the open market for the Participant following a Participant's exercise of an Option, such purchase must be made and the Shares must be transferred to the Participant within 30 days of the Option being exercised.

(l) Shares issued on the exercise of an Option will rank *pari passu* with the Shares in issue on the date of allotment.

5. ADJUSTMENTS

(a) The adjustment provisions relevant to Options in Paragraph 12(a) of the Main Plan shall apply for the purposes of this Scheme in so far as (i) Paragraph 12(a) of the Main Plan meets the provisions of Paragraph 22(3) of Schedule 4 and (ii)there is a variation of the share capital of the Company within the meaning of Paragraph 22(3) of Schedule 4, provided that no such adjustment to any Options granted under this Scheme shall be made without the prior approval of the Board of Inland Revenue.

(b) Any discretion exercised by the Administrator in respect of the waiving of any vesting requirements pursuant to Paragraph 12(b) of the Main Plan shall be exercised fairly and reasonably.

(c) For purposes of this Scheme, the provision in Paragraph 12(b)(2) of the Main Plan allowing for the conversion of outstanding Options into cash shall not apply.

(d) For purposes of this Scheme, the provisions in Paragraph 12(b)(3) of the Main Plan allowing for the conversion of outstanding Awards into the right to receive securities of another person shall not apply.

6. EXCHANGE OF OPTIONS

(a) The provisions of this Paragraph 6 apply if a company (the “Acquiring Company”):

(1) obtains control of the Company as a result of making a general offer to acquire:

(A) the whole of the issued ordinary share capital of the Company (other than that which is already owned by it and its subsidiary or holding company) made on a condition such that, if satisfied, the Acquiring Company will have control of the Company; or

(B) all the Shares (or those Shares not already owned by the Acquiring Company or its subsidiary or holding company); or

(2) obtains control of the Company under a compromise or arrangement sanctioned by the court under Section 425 of the Companies Act 1985; or

(3) becomes bound or entitled to acquire Shares under Sections 428 to 430F of the Companies Act 1985; or

(4) obtains control of the Company as a result of a general offer to acquire the whole of the general capital of the Company pursuant to an action agreed in advance with the Board of the Inland Revenue as comparable with any action set out in Paragraphs 6(a)(1), 6(a)(2) or 6(a)(3) of this Scheme.

(b) Exchange. If the provisions of this Paragraph 6 apply, Options may be exchanged by a Participant within the period referred to in paragraph 26(3) of Schedule 4 by agreement with the company offering the exchange.

(c) Exchange terms. Where an Option is to be exchanged the Participant will be granted a new option to replace it. Where a Participant is granted a new option then:

(1) the new option will be in respect of shares in any body corporate determined by the company offering the exchange as long as they satisfy the conditions of paragraph 27(4) of Schedule 4;

(2) the new option will be equivalent to the Option that was exchanged;

(3) the new option will be treated as having been acquired at the same time as the Option that was exchanged and will be exercisable in the same manner and at the same time;

(4) the new option will be subject to the provisions of the Main Plan and this Scheme as they last had effect in relation to the Option that was exchanged; and

(5) with effect from exchange, the provisions of the Main Plan and this Scheme will be construed in relation to the new option as if references to Shares are references to the shares over which the new option is granted and references to the Company are references to the body corporate determined under the provisions of Paragraph 6(c)(1) of this Scheme.

7. ADMINISTRATION OR AMENDMENT

The Scheme shall be administered under the direction of the Administrator as set out in the Main Plan provided that for so long as the Administrator determines that the Scheme is to be an Approved Scheme, no amendment for which prior approval by the Board of Inland Revenue is required under the Act shall be made without the prior approval of the Board of Inland Revenue.

Exhibit 10.17(c)

Terms and Conditions Regarding the Grant of Awards to Non-Employee Directors under the 2003 Equity Incentive Plan of Manpower Inc.

(Amended and Restated Effective December 15, 2004)

1. Definitions

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

(a) "Average Trading Price" shall mean the average of the Market Prices on the last trading day of each full or partial calendar quarter covered by an Election Period; provided, however, that with respect to the Election Period beginning on July 29, 2003, "Average Trading Price" shall mean the average of the Market Price on November 7, 2003 and the Market Price on the last trading day of the last full or partial calendar quarter covered by that Election Period.

(b) A "Commencement Date" shall mean, with respect to Directors in office as of July 29, 2003, July 29, 2003 and thereafter January 1st of any year, shall mean, with respect to Directors appointed to the Board of Directors after July 29, 2003, the date of the Director's initial appointment to the Board of Directors and thereafter January 1st of any year, and shall mean, with respect to individuals who were Employee members of the Board of Directors and who become Directors after July 29, 2003, the date on which such individual becomes a Director and thereafter January 1st of any year.

(c) An "Election Period" shall mean a period of time beginning on a Commencement Date and ending on the earlier of (a) the date of termination of a Director's tenure as a Director or (b) the next succeeding December 31st.

(d) "Equity Plan" shall mean the 2003 Equity Incentive Plan of Manpower Inc.

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

(f) "Retainer" shall mean the annual cash retainer payable to a Director as established from time to time by the Board of Directors; provided, however, that the term "Retainer" shall not include that portion of the annual cash retainer as to which a right exists to make an election under, or for which a prior election is in effect under, the Terms and Conditions Regarding the Grant of Options in Lieu of Cash Directors Fees to Non-Employee Directors Under 2003 Equity Incentive Plan of Manpower Inc. (the "Option Terms") or the Procedures Governing the Grant of Options to Non-Employee Directors Under the 1994 Executive Stock Option and Restricted Stock Plan of Manpower Inc. (the "Option Procedures").

(g) "Retirement" shall mean a Director's termination of membership on the Board of Directors at a time when (1) the Director is age 60 or older and has served at least five years on the Board of Directors, or (2) the Director has served at least ten years on the Board of Directors.

Any capitalized terms used below which are not otherwise defined above will have the meanings assigned to them in the Equity Plan.

2. Right to Elect Deferred Stock.

Within ten days after the Commencement Date of each Election Period, a Director may elect to receive, in lieu of the Retainer to which he or she would otherwise be entitled for that Election Period, Deferred Stock granted in accordance with the following. The election shall cover 50 percent, 75 percent or 100 percent of the Retainer payable to the Director for the Election Period. The election to receive Deferred Stock in lieu of the Retainer must be made within ten days after the commencement of the Election Period covered by the election, except that for an election made by a Director (a) for the Election Period beginning on July 29, 2003, the election may be made by November 7, 2003 or (b) in connection with his or her initial appointment to the Board of Directors or otherwise becoming a Director, the election may be made within the first 10 days following the date of such appointment or attaining such status. 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 Deferred Stock in lieu of 100 percent of the Retainer and, as such, treated as if he or she had made an election covering a period beginning on each Commencement Date and ending on the expiration of the Election Period beginning on such date. The number of shares of Deferred Stock granted with respect to each Election Period shall equal (a) the amount of the Retainer payable to the Director for that Election Period to which the election relates, divided by (b) the Average Trading Price (rounded to the fourth decimal place). Said election shall be in writing and delivered to the Secretary of the Company. The date of grant of the Deferred Stock shall be the last trading day of the Election Period covered by the election. The Company shall effect the granting of Deferred Stock under these Terms and Conditions by the execution of Deferred Stock Agreements.

[Effective for deferrals relating to Election Periods on or after January 1, 2005, paragraph 2 will read as follows:

2. Right to Elect Deferred Stock.

Prior to the Commencement Date of each Election Period, a Director may elect to receive, in lieu of the Retainer to which he or she would otherwise be entitled for that Election Period, Deferred Stock granted in accordance with the following. The election shall cover 50 percent, 75 percent or 100 percent of the Retainer payable to the Director for the Election Period. The election to receive Deferred Stock in lieu of the Retainer must be made prior to the commencement of the Election Period covered by the election, except that, in connection with his or her initial appointment to the Board of Directors or otherwise becoming a Director, the election may be made within the first 30 days following the date of such appointment or attaining such status. An election made by a Director within 30 days of his or her initial appointment to the Board of Directors or otherwise becoming a director shall only apply to that portion of the Retainer that is attributable to services performed by the Director subsequent to the date of 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 Deferred Stock in lieu of 100 percent of the Retainer and, as such, treated as if he or she had made an election covering a period beginning on each Commencement Date and ending on the expiration of the Election Period beginning on such date. The number of shares of Deferred Stock granted with respect to each Election Period shall equal (a) the amount of the Retainer payable to the Director for that Election Period to which the election relates, divided by (b) the Average Trading Price (rounded to the fourth decimal place). Said election shall be in writing and delivered to the Secretary of the Company. The date of grant of the Deferred Stock shall be the last trading day of the Election Period covered by the election. The Company shall effect the granting of Deferred Stock under these Terms and Conditions by the execution of Deferred Stock Agreements.]

3. Deferred Stock: General Provisions

(a) *Distribution of Shares.* The Company shall settle Deferred Stock in Shares. Deferred Stock granted to Directors shall be fully vested on the date of grant. Shares shall be distributed in respect of Deferred Stock within 30 days after the date of termination of a Director's tenure as a Director; provided, however, that if the distribution of such Shares would occur outside of a "Trading Window" (as defined in the Manpower Inc. Statement of Policy on Securities Trading), then the Company may delay the distribution of such Shares until the beginning of the next "Trading Window".

(b) *Dividends and Distributions*. As of the end of each Election Period, each Director shall be granted a number of additional shares of Deferred Stock equal to the amount of dividends which would have been received by a shareholder of record of a number of Shares equal to the number of shares of Deferred Stock held by such Director immediately before such dividend, divided by the Average Trading Price. In the event of any distribution with respect to Shares other than a cash dividend, then at the end of each Election Period each Director shall be granted a number of additional shares of Deferred Stock equal to the number of Shares which could have been purchased at the Average Trading Price with an amount equal to the fair market value of the consideration which would have been received by a shareholder of record of a number of Shares equal to the number of shares of Deferred Stock held by such Director immediately before such dividend.

4. Transition Provisions

Except as provided below, the Option Terms and the Option Procedures are terminated effective July 29, 2003. All elections in effect as of July 29, 2003 under the Option Terms and the Option Procedures shall remain in effect. Directors in office prior to July 29, 2003 for whom an election is not in effect under the Option Terms or the Option Procedures covering the full period from November 5, 2001 through November 4, 2006 will continue to have the right to make elections under the Option Terms with respect to the first $50,000 of the annual cash retainer through November 4, 2006.

5. Annual Option Grant

On the date of the meeting of the Board of Directors closest to October 31st of each year, each Director shall be granted an Option to purchase 5,000 Shares. If the date of a Director's initial appointment to the Board of Directors is:

(a) after the date of that meeting of the Board of Directors, but on or before December 31st of that year, the Director shall be granted an Option to purchase 5,000 Shares;

(b) on or after January 1st of the following year, but on or before March 31st of such year, then the Director shall be granted an Option to purchase 3,750 Shares;

(c) on or after April 1st of the following year, but on or before June 30th of such year, then the Director shall be granted an Option to purchase 2,500 Shares;

(d) on or after July 1st of the following year, but on or before September 30th of such year, then the Director shall be granted an Option to purchase 1,250 Shares; and

(e) on or after October 1st of the following year, but before the date of the meeting of the Board of Directors closest to October 31st of such year, then the Director shall not be granted an Option to purchase any Shares until the grant to be made at such meeting.

Options to be granted in accordance with clauses (a) through (d), above, shall be granted on the effective date of the Director's appointment to the Board of Directors or, if instead applicable, on the date of the meeting of the Board of Directors next following the date an individual serving on the Board of Directors qualifies as a Director. Each Option granted hereunder shall have an exercise price equal to the Market Price on the business day immediately preceding the date of grant, and shall be immediately exercisable on the date of grant, and shall remain exercisable until the earlier of ten years after the date of grant, or three years after the date the Director's membership on the Board of Directors terminates because of death or upon the Disability or Retirement of the Director, or 18 months after the date the Director's membership on the Board of Directors terminates in any other circumstances. The Board of Directors may in its sole discretion increase the periods permitted for exercise of an Option if a Director ceases to be a Director as provided above, if allowable under applicable law; provided, however, in no event shall an Option be exercisable subsequent to ten years after its date of grant.

6. Application of Plan.

Except as otherwise provided in these Terms and Conditions, the Equity Plan shall apply to any Deferred Stock and Options granted pursuant to these Terms and Conditions.

Exhibit 12.1

STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

MANPOWER INC.
(in millions)

	Years Ended December 31,				
	2004	2003	2002	2001	2000
Earnings:					
Earnings before income taxes	$369.5	$222.1	$188.0	$197.9	$265.2
Fixed charges	153.2	125.0	116.5	107.4	94.0
	$522.7	$347.1	$304.5	$305.3	$359.2
Fixed charges:					
Interest (expensed or capitalized)	$ 45.4	$ 41.4	$ 42.4	$ 39.1	$ 35.0
Estimated interest portion of rent expense	107.8	83.6	74.1	68.3	59.0
	$153.2	$125.0	$116.5	$107.4	$ 94.0
Ratio of earnings to fixed charges	3.4	2.8	2.6	2.8	3.8

Note: The calculation of ratio of earnings to fixed charges set forth above is in accordance with Regulation S-K, Item 601(b)(12). This calculation is different than the fixed charge ratio that is required by our various borrowing facilities.

Exhibit 13

What’s Now.
What’s Next.

In the 57 years since Manpower opened its doors, we have enjoyed a birds-eye view of the world of work and all of its changes, challenges and extraordinary opportunities. We have seen the role of the Human Resources function evolve and expand to become a core part of the business strategy. We have seen the role of the worker evolve to be viewed as an investment, and to include all people of all shapes and sizes.

While the heart and soul of our business remains the provision of temporary workers to help employers fulfill fluctuations in staffing demands, this is only one part of the story. Today, we provide a complete range of services that span the employment and business cycle. These offerings include: recruitment, assessment and selection; training; temporary staffing; permanent placement; organizational consulting, career transition and professional financial services.

But this is too simplistic a view of the value we bring to our customers. In their eyes, we are the partner that helps them improve the productivity of their workforce. We are the extension of their HR department when they need a helping hand. We are the answer when they find that they need to re-engineer their workforce to get the right people with the right skills in the right places to help their company succeed. We are the solution when change happens, as it frequently does, and they need help to align their people with their strategy.

As the world of work continues to change, one thing remains true – Manpower continues to grow and adapt to be ready with the answers to help our clients create winning HR strategies and successfully compete in their respective markets. On the following pages, five of our clients give their perspectives on the people issues they face today, and those that are shaping the future of their organizations.

Originally founded to provide American business customers with productivity-enhancing accounting and measuring machines, IBM, the international company that has given the world many IT innovations, grew to become the world's undisputed #1 computer business and today operates in more than 160 countries worldwide.

But times change and IBM has been quick to change with them. Over the past several years, "Big Blue" has transitioned from a production-based supplier of computer hardware to a talent-based provider of on demand IT services to its clients worldwide, leveraging the core skills of its global talent pool.

JUST- IN - TIME TALENT MANAGEMENT (RILEY PERSPECTIVE)

As the global economy has transitioned from manufacturing into services, so has IBM, with more than 50 percent of our workforce today engaged in providing services for clients. And since service equates with people, that means we are investing far more in human than in physical assets. The company and its workforce have also grown significantly, with more than 18,000 new employees added in 2004 alone. The world in which we operate is changing at an accelerating pace and we need to keep up with it – not least in the way we manage our global talent.

DELIVERING "ON-DEMAND" SERVICES

Some two years ago, observing how our clients needed access to our services on very short lead times, we embarked on a program to redefine our business as an on demand service provider, and to serve as a role model for clients of all types in all industries. We obviously had to start by considering our people.

With the help of Manpower, whose just-in-time talent management expertise clearly paralleled our on demand strategic objectives, we created a consistent taxonomy for defining the skills, capabilities, and experiences needed for different positions along our talent supply chain. This has enabled us to identify which talents are core value delivering capabilities and which are less critical; to obtain insights into achieving the right balance between alternative sources of talent; and to match our people strategy most closely to our overall business strategy.

ACHIEVING FLEXIBILITY WITH QUALITY

Delivering on demand services requires an integrated, seamless, end-to-end approach to acquiring and deploying talent right across your business, building flexibility into the workforce to accommodate variability in demand. It means determining which HR partners can best work alongside your own management, responding to both the time dimension and the cultural fit to ensure the delivery of talent to meet your business requirements.

In achieving our responsive on demand flexibility, we are working with selected strategic HR partners to source
and deploy a global range of talent, both permanent and contingent. Our partners understand our requirement for quality and have the same commitment as we have to the standards of capability and training that deliver the differentiation that yields our competitive advantage.

JUST- IN - TIME TALENT MANAGEMENT

In the era of production excellence, winning companies based their market dominating strategies on supply chain optimization. No process was left untouched, no matter how complex, in pursuit of the most cost-effective approaches to building and delivering their products wherever their clients needed them…just in time. The resulting cost savings were significant; with some reports showing that these strategies saved the median Fortune 500 company five hundred million dollars.

Now and into the future, Manpower is partnering with many companies that are following an evolutionary path from a manufacturing-based business to a talent-centric enterprise, utilizing key supply chain strategies. To help clients successfully achieve this objective, Manpower has developed a breakthrough approach to talent management derived from supply chain thinking. Talent Value Management[sm] (TVM[sm]) is designed to create an integrated talent supply chain, where talent can be optimized and deployed using rigorous decision support tools with a foundation of common data and processes.

Talent supply chain optimization can drive the answers to questions like:

- Which talent requirements are the most critical?
- How do I best source this talent?
- What is the optimal mix of regular full-time and contract workforce?
- What talent investments do I need to make and where?

Our ultimate objective as our client’s talent management partner is to help the organization ensure that its investments in people are fully aligned with, and help drive, business strategy to yield the maximum return on investment.

JUST-IN-TIME

Once the UK's monopoly national telecommunications provider, BT Group today operates competitively in 5 continents, differentiating itself by providing both telecommunications and IT services to its residential, business, and corporate customers worldwide.

Some 40 percent of the Group's 100,000 employees work for BT Retail, the residential and corporate telephony services division, as customer service staff in the company's 40 UK contact centers and as installation and network engineers in the field.

DEVELOPING A FLEXIBLE WORKFORCE (DANON PERSPECTIVE)

The most important characteristic required by contact center staff and field engineers at BT Retail is to have good customer-interface skills. They also need to be team players and to have a "learning attitude" – adapting readily to fast-paced industry change, as we introduce enhanced new services and continually improve our competitive offering. Our greatest HR challenge in recent years has been to create a high-performance environment among our 50,000 employees in BT Retail, to detect and develop our in-house talent pool, and to create greater workforce flexibility.

SERVICE PERFORMANCE

We have done a lot to transform our workforce's performance to meet service-business realities in the 21st century. A performance improvement plan has raised the individual and collective employee contribution through coaching, raising expectations, rewarding, and introducing a Code of Conduct for our customer-facing "battalions," monitored through customer feedback. We have proactively managed our talent pool, detecting, developing, sourcing anew, retaining key skill sets, and ensuring the right level of talent diversity for our ongoing business and growth.

VARIABILITY AND RESPONSIVENESS

Our industry faces enormous variability in HR demand over short time periods. Bad weather can create huge demand for engineers to repair landlines after storms; and competitive initiatives generate a demand for extra contact center staff when we launch a new program, such as broadband. At such times, we need to have fast and flexible access to appropriately skilled and trained resources or to create a pool of specialist talent (such as IT professionals) quickly, but without being locked into operational constraints.

A FLEXIBLE EXTENDED ENTERPRISE

Outsourcing massive contracts to just a couple of HR vendors has enabled us to focus management effort on fewer relationships and our vendors to invest time, effort, and resources into making them work. Temporary and contract employees come in trained, prepared, and well managed, with a good understanding of the BT culture. Having such close strategic partnerships has allowed us to build a highly flexible and scalable "extended enterprise" of contingent employees who hit the ground running and become assimilated seamlessly into the organization, working indistinguishably alongside our regular BT battalions. And many of them end up working directly for BT – making for a risk-free source of quality recruitment.

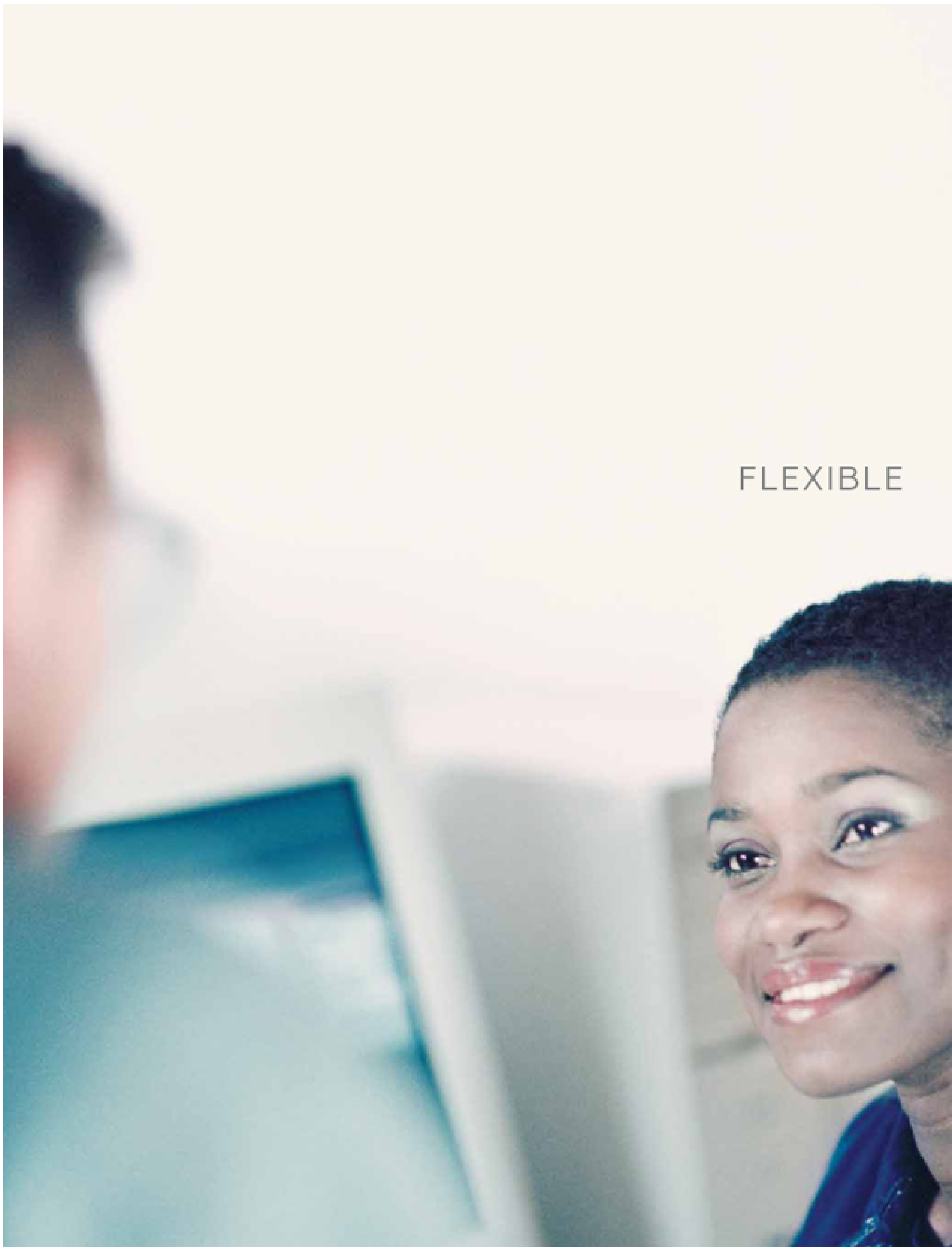
DEVELOPING A FLEXIBLE WORKFORCE

The critical question for companies seeking optimal flexibility and responsiveness is: are we optimizing the use of skills, and the cost of those skills, within this workforce? A perfectly balanced workforce is achieved when the right people are performing work that is most critical to executing the business strategy at the right value.

Demand management or talent planning is the key to determining which employees and positions in the company will result in having the right people at the right value. Understanding which talent to invest in, and deciding which supply strategy (internal, external, contingent/supply partners, alternative sourcing) offers the most total savings, is a complex but rewarding process. A flexible workforce model allows clients to:

- Align investments in compensation, development and training with strategic impact
- Close the gaps between supply and demand
- Develop strategies to describe roles and skills consistently internally and externally
- Determine the best sources for talent

The net result of this effort is a sharp decrease in unnecessary labor spend, coupled with the improved ability to invest more in those roles that will continue to drive demand for the company's services and products. Manpower's capability to properly analyze the risks and costs of talent management, while delivering innovative supply alternatives delivers competitive advantages for employers of all shapes and sizes around the world, and we expect this trend to continue into the future.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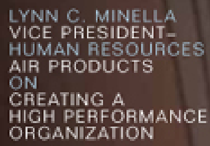


Air Products is a global company that provides industrial gas and specialty chemicals to a wide variety of sectors worldwide, ranging from heavy industrial processing, such as steel, to paints and adhesives, healthcare consumables, and high-tech consumer electronics products, such as LCD TV screens.

The company's workforce spans process and development engineers, a technically literate sales force that understands its products and customers' business requirements, and a range of support staff operating its complex facilities, and handling and delivering its products where and when they are needed.

CREATING A HIGH PERFORMANCE ORGANIZATION (MINELLA PERSPECTIVE)

Although much of our output is used in industrial processes, we are truly a technology business. We have to be at the forefront of technological developments in our growth markets, delivering products that address our customers' emerging needs. Our managers need to have not only the insight and acumen to understand our customers' products and devise solutions to their business needs, but also the right interpersonal skills to develop and empower our highly diverse employee group to constantly improve their performance and fulfill their potential.

DEVELOPING PASSIONATE, ADAPTABLE TALENT

Today, both we and our customers are experiencing constant and accelerating globalization and change. We have to stay alongside them as they move into new businesses and geographical markets and to recognize that competition no longer always comes from where it traditionally did. Our challenge is to develop, implement, and manage HR programs to meet those new realities, creating an environment in which our employees are highly motivated, productive, open to change, passionate about their work, and feel valued.

A ONE-COMPANY CULTURE

At Air Products we strive to have a "one-company" feel, where everyone shares the same guiding values, while recognizing and accommodating individual and cultural diversity, and all have a sense of the corporate culture – and what it means to be "an Air Products employee." This makes for an "accountable" workforce, in which every employee takes personal responsibility for giving
of their best and operating with the highest level of professional integrity, and acknowledges the vital importance of observing strict safety practices in the areas of health – for themselves and customers – and the environment.

Our leadership development programs help individuals assess their strengths and weaknesses and provides them with career-enriching opportunities. Our centers of functional excellence, such as process engineering, develop skilled specialist teams that can be deployed to where they are needed to capitalize on perceived growth and customer-service opportunities. Our HR planning process aims to provide employees with the necessary experiences to fulfill both their personal career aspirations and the company's strategic needs, while at all times balancing the interests of individuals with those of the company in serving customers and delivering shareholder value.

CREATING A HIGH PERFORMANCE ORGANIZATION

Today more than ever, company performance relies on people. Not just management, but the entire workforce – whether they be full-time staff, contractors or temporary workers. To be successful, everyone within the organization must be engaged; aligned to the business' strategic goals and able to understand the role they play in achieving them. And above all, people must continue to perform throughout changing business conditions.

Our experts at Right Management Consultants play a pivotal role in helping companies develop a high performance workforce by attracting, selecting and retaining people who are the best fit with their organization's strategies, culture and values. Our services in this area include defining and communicating employment value propositions, identifying critical competencies for success, designing and administering selection systems, developing new-hire assimilation programs, and creating retention initiatives.

Companies must also understand that the continual development of their leaders is crucial to supporting the business strategy and evolving corporate culture. Because when leaders are engaged, aligned and effective, they are the key to translating business strategy into performance. Companies need to ask themselves:

- Do we have a pipeline of leadership consistent with our future business direction?
- Are professional development and job rotation opportunities readily available?
- Is a succession planning process in place?
- Do our programs reflect the constant change in the business environment and help leaders develop the agility to lead under a variety of strategic scenarios?

In the years to come, organizations that are able to navigate the complex, global market environment while developing a workforce comprised of agile, engaged and aligned employees, will be the ones best positioned to win.

HIGH PERFORMANCE

Unilever is a multi-national consumer goods company that resulted from the merger in 1930 of the UK soap-maker Lever Brothers and the Dutch Margarine Union – "Uni-" from "Union" and "-lever" from Lever – both of which already had a well-established worldwide presence.

The company's 230,000 employees worldwide produce and distribute branded food and home & personal care products – "all the things that make people feel good, look good and get more out of life" – which are marketed and sold in almost every country in the world.

OUTSOURCING HR SERVICES (VAN HEEMSTRA PERSPECTIVE)

As a worldwide business operating in the fast-moving consumer goods sector, we need a first-rate permanent labor force for ongoing operations, as well as additional temporary staff for periods of seasonality, such as for ice cream and frozen vegetables. While the nature of our business means employing predominantly local people at all levels, our management population includes expatriates, as we like our higher leadership to have had experience in several parts of the Unilever world.

SIMULTANEOUSLY BIG AND SMALL

Rather than a global company, we see ourselves as a multi-local multinational. Our greatest challenge is to combine the flexibility of a small organization with the impact of a big company. Intense competition and the ever-changing environment within our industry impose a constant need to find new and more efficient ways of doing business – and to stay flexible and adaptable.

The global scope of our business and the local nature of our customer base together lent themselves to taking a regional approach to our manufacturing supply chain. We have closed facilities in some areas and expanded them in others, with a resulting reduction in manufacturing plants from 500 to 350; we rationalized our brand range from 1,600 to some 400 by introducing more global brands; and we significantly reduced the number of our vendors. While this has helped us improve on being big, we have also improved on being small, for example by having local “marketeers” regularly visit consumers’ homes to understand their specific needs and achieve “consumer intimacy.”

OUTSOURCING FOR FLEXIBILITY

Regionalization has brought scale benefits and a concentration of assets that has enabled us to view our workforce more strategically and develop skills over a longer time-frame. We have gained workforce flexibility by outsourcing recruitment of seasonal and temporary staff, as well as the provision of contract specialists to augment skills in areas such as IT. Further candidate functions that we have identified for handling at a regional level, and possible outsourcing, lie in the transactional administration activities of HR and Finance. The objective is to free up our HR and Finance managers to concentrate on more strategic, transformational activities.

OUTSOURCING HR SERVICES

Over the past several years, as employers embraced outsourcing to improve productivity in their Human Resources function, they began with transactional processes such as payroll processing and benefits administration, and moved toward recruiting, assessment, training and career transition. As outsourcing these processes proved successful, attention turned toward outsourcing non-core business activities such as facility management, logistics, and even accounting. Leading companies are now beginning to take advantage of the transformational opportunities that the outsourcing evolution can bring, as they look to fully optimize their talent management.

Talent optimization through HR outsourcing requires an objective analysis of how and where human resources should be deployed across the organization, including:

- The skills required in the business, where they can be found in a world of growing skills shortages, and where they are needed.
- The business functions and roles that must be performed at the local level versus those that can be performed centrally, either at the national, regional or global headquarters.
- Optimal staffing levels to ensure efficiency for the employer through fluctuation in demand, and quality service for its customers.
- The functions, processes and roles that are core to the business versus those that can be outsourced to a third party in order to focus internal resources on what matters most, and generate cost savings across the organization without sacrificing quality.

Across the employment and business cycle, Manpower is in a unique position to view the world of work, both globally and locally. We see employment trends ahead of an individual customer whose view is restricted by industry silos, and we serve as their partner and change agent as they execute their strategies. From outsourcing HR services to change management consulting, Manpower and Right Management Consultants work in tandem to help organizations achieve the productivity, efficiency, and cost management gains they expect to realize from outsourcing.

OUTSOURCING

CARLOS ABASCAL
MINISTER OF LABOR
AND SOCIAL WELFARE
MEXICO
ON
IMPROVING JOB SKILLS
OF A NATION

Mexico has a population of 105 million, with 95 percent below the age of 65. Of its active labor force of 34 million, some 3.3 percent are unemployed and a further 25 percent underemployed. For some time, the country was seen only as a low-wage labor pool for U.S. manufacturers.

Faced with labor competition from other developing economies, the country is promoting social dialogue between labor, business, and government; and educating and training its young people to provide the productive, wealth-generating skills to fuel the national economy, raise living standards, and attract foreign investment.

IMPROVING JOB SKILLS OF A NATION (ABASCAL PERSPECTIVE)

Mexico is a very young country, with one-quarter of its population currently aged 17 – 29. One of the greatest challenges for our economy is to help our young people develop their potential and realize their skills, so that they can meet the needs of the labor market, not only in large multinational enterprises, but also in small and mediumsized companies.

Over the past few decades, the country has gained a "demographic bonus" consisting of 33 million children and young people. Our aim is to ensure that, by 2010, at least 40 percent of that population has graduated from higher education. Our economic success will depend on how well we can raise the skill profile of our working population both for their own benefit and for the good of the whole
nation, by committing to the individual person, who constitutes the origin, engine and end of the national economy.

A NEW SOCIO-ECONOMIC MODEL

Our country's ideological legacy, supported by some of its labor unions, sometimes held the economy back. But in the past 10 years, we have built up a new model of employee–employer relations, framed in a New Labor Culture, promoting effective social dialogue, raising people's awareness of the new competitive global realities, and bringing productivity and competitiveness – with social
justice – into the labor arena.

We are committed to ongoing employee training and technological innovation to enhance productivity. We have introduced programs to enable unemployed and underemployed individuals to access and transition to productive jobs, contributing fully to the national economy. We also have introduced training schemes and financial support programs to foster self-employment in small businesses.

ADAPTABILITY AND INCLUSIVITY

Our Job Observatory project monitors available jobs and skills demand, and directs our education programs to fulfill this demand, so that businesses will find in Mexico a ready pool of the right kind of skilled talent, and individuals can be certain of finding a suitable job on completion of their studies.

Alongside these programs, we have robust policies for eradicating discrimination on grounds of age, gender or disability. In particular, our Inclusive Firm Program acknowledges Mexican companies' efforts to include mentally and physically disabled employees in their workforce.

We were pleased recently to be able to acknowledge the major contribution in this area of Manpower's ongoing Caminemos Juntos partnership program in Mexico and to grant them an Inclusive Firm award in recognition of their efforts in helping to place several hundred disabled people into productive employment.

IMPROVING JOB SKILLS OF A NATION

As the world becomes a smaller place, with commerce criss-crossing the globe in all industries, the world of work has also been transformed in profound ways. This is especially important for national governments as they bear the responsibility for ensuring that their country and its people can compete in the world economy.

Labor ministries play an increasingly important role in developing the Human Resources strategy and programs for current and future generations of their countrymen and women. For developing countries, this strategic role is critically important to the country’s ability to compete for foreign investment, build their national commercial infrastructure and provide the means for individuals to succeed.

For more than 40 years, Manpower has played a unique role in the world’s labor markets, working in partnership with national governments and non-government organizations to solve the most pressing labor market needs. Many of our programs – like Working Links in the U.K. – are designed to serve as a bridge to employment, providing basic job skills to the unemployed, underemployed and people with disabilities, and placing them in jobs at the end of their training. Other programs – like TechReach in the U.S. and Canada – are designed to help individuals transition from jobs that have become obsolete, to sustainable new careers in fields where there are shortages of skilled workers.

Increasingly, we are working with governments to identify underemployed populations such as older workers, to engage or re-engage them in the labor market. The expertise that we have gained from our commercial experience, coupled with our pragmatic approach to putting people to work, has proven invaluable to governments throughout the world.

JOB SKILLS

Fluctuations in business demand. Intensifying competition at both the global and local levels worldwide. Shortages of skilled workers. Movement of work and workers across borders. Escalating requirements for efficiency and productivity improvements. Succession planning and leadership development. These are the HR challenges our clients are facing every day, and Manpower is uniquely positioned to provide them with effective solutions. More importantly, we are already developing solutions and services to help our clients navigate the many challenges that lie ahead in the coming years.

What's next?
We'll be ready.

DEAR SHAREHOLDERS,

While it is an obligation to look back at our 2004 record, this year it is especially gratifying. The Manpower team worldwide delivered exceptional results, from both financial and strategic perspectives.

In 2004, our revenue reached a record $14.9 billion, an increase of 23%, or 14% in constant currency, over 2003 levels. Our Jefferson Wells financial services brand was the clear leader among our operations in this revenue growth, with an increase of 150% over the prior year. Our EMEA segment also provided a terrific performance, with revenues growing to more than $5 billion, an increase of 18% in constant currency.

Earnings for 2004 were $246 million – a record for Manpower – and a significant increase of 78% from 2003. We also continued to strengthen our balance sheet, with total debt as a percentage of capitalization improving from 39% in 2003 to 29% in 2004. Given our confidence in the future and our commitment to delivering shareholder value, we also doubled our semi-annual dividend in the second half of 2004.

All said, it was a very good year with impressive results for Manpower and its family of companies. The sustainability of business performance, however, is our benchmark for success, and we have proven that we have the ability, focus and execution to deliver continued, sustainable results over time. Over the last five years we have outperformed the S&P 500 by 43%. More importantly, each year we have continued to establish new baselines against which to measure our performance. As we move into 2005, we have set the bar even higher.

We believe that throughout 2004 we continued to build momentum, setting ourselves up for 2005 and beyond. The heart and soul of our business is, and will continue to be, temporary staffing, and that part of our business grew 20%. We were able to open new offices in expanding markets like India, Japan, Germany and Italy, extending our network to a total of more than 4,300 offices worldwide. We also improved our efficiency and stayed very disciplined in our pricing strategy in the temporary staffing marketplace.

An imperative as we move into the future is balancing our mix of business. We have been making progress for several years, and 2004 marked the most successful year that we have had in working toward this goal. Jefferson Wells added $204 million of revenue for a total of $341 million in 2004; Elan, our IT specialist brand, grew 39%, with total revenues of $540 million for the year; and the acquisition of Right Management Consultants added $365 million in revenue. These three brands alone generated $1.3 billion in total revenue in 2004. Most importantly, these specialty services have enabled us to offer our customers the complementary range and scale of services that is changing the landscape of our industry by helping our customers to evolve their people strategies in ways that no one else can.

Jefferson Wells, in particular, has made great strides in the past year, gaining the trust and respect of top companies in the U.S. as they worked through the mammoth task of the Sarbanes-Oxley compliance process. This work has opened doors for the company to introduce clients to their full portfolio of internal audit and controls, technology risk management, tax, finance and accounting services. In addition to expanding Jefferson Wells' network of offices in the U.S. and Canada, 2004 marked the opening of its first office in Europe, located in London. We expect this investment to pay off in 2005 and beyond, as the U.S. continues to work through financial reform measures, and Europe embarks on its own journey toward greater accountability in corporate governance.

Throughout 2004, we made great progress in expanding our permanent placement market share, adding over 450 dedicated permanent placement recruiters across the world. Our goal is to become the de facto leader in permanent placement worldwide, across all 67 countries and territories in our network. This includes our French unit where a legislative change in late 2004 allows us, for the first time, to provide permanent placement services to the French market.

So what's next for Manpower? As I've stated before, we are determined to redefine the industry by offering a unique approach to solving our customers' problems, now, and as they are traveling the road that lies ahead. As we listen to our customers and experience what's happening in their workplaces throughout the globe, we see the next big need that we intend to fulfill. It is the requirement to optimize all of the talent that is involved in the company. It is the key to delivering a critical competitive advantage to companies that are facing fierce competition at both the global and local levels.

For many years, companies have optimized various facets of their business through supply chain management and offshoring/outsourcing of transactional functions or manufactured products. The one element that has been left out of this intense movement toward optimization, and one that companies are coming to realize that they must address, is the entire talent pool that works within their organization, including permanent, temporary and contract staff, as well as consultants.

Companies have come to realize it is a mandate to know *what's now* and *what's next* in their talent requirements, and to be able to manage these requirements effectively across the full gamut of their available talent pool. Manpower is uniquely positioned to answer this call, and we intend to capitalize on this emerging need. In our view, it's about the employment life cycle and the business cycle meshing together to optimize talent management and utilization. This is truly the next frontier for our clients worldwide to achieve optimal efficiency, productivity and competitive advantage.

The Manpower solution is Talent Value Management[sm], a concept that we developed over an 18-month period, to assist companies in determining where all of the various talent resides in their organization, and how the vast array of talent within that organization works together. This information then drives decisions that enable placement of the right people, with the right skills, in the right areas of the organization in order to improve productivity and efficiency, and drive the key outcomes required in the business strategy. We believe Talent Value Management is the key to optimizing the most important investment in any company – people.

This is just one of the many ways that we are focused on what's next in the world of work, and how we can change the role of employees in fundamental ways. With our array of services and innovative solutions to today's most pressing employment challenges, Manpower has a distinct advantage that we intend to leverage toward further sustainable growth in the years ahead.

LETTER TO SHAREHOLDERS

We are confident that 2004 will be marked as a turning point year for Manpower. At the core, Manpower and its offerings today, and what we are creating for the future, will redefine the industry. This is a bold statement, but one that we at Manpower believe in, strive for, and have the discipline and execution to achieve. The best is yet to come.

I would like to thank the 27,000 talented, hard-working people of Manpower who deliver the best service in the industry, and make it all worthwhile through their exceptional dedication.

In addition, I would also like to thank our Board of Directors for all of their insight and support. We welcome Marc Bolland, executive board member of Heineken N.V., as our newest member of the board, joining in 2004.

And finally, I would like to thank our shareholders for their commitment to Manpower and their continued confidence that we are poised for even greater performance in the years to come.

What’s next? We’ll be ready.

JEFFREY A. JOERRES
CHAIRMAN, CEO & PRESIDENT

FEBRUARY 9, 2005

CORPORATE SOCIAL RESPONSIBILITY

2005 and beyond will present employers with a number of workplace challenges that will impact their organizations. At the forefront of these challenges are skills shortages of various kinds, which are already being felt in countries around the globe. Whether it is truck drivers in the U.K., auditors in the U.S., or welders in Australia, finding people with the right skills will become increasingly difficult and crucial to staying competitive.

Equally as important is training for people at all levels. From C-level on down, a strategy for maintaining and improving competitive skill sets will be required for companies to continue to grow, develop and deliver future technologies and services.

At the periphery of these issues are the underemployed, including the disabled, the elderly and other disadvantaged people. These people need extra assistance to help them participate in the workforce. This is becoming ever more important as changing demographics will exacerbate the skills shortage issue in the future.

Manpower understands these issues and for more than five decades we have developed innovative workforce development programs – both large-scale national initiatives and smaller local efforts – to help thousands of people engage in sustainable employment. We understand that developing skills is a key component to helping people move into better paying jobs. We also understand that people with the right job skills also need an employer that is willing to give them a chance to work, regardless of where they have come from, what they look like, or whether they have special needs. Our systems, programs and policies are designed to make the connection to work a viable option for those who have struggled in the journey.

The following pages illustrate some of the ways over the past year Manpower has been able to help people improve their employability, engage in the workforce, and make a positive change in their lives.

“What mattered to Manpower was my experience, my education and whether I could do a good job for the customer – not my name or where I came from.”

BREAKING THE CULTURAL
BARRIERS FOR IMMIGRANTS
ALEXANDER DENHELDER

Alexander Denhelder arrived in Sweden as a Kurdish political refugee from Iraq. He completed his economics degree from Stockholm University, but had great difficulty finding a company that would hire him. For a year and a half, he searched in frustration for employment, completing hundreds of applications without a single interview. Then, one day he responded to an employment advertisement from Manpower and everything changed.

“Manpower gave me a chance to work when no one else would,” said Alexander. “Since the day I started at Manpower, my managers have given me support and encouragement. They trust in me to make our customers happy and I trust in them to find me rewarding work and support my ambitions.”

It was six years ago when we found work for Alexander at Siemens. Today, he is working as an archive assistant at Sweden’s FMV (Försvarets Materielverk) defense materials department.

This story from Sweden illustrates how Manpower is uniquely positioned to help immigrants find work in their “new” countries, and how we can help fill labor shortages in local markets. In many countries, it can be difficult for immigrants to find jobs. This can be due to a variety of reasons: lack of certifications/education, lack of experience, language barriers, cultural misunderstandings, and racial discrimination. At the same time, employers in these very same countries are facing skills shortages.

Because Manpower has proprietary assessment and selection systems that focus strictly on the competence of the worker – not nationality, race, gender or age – we are often the only employment option for disadvantaged individuals when other avenues to employment have failed. This is important for both employers and employees, as stronger employment laws are being enacted in many countries to improve inclusion in the workplace. More importantly, our systems are uniquely designed to match people to positions that are the right fit for their interests and abilities, where they can have a better chance to succeed and establish a solid foundation in their adopted countries.

“In the early ‘90s, a woman truck driver was an oddity, but that attitude has changed. I think Manpower has done a lot to help bring about that change.”

OPENING DOORS TO
NON-TRADITIONAL CAREERS
PATRICIA MERRICK

Patricia Merrick is no stranger to work. In fact, she manages two careers – one as an actress, landing roles in TV dramas, theater and film; and one as a professional driver with Manpower Driving in the U.K.

“Working for Manpower is great; it gives me the flexibility to continue my acting career and supplement my income when I’m between acting jobs,” said Patricia. “As an actress I can disappear from my driving career for a few months and then pick up again where I left off when the acting job’s done. I can rely on Manpower to be there when I’m ready to go back to driving.”

When Patricia started driving nearly 14 years ago, women drivers were a rare breed. “In the early ‘90s a woman truck driver was an oddity, but that attitude has changed,” explained Patricia. “I’m a woman, but I’m also just another driver who gets the job done. I think Manpower has done a lot to bring about that change in attitude and defeat the idea that women aren’t suited to driving.”

The shortage of skilled workers resulting from demographic shifts is providing a tremendous opportunity to engage groups in the workforce who are currently underrepresented in many career paths. Across the U.K., drivers are in short supply and Manpower has been successful in recruiting them, due in part to our diversity strategy. By marketing the driving career to non-traditional groups in the U.K. – such as women, minorities and older persons – Manpower has been able to find quality drivers when the transportation industry as a whole is experiencing a severe shortage.

We are changing the image of driving as a career by eliminating old stereotypes and providing excellent pay, benefits, and the certification training that people need to succeed as drivers. While our driving recruits benefit from a stable career, our clients also benefit from having high-caliber, reliable drivers.

People are surprised when Patricia tells them she’s been a driver for 14 years. “We drive for high-caliber clients that are very friendly and accommodating. I’ve been offered full-time jobs, but I’d rather keep driving for Manpower.”

“Like so many unemployed people, I just needed a helping hand. Manpower gave me the chance to show what I could do.”

FACILITATING THE TRANSITION
TO A MORE VIABLE CAREER
CARESSE SEGUIN

Caresse Seguin, a single mom with two children, was seeking a fresh start after moving back to Alberta from Ontario where she was employed as a healthcare worker for the elderly. The wage difference for this occupation in Alberta wouldn’t allow her to provide for her family, so she was on social assistance and looking for a job that could grow with her. Then a representative of the Alberta provincial government recommended her for Manpower’s TechReach program.

“Like so many unemployed people, I just needed a helping hand,” said Caresse. “Manpower gave me the chance to show what I could do.”

Manpower’s TechReach program, a workforce development initiative in the United States and Canada, is designed to prepare unemployed and underemployed individuals for well-paying careers in information technology and other in-demand jobs. It includes intensive training, certification, job placement and mentoring in an effort to provide businesses with a new source of skilled employees.

Not only does it provide companies with a new source of employees, but it also makes a difference in people’s lives. Caresse graduated from our TechReach program with a new-found confidence in her abilities and a “master” skills ranking in a variety of PC applications. She is currently making a good hourly wage as a sales support assistant for Weyerhaeuser, an international forest products company, in Calgary, Canada.

“Manpower’s training program gave me the opportunity to empower myself with the skills I needed to work for a major corporation,” noted Caresse. “I couldn’t have done it without them.”

Today, TechReach is active in 45 locations throughout the United States and Canada and it is one of our larger programs that helps teach people new skills so they can improve their employment situations and make career transitions. More than 1,000 people have graduated from the program since its inception, including disabled, elderly and unemployed persons.

“I tell my family and friends to come sign up with Manpower because here, temporary workers are really respected. We are treated well and helped to advance in our careers.”

IMPROVING BASIC SKILLS TO ENABLE ADVANCEMENT

MAMADOU BALA BA

It’s very difficult, if not impossible, to advance in your career when you lack the skills. That’s why Manpower develops training programs to help its temporary workers improve their skill sets so they can move into better paying jobs.

For example, Manpower France has created Alphabétisation et Techniques Culinaires (Literacy and Culinary Techniques), an innovative program that combines training in literacy with advanced culinary techniques for its temporary workers in the restaurant field. Our program is a six-month, 210-hour course taught at the l’ École Grégoire-Ferrandi de Paris, a culinary training academy. Here, our employees learn French and mathematics in the context of the kitchen.

Mamadou Bala Ba, a Senegalese immigrant, came to France 18 years ago. However, his command of the French language was still very rudimentary when he signed on with our Paris branch as a dishwasher in the summer of 2003. But today, thanks to his motivation and our literacy program, he now has the skills and knowledge to work as a cook’s assistant. This allows Manpower to send him out on higher-skilled, higher-status assignments that pay more.

“Now I can speak French better and I write it well,” said Mamadou. “I learned to read a recipe and calculate the amounts of the different ingredients…now I also know cooking vocabulary and technical terms.”

Mamadou is also more interested in his new career path.

“Before the training I worked as a dishwasher, washing plates, glasses, etc. Now, I help prepare the food and I like it a lot,” explained Mamadou. “The Manpower class really helped me develop – I work more often, the work is more interesting, and I’m paid better.”

Understandably, Mamadou has become an advocate of Manpower. “Manpower really stands out compared to other agencies. I tell my family and friends to come sign up with Manpower because here, temporary workers are really respected. We are treated well and helped to advance in our careers. This course is proof of it!”

“Acceptance is one of the biggest challenges I faced in finding employment. It was very important for me to work for an employer who would be accepting of my unique situation, and my guide dog, Max.”

REMOVING BARRIERS FOR PEOPLE WITH DISABILITIES
MARGARITA JIMINEZ

The world of work is challenging enough for most of us, but imagine that you are one of the estimated 386-million working-age people in the world who are disabled. Unfortunately, a large number of people with disabilities, who are willing and able to work, are unemployed. Sometimes, this is because employers are unwilling to give them the opportunity. Frequently, it is because the individuals have not had access to adequate education or training to provide them with work-ready skills. Sometimes, it is simply because buildings or transportation are inaccessible to them. All of these are real barriers that prevent millions of people from earning a living.

Manpower’s initiatives around the world help to remove these barriers. Caminemos Juntos (Let’s walk together), launched in 2001 in Mexico, is a prime example of how Manpower trains the disabled to ensure they have the skills required to enter the workforce and succeed on the job. Since its inception, the program has successfully worked with over 40 potential and current customers and 15 labor organizations to place 300 individuals with disabilities.

Margarita Jiminez, who is visually impaired, is one of those individuals. She was referred to our program through one of the Mexican Labor Ministry’s workforce development initiatives for the unemployed. Because of her impairment, Margarita believed that she was best suited for telephone work.

“Before the Manpower training I didn’t even know how a switchboard was operated. But now, we’re best friends,” joked Margarita. “Through Caminemos Juntos I learned to be more self-reliant and work with all different kinds of people.”

Upon completing the program a year and a half ago, she was hired as switchboard operator for Manpower’s headquarters in Mexico City and is doing quite well.

“Acceptance is one of the biggest challenges I faced in finding employment. It was very important for me to work for an employer who would be accepting of my unique situation, and my guide dog, Max,” explained Margarita. “I am very grateful that Manpower offered this program, and hopefully, my testimony and performance on the job will motivate other employers to hire people with disabilities.”

CORPORATE SOCIAL RESPONSIBILITY

All over the world, Manpower employees, partnering with community organizations, businesses and governments, engage in workforce development programs and activities that make a difference in people's lives.

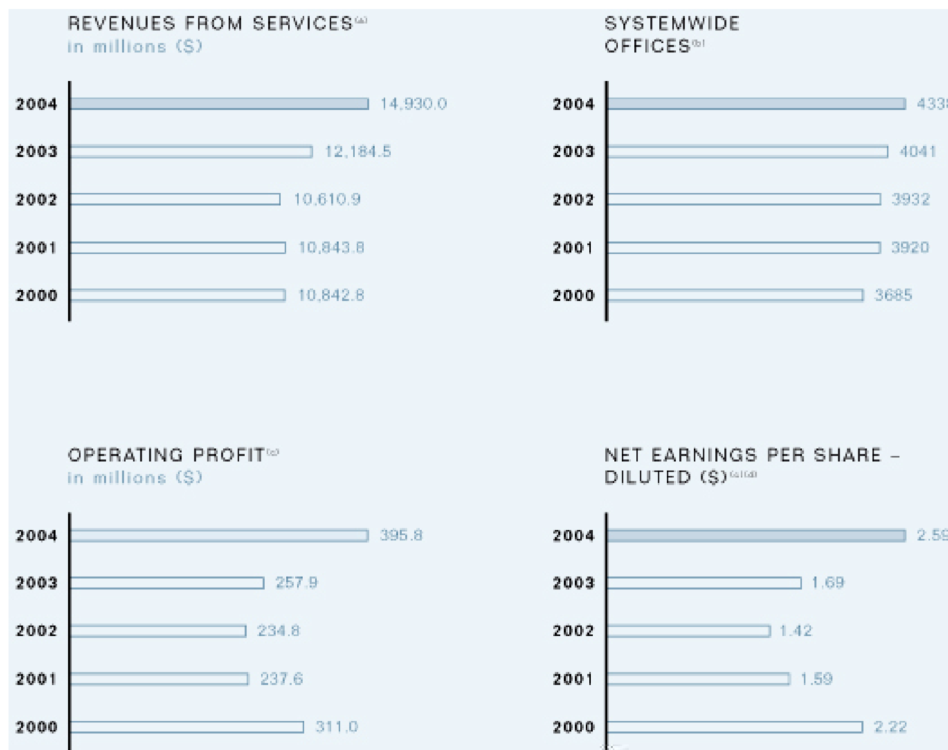
Because of our relationships with both employers and workers, we are uniquely positioned to determine where current and future skills gaps are, identify people who need help, and develop solutions that bring these two groups together, mutually benefiting both. In this way, we function as a "bridge" to full-time employment for many who would otherwise be unemployed. Our industry leading skills assessment methods and hiring policies help us ensure that people are not discriminated against. Rather, we focus on people's abilities – not their disabilities.

For us, being a responsible company extends well beyond just writing a donation check to a charitable cause. It's about strengthening the diversity of our communities and creating opportunities for all people to participate in the workforce. Whether it's helping an unemployed single mother return to the workforce, or giving a job to an immigrant when no one else would, our reward comes knowing that we make a real difference – today and in the future.

RELIEF FOR ASIAN TSUNAMI SURVIVORS

Manpower researched many potential activities that we could engage in to provide relief for the survivors of this tragic disaster. We concluded that India is where we could make the greatest impact on the long-term recovery efforts, by helping those who have lost their jobs, or have lost the primary income provider in their families, to move toward economic stability. Therefore, Manpower will be funding the development of a vocational training center in the Tamil Nadu state in India, one of the most affected areas hit by the Asian tsunami. Through the new vocational training center in India, we hope to play a small role in rebuilding those lives most affected by this tragic disaster. Donations from our operations around the world, combined with the new vocational training center, bring the total Manpower commitment to tsunami victims to $1.7 million.

FINANCIAL HIGHLIGHTS



(a) Revenues from Services include fees received from our franchise offices of $37.4 million, $28.1 million, $25.8 million, $26.5 million, and $34.5 million for 2000, 2001, 2002, 2003, and 2004, respectively. These fees are primarily based on revenues generated by the franchise operations, which were $1,639.5 million, $1,323.4 million, $1,179.8 million, $1,214.4 million and $1,487.1 million for 2000, 2001, 2002, 2003, and 2004, respectively.

In the United States, where a majority of our franchises operate, Revenues from Services include fees received from the related franchise operations of $32.5 million, $24.1 million, $21.7 million, $21.9 million, and $25.0 million for 2000, 2001, 2002, 2003, and 2004, respectively. These fees are primarily based on revenues generated by the franchise operations, which were $1,433.9 million, $1,135.5 million, $1,015.8 million, $1,026.2 million, and $1,181.5 million for 2000, 2001, 2002, 2003, and 2004, respectively.

(b) Systemwide Offices represents our branch offices plus the offices operating under a franchise agreement with us.

(c) On January 1, 2002, we adopted SFAS No. 142, “Goodwill and Other Intangible Assets,” which prohibits the amortization of goodwill and identifiable intangible assets with an indefinite life.

(d) In the fourth quarter of 2004, we adopted EITF Issue No. 04-8. Previously reported Earnings Per Share – Diluted amounts have been restated to reflect the impact of applying the “if-converted” method to our Debentures. (See note 3 to the consolidated financial statements for further information.)

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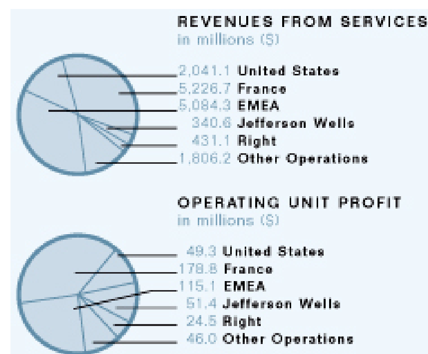
BUSINESS OVERVIEW

Manpower Inc. is a world leader in the employment services industry. Our global network of over 4,300 offices in 67 countries and territories allows us to meet the needs of our customers in all industry segments, whether they are global, multi-national or local companies. By offering a complete range of services, we can help any company – no matter where they are in their business evolution – raise productivity through improved strategy, quality, efficiency and cost reduction.



We do this through the Manpower family of companies (see Principal Operating Units) which includes:

- Manpower – temporary and permanent staffing, employee assessment, and training
- Jefferson Wells – professional financial services
- Right Management Consultants – career transition and organizational consulting services
- Elan – IT recruitment and managed services

For example, to ensure that customers have the right person – with the right skills – when business demand is high, we offer permanent, temporary and contract recruitment, and employee assessment and training services. We also provide highly specialized professional services, such as internal audit and controls, technology risk management, tax, finance and accounting services. If customers are searching for ways to work “smarter,” we also offer a wide range of organizational consulting services such as strategic talent management and leadership development. On the other hand, if a customer’s business demand is low, we offer career transition (outplacement) services. We also offer managed services if a customer wants to outsource a complete business function with us, such as call center, help desk, recruiting, or manufacturing operations. This balanced business mix allows us to offset the cyclical affects of the national economies in which we operate.

Our leadership position also allows us to be a center for quality employment opportunities for people at all different points in their career paths. Each year, we employ more than two million people who work to help our more than 400,000 customers meet their business objectives. Laborers, seasoned professionals, mothers returning to work, elderly persons wanting to supplement pensions and disabled individuals – all turn to Manpower for employment. Similarly, governments of the nations in which we operate look to us to help them reduce unemployment and train the unemployed with the skills they need to enter the workforce. In this way, Manpower is a bridge to permanent employment for those who desire it.

Our industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of U.S. Dollars in annual revenues. It is also a highly competitive industry, reflecting several trends in the global marketplace, notably increasing demand for skilled people and consolidation among customers and in the employment services industry itself.

We manage these trends by leveraging established strengths, including one of the employment services industry’s best-recognized brands; geographic diversification; size and service scope; an innovative product mix; and a strong customer base. While staffing is an important aspect of our business, our strategy is focused on providing both the skilled employees our customers need and high-value workforce management solutions.

Customer demand for employment services is dependent on the overall strength of the labor market and secular trends toward greater workforce flexibility within each of the countries in which we operate. Improving economic growth typically results in increasing demand for labor, resulting in greater demand for our services. Correspondingly, during periods of weak economic growth or economic contraction, the demand for our staffing services typically declines, while demand for our career transition services accelerates.

During the last several years, secular trends toward greater workforce flexibility have had a favorable impact on demand for our services in several markets. As companies attempt to increase the variability of their cost base, contemporary work solutions help them to effectively address the fluctuating demand for their products or services. Due to our industry's dependence on economic factors, the inherent difficulty in forecasting the direction and strength of the economy and the short-term nature of staffing assignments, it is difficult to forecast future demand for our services with any certainty. As a result, we monitor a number of economic indicators, as well as recent business trends, to predict future revenue growth trends. Based upon these anticipated trends, we determine whether additional personnel and office investments are necessary to take full advantage of growth opportunities.

Our staffing business is organized and managed primarily on a geographic basis, and Jefferson Wells and Right are operated as separate global business units. Each country and business unit primarily has its own distinct operations, and is managed locally by its own management team. Each operation reports directly, or indirectly, through a regional manager to a member of executive management. Given this reporting structure, all of our operations have been segregated into the following segments: United States; France; EMEA (Europe, Middle East and Africa, excluding France); Jefferson Wells; Right; and Other Operations.

The United States, France, EMEA, and Other Operations segments derive a significant majority of their revenues from the placement of temporary workers. The remaining revenues within these segments are derived from other human resource services, including permanent employee recruitment, temporary and permanent employee testing, selection, and training and development. Jefferson Wells' revenues are derived from internal audit and control services, technology risk management, tax, finance and accounting services. The Right segment revenues are derived from career transition (outplacement) services and organizational-performance consulting. Segment revenues represent sales to external customers. Due to the nature of our business, we do not have export or intersegment sales. We provide services to a wide variety of customers, none of which individually comprise a significant portion of revenue for us as a whole and by segment, except for Jefferson Wells, in which approximately 19% of Jefferson Wells' revenues for 2004 were generated from providing services to one customer.

CONSTANT CURRENCY

Changes in our revenues and operating profits include the impact of changes in foreign currency exchange rates and acquisitions and dispositions. We provide "constant currency" and "organic constant currency" calculations in this annual report to remove the impact of these items. We typically express year-over-year variances that are calculated in constant currency and organic constant currency as a percentage.

When we use the term "constant currency," it means that we have translated financial data for a period into U.S. Dollars using the same foreign currency exchange rates that we used to translate financial data for the previous period. We believe that this calculation is a useful measure, indicating the actual growth of our operations. Earnings from our subsidiaries are not generally repatriated to the United States, and we typically do not incur significant gains or losses on foreign currency transactions with our subsidiaries. Therefore, changes in foreign currency exchange rates primarily impact only reported earnings and not our actual cash flow or economic condition.

When we use the term "organic constant currency," it means that we have further removed the impact of acquisitions in the current period and dispositions from the prior period from our constant currency calculation. We believe that this calculation is useful because it allows us to show the actual growth of our pre-existing business.

Constant currency and organic constant currency percent variances, along with a reconciliation of these amounts to certain of our reported results, are included on page 90.

RESULTS OF OPERATIONS - YEARS ENDED DECEMBER 31 , 2004 , 2003 AND 2002

Consolidated Results - 2004 compared to 2003

Revenues from Services increased 22.5% to $14.9 billion. Revenues were favorably impacted by changes in foreign currency exchange rates during the period due to the weakening of the U.S. Dollar relative to the currencies in most of our non-U.S. markets. In constant currency, revenues increased 14.1%. Revenues were also favorably impacted by acquisitions, primarily the acquisition of Right Management Consultants, Inc. ("RMC"). Revenues increased 19.2% excluding acquisitions or 10.9% on an organic constant currency basis. This growth rate is a result of improving economic conditions and increased demand for our services in all of our major markets, particularly EMEA and Jefferson Wells, where revenues increased 18.0% and 149.6% respectively, on a constant currency basis.

Gross Profit increased 30.5% to $2.8 billion in 2004. The Gross Profit Margin increased 120 basis points (1.2%) to 18.7% in 2004 from 17.5% in 2003. Gross Profit growth from acquisitions, primarily from RMC, was approximately $220 million, which favorably impacted the Gross Profit Margin by 100 basis points (1.0%). Excluding acquisitions, Gross Profit Margin was 17.7% in 2004, an increase of 20 basis points (0.2%) over the Gross Profit Margin of 17.5% in 2003. This improvement is a result of the change in the mix of services provided, toward those with higher Gross Profit Margins. Approximately one-half of this improvement is due to the relatively higher growth at Jefferson Wells, with the remaining improvement a result of an increase in our permanent placement business, particularly in the EMEA and the Other Operations segments. While we saw Gross Profit Margin improvement in our temporary staffing business in several markets, this improvement was offset by decreases in others due to increased social costs, including increased U.S. workers' compensation costs and state unemployment taxes.

Selling and Administrative Expenses increased 27.3% during 2004 or 19.1% in constant currency. This increase is primarily in response to the increase in business volume and the impact of acquisitions, including the intangible asset amortization of $12.3 million in 2004 resulting from the RMC acquisition. Excluding the impact of acquisitions, these expenses increased 16.6%, or 8.9% on an organic constant currency basis. As a percent of revenues, Selling and Administrative Expenses were 16.0% in 2004 compared to 15.4% in 2003. This ratio is impacted by the acquisition of RMC, because RMC has a different cost structure than our existing business. Excluding acquisitions, Selling and Administrative Expenses were 15.1% of revenues in 2004, an improvement of 30 basis points (.3%) from 2003. This improvement reflects continued productivity gains in conjunction with the revenue growth, as we were able to leverage our office network.

Operating Profit increased 53.5% over 2003, with an Operating Profit Margin of 2.7% in 2004 compared to 2.1% in 2003. On a constant currency basis, Operating Profit increased 43.0%. Excluding the impact of acquisitions, Operating Profit increased 46.0%, or 35.7% on an organic constant currency basis in 2004. Operating Profit Margin, excluding acquisitions, improved to 2.6% in 2004 compared to 2.1% in 2003. This improvement in Operating Profit Margin is due to the increase in Gross Profit Margin coupled with the productivity gains.

Interest and Other Expense is comprised of interest, foreign exchange gains and losses, and other miscellaneous non-operating income and expenses. In total, Interest and Other Expenses decreased $9.5 million in 2004 from 2003. Net Interest Expense was $36.0 million in 2004 compared to $33.4 million in 2003. This increase is primarily due to increased interest rates and the impact of higher exchange rates on our euro-denominated interest expense, offset by higher interest income. Foreign exchange gains and losses primarily result from intercompany transactions between our foreign subsidiaries and the United States. Such gains were $1.6 million and $1.3 million in 2004 and 2003, respectively.

Miscellaneous Income (Expense), Net, was income of $8.1 million in 2004 compared to expense of $3.7 million in 2003. The income in 2004 includes non-operating gains of $14.2 million ($0.11 per diluted share), primarily related to the sale of our equity interest in a European internet job board during the first quarter of 2004. Net proceeds from this transaction were $29.8 million.

We provided for income taxes at a rate of 33.5% in 2004 and 38.0% in 2003. Included in the 2004 rate is the impact of the non-operating gains recorded in the first quarter and the reversal of an $8.0 million tax contingency reserve in the third quarter. Excluding these items, our rate for 2004 would have been 36.0%. This rate is higher than the U.S. Federal statutory rate of 35% due to higher foreign income tax rates and $9.5 million of taxes recorded on the unremitted earnings of foreign subsidiaries, offset by the tax benefits, including the reversal of $16.7 million of valuation allowances, of certain internal corporate restructurings and transactions.

Net Earnings Per Share – Diluted increased 53.3% to $2.59 in 2004 compared to $1.69 in 2003. In constant currency, Net Earnings Per Share – Diluted increased 45.0%. The higher foreign currency exchange rates positively impacted Net Earnings Per Share – Diluted by approximately $0.14 in 2004. On an undiluted basis, Net Earnings Per Share was $2.76 in 2004 compared to $1.77 in 2003.

During September 2004, the Emerging Issues Task Force ("EITF") issued Issue No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings Per Share" ("EITF 04-8"), which requires the effect of contingently convertible debt securities with a market price trigger to be included in the calculation of diluted earnings per share, using the "if-converted" method, regardless of whether the market price trigger has been met. EITF 04-8 also requires restatement of previously reported earnings. Our convertible debentures, issued August 2001, have such a feature, and therefore we have restated Net Earnings Per Share – Diluted for all periods since the issuance. (See note 3 to the consolidated financial statements for further information.)

Consolidated Results - 2003 compared to 2002

Revenues from Services increased 14.8% to $12.2 billion. Revenues were favorably impacted during the year by changes in foreign currency exchange rates due to the weakening of the U.S. Dollar relative to the currencies in most of our non-U.S. markets. In constant currency, revenues increased 2.2%. Revenue growth in 2003 attributable to acquisitions was approximately $21.3 million or 0.2% of revenue. On an organic constant currency basis, revenues increased by 2.0%. This growth rate is a result of increased activity in the Other Operations segment with stable revenue levels in the other markets.

Gross Profit increased 11.9% to $2.1 billion during 2003. The Gross Profit Margin declined 50 basis points (.5%) to 17.5% in 2003 from 18.0% in 2002. This decrease was attributable to higher payroll taxes and social costs, increased pricing pressures throughout the world, changes in the service mix of business (from higher margin service lines to lower margin service lines) and changes in the geographical mix of business (as revenue growth in countries with lower Gross Profit Margins, such as France, was higher than in some countries with higher Gross Profit Margins). Gross Profit growth from acquisitions was approximately $2.5 million and had an insignificant impact on Gross Profit Margin.

Selling and Administrative Expenses increased 12.1% during 2003. This increase is primarily due to the changes in exchange rates, as these expenses increased only 0.6% on a constant currency basis. As a percent of revenues, Selling and Administrative Expenses were 15.4% in 2003 compared to 15.8% in 2002. This improvement is a result of continued productivity gains and careful expense management in conjunction with growing revenues.

Operating Profit increased 9.9% during 2003, however on a constant currency basis, Operating Profit declined 6.6%. The Operating Profit Margin was 2.1% compared to 2.2% for 2002. The Operating Profit level primarily reflects the improved leveraging of the business offset by the Gross Profit Margin declines. Acquisitions made during 2003 decreased Operating Profit by approximately $0.2 million. Excluding the impact of acquisitions, Operating Profit increased 9.8% during 2003, however on an organic constant currency basis, Operating Profit decreased 6.6%. Acquisitions had no impact on Operating Profit Margin in 2003.

Interest and Other Expense is comprised of interest, foreign exchange gains and losses, and other miscellaneous non-operating income and expenses. In total, Interest and Other Expense decreased $11.0 million from 2002 to 2003. Net interest expense was $33.4 million in 2003 and 2002. Average borrowing levels were lower throughout 2003 compared

to 2002, however the impact of this was offset by our Euro-denominated interest expense which was translated at higher rates in 2003. Foreign exchange gains and losses primarily result from intercompany transactions between our foreign subsidiaries and the United States. Such gains were $1.3 million and $1.8 million in 2003 and 2002, respectively.

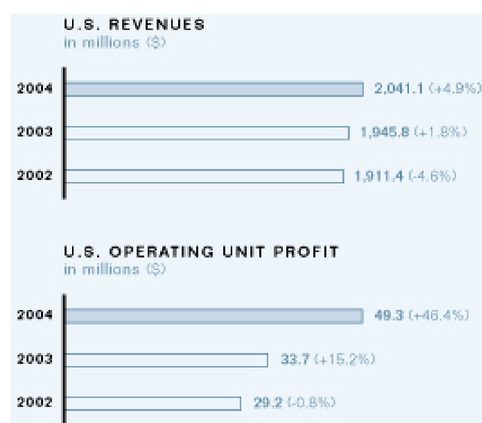
Miscellaneous Expenses, Net, were $3.7 million in 2003 compared to $15.2 million in 2002. In the fourth quarter of 2002, we recorded a charge of $5.1 million ($2.9 million net of tax, or $0.04 per share) related to a writedown of equity security investments where the decline in market value was determined to be other-than-temporary, as defined by Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Debt and Equity Securities."

We provided for income taxes at a rate of 38.0% in 2003. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates and valuation reserves recorded against foreign net operating losses. This rate is lower than the 2002 effective tax rate of 39.8% due to an increase in the foreign tax credits used to offset the U.S. taxes on foreign earnings, offset somewhat by a shift in the mix of taxable income toward countries with relatively higher tax rates.

Net Earnings Per Share – Diluted increased 19.0% to $1.69 in 2003 compared to $1.42 in 2002. Net Earnings Per Share – Diluted in 2003 was positively impacted by the higher foreign currency exchange rates during the year. In constant currency, 2003 Net Earnings Per Share – Diluted would have been $1.42, the same as 2002. On an undiluted basis, Net Earnings Per Share was $1.77 in 2003 compared to $1.48 in 2002.

Segment Results

U.S. – The United States operation is comprised of 591 Company-owned branch offices and 345 stand alone franchise offices. Revenues in the United States consist of sales of our Company-owned branch offices and fees from our franchise operations. Revenues for the year were $2.0 billion, an increase of 4.9%, and include franchise fees of $25.0 million. Franchise fees are primarily based on revenues generated by the franchise network, which were $1.2 billion in 2004.



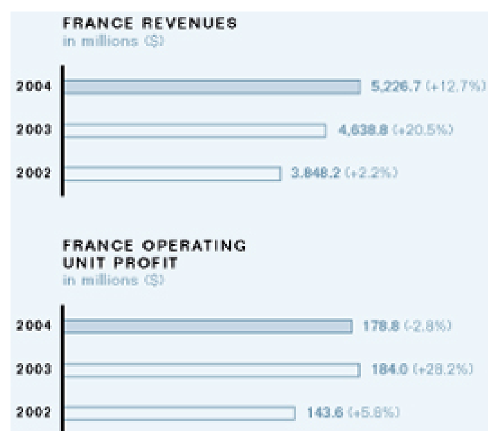
Revenues in the United States accelerated through the first half of the year, after beginning the year slightly below prior year levels. Revenue growth stabilized in the second half of the year with growth exceeding 6% in both the third and fourth quarters (excluding the impact of Transpersonnel, our trucking operation that was disposed of in July 2004). Fueling this improving growth was an increase in demand for our light industrial and industrial skilled staff, which represents approximately 48% of our U.S. revenues. Revenue growth from placement of these skills increased nearly 20% from the prior year, reflecting an improvement of the U.S. manufacturing sector. Revenue from office and specialty skills lagged the prior year, however, the rate of contraction improved as we progressed through the year.

The Gross Profit Margin declined compared to the prior year due to increases in employment-related costs such as state unemployment taxes and workers' compensation. While we were able to recover a substantial portion of these increases through higher bill rates, the competitive market environment did not allow us to fully recover all of these cost increases.

Selling and Administrative Expenses trended favorably downward 0.9% during the year, primarily due to a reduction in personnel costs and branch office related costs. This cost reduction, combined with our revenue growth, reflects strong gains in productivity and our ability to leverage excess capacity across our U.S. branch office network.

Operating Unit Profit for the year increased by 46.4% to $49.3 million. Our Operating Unit Profit Margin increased to 2.4% of revenues from 1.7%, as our productivity enhancements more than offset the decline in Gross Profit Margin.

France – Revenues in France increased 12.7% to $5.2 billion. In Euros, French Revenues increased 2.8% to €4.2 billion. The majority of this revenue increase reflects hourly rate increases as volumes increased only slightly during the year. Revenue growth in Euro was modest in the first half of the year, growing by 2.7%, followed by softening in the third quarter to 1.0% and then accelerating to 4.9% in the fourth quarter of the year.



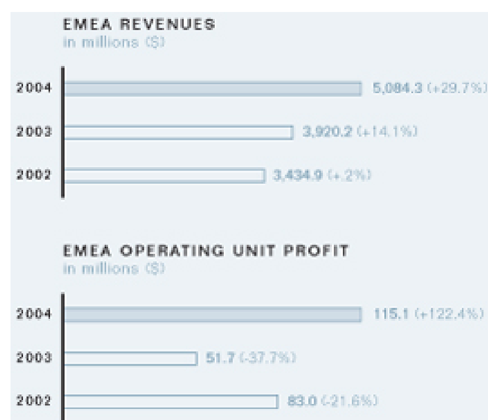
Gross Profit Margins declined compared to the prior year, even after excluding adjustments to our estimated liability related to social program remittances in each year. (In 2004, there was an unfavorable adjustment of $12.8 million, and in 2003, there was a $16.1 million favorable adjustment.) This decline reflects increasing price competition from large and small competitors, partially due to their expansion of office network capacity during a period of nominal growth in the total staffing market.

Selling and Administrative Expenses were well controlled during the year, decreasing slightly from 2003 despite continued investment in new offices. A total of 49 new offices were opened during the year, bringing the total office count to 1,127.

Operating Unit Profit was $178.8 million, a decrease of 2.8% from the prior year. Operating Unit Profit Margin was 3.4%, a decrease from 3.9% in 2003. Operating Unit Profit was unfavorably impacted by the adjustment for social program remittances in 2004, and favorably impacted by the adjustments in 2003, as discussed above.

During 2004, a new law in France ended the French Job Center's (ANPE's) control of the placement of the unemployed. As a result of this law change, temporary staffing companies are allowed to offer placement and recruitment services beginning January 1, 2005. We expect these services will have a long-term benefit on our French business, but will not have a significant impact on 2005 results due to investments required to grow this service line.

EMEA – The EMEA region includes our operations in Europe, the Middle East and Africa (excluding France), which covers a total of 18 countries delivering services through 1,400 offices. In addition to employment services delivered under the Manpower brand, this region also includes Elan, which is a leading IT recruitment, staffing and managed services firm operating across 16 countries in the region, and Brook Street, which provides general staffing and recruitment services primarily in the United Kingdom.



Geographically, the largest operations in this segment are the U.K., which comprises 27% of EMEA revenues, Germany, Italy, the Netherlands, Norway, Spain and Sweden, which combined comprise 52% of EMEA revenues. Elan comprises 11% of EMEA revenues.

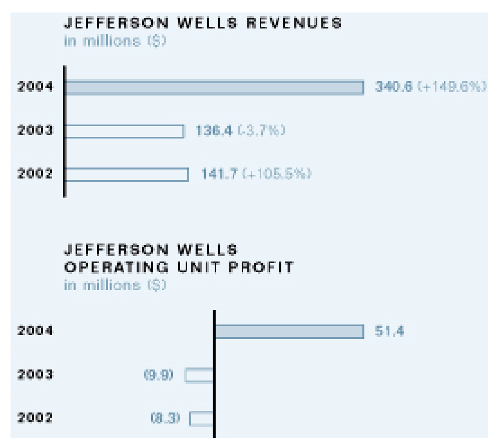
Revenues in EMEA increased 29.7% to $5.1 billion, or 18.0% in constant currency. Constant currency revenue growth accelerated in the first half of the year and stabilized at 20% for the second half of the year. Fueling this strong revenue growth were investments in new offices, implementation of effective sales initiatives and positive secular trends in the usage of flexible staffing services. Revenue growth improved at all entities in the region, with significant local currency growth coming from Belgium (+27.3%), Elan (+24.6%), Italy (+18.9%) and Germany (+17.4%).

The Gross Profit Margin for the full year was slightly below the prior year, but was stable with the prior year in the second half of the year. The decline in Gross Profit Margin is due to competitive pricing pressure in certain markets and changing business mix, partially offset by the favorable impact of growth in permanent placement fees.

Selling and Administrative Expenses increased 22.3%, or 11.4% in constant currency. This growth in expenses reflects the necessary investments to support the rapid revenue growth. Additionally, we were able to achieve significant productivity gains, as we were able to leverage our existing office infrastructure.

Operating Unit Profit more than doubled to $115.1 million, an increase of 122.4%, or 104.1% in constant currency. The Operating Unit Profit Margin increased to 2.3% from 1.3%, reflecting the significant productivity gains.

Jefferson Wells – Jefferson Wells provides highly skilled project personnel along three primary business lines – internal audit and controls, technology risk management, tax and finance and accounting compliance. Our services are provided through 37 offices, which include major United States metropolitan markets, Toronto and London. The majority of employees assigned by Jefferson Wells are full-time company employees and therefore employee utilization is a significant factor in determining Gross Profit Margins.



Revenues increased dramatically during the year, to $340.6 million from $136.4 million in 2003. This significant growth was primarily fueled by increased customer demand for technology risk management and internal audit and control services. Included in these services are personnel who assist companies in complying with the Sarbanes-Oxley Act legislation.

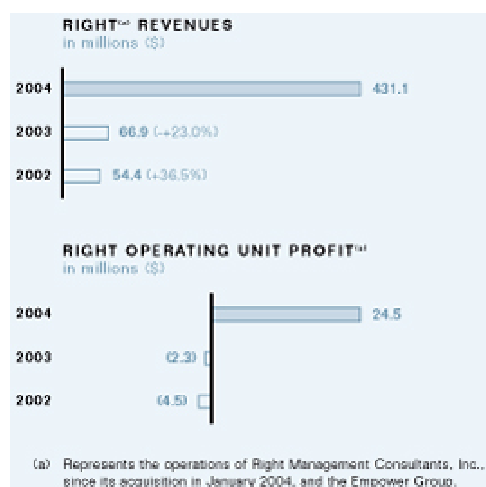
Revenue trends grew sequentially throughout the year, and reached their peak levels in October. Revenues in the fourth quarter were $102.9 million, down 7.0% sequentially from the third quarter of 2004. This decline, which may continue into 2005, reflects a lower level of demand for our services as companies complete the initial stages of Sarbanes-Oxley compliance.

Gross Profit Margins have improved by more than 650 basis points (6.5%) over the prior year and are in excess of 40% for 2004. This improvement primarily reflects the improved utilization of employees assigned to customer engagements.

Selling and Administrative Expenses increased by 56.7% as we continued to invest in new office openings and additional personnel to support the rapid revenue growth. As a percentage of revenues, these expenses declined dramatically as we were able to grow into office capacity, in which we had invested in previous years.

Operating Unit Profit was $51.4 million or 15.1% of revenue, reflecting the high employee utilization levels and expense leveraging discussed earlier.

Right – On January 22, 2004, we completed our exchange offer to acquire RMC, the world's largest career transition and organization consulting services firm, operating through approximately 300 offices in 35 countries. The results of RMC's operations are included in our consolidated financial statements since that date. The acquisition of RMC expands the range of services that we offer to customers as a strategic partner through every stage of the employment cycle. We have merged our Empower operations into RMC, and the results of the combined entity are reported as the Right segment. Right's revenues for the year are $431.1 million, of which, approximately 65% relates to career transition services and 35% relates to organizational consulting in 2004. Historically, the career transition services have a slightly higher gross profit margin than the organizational consulting services.



During the first nine months of the year, demand for career transition services declined as the economy improved. Fourth quarter revenues, however, improved 4.3% sequentially due in part to seasonal factors. Demand for organizational consulting services has improved modestly during the course of the year as companies became more willing to invest in these services with an improving economy.

Operating Unit Profit for the year was $24.5 million, which is net of $8.1 million of integration costs related to the merger of Empower into RMC.

The Operating Unit Profit Margin for the year was 5.7%. This below-normal Operating Unit Profit Margin not only reflects the integration costs discussed above, but also reflects a transition period in adjusting expense levels to support lower revenue levels.

Other Operations – The Other Operations segment includes our operations in the Asia Pacific region, Canada, Mexico and South America, delivering service through 491 offices. Our largest country operation within this segment is Japan, which accounts for approximately 45% of the segment's revenues.

Revenues in the region improved 22.3% to $1.8 billion, or 16.0% in constant currency. This strong local currency revenue growth was fueled by South America (+50.4%), Japan (+11.6%), Mexico (+15.0%), Australia (+10.3%) and Canada (+5.9%).

The Gross Profit Margin improved in the region primarily due to an increase in permanent placement fees. This improvement was partially offset by a decline in Gross Profit Margin in Japan, as increases in social costs were not fully recovered through higher bill rates due to competitive pressures.

Selling and Administrative Expenses increased 28.0%, or 21.3% in constant currency, reflecting increased investments in 52 new offices in the segment and additional personnel to support the growth of the permanent placement business.

Operating Unit Profit increased 14.9% to $46.0 million, or 8.5% in constant currency. The Operating Unit Profit Margin declined from 2.7% to 2.5% as Selling and Administrative Expense increases exceeded the gains in Gross Profit Margin

CASH SOURCES AND USES

Cash used to fund our operations is primarily generated through operating activities and our existing credit facilities. We believe that our internally generated funds and our existing credit facilities are sufficient to cover our near-term projected cash needs.

Our principal ongoing cash needs are to finance working capital, capital expenditures, share repurchases, debt payments, and acquisitions. Working capital is primarily in the form of trade receivables, which generally increase as revenues increase. The amount of financing necessary to support revenue growth depends on receivable turnover, which differs in each market in which we operate.

During 2004, cash provided by operating activities was $187.4 million, compared to $223.4 million for 2003 and $227.9 million for 2002. The strong results reflect the impact of our focus on working capital management over the past few years. The change in 2004 from 2003 is due primarily to the higher working capital requirements to fund the growth in our business, offset by the higher earnings level in 2004.

Accounts receivable increased to $3,227.8 million as of December 31, 2004 from $2,600.9 million as of December 31, 2003. This increase is primarily due to increased business volumes, the acquisition of RMC, and changes in foreign currency exchange rates. At constant exchange rates, the 2004 Accounts Receivable balance would have been approximately $190 million less than reported. Days Sales Outstanding ("DSO") has remained relatively stable during 2004, and has decreased one day since 2002. However, this calculation is impacted by the effect of exchange rates on our mix of accounts receivable by country. Excluding that impact, we have reduced DSO by approximately two days compared to 2002.

One of our wholly-owned U.S. subsidiaries has an agreement to transfer, on an ongoing basis, up to $200.0 million of an interest in its Accounts Receivable. The terms of this agreement are such that transfers do not qualify as a sale of accounts receivable. Accordingly, any advances under this agreement are reflected as debt on the consolidated balance sheets. Prior to an amendment to the agreement in November 2002, transfers of accounts receivable qualified as a sale and the related amount of accounts receivable was removed from our consolidated balance sheets. In July 2004, we amended the agreement to extend it to July 2005. All other terms remain substantially unchanged. No amounts were advanced under this facility as of December 31, 2004 and 2003.

Capital expenditures were $67.9 million, $55.5 million, and $58.5 million during 2004, 2003 and 2002, respectively. These expenditures are primarily comprised of purchases of computer equipment, office furniture and other costs related to office openings and refurbishments, as well as capitalized software costs of $2.7 million, $8.2 million, and $17.7 million in 2004, 2003, and 2002, respectively.

From time to time, we acquire and invest in companies throughout the world, including U.S. franchises. The total cash consideration for such transactions was $117.3 million, $6.7 million, and $33.5 million in 2004, 2003 and 2002, respectively. The 2004 amount includes the payment of acquisition-related costs and the $123.8 million repayment of RMC's long-term debt that we were required to make due to change of control provisions contained in the agreements. We financed the acquisition-related costs and this repayment with excess cash and borrowings under our U.S. Receivables Facility, which was repaid in 2004. Cash acquired of approximately $39.5 million offsets these payments. In 2003 and 2002, in addition to the cash consideration, we acquired ownership interests in certain U.S. franchises in exchange for approximately 13,000 and 592,000 shares of our common stock, respectively, which had an aggregate market value of $0.7 million and $21.9 million, respectively, at the dates of acquisition.

On January 22, 2004, we completed our exchange offer to acquire RMC for $630.6 million. The purchase price includes the issuance of 8,852,000 shares of our common stock valued at $48.40 per share ($428.4 million); the fair value of 1,962,000 options in our common stock that resulted from our assuming both of RMC's stock option plans ($59.5 million); the repayment of RMC's long-term debt ($123.8 million); the payment of acquisition-related costs, net of tax ($11.5 million); a severance payment and accelerated vesting of RMC's Supplemental Executive Retirement Plan, net of tax ($ 6.0 million); and other items ($1.4 million). (See note 2 to our consolidated financial statements for further information.)

In connection with the acquisition of RMC, we have established reserves for severances and other office closure costs to streamline RMC's worldwide operations that total $24.5 million. We have recorded a net deferred tax asset of $6.5 million related to these items. During 2004, approximately $7.8 million was paid from these reserves. Of the remaining balance, approximately $15.1 million will be paid during 2005, with the remaining $1.6 million to be paid thereafter.

Net borrowings were $5.7 million for 2004, compared to repayments of $84.5 million for 2003, and $115.0 million for 2002. During 2004, 2003, and 2002, we used excess cash to pay down borrowings under various facilities when appropriate. Proceeds from Long-Term Debt and Repayments of Long-Term Debt include activity related to our commercial paper program.

In October 2004, the Board of Directors authorized the repurchase of 5 million shares of our common stock, not to exceed a total purchase price of $250.0 million. Share repurchases may be made from time to time and may be implemented through a variety of methods, including open market purchases, block transactions, privately negotiated transactions, accelerated share repurchase programs, forward repurchase agreements or similar facilities. This repurchase authorization replaces all previous authorizations. As of December 31, 2004, there were no shares repurchased under this authorization, however, as of February 11, 2005, 675,000 shares have been repurchased at a total cost of $30.0. There were no share repurchases in 2003 and a total of 900,000 shares at a cost of $30.7 million were repurchased in 2002 under a previous authorization.

During 2004, 2003, and 2002, the Board of Directors declared two cash dividends for a total of $0.30, $0.20, and $0.20 per share, respectively. Our total dividend payments were $27.1 million, $15.6 million, and $15.3 million in 2004, 2003, and 2002, respectively.

We have aggregate commitments of $1,614.2 million related to debt repayments, operating leases, acquisition-related severances and office closure costs, and certain other commitments as follows:

in millions	2005	2006	2007	2008	2009	Thereafter
Long-term debt	$215.6	$539.0	$ 0.6	$ 1.0	$135.5	—
Short-term borrowings	10.1	—	—	—	—	—
Operating leases	172.1	136.0	95.2	67.2	49.4	92.5
Acquisition-related severances and other office closure costs	15.1	0.4	0.4	0.4	0.4	—
Other	26.1	13.4	9.2	5.5	5.8	23.3
	$439.0	$688.8	$105.4	$74.1	$191.1	$ 115.8

We also have entered into guarantee contracts and stand-by letters of credit that total approximately $115.3 million and $135.4 million as of December 31, 2004 and 2003, respectively ($37.6 million and $68.7 million for guarantees, respectively, and $77.7 million and $66.7 million for stand-by letters of credit, respectively). Guarantees primarily relate to indebtedness, bank accounts, and leases. The stand-by letters of credit relate to workers' compensation, operating leases and indebtedness. If certain conditions were met under these arrangements, we would be required to satisfy our obligation in cash. Due to the nature of these arrangements and our historical experience, we do not expect to make any significant payments under these arrangements. Therefore, they have been excluded from our aggregate commitments identified above.

CAPITAL RESOURCES

Total capitalization as of December 31, 2004 was $3,075.8 million, comprised of $901.8 million in debt and $2,174.0 million in equity. Debt as a percentage of total capitalization was 29% as of December 31, 2004 compared to 39% as of December 31, 2003. This decrease is primarily a result of the equity issued in connection with the acquisition of RMC.

We have $435.4 million in aggregate principal amount at maturity of unsecured zero-coupon convertible debentures, due August 17, 2021 ("Debentures"), with a carrying value of $265.3 million as of December 31, 2004. These Debentures were issued in August 2001 at a discount to yield an effective interest rate of 3% per year, and they rank equally with all of our existing and future senior unsecured indebtedness. There are no scheduled cash interest payments associated with the Debentures.

The Debentures are convertible into 6.1 million shares of our common stock if the closing price of our common stock on the New York Stock Exchange exceeds specified levels, or in certain other circumstances.

Holders of the Debentures may require us to purchase these Debentures at the issue price, plus accreted original issue discount, on the first, third, fifth, tenth and fifteenth anniversary dates. We have the option to settle this obligation in cash, common stock, or a combination thereof. There were no Debentures "put" to us on the first anniversary date. On the third anniversary date, $0.1 million of principal amount at maturity of the Debentures was tendered for repurchase, resulting in a payment of approximately $0.1 million. Our intent is to settle any future "put" in cash. In the event of a significant change in the economic environment, we may choose to settle a future "put" with common stock, which would have a dilutive effect on existing shareholders. As of August 17, 2004, we may also now "call" the Debentures.

We have €150.0 million in unsecured notes due March 2005, at 6.25%, and €200.0 million in unsecured notes due July 2006, at 5.63%. We plan to repay the €150.0 million notes with cash or other available borrowing facilities when they come due. (See Significant Matters Affecting Results of Operations and notes 7 and 13 to the consolidated financial statements for further information.)

In October 2004, we entered into a new $625.0 million revolving credit agreement with a syndicate of commercial banks that expires in October 2009. The new agreement replaces our $450.0 million five-year revolving credit facility and $200.0 million 364-day revolving credit facility. Amounts borrowed under the $450.0 million five-year facility were transferred to this new facility.

The new revolving credit agreement allows for borrowings in various currencies and up to $150.0 million may be used for the issuance of stand-by letters of credit. Outstanding letters of credit totaled $77.7 million and $66.7 million as of December 31, 2004 and 2003, respectively. Additional borrowings of $411.8 million were available to us under this new revolving credit agreement as of December 31, 2004.

The interest rate and facility fee on the new agreement, as well as the fee paid for the issuance of letters of credit on the facility, vary based on our public debt ratings and borrowing level. The current interest rate is LIBOR plus .675% and the facility and issuance fees are .20% and .675%, respectively.

The new agreement requires, among other things, that we comply with a Debt-to-EBITDA ratio of less than 3.25 to 1 and a fixed charge ratio of greater than 2.00 to 1. As defined in the agreement, we had a Debt-to-EBITDA ratio of 1.84 to 1 and a fixed charge ratio of 2.69 to 1 as of December 31, 2004. Based upon current forecasts, we expect to be in compliance with these covenants throughout the coming year.

There were no borrowings outstanding under our $125.0 million U.S. commercial paper program as of December 31, 2004 and 2003.

In addition to the previously mentioned facilities, we maintain separate bank facilities with foreign financial institutions to meet working capital needs of our foreign operations. As of December 31, 2004, such facilities totaled $295.0 million, of which $284.9 million was unused.

Our current credit rating from Moody's Corporation is Baa3 with a stable outlook and our credit rating from Standard & Poor's is BBB- with a stable outlook. Both of these credit ratings are investment grade.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts. A discussion of the more significant estimates follows. Management has discussed the development, selection and disclosure of these estimates and assumptions with the Audit Committee of our Board of Directors.

Allowance for Doubtful Accounts

We have an Allowance for Doubtful Accounts recorded as an estimate of the Accounts Receivable balance that may not be collected. This allowance is calculated on an entity-by-entity basis with consideration for historical write-off experience, the current aging of receivables and a specific review for potential bad debts. Items that affect this balance mainly include bad debt expense and write-offs of accounts receivable balances.

Bad Debt Expense, which increases our Allowance for Doubtful Accounts, is recorded as a Selling and Administrative Expense and was $27.3 million, $16.7 million, and $18.2 million for 2004, 2003, and 2002, respectively. Factors that would cause this provision to increase primarily relate to increased bankruptcies by our customers and other difficulties collecting amounts billed. On the other hand, an improved write-off experience and aging of receivables would result in a decrease to the provision.

Write-offs, which decrease our Allowance for Doubtful Accounts, are recorded as a reduction to our Accounts Receivable balance and were $21.9 million, $19.5 million, and $18.4 million, for 2004, 2003 and 2002, respectively.

Employment-Related Items

The employment of temporary workers and permanent staff throughout the world results in the recognition of liabilities related to defined benefit pension plans, self-insured workers' compensation, social program remittances and payroll tax audit exposures that require us to make estimates and assumptions in determining the proper reserve levels.

We sponsor several qualified and non-qualified pension plans covering permanent employees. The most significant plans are located in the United States, France, the United Kingdom, Japan and other European countries. Annual expense relating to these plans is recorded as Selling and Administrative Expense, in accordance with the accounting rules generally accepted in the United States. The calculations of annual pension expense and the pension liability required at year-end include various actuarial assumptions such as discount rates, expected rate of return on plan assets, compensation increases and employee turnover rates. Changes to any of these assumptions will impact the level of annual expense recorded related to the plans. We review the actuarial assumptions on an annual basis and make modifications to the assumptions as necessary. (See note 9 to the consolidated financial statements for further information.)

In the United States, we are self-insured in most states for workers' compensation claims for our temporary workers. We determine the proper reserve balance using an actuarial valuation, which considers our historical payment experience and current employee demographics. Our reserve for such claims as of December 31, 2004 and 2003 was $100.0 and $103.0 million, respectively. The workers' compensation expense is recorded as a component of Cost of Services. A significant increase in claims or changes in laws may require us to record more expense related to workers' compensation. On the other hand, significantly improved claim experience may result in a lower annual expense level.

In France, the government has various social programs that are aimed at reducing the cost of labor and encouraging employment, particularly for low-wage workers, through the reduction of payroll taxes (or social contribution). A portion of these payroll tax reductions is remitted to our customers in certain circumstances. We are required to make an estimate for the amount that will be remitted, which is recorded as a reduction of Revenue from Services. We make this estimate based on our historical experience, including related trends. To the extent that our experience differs from our estimate, we will need to make adjustments to our reserve balance, which will impact the results of our French operation. In addition, future changes to laws governing these payroll tax reductions may require us to revise our estimates, which may significantly impact our consolidated financial statements. In the fourth quarter of 2003, we reduced our estimated liability related to these remittances by $16.1 million due to the recent historical trends in the amounts remitted.

On a routine basis, governmental agencies in some of the countries in which we operate will audit our payroll tax calculations and our compliance with other payroll-related regulations. These audits focus primarily on documentation requirements and our support for our payroll tax remittances. Due to the nature of our business, the number of people that we employ, and the complexity of some payroll tax regulations, we may have some adjustments to the payroll tax remittances as a result of these audits. We make an estimate of the additional remittances that may be required and record the estimate as a component of Cost of Services. The estimate is based on the results of past audits, with consideration for changing business volumes and changes to the payroll tax regulations. To the extent that our actual experience differs from our estimates, we will need to make adjustments to our reserve balance, which will impact the results of the related operation and the operating segment in which it is reported.

In France, we are currently under audit for payroll tax remittances made during 2001 and for remittances made during 2002 and 2003. We have received a preliminary notification related to 2001 and have responded to the notification with additional information. During 2004, we increased our estimated liability related to these remittances by $12.8 million.

In the Netherlands, we are currently under audit for compliance with regulations related to the collection and maintenance of payroll-related documents for our temporary employees. We have not received any notification of findings related to this audit, however we currently do not expect any assessment to have a significant impact on the consolidated financial statements.

Deferred Revenue

We recognize revenue under the provisions of Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB 104"). SAB 104 generally provides that revenue for time-based services be recognized over the average length of the services being provided. For the career transition line of business, we recognize revenue from individual programs on a straight-line basis over the average length of time for candidates to find jobs based on statistically valid data for the specific type of program. If statistically valid data is not available, then we recognize career transition revenue on a straight-line basis over the actual term of the agreements. For group programs and large projects within the career transition line of business, we defer and recognize revenue over the period in which the contracts are completed. The difference between the amount billed for career transition services and the amount recognized as revenue is recorded as Deferred Revenue, which is included in Accrued Liabilities on our consolidated balance sheets.

Significant factors impacting Deferred Revenue are the type of programs sold, the level of current billings for new programs and projects, and the average length of the programs. Over time, an increasing volume of new billings will generally result in higher amounts of Deferred Revenue, while decreasing levels of new billings will generally result in lower amounts of Deferred Revenue. As of December 31, 2004, we had $43.8 million of Deferred Revenue recorded.

Income Taxes

We account for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating loss and tax credit carry-forwards, and tax contingencies. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We record a valuation allowance against deferred tax assets for which utilization of the asset is not likely.

Our judgment is required in determining our deferred tax assets and liabilities, and any valuation allowances recorded. Our net deferred tax assets may need to be adjusted in the event that tax rates are modified, or our estimates of future taxable income change, such that deferred tax assets or liabilities are expected to be recovered or settled at a different tax rate than currently estimated. In addition, valuation allowances may need to be adjusted in the event that our estimate of future taxable income changes from the amounts currently estimated. We have tax contingencies recorded related to items in various countries. To the extent these items are settled in our favor, a portion of our recorded contingency will be reversed. To the extent items are settled for an amount greater than the amount we have recorded, an additional tax provision will be recorded.

We provide for income taxes on a quarterly basis based on an estimated annual tax rate. In determining this rate, we make estimates about taxable income for each of our largest locations worldwide, as well as the tax rate that will be in effect for each location. To the extent these estimates change during the year, or that actual results differ from these estimates, our estimated annual tax rate may change between quarterly periods and may differ from the actual effective tax rate for the year. For 2005, we expect our effective tax rate will be approximately 36.5%.

Goodwill and Indefinite - Lived Intangible Asset Impairment

In connection with SFAS No. 142, "Goodwill and Other Intangible Assets," we are required to perform goodwill and indefinite-lived intangible asset impairment reviews, at least annually, using a fair-value-based approach. The majority of our goodwill and indefinite-lived intangible assets result from our acquisition of RMC. Our remaining goodwill relates primarily to our acquisitions of Elan and Jefferson Wells.

As part of our impairment reviews, we estimate fair value primarily by using a discounted cash flow analysis and, for certain larger reporting units, we may also consider market comparables. Significant assumptions used in this analysis include: expected future revenue growth rates, operating unit profit margins, and working capital levels; a discount rate; and a terminal value multiple.

We have completed our annual impairment review for 2004 and determined there to be no impairment of either goodwill, or indefinite-lived intangible assets. We plan to perform our next annual impairment review during the third quarter of 2005.

We may be required to perform an impairment review prior to our scheduled annual review if certain events occur, including lower-than-forecasted earnings levels for various reporting units. In addition, changes to other assumptions could significantly impact our estimate of the fair value of our reporting units. Such a change may result in an impairment charge, which could have a significant impact on the reportable segments that include the related reporting units and our consolidated financial statements.

SIGNIFICANT MATTERS AFFECTING RESULTS OF OPERATIONS

Market Risks

We are exposed to the impact of foreign currency exchange rate fluctuations and interest rate changes.

Exchange Rates – Our exposure to foreign currency exchange rates relates primarily to our foreign subsidiaries and our Euro-denominated borrowings. For our foreign subsidiaries, exchange rates impact the U.S. Dollar value of our reported earnings, our investments in the subsidiaries and the intercompany transactions with the subsidiaries.

Approximately 80% of our revenues and profits are generated outside of the United States, with approximately 50% generated from our European operations that use the Euro as their functional currency. As a result, fluctuations in the value of foreign currencies against the U.S. Dollar, particularly the Euro, may have a significant impact on our reported results. Revenues and expenses denominated in foreign currencies are translated into U.S. Dollars at the weighted-average exchange rate for the year. Consequently, as the value of the U.S. Dollar changes relative to the currencies of our major markets, our reported results vary.

During 2004 and 2003, the U.S. Dollar weakened relative to many of the currencies of our major markets. In constant currency, 2004 Revenues from Services and Operating Profit were approximately 8.5% and 10.5% lower than reported, respectively. If the U.S. Dollar had weakened an additional 10% during 2004, Revenue would have further increased by approximately 8.3% and Operating Profits would have increased by approximately 8.1%.

Fluctuations in currency exchange rates also impact the U.S. Dollar amount of our Shareholders' Equity. The assets and liabilities of our non-U.S. subsidiaries are translated into U.S. Dollars at the exchange rates in effect at year-end. The resulting translation adjustments are recorded in Shareholders' Equity as a component of Accumulated Other Comprehensive Income. The U.S. Dollar weakened relative to many foreign currencies as of December 31, 2004 compared to December 31, 2003. Consequently, Shareholders' Equity increased by $86.3 million as a result of the change in Accumulated Other Comprehensive Income during the year. If the U.S. Dollar had weakened an additional 10% during 2004, resulting translation adjustments recorded in Shareholders' Equity would have increased by approximately $120.0 million.

Although currency fluctuations impact our reported results and Shareholders' Equity, such fluctuations generally do not affect our cash flow or result in actual economic gains or losses. Substantially all of our subsidiaries derive revenues and incur expenses within a single country and consequently, do not generally incur currency risks in connection with the conduct of their normal business operations. We generally have few cross border transfers of funds, except for transfers to the United States for payment of license fees and interest expense on intercompany loans, working capital loans made between the United States and our foreign subsidiaries, dividends from our foreign subsidiaries, and payments between our EMEA countries and our EMEA headquarters for services provided. To reduce the currency risk related to these transactions, we may borrow funds in the relevant foreign currency under our revolving credit agreement or we may enter into a forward contract to hedge the transfer. Foreign exchange gains and losses recognized on any forward contracts are included in the consolidated statements of operations. As of December 31, 2004, there were no forward contracts outstanding.

As of December 31, 2004, we had $406.6 million of long-term borrowings denominated in Euros (€300.0 million), which have been designated as a hedge of our net investment in subsidiaries with the Euro functional currency. Since our net investment in these subsidiaries exceeds the respective amount of the designated borrowings, all translation gains or losses related to these borrowings are included as a component of Accumulated Other Comprehensive Income. Shareholders' Equity decreased by $28.8 million due to changes in Accumulated Other Comprehensive Income during the year due to the currency impact on these borrowings.

As a result of certain derivative financial instruments that we entered into during September 2002, all translation gains and losses on the short-term borrowings of €150.0 million ($203.7 million as of December 31, 2004) unsecured notes due March 2005 are recorded in the consolidated statements of operations. These gains and losses are offset by changes in the fair value of the related derivative instruments. (See below and note 13 to the consolidated financial statements for further information.)

Interest Rates – Our exposure to market risk for changes in interest rates relates primarily to our variable rate long-term debt obligations. We have historically managed interest rates through the use of a combination of fixed- and variable-rate borrowings and interest rate swap agreements. As of December 31, 2004, we had the following fixed- and variable-rate borrowings:

	Fixed		Variable		Total	
Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Excluding interest rate swap agreements	$756.2	4.9%	$145.6	3.0%	$901.8	4.6%
Including impact of swap agreements	688.0	4.7%	213.8	4.6%	901.8	4.7%

We have various interest rate swap agreements in order to fix our interest costs on a portion of our Euro-denominated variable rate borrowings. The Euro interest rate swap agreements, with a notional value of €100.0 million ($135.5 million) fix the interest rate, on a weighted-average basis, at 5.7% and expire in 2010.

During September 2002, we entered into derivative financial instruments ("€150 million Swaps") to swap our €150.0 million ($203.7 million) unsecured notes, at 6.25%, due March 2005, to floating U.S. LIBOR, yielding an initial effective interest rate of 4.39% (currently yielding 4.64%). These instruments expire in March 2005.

If we had not entered into the €150.0 million Swaps and our interest rate swap agreements, interest expense would have been higher by $0.1 million in 2004 and $1.1 million in 2003.

Sensitivity Analysis – The following table summarizes our debt and derivative instruments that are sensitive to foreign currency exchange rate and interest rate movements. All computations below are based on the U.S. Dollar spot rate as of December 31, 2004. The exchange rate computations assume a 10% appreciation or 10% depreciation of the Euro to the U.S. Dollar. The impact on 2004 earnings of the stated change in rates is as follows:

	Movements In Exchange Rates		Movements In Interest Rates	
Market Sensitive Instrument	10% Depreciation	10% Appreciation	10% Decrease	10% Increase
€200 million, 5.63% Notes due July 2006	$ 27.1[1]	$ (27.1)[1]	—	—
€150 million, 6.25% Notes due March 2005	20.4	(20.4)	(0.1)	0.1
€150 million Swaps	(20.4)	20.4	0.1	(0.1)
Revolving credit agreement:				
€100 million Euro Borrowings	13.6[1]	(13.6)[1]	0.4	(0.4)
€100 million Interest Rate Swaps	—	—	(0.4)	0.4
	$ 40.7	$ (40.7)	$ —	$ —

(1) Exchange rate movements are recorded through Accumulated Other Comprehensive Income as these instruments have been designated as an economic hedge of our net investment in subsidiaries with a Euro functional currency.

The changes in fair value of our market sensitive instruments due to changes in interest rates, and changes in foreign currency exchange rates for the €150 million Swaps, is as follows:

Market Sensitive Instrument	10% Decrease	10% Increase
Fixed Rate Debt:		
Zero-coupon convertible debentures	$ 30.0[1]	$ (30.0)[1]
€200 million, 5.63% Notes due July 2006	28.2[1]	(28.2)[1]
€150 million, 6.25% Notes due March 2005	20.5	(20.5)
Derivative Instruments:		
€150 million Swaps	(20.3)	20.3
€100 million Interest Rate Swaps	(1.8)	1.8

(1) This change in fair value is not recorded in the financial statements, however disclosure of the fair value is included in note 7 to the consolidated financial statements.

Impact of Economic Conditions

One of the principal attractions of using temporary staffing solutions is to maintain a flexible supply of labor to meet changing economic conditions. Therefore, the industry has been and remains sensitive to economic cycles. To help minimize the effects of these economic cycles, we offer customers a continuum of services to meet their needs throughout the employment and business cycle. We believe that the breadth of our operations and the diversity of our service mix cushion us against the impact of an adverse economic cycle in any single country or industry. However, adverse economic conditions in any of our largest markets, or in several markets simultaneously, would have a material impact on our consolidated financial statements.

Legal Regulations

The temporary employment services industry is closely regulated in all of the major markets in which we operate except the United States and Canada. Many countries impose licensing or registration requirements, substantive restrictions on temporary employment services, either on the temporary staffing company or the ultimate client company, or minimum benefits to be paid to the temporary employee either during or following the temporary assignment. Regulations also may restrict 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, 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 us or the customer); or otherwise adversely affect the industry. Our career transition and organizational consulting services are currently not regulated.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on our operations and the ability of customers to utilize our 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 occurred in the past, are expected to occur in the future, and may have a material impact on the operations of temporary staffing firms, including us.

A search warrant was executed on November 30, 2004, at our French headquarters authorizing the French Regional Director on Inquiries of Competition to enter the office and review and obtain documents that may be pertinent to the investigation. According to the search warrant, the investigation stems from a complaint submitted during 2003 to the European Commission and subsequently transferred to France's Direction Generale de la Concurrence, de la Consommation et de la Repression des Fraudes. We understand that the purpose of the investigation is to search for evidence of price fixing and allocation of market share within the French market. The investigation is continuing and we currently are not able to predict the outcome.

In 2002, the European Commission released proposed legislation, the Agency Workers Directive ("AWD"), aimed at improving the quality of temporary staffing work through a principle of non-discrimination between temporary staff and permanent employees. The AWD has been returned to a consultation and revision phase by the Commission and is the subject of strong debate and suggested amendment by a number of member states. The AWD will be discussed in the future, but given the uncertainty surrounding the AWD, we cannot currently estimate the impact, if any, on the future results of our European operations or our consolidated financial statements.

Recently Issued Accounting Standards

During May 2004, the FASB (Financial Accounting Standards Board) issued FASB Staff Position ("FSP") No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" ("FSP 106-2"), which provides guidance on accounting for the effects of the new Medicare prescription drug legislation ("the Act"). The Act, which was signed into law on December 8, 2003, introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. FSP 106-2 was adopted by us in the third quarter of 2004 and did not have a material impact on our consolidated financial statements.

During September 2004, the Emerging Issues Task Force ("EITF") issued Issue No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings Per Share" ("EITF 04-8"), which requires the effect of contingently convertible debt securities with a market price trigger to be included in the calculation of diluted earnings per share, using the "if-converted" method, regardless of whether the market price trigger has been met. EITF 04-8 also requires that previously reported diluted earnings per share be restated. We adopted EITF 04-8 in the fourth quarter of 2004. (See note 3 to our consolidated financial statements for further information.)

During December 2004, the FASB issued SFAS No. 123R "Share-Based Payment" ("SFAS 123R"), which replaces SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized as expense in the financial statements based on their fair values beginning with the first interim or annual period after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 will no longer be an alternative to expense recognition. We will adopt SFAS 123R using the modified-prospective method in the third quarter of 2005. We expect SFAS 123R will have approximately a $0.06 per share impact on Net Earnings Per Share – Diluted in the second half of 2005.

During December 2004, the FASB issued FSP No. 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" ("FSP 109-2"), which provides guidance on accounting for the potential impact of the repatriation provisions of the American Jobs Creation Act of 2004 (the "Jobs Act") on enterprises' income tax expense and deferred tax liability. The Jobs Act was enacted on October 22, 2004. FSP 109-2 states that an enterprise is allowed time beyond the financial reporting period of enactment to evaluate the effect of the Jobs Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS 109. Based on our analysis to date, we are not yet in a position to decide on whether, or to what extent, we might repatriate foreign earnings under the provisions of the Jobs Act. However, we expect to be in a position to finalize our assessment by June 2005.

Forward-Looking Statements

Statements made in this annual report that are not statements of historical fact are forward-looking statements. All forward-looking statements involve risks and uncertainties. The information under the heading "Forward-Looking Statements" in our annual report on Form 10-K for the year ended December 31, 2004, which information is incorporated herein by reference, provides cautionary statements identifying, for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, important factors that could cause our actual results to differ materially from those contained in the forward-looking statements. Some or all of the factors identified in our annual report on Form 10-K may be beyond our control. Forward-looking statements can be identified by words such as "expect," "anticipate," "intend," "plan," "may," "will," "believe," "seek," "estimate," and similar expressions. We caution that any forward-looking statement reflects only our belief at the time the statement is made. We undertake no obligation to update any forward-looking statements to reflect subsequent events or circumstances.

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We are responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on our evaluation we have concluded that our internal control over financial reporting was effective as of December 31, 2004.

Our assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF MANPOWER INC . :

We have completed an integrated audit of Manpower Inc.'s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, cash flows and shareholders' equity present fairly, in all material respects, the financial position of Manpower Inc. and its subsidiaries at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As disclosed in Note 3 to the consolidated financial statements, effective in the fourth quarter of 2004, the Company retroactively changed for each of the three years in the period ended December 31, 2004 the manner in which it calculates diluted earnings per share upon the adoption of Emerging Issues Task Force Issue No. 04-8, *The Effect of Contingently Convertible Debt on Diluted Earnings per Share.*

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying Management Report on Internal Control over Financial Reporting, that the Company maintained effective internal control over financial reporting as of December 31, 2004 based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control – Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PRICEWATERHOUSECOOPERS LLP
MILWAUKEE, WISCONSIN
FEBRUARY 16, 2005

CONSOLIDATED STATEMENTS OF OPERATIONS
in millions, except per share data

Year Ended December 31	2004	2003	2002
Revenues from services	**$14,930.0**	$12,184.5	$10,610.9
Cost of services	**12,141.9**	10,047.7	8,700.5
Gross profit	**2,788.1**	2,136.8	1,910.4
Selling and administrative expenses	**2,392.3**	1,878.9	1,675.6
Operating profit	**395.8**	257.9	234.8
Interest and other expense	**26.3**	35.8	46.8
Earnings before income taxes	**369.5**	222.1	188.0
Provision for income taxes	**123.8**	84.4	74.8
Net earnings	**$ 245.7**	$ 137.7	$ 113.2
Net earnings per share	**$ 2.76**	$ 1.77	$ 1.48
Net earnings per share – diluted	**$ 2.59**	$ 1.69	$ 1.42

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS
in millions, except share and per share data

December 31	2004	2003
ASSETS		
Current assets		
Cash and cash equivalents	**$ 531.8**	$ 426.2
Accounts receivable, less allowance for doubtful accounts of $91.4 and $79.1, respectively	**3,227.8**	2,600.9
Prepaid expenses and other assets	**161.4**	100.1
Future income tax benefits	**96.5**	101.4
Total current assets	**4,017.5**	3,228.6
Other Assets		
Goodwill and other intangible assets, less accumulated amortization of $65.0 and $53.6, respectively	**1,297.0**	544.3
Other assets	**305.5**	416.4
Total other assets	**1,602.5**	960.7
Property and Equipment		
Land, buildings, leasehold improvements and equipment	**669.8**	606.3
Less: accumulated depreciation and amortization	**446.7**	419.2
Net property and equipment	**223.1**	187.1
Total assets	**$5,843.1**	$4,376.4
LIABILITIES AND SHAREHOLDERS' EQUITY LIABILITIES		
Current liablities		
Accounts payable	**$ 687.1**	$ 555.4
Employee compensation payable	**156.0**	105.6
Accrued liabilities	**505.7**	360.0
Accrued payroll taxes and insurance	**569.6**	476.6
Value added taxes payable	**457.8**	368.2
Short-term borrowings and current maturities of long-term debt	**225.7**	12.1
Total current liabilities	**2,601.9**	1,877.9
Othert Liabilities		
Long-term debt	**676.1**	829.6
Other long-term liabilities	**391.1**	358.6
Total other liabilities	**1,067.2**	1,188.2
Shareholders' Equity		
Preferred stock, $.01 par value, authorized 25,000,000 shares, none issued	**—**	—
Common stock, $.01 par value, authorized 125,000,000 shares, issued 100,236,635 and 88,604,575 shares, respectively	**1.0**	0.9
Capital in excess of par value	**2,296.4**	1,732.5
Retained earnings (accumulated deficit)	**51.0**	(167.6)
Accumulated other comprehensive income	**109.4**	28.3
Treasury stock at cost, 9,946,475 and 9,945,200 shares, respectively	**(283.8)**	(283.8)
Total shareholders' equity	**2,174.0**	1,310.3
Total liabilities and shareholders' equity	**$5,843.1**	$4,376.4

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF CASH FLOWS
in millions

Year Ended December 31	2004	2003	2002
Cash Flows from Operating Activities			
Net earnings	**$ 245.7**	$ 137.7	$ 113.2
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	**86.5**	64.4	65.4
Amortization of discount on convertible debentures	**7.8**	7.6	7.3
Deferred income taxes	**(8.8)**	(13.0)	10.7
Provision for doubtful accounts	**27.3**	16.7	18.2
Other non-operating gains	**(14.2)**	—	—
Change in operating assets and liabilities, excluding the impact of acquisitions:			
Accounts receivable	**(363.9)**	(74.3)	(53.3)
Other assets	**41.5**	(25.8)	30.7
Other liabilities	**165.5**	110.1	35.7
Cash provided by operating activities	**187.4**	223.4	227.9
Cash Flows from Investing Activities			
Capital expenditures	**(67.9)**	(55.5)	(58.5)
Acquisitions of businesses, net of cash acquired	**(117.3)**	(6.7)	(33.5)
Proceeds from the sale of an equity interest	**29.8**	—	—
Proceeds from the sale of property and equipment	**5.6**	6.0	5.3
Cash used by investing activities	**(149.8)**	(56.2)	(86.7)
Cash Flows from Financing Activities			
Net change in short-term borrowings	**4.7**	(13.6)	4.9
Proceeds from long-term debt	**94.9**	33.4	653.2
Repayments of long-term debt	**(93.9)**	(104.3)	(773.1)
Proceeds from stock option and purchase plans	**60.0**	35.6	29.4
Repurchases of common stock	**—**	—	(30.7)
Dividends paid	**(27.1)**	(15.6)	(15.3)
Cash provided (used) by financing activities	**38.6**	(64.5)	(131.6)
Effect of exchange rate changes on cash	**29.4**	39.5	28.6
Net increase in cash and cash equivalents	**105.6**	142.2	38.2
Cash and cash equivalents, beginning of year	**426.2**	284.0	245.8
Cash and cash equivalents, end of year	**$ 531.8**	$ 426.2	$ 284.0
Supplemental Cash Flow Information			
Interest paid	**$ 37.0**	$ 31.2	$ 33.2
Income taxes paid	**$ 87.8**	$ 91.6	$ 96.3

The accompanying notes to financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
in millions, except per share data

	Common Stock	Capital in Excess of Par Value	Retained Earnings (Accumulated Value Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, December 31, 2001	$ .9	$ 1,644.9	$ (387.6)	$ (190.8)	$(253.1)	$ 814.3
Comprehensive Income:						
Net earnings			113.2			
Foreign currency translation				75.3		
Unrealized loss on derivatives, net of tax				(6.6)		
Unrealized loss on investments, net of tax				(5.8)		
Reclassification adjustment for losses included in net earnings, net of tax				5.1		
Minimum pension liability adjustment, net of tax				(.9)		
Total comprehensive income						180.3
Issuances for franchise acquisitions	—	21.9				21.9
Issuances under equity plans	—	29.4				29.4
Dividends ($.20 per share)			(15.3)			(15.3)
Repurchases of common stock					(30.7)	(30.7)
Balance, December 31, 2002	.9	1,696.2	(289.7)	(123.7)	(283.8)	999.9
Comprehensive Income:						
Net earnings			137.7			
Foreign currency translation				146.8		
Unrealized gain on derivatives, net of tax				3.4		
Unrealized gain on investments, net of tax				3.2		
Reclassification adjustment for losses included in net earnings, net of tax				1.6		
Minimum pension liability adjustment, net of tax				(3.0)		
Total comprehensive income						289.7
Issuances for acquisitions	—	.7				.7
Issuances under equity plans	—	35.6				35.6
Dividends ($.20 per share)			(15.6)			(15.6)
Balance, December 31, 2003	.9	1,732.5	(167.6)	28.3	(283.8)	1,310.3
Comprehensive Income:						
Net earnings			245.7			
Foreign currency translation				86.3		
Unrealized loss on derivatives, net of tax				(2.5)		
Unrealized gain on investments, net of tax				3.4		
Minimum pension liability adjustment, net of tax				(6.1)		
Total comprehensive income						326.8
Issuances for acquisitions	.1	487.8				487.9
Issuances under equity plans	—	76.1				76.1
Dividends ($.30 per share)			(27.1)			(27.1)
Balance, December 31, 2004	$ 1.0	$ 2,296.4	$ 51.0	$ 109.4	$(283.8)	$2,174.0

The accompanying notes to consolidated financial statements are an integral part of these statements.

01. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Manpower Inc. is a world leading provider of contemporary work services to the world's labor markets. Our worldwide network of over 4,300 offices in 67 countries and territories enables us to meet the needs of our customers in all industry segments. Our largest operations, based on revenues, are located in the United States, France and the United Kingdom. We specialize in permanent, temporary and contract recruitment; employee assessment; training; internal audit, accounting, technology and tax services; career transition and organizational consulting services. We provide services to a wide variety of customers, none of which individually comprises a significant portion of revenues for us as a whole.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us 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 for the reporting period. Actual results could differ from these estimates.

We have used estimates to establish liability balances for various items, including amounts related to social program remittances in France and payroll tax audit exposures. The liabilities are determined at each entity, based on our historical experience and related trends, and will be adjusted to the extent that our actual experience differs from our current estimates. In France, we are currently under audit for payroll tax remittances made during 2001 and for remittances made during 2002 and 2003. We have received a preliminary notification related to 2001 and have responded to the notification with additional information. We currently do not expect a significant adjustment to our December 31, 2004 estimate of additional remittances as a result of this notification. In the fourth quarter of 2003, we reduced our estimated liability related to the social program remittances in France by $16.1 due to recent historical trends in the amounts remitted to customers. During 2004, we increased our liability for payroll tax remittances by $12.8.

In the Netherlands, we are currently under audit for compliance with regulations related to the collection and maintenance of payroll-related documents for our temporary employees. We have not received any notification of findings related to this audit, however we currently do not expect an assessment to have a significant impact on the consolidated financial statements.

Reclassifications

Certain amounts in the 2003 and 2002 notes to consolidated financial statements have been reclassified to be consistent with the current year presentation.

Basis of Consolidation

The consolidated financial statements include our operating results and the operating results of all of our subsidiaries. For subsidiaries in which we have an ownership interest of 50% or less, but more than 20%, the consolidated financial statements reflect our ownership share of those earnings using the equity method of accounting. These investments, as well as certain other relationships, are also evaluated for consolidation under FASB (Financial Accounting Standards Board) Interpretation No. 46R, "Consolidation of Variable Interest Entities." These investments were $82.7 and $95.7 as of December 31, 2004 and 2003, respectively, and are included as Other Assets in the consolidated balance sheets. Included in Shareholders' Equity as of December 31, 2004 are $45.7 of unremitted earnings from investments accounted for using the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenues and Receivables

We generate revenues from sales of services by our company-owned branch operations and from fees earned on sales of services by our franchise operations. Revenues are recognized on the accrual basis. The majority of our revenues are generated by our staffing business, where billings are generally negotiated and invoiced on a per-hour basis. Accordingly, as the temporary employees are placed, we record revenue based on the hours worked. Our franchise agreements generally state that franchise fees are calculated based on a percentage of revenues. We record franchise fee revenues monthly based on the amounts due under the franchise agreements for that month. Franchise fees, which are included in Revenues from Services, were $34.5, $26.5, and $25.8 for the years ended December 31, 2004, 2003 and 2002, respectively.

In our career transition business, we recognize revenue from individual programs on a straight-line basis over the average length of time for candidates to find jobs based on statistically valid data for the specific type of program. For group programs and large projects within the career transition business, we defer and recognize revenue over the period within which the contracts are completed. The difference between the amount billed for career transition services and the amount recognized as revenue is recorded as Deferred Revenue and included in Accrued Liabilities on our consolidated balance sheet. We had $43.8 recorded as Deferred Revenue as of December 31, 2004.

In our organizational consulting business, revenue is recognized upon the performance of the obligations under the consulting service contract.

Allowance for Doubtful Accounts

We have an Allowance for Doubtful Accounts recorded as an estimate of the accounts receivable balance that may not be collected. This allowance is calculated on an entity-by-entity basis with consideration for historical write-off experience, the current aging of receivables and a specific review for potential bad debts. Items that affect this balance mainly include bad debt expense and the write-off of accounts receivable balances.

Bad debt expense, which increases our Allowance for Doubtful Accounts, is recorded as a Selling and Administrative Expense in our consolidated statements of operations and was $27.3, $16.7, and $18.2 in 2004, 2003, and 2002, respectively. Factors that would cause this provision to increase primarily relate to increased bankruptcies by our customers and other difficulties collecting amounts billed. On the other hand, an improved write-off experience and aging of receivables would result in a decrease to the provision.

Write-offs, which decrease our allowance for doubtful accounts, are recorded as a reduction to our accounts receivable balance and were $21.9, $19.5, and $18.4, for 2004, 2003, and 2002, respectively.

Advertising Costs

We generally expense production costs of advertising as they are incurred. Advertising expenses were $43.2, $28.1, and $30.8 in 2004, 2003 and 2002, respectively.

Income Taxes

We account for income taxes in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 109, “Accounting for Income Taxes” (“SFAS 109”). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating loss and tax credit carryforwards, and tax contingencies. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We record a valuation allowance against deferred tax assets for which utilization of the asset is not likely.

Accounts Receivable Securitization

We account for the securitization of accounts receivable in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS 140"). Accordingly, transfers of receivables are evaluated for sale accounting treatment and if such a transfer qualifies as a sale under SFAS 140, the related receivable balance is removed from our consolidated balance sheets and the loss related to the transfer is recorded as other expense. If the transfer of receivables does not qualify for sale accounting, the related receivable balance remains on our consolidated balance sheets, the corresponding advance is recorded as debt and the related cost of the transaction is recorded as interest expense. (See note 5 for further information.)

Goodwill and Intangible Assets

We have goodwill, amortizable intangible assets and indefinite-lived intangible assets, as follows:

	2004			2003		
December 31	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Goodwill	**$ 999.0**	**$ 49.1**	**$ 949.9**	$592.9	$ 52.4	$ 540.5
Intangible assets:						
Amortizable intangible assets	**171.3**	**15.9**	**155.4**	4.6	1.2	3.4
Indefinite-lived intangible assets	**191.7**	**—**	**191.7**	0.4	—	0.4
Total intangible assets	**363.0**	**15.9**	**347.1**	5.0	1.2	3.8
Goodwill and intangible assets	**$ 1,362.0**	**$ 65.0**	**$1,297.0**	$597.9	$ 53.6	$ 544.3

The increase in Goodwill and Intangible Assets from 2003 to 2004 is primarily a result of the acquisition of Right Management Consultants, Inc. ("RMC"). (See note 2 for further information.)

Amortization expense related to intangibles was $12.3 in 2004 and immaterial in 2003 and 2002. Amortization expense expected in each of the next five years is as follows: 2005 – $14.1, 2006 – $14.1, 2007 – $14.1, 2008 – $14.1, and 2009 – $10.0.

In connection with SFAS No. 142, "Goodwill and Other Intangible Assets," we are required to perform goodwill and indefinite-lived intangible asset impairment reviews, at least annually, using a fair-value-based approach. The majority of our Goodwill and indefinite-lived intangible assets result from our acquisition of RMC. Our remaining Goodwill relates primarily to our acquisitions of Elan and Jefferson Wells.

As part of our impairment reviews, we estimate fair value primarily by using a discounted cash flow analysis and, for certain larger reporting units, we may also consider market comparables. Significant assumptions used in our discounted cash flow analysis include: expected future revenue growth rates, operating unit profit margins, and working capital levels; a discount rate; and a terminal value multiple.

We completed our annual impairment review for 2004 and determined there to be no impairment of either goodwill or indefinite-lived intangible assets. We plan to perform our next annual impairment review during the third quarter of 2005.

We may be required to perform an impairment review prior to our scheduled annual review if certain events occur, including lower-than-forecasted earnings levels for various reporting units. In addition, changes to other assumptions could significantly impact our estimate of the fair value of our reporting units. Such a change may result in an impairment charge, which could have a significant impact on the reportable segments that include the related reporting units and our consolidated financial statements.

Marketable Securities

We account for our security investments under SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," and have determined that all such investments are classified as available-for-sale. Accordingly, unrealized gains and unrealized losses that are determined to be temporary, net of related income taxes, are included in Accumulated Other Comprehensive Income, which is a separate component of Shareholders' Equity. Realized gains and losses, and unrealized losses determined to be other-than-temporary, are recorded in our consolidated statements of operations. As of December 31, 2004 and 2003, our available-for-sale investments had a market value of $8.8 and $6.4, respectively, and an adjusted cost basis of $6.3 in 2004 and 2003. As of December 31, 2004, none of these available-for-sale investments had unrealized losses.

We hold a 49% interest in our Swiss franchise, which maintains an investment portfolio with a market value of $115.2 as of December 31, 2004. This portfolio is comprised of a wide variety of European and U.S. debt and equity securities as well as various professionally-managed funds, all of which are classified as available-for-sale. Our net share of realized gains and losses, and declines in value determined to be other-than-temporary, are included in our consolidated statements of operations. Our share of net unrealized gains and unrealized losses that are determined to be temporary related to these investments are included in Accumulated Other Comprehensive Income, with the offsetting amount increasing or decreasing our investment in the franchise. In this portfolio, there were no unrealized losses by investment type as of December 31, 2004.

Capitalized Software

We capitalize purchased software as well as internally developed software. Internal software development costs are capitalized from the time the internal use software is considered probable of completion until the software is ready for use. Business analysis, system evaluation, selection and software maintenance costs are expensed as incurred. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the software. The net capitalized software balance of $47.2 and $46.7 as of December 31, 2004 and 2003, respectively, is included in Other Assets in the consolidated balance sheets. Amortization expense related to the capitalized software costs was $9.3, $5.5, and $4.7 for 2004, 2003, and 2002, respectively.

Property and Equipment

A summary of property and equipment as of December 31 is as follows:

	2004	2003
Land	**$ 2.5**	$ 2.3
Buildings	**32.4**	29.7
Furniture, fixtures and autos	**221.2**	200.0
Computer equipment	**169.8**	163.3
Leasehold improvements	**243.9**	211.0
	$ 669.8	$ 606.3

Property and equipment are stated at cost and are depreciated using primarily the straight-line method over the following estimated useful lives: buildings – up to 40 years; leasehold improvements – lesser of life of asset or lease term; furniture and equipment – 3 to 15 years. Expenditures for renewals and betterments are capitalized whereas expenditures for repairs and maintenance are charged to income as incurred. Upon sale or disposition of property and equipment, the difference between the unamortized cost and the proceeds is recorded as either a gain or a loss and is included in our consolidated statements of operations.

Derivative Financial Instruments

We account for our derivative instruments in accordance with SFAS Nos. 133, 137, and 149 related to "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133, as amended"). Derivative instruments are recorded on the balance sheet as either an asset or liability measured at their fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of the changes in the fair value of the derivative are recorded as a component of Accumulated Other Comprehensive Income and recognized in the consolidated statements of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of hedges are recognized in earnings.

Foreign Currency Translation

The financial statements of our non-U.S. subsidiaries have been translated in accordance with SFAS No. 52, "Foreign Currency Translation" ("SFAS 52"). Under SFAS 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. The resulting translation adjustments are recorded as a component of Accumulated Other Comprehensive Income, which is included in Shareholders' Equity. In accordance with SFAS 109, no deferred taxes have been recorded related to the cumulative translation adjustments.

Certain foreign currency denominated borrowings are accounted for as a hedge of our net investment in our subsidiaries with the related functional currencies. Since our net investment in these subsidiaries exceeds the amount of the related borrowings, all translation gains or losses related to these borrowings are included as a component of Accumulated Other Comprehensive Income.

Shareholders' Equity

In October 2004, the Board of Directors authorized the repurchase of 5 million shares of our common stock, not to exceed a total purchase price of $250.0. Share repurchases may be made from time to time and may be implemented through a variety of methods, including open market purchases, block transactions, privately negotiated transactions, accelerated share repurchase programs, forward repurchase agreements or similar facilities. This repurchase authorization replaces all previous authorizations. As of December 31, 2004, there were no shares repurchased under this authorization. There were no share repurchases in 2003 and a total of 900,000 shares at a cost of $30.7 were repurchased in 2002 under a previous authorization.

Statement of Cash Flows

We consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Stock Compensation Plans

We account for all of our fixed stock option plans and our 1990 Employee Stock Purchase Plan in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB 25"). No compensation expense for employee stock options is reflected in Net Earnings as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table (page 68) illustrates the effect on Net Earnings and Net Earnings Per Share if we had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") to stock-based employee compensation.

Year Ended December 31	2004	2003	2002
Net Earnings			
Net earnings, as reported	**$245.7**	$137.7	$113.2
Less: Total stock-based employee compensation expense determined under the fair value method for all awards, net of related tax effects	**9.5**	6.4	4.5
Net earnings, pro forma	**$236.2**	$131.3	$108.7
Net Earnings Per Share			
Basic – as reported	**$ 2.76**	$ 1.77	$ 1.48
Basic – pro forma	**$ 2.67**	$ 1.70	$ 1.43
Diluted – as reported[(1)]	**$ 2.59**	$ 1.69	$ 1.42
Diluted – pro forma[(1)]	**$ 2.50**	$ 1.62	$ 1.37

(1) 2003 and 2002 amounts have been restated to include the convertible debentures using the “if-converted” method. See Recently Issued Accounting Standards below.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2004, 2003 and 2002, respectively: risk-free interest rates of 3.2%, 3.3%, and 4.6%; expected volatility of 39.8%, 40.1%, and 40.9%; dividend yield of .5% in all years; and expected lives of 6.0 years, 7.4 years, and 6.4 years. The weighted-average fair value of options granted was $17.76, $10.32, and $10.86 per share in 2004, 2003 and 2002, respectively.

Recently Issued Accounting Standards

During May 2004, the FASB issued FASB Staff Position (“FSP”) No. 106-2, “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003” (“FSP 106-2”), which provides guidance on accounting for the effects of the new Medicare prescription drug legislation (“the Act”). The Act, which was signed into law on December 8, 2003, introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. FSP 106-2 was adopted by us in the third quarter of 2004 and did not have a material impact on our consolidated financial statements.

During September 2004, the Emerging Issues Task Force (“EITF”) issued Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings Per Share” (“EITF 04-8”), which requires the effect of contingently convertible debt securities with a market price trigger to be included in the calculation of diluted earnings per share, using the “if-converted” method, regardless of whether the market price trigger has been met. EITF 04-8 also requires that previously reported diluted earnings per share be restated. We adopted EITF 04-8 in the fourth quarter of 2004. (See note 3 for the impact of the adoption of EITF 04-8.)

During December 2004, the FASB issued SFAS No. 123(R) “Share-Based Payment” (“SFAS 123R”), which revises SFAS 123 and supercedes APB 25. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized as expense based on their fair values beginning with the first interim or annual period after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 will no longer be an alternative to expense recognition. We will adopt SFAS 123R using the modified-prospective method in the third quarter of 2005.

During December 2004, the FASB issued FSP No. 109-2, “Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004” (“FSP 109-2”), which provides guidance on the accounting for the potential impact of the repatriation provisions of the American Jobs Creation Act of 2004 (the “Jobs Act”) on enterprises’ income tax expense and deferred tax liability. The Jobs Act, which was signed into law on October 22, 2004, introduces relief on the potential income tax impact of repatriating foreign earnings and certain other provisions. FSP 109-2 states that an enterprise is allowed time beyond the financial reporting period of enactment to

evaluate the effect of the Jobs Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS 109. Based on our analysis to date, we are not yet in a position to decide on whether, or to what extent, we might repatriate foreign earnings under the provision of the Jobs Act. However, we expect to be in a position to finalize our assessment by June 2005.

02.

ACQUISITIONS OF BUSINESSES

From time to time, we acquire and invest in companies throughout the world, including U.S. franchises. The total cash consideration for acquisitions was $117.3, $6.7, and $33.5 in 2004, 2003 and 2002, respectively. The 2004 amount includes acquisition-related costs and the $123.8 repayment of RMC's long-term debt that we were required to make due to change of control provisions contained in the agreements. We financed the acquisition-related costs and this repayment with excess cash and borrowings under our Receivables Facility, which was repaid in 2004. Cash acquired of approximately $39.5 offsets these payments.

Right Acquisition

On January 22, 2004, we completed our exchange offer to acquire RMC, the world's largest career transition and organizational consulting services firm, operating through over 300 offices in 35 countries. The results of RMC's operations are included in our consolidated financial statements since that date. The acquisition of RMC expands the range of services that we offer to customers as a strategic partner throughout every stage of the employment cycle. We have merged our Empower operations into RMC, and the results of the combined entity are reported as the Right segment.

Substantially all of RMC's outstanding shares were tendered and exchanged at a rate of 0.3874 of a share of our common stock and cash was paid for fractional shares. The remaining outstanding shares were converted into the right to acquire our common stock at the same exchange rate.

The purchase price comprised of the following items:

Fair value of our common stock issued	$ 428.4
Fair value of RMC stock options assumed	59.5
Long-term debt repaid upon change of control	123.8
Severance and additional SERP liabilities, net of deferred tax assets	6.0
Acquisition-related costs, net of deferred tax assets	11.5
Other	1.4
Total purchase price	$ 630.6

We issued 8,852,000 shares of our common stock in the exchange. The value of these shares was calculated based on an average share price over a two-day period prior to the completion of the transaction.

We assumed both of RMC's stock option plans, converting outstanding options to purchase shares of RMC common stock into options to purchase 1,962,000 shares of our common stock. The fair value of these options was based on an independent valuation using the Black-Scholes option-pricing model.

We were required to repay certain of RMC's long-term debt due to change of control provisions contained in these agreements. We financed this repayment with excess cash and borrowings under our Receivables Facility which were subsequently repaid.

The purchase price also includes amounts paid or accrued for a severance agreement and the liability resulting from the accelerated vesting of RMC's Supplemental Executive Retirement Plan ("SERP"). The liability resulting from the accelerated vesting of the SERP was based on an independent valuation. Deferred tax assets of $3.8 were recorded related to these items.

The acquisition-related costs consist primarily of investment banking, legal and accounting fees, printing costs and other external costs directly related to the acquisition.

In connection with this acquisition, we have also established reserves for severances and other office closure costs related to streamlining RMC's worldwide operations that total $24.5. We have recorded a net deferred tax asset of $6.5 related to these items. During 2004, approximately $7.8 was paid from these reserves. Of the remaining balance, approximately $15.1 will be paid during 2005, with the remaining $1.6 to be paid thereafter.

Based on an independent valuation, we have identified $162.5 of amortizable intangible assets related to RMC's customer list, technology and franchise agreements. These items were assigned a weighted-average useful life of approximately 15 years. We have also identified $191.3 as an indefinite-lived intangible asset related to RMC's tradename. A deferred tax liability of $136.3 was established for the difference between book and tax basis related to RMC's intangible assets. Based on the independent valuation and the fair value of tangible assets acquired, $389.6 was recorded as Goodwill. Approximately $8.0 of Goodwill, related to the acquisition fees, will be deductible for tax purposes. Therefore we've recorded a deferred tax asset of $2.9.

The following represents the assets acquired and liabilities assumed to arrive at net cash paid and equity issued for the acquisition of RMC as of January 22, 2004.

Current Assets	
Cash	$ 10.8
Accounts receivable, net	86.0
Other current assets	20.4
Goodwill	389.6
Intangible assets	353.8
Other assets	18.6
Property and equipment	41.8
Total assets acquired	921.0
Current Liabilities	
Accounts payable	(17.2)
Accrued liabilities	(122.4)
Long-term debt	(4.4)
Long-term deferred tax liability	(123.7)
Other long-term liabilities	(22.7)
Total liabilities assumed	(290.4)
Cash paid and value of equity issued	$ 630.6

The pro forma consolidated results below combine the historical results of our operations and RMC's operations for the years ended December 31, 2004 and 2003 and have been prepared to reflect the acquisition as if it had been consummated as of the beginning of each period.

Year ended December 31	2004	2003
Revenue from services	**$14,954.0**	$ 12,636.1
Net earnings	**246.4**	173.5
Net earnings per share	**$ 2.75**	$ 1.98
Net earnings per share – diluted	**2.58**	1.88

Other acquisitions

The total cash consideration net of cash acquired, for acquisitions other than RMC was $(14.7), $6.7, and $33.5 in 2004, 2003 and 2002, respectively. The 2004 amount includes cash acquired of $28.7. In addition to the cash consideration, in 2003 and 2002 we acquired ownership interests in certain U.S. franchises in exchange for approximately 13,000 and 592,000 shares, respectively, of our common stock, which had an aggregate market value of $0.7 and $21.9, respectively, at the dates of acquisition.

In connection with a European acquisition completed during the first quarter of 2004, we established a reserve of $16.7 for severance and other exit costs related to the acquired company. These expenses are being funded by the inflow of cash that resulted from the acquisition. Since the date of the acquisition, there has been $15.9 paid from this reserve.

03.

EARNINGS PER SHARE

During September 2004, the EITF issued EITF 04-8, which requires the effect of contingently convertible debt securities with a market price trigger to be included in the calculation of diluted earnings per share, using the "if-converted" method, regardless of whether the market price trigger has been met. EITF 04-8 also requires restatement of previously reported earnings. Our unsecured zero-coupon convertible debentures, issued August 17, 2001 have such a feature, and therefore we have restated Net Earnings Per Share-Diluted for all periods presented.

Net Earnings Per Share – Diluted restated for EITF 04-8 is as follows:

Year Ended December 31	2004	2003	2002
Net Earnings per Share – Diluted			
As reported	**$ 2.59**	$ 1.74	$ 1.46
Restated	**2.59**	1.69	1.42

The calculation of Net Earnings Per Share is as follows:

Year Ended December 31	2004	2003	2002
Net earnings available to common shareholders	**$245.7**	$137.7	$113.2
Weighted-average common shares outstanding (in millions)	**88.9**	77.7	76.4
	$ 2.76	$ 1.77	$ 1.48

The calculation of Net Earnings Per Share – Diluted is as follows:

Year Ended December 31	2004	2003	2002
Net earnings	**$245.7**	$137.7	$113.2
Add: Amortization related to convertible debt, net of taxes	**4.8**	6.4	5.9
Net earnings available to common shareholders	**$250.5**	$144.1	$119.1
Weighted-average common shares outstanding (in millions)	**88.9**	77.7	76.4
Effect of dilutive securities – stock options (in millions)	**1.8**	1.6	1.3
Effect of convertible debentures (in millions)	**6.1**	6.1	6.1
	96.8	85.4	83.8
	$ 2.59	$ 1.69	$ 1.42

The calculation of Net Earnings Per Share – Diluted for the years ended December 31, 2004, 2003 and 2002 does not include certain stock option grants because the exercise price for these options is greater than the average market price of the common shares during that year. The number, exercise prices and weighted-average remaining life of these antidilutive options is as follows:

	2004	2003	2002
Shares (in thousands)	**7**	217	207
Exercise price ranges	**$ 48 - $49**	$ 37 - $44	$ 36 - $41
Weighted-average remaining life	**9.1 years**	7.3 years	5.6 years

04.

INCOME TAXES

The provision for income taxes consists of:

Year Ended December 31	2004	2003	2002
Current			
United States:			
Federal	**$ 29.9**	$ 1.0	$ 3.4
State	**3.7**	0.7	(0.3)
Foreign	**99.0**	95.7	61.0
Total current	**132.6**	97.4	64.1
Deferred			
United States:			
Federal	**12.0**	(4.5)	8.0
State	**0.9**	0.3	0.7
Foreign	**(21.7)**	(8.8)	2.0
Total deferred	**(8.8)**	(13.0)	10.7
Total provision	**$ 123.8**	$ 84.4	$ 74.8

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

Year Ended December 31	2004	2003	2002
Income tax based on statutory rate	**$ 129.3**	$ 77.7	$ 65.8
Increase (decrease) resulting from:			
Foreign tax rate differences	**9.2**	7.7	4.5
Tax effect of foreign earnings	**(12.2)**	(6.8)	0.7
Change in valuation reserve	**(1.1)**	6.3	5.6
Reversal of tax contingency reserve	**(8.0)**	—	—
Other, net	**6.6**	(0.5)	(1.8)
Total provision	**$ 123.8**	$ 84.4	$ 74.8

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, are as follows:

Year Ended December 31	2004	2003
Current Future Income Tax Benefits		
Accrued payroll taxes and insurance	**$ 15.9**	$ 16.9
Employee compensation payable	**23.6**	20.6
Pension and postretirement benefits	**4.7**	13.6
Other	**52.6**	55.5
Valuation allowance	**(0.3)**	(5.2)
	96.5	101.4
Noncurrent Future Income Tax Benefits		
Accrued payroll taxes and insurance	**36.1**	27.4
Pension and postretirement benefits	**34.3**	30.6
Intangible assets [(a)]	**(131.5)**	—
Net operating losses and other	**174.2**	90.5
Valuation allowance	**(53.0)**	(28.9)
	60.1	119.6
Total future tax benefits	**$ 156.6**	$221.0

(a) See note 2 for further information.

The noncurrent future income tax benefits have been classified as Other Assets in the consolidated balance sheets.

We have U.S. Federal and foreign net operating loss carryforwards and U.S. state net operating loss carryforwards totaling $291.6 and $176.0, respectively as of December 31, 2004. The net operating loss carryforwards expire as follows:

Year	U.S. Federal and Foreign	U.S. State
2005	$ 0.4	$ 53.3
2006	1.4	15.2
2007	0.9	10.1
2008	2.5	10.7
2009	4.3	9.2
Thereafter	79.8	77.5
No expiration	202.3	—
Total net operating loss carryforwards	$ 291.6	$176.0

We have recorded a deferred tax asset of $108.3 as of December 31, 2004, for the benefit of these net operating losses. Realization of this asset is dependent on generating sufficient taxable income prior to the expiration of the loss carryforwards. A valuation allowance of $53.3 has been recorded as of December 31, 2004, as management believes that realization of certain loss carryforwards and other deferred tax assets is unlikely. During 2004, we reversed a $16.7 valuation allowance on certain loss carryforwards that are expected to be utilized as a result of certain internal corporate restructurings and transactions.

Pretax income of foreign operations was $170.9, $169.5, and $162.9 in 2004, 2003 and 2002, respectively. We have not provided United States income taxes and foreign withholding taxes on $339.5 of unremitted earnings of foreign subsidiaries that is considered to be reinvested indefinitely. Deferred taxes are provided on unremitted earnings of foreign subsidiaries when we determine that we may remit the earnings. As of December 31, 2004, we have recorded a deferred tax liability of $9.5 related to foreign earnings that may be remitted.

On October 22, 2004, the President signed the American Jobs Creation Act of 2004, (the "Jobs Act"). The Jobs Act creates a temporary incentive for United States corporations to repatriate accumulated earnings from foreign subsidiaries by providing an 85% dividends received deduction for certain dividends from controlled foreign corporations. The deduction is subject to a number of limitations and, as of today, uncertainty remains as to how to interpret numerous provisions of the Jobs Act. Based on our analysis to date, we are not yet in a position to decide on whether, or to what extent, we might repatriate foreign earnings under the provisions of the Jobs Act. However, we expect to be in a position to finalize our assessment by June 2005.

We have tax contingencies recorded related to items in various countries, which are included in Other Long-Term Liabilities. These reserve balances will be adjusted to the extent that these items are settled for amounts different than the amounts we have recorded. In 2004, we received notification that income tax audits for certain years have been completed. Based on the results of these audits, we reversed a tax contingency of $8.0 to income in the third quarter of 2004 ($0.08 per diluted share).

05.

ACCOUNTS RECEIVABLE SECURITIZATION

We and certain of our U.S. subsidiaries have an agreement (the "Receivables Facility") with a financial institution whereby we may transfer on a continuous basis an interest in all eligible trade accounts receivable. Pursuant to the Receivables Facility, we formed Ironwood Capital Corporation, a wholly owned, special purpose, bankruptcy-remote subsidiary ("ICC") that is fully consolidated in our financial statements. ICC was formed for the sole purpose of transferring receivables that we and certain of our subsidiaries generate. Under the Receivables Facility, we and certain of our subsidiaries, irrevocably and without recourse, may transfer all of our accounts receivable to ICC. ICC, in turn, subject to certain conditions, may from time to time transfer an undivided interest in these receivables and is permitted to receive advances of up to $200.0 for the transfer of such undivided interest. The agreement was amended in July 2004 to extend the expiration to July 2005 and it may be extended further with the financial institution's consent.

Under the Receivables Facility, ICC has the ability to repurchase, in full or in part, the accounts receivable it transferred to the third party. Therefore, transfers made do not qualify for sale accounting, and accordingly, the receivables transferred to the third party remain on our consolidated balance sheet with the corresponding advance being recorded as debt. No amounts were advanced under this facility as of December 31, 2004 and 2003.

Costs associated with the transfer of receivables primarily relate to the discount and fees associated with the amounts advanced. Such costs were $0.4 in each of 2004, 2003, and 2002 respectively, and were recorded as other expenses in the consolidated statements of operations.

06.

GOODWILL

Changes in the carrying value of goodwill by reportable segment are as follows:

	United States	EMEA	Jefferson Wells	Right	Other Operations	Total
Balance, December 31, 2002	$79.8	$177.2	$ 149.9	$ 67.2	$ 44.6	$518.7
Goodwill acquired throughout the year	1.3	1.8	—	2.6	—	5.7
Currency impact and other	—	17.2	—	(7.9)	6.8	16.1
Balance, December 31, 2003	81.1	196.2	149.9	61.9	51.4	540.5
Goodwill acquired throughout the year	—	3.2	—	389.6	1.0	393.8
Currency impact and other	—	15.8	(1.0)	(0.6)	1.4	15.6
Balance, December 31, 2004	$81.1	$215.2	$ 148.9	$450.9	$ 53.8	$949.9

There were no significant reductions to goodwill as a result of dispositions during 2004 or 2003.

07.

DEBT

Information concerning Short-Term Borrowings is as follows:

December 31	2004	2003
Short-term borrowings	**$10.1**	$5.3
Weighted-average interest rates	**7.0%**	6.0%

We maintain separate bank facilities with foreign financial institutions to meet working capital needs of our foreign operations. As of December 31, 2004, such facilities totaled $295.0, of which $284.9 was unused. We have no significant compensating balance requirements or commitment fees related to these lines.

A summary of Long-Term Debt is as follows:

December 31	2004	2003
Zero-coupon convertible debentures	**$265.3**	$257.6
Euro-denominated notes due July 2006	**271.1**	251.9
Euro-denominated notes due March 2005	**203.7**	191.1
Revolving credit agreement:		
Euro-denominated borrowings, at a rate of 3.0%, and 3.3%, respectively	**135.5**	126.0
Other	**16.1**	9.8
	891.7	836.4
Less – current maturities	**215.6**	6.8
Long-term debt	**$676.1**	$829.6

Convertible Debentures

We have $435.4 in aggregate principal amount at maturity of unsecured zero-coupon convertible debentures, due August 17, 2021 (the “Debentures”). The Debentures were issued in August 2001 at a discount to yield an effective interest rate of 3% per year, and they rank equally with all of our existing and future senior unsecured indebtedness. The unamortized discount was $170.0, and $177.8 as of December 31, 2004 and 2003, respectively. During 2004, 2003, and 2002, $7.8, $7.6, and $7.3, respectively, of the discount was amortized to Interest Expense in the consolidated statements of operations. There are no scheduled cash interest payments associated with the Debentures.

The Debentures, which are convertible into 6.1 million shares of our common stock at an accreted price of approximately $43.68 per share (initially $39.50), become convertible from the thirtieth trading day in a quarter through the twenty-ninth trading day in the following quarter when our share price for at least 20 of the first 30 trading days of a quarter is more than 110% of the accreted value per convertible share on the thirtieth trading day of that quarter. Given the accreted value per convertible share on the thirtieth trading day of the first, second, third and fourth quarters of 2005, our share price will have to exceed $48.20, $48.56, $48.93, and $49.29, respectively, during the relevant measurement periods to be convertible. The Debentures are also convertible in certain other circumstances as set forth in the indenture.

Holders of the Debentures may require us to purchase these Debentures at the issue price, plus accreted original issue discount, on the first, third, fifth, tenth and fifteenth anniversary dates. We have the option to settle this obligation in cash, common stock, or a combination thereof. There were no Debentures “put” to us on the first anniversary date. On the third anniversary date, $0.1 of principal amount at maturity of the Debentures was tendered for repurchase, resulting in a payment of approximately $0.1. Our intent is to settle any future “put” in cash. In the event of a significant change in the economic environment, we may choose to settle a future “put” with common stock, which would have a dilutive effect on existing shareholders. As of August 17, 2004, we may also now “call” the Debentures.

During the second quarter of 2004, the Debentures became convertible because our share price exceeded certain thresholds defined in the indenture. Based on the terms of the indenture, the Debentures remained convertible until August 11, 2004.

Euro Notes

We have two Euro-denominated unsecured notes with face values of €200.0 and €150.0. The €200.0 notes are due July 2006 and have scheduled annual interest payments at a rate of 5.63%. The €150.0 notes are due March 2005 and have scheduled annual interest payments at a rate of 6.25%. (See note 13 for further information.)

Revolving Credit Agreements

In October 2004, we entered into a new $625.0 revolving credit agreement with a syndicate of commercial banks that expires in October 2009. The new agreement replaces our $450.0 five-year revolving credit facility and $200.0 364-day revolving credit facility.

The new revolving credit agreement allows for borrowings in various currencies and up to $150.0 may be used for the issuance of stand-by letters of credit. Outstanding letters of credit totaled $77.7 and $66.7 as of December 31, 2004 and 2003, respectively. Additional borrowings of $411.8 were available to us under the new revolving credit agreement as of December 31, 2004.

The interest rate and facility fee on the new agreement, as well as the fee paid for the issuance of letters of credit on the facility, vary based on our public debt ratings and borrowing level. The current interest rate is LIBOR plus .675% and the facility and issuance fees are .20% and .675%, respectively.

The new agreement requires, among other things, that we comply with a Debt-to-EBITDA ratio of less than 3.25 to 1 and a fixed charge ratio of greater than 2.00 to 1. As defined in the agreement, we had a Debt-to-EBITDA ratio of 1.84 to 1 and a Fixed Charge Ratio of 2.69 to 1 as of December 31, 2004.

There were no borrowings outstanding under our commercial paper program at December 31, 2004 and 2003, respectively.

Swap Agreements

We have entered into various interest rate swap agreements to manage the interest rate and currency risk associated with our debt instruments. (See note 13 for further information.)

Fair Value of Debt

The carrying value of Long-Term Debt approximates fair value, except for the Euro-denominated notes and the Debentures, which had a fair value, as determined by quoted market prices, as of December 31, as follows:

	2004	2003
Euro-denominated notes	**$486.1**	$456.7
Zero-coupon convertible debentures	**299.8**	303.2

Debt Maturities

The maturities of Long-Term Debt payable within each of the four years subsequent to December 31, 2005 are as follows: 2006 – $539.0, 2007 – $0.6, 2008 – $1.0, 2009 – $135.5, and none thereafter.

08.

STOCK COMPENSATION PLANS

In April 2003, our shareholders approved the 2003 Equity Incentive Plan of Manpower Inc. (“2003 Plan”) which authorized 4,500,000 shares for grant. Under this plan, all of our full-time employees and non-employee directors are eligible to receive stock options, stock appreciation rights, restricted stock and deferred stock. As of December 31, 2004, we had approximately 3,353,000 shares of common stock remaining available for grant under this plan. As a result of the adoption of this plan, we no longer make any grants under our 1994 Executive Stock Option and Restricted Stock Plan.

Awards may be granted under the plan to eligible employees at the discretion of the plan administrator, which may be the Board of Directors or a committee of the Board of Directors. All options and stock appreciation rights are granted at a price determined by the administrator, not less than 100% of the fair market value of the common stock at the date of grant. The administrator also determines the period during which options and stock appreciation rights are exercisable and when restricted stock vests. Generally, options are granted with a vesting period of up to four years and expire ten years from the date of grant. As of December 31, 2004, no stock appreciation rights had been granted or were outstanding.

Under the current compensation arrangement, all of our non-employee directors may elect to receive deferred stock in lieu of the portion of the annual cash retainer as to which there was not an election in effect as of July 29, 2003 under the prior compensation arrangement. Non-employee directors who were in office prior to July 29, 2003 for whom an election was not in effect through November 4, 2006 will continue to have the right to elect to receive an option to purchase shares of our common stock under the prior compensation arrangement, with respect to a portion of the annual cash retainer through November 2006. The number of shares of deferred stock is determined pursuant to a formula set forth in the terms and conditions adopted under the 2003 Plan and the number of shares covered by the option are determined in accordance with the terms of the prior compensation arrangement. Deferred stock is settled in shares of common stock following the directors’ termination from the board. Non-employee directors also receive an annual option grant as additional compensation for board service. The per share purchase price for each option awarded is equal to the fair market value of our common stock at the date of grant. Options are exercisable for the vested portion during the director’s tenure and a limited period thereafter.

The value of restricted stock granted is charged to equity and amortized to expense over the restriction period. There were 41,000 and 66,500 restricted shares granted during 2004 and 2003, respectively. During 2004, 2003, and 2002 we recognized $0.9, $0.5, and $0.1, respectively, of expense, net of tax, related to restricted stock grants. As of December 31, 2004 there were 97,000 restricted shares that had not vested.

In addition to the stock option plan discussed above, we have the Savings Related Share Option Scheme for United Kingdom employees with at least one year of service. As of December 31, 2004, there were approximately 918,000 shares of common stock remaining available for grant under this plan. The employees are offered the opportunity to obtain an option for a specified number of shares of common stock at not less than 85% of its market value on the day prior to the offer to participate in the plan. Options vest after either three, five or seven years, but may lapse earlier. Funds used to purchase the shares are accumulated through specified payroll deductions over a 60-month period.

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

	2004		2003		2002	
December 31	Shares (000)	Price	Shares (000)	Price	Shares (000)	Price
Options outstanding,						
beginning of period	**5,064**	**$ 31**	5,641	$ 29	5,437	$ 26
Granted	**1,243**	**43**	982	32	1,645	34
Assumed in RMC acquisition(a)	**1,962**	**18**	—	—	—	—
Exercised	**(2,542)**	**21**	(1,345)	23	(1,211)	21
Expired or cancelled	**(470)**	**40**	(214)	32	(230)	36
Options outstanding, end of period	**5,257**	$ 33	5,064	$ 31	5,641	$ 29
Options exercisable, end of period	**2,925**	$ 31	3,008	$ 31	2,991	$ 27

(a) See note 2 for further information.

Options outstanding and exercisable as of December 31, 2004 are as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Shares (000)	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Shares (000)	Weighted-Average Exercise Price
$7 – $29	783	4.6	$ 23	718	$ 23
30 – 33	1,652	6.9	31	1,045	31
34	1,371	6.9	34	670	34
35 – 49	1,451	8.3	41	492	39
	5,257	6.9	$ 33	2,925	$ 31

Other Stock Plans

We have reserved 2,250,000 shares of common stock for issuance under the 1990 Employee Stock Purchase Plan, of which 340,000 shares remained available for future issuance as of December 31, 2004. Under the plan, designated Manpower employees meeting certain service requirements may purchase shares of our 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 2004, 2003, and 2002, employees purchased 92,000, 193,000, and 136,000 shares, respectively, under the plan.

09.

RETIREMENT AND DEFERRED COMPENSATION PLANS

Defined Benefit Plans

We sponsor several qualified and nonqualified pension plans covering permanent employees. The reconciliation of the changes in the plans' benefit obligations and the fair value of plan assets and the statement of the funded status of the plans are as follows:

	U.S. Plans		Non-U.S. Plans	
Year Ended December 31	2004	2003	2004	2003
Change in Benefit Obligation				
Benefit obligation, beginning of year	**$ 43.3**	$ 43.6	**$151.3**	$115.3
Service cost	**0.1**	0.1	**10.3**	8.4
Interest cost	**3.1**	2.7	**8.4**	6.3
Actuarial loss	**2.5**	.8	**8.3**	8.0
Plan participant contributions	**—**	—	**1.0**	0.9
Benefits paid	**(5.2)**	(3.9)	**(4.1)**	(2.4)
Acquisitions	**8.5**	—	**12.5**	—
Currency exchange rate changes	**—**	—	**16.2**	14.8
Benefit obligation, end of year	**$ 52.3**	$ 43.3	**$203.9**	$151.3
Change in Plan Assets				
Fair value of plan assets, beginning of year	**$ 35.0**	$ 30.7	**$ 99.4**	$ 75.9
Actual return on plan assets	**4.2**	6.4	**7.0**	5.9
Plan participant contributions	**—**	—	**1.0**	0.9
Company contributions	**3.5**	1.8	**12.9**	10.1
Benefits paid	**(5.2)**	(3.9)	**(4.1)**	(2.4)
Currency exchange rate changes	**—**	—	**10.3**	9.0
Fair value of plan assets, end of year	**$ 37.5**	$ 35.0	**$126.5**	$ 99.4
Funded Status				
Funded status of plan	**$(14.8)**	$ (8.3)	**$ (77.4)**	$ (51.9)
Unrecognized net (gain) loss	**(5.4)**	(6.8)	**43.7**	35.6
Unrecognized prior service cost	**0.9**	—	**0.2**	0.2
Unrecognized transitional asset	**—**	(0.1)	**0.2**	0.2
Net amount recognized	**$(19.3)**	$(15.2)	**$ (33.3)**	$ (15.9)
Amounts Recognized				
Accrued benefit liability	**$(22.8)**	$(17.3)	**$ (60.2)**	$ (36.0)
Intangible asset	**0.9**	—	**0.2**	0.5
Accumulated other comprehensive loss	**2.6**	2.1	**26.7**	19.6
Net amount recognized	**$(19.3)**	$(15.2)	**$ (33.3)**	$ (15.9)

The measurement dates for our U.S. plans are primarily September 30 and for our non-U.S. plans are December 31.

The accumulated benefit obligation for our plans that have plan assets was $181.8 and $145.6 as of December 31, 2004 and 2003, respectively. The accumulated benefit obligation for certain of these plans exceeded the fair value of plan assets as follows:

December 31	2004	2003
Projected benefit obligation	**$147.1**	$115.9
Accumulated benefit obligation	**128.7**	99.3
Plan assets	**101.4**	79.4

By their nature, certain of our plans do not have plan assets. The accumulated benefit obligation for these plans was $42.8 and $20.0 as of December 31, 2004 and 2003, respectively.

The components of the net periodic benefit cost for all plans are as follows:

Year Ended December 31	2004	2003	2002
Service cost	**$10.4**	$ 8.5	$ 7.7
Interest cost	**11.5**	9.0	8.3
Expected return on assets	**(9.0)**	(7.5)	(7.1)
Amortization of:			
unrecognized loss	**2.5**	2.4	0.1
unrecognized prior service cost	**0.3**	—	—
unrecognized transitional asset	**(0.1)**	(0.1)	(0.2)
Total benefit cost	**$15.6**	$12.3	$ 8.8

The weighted-average assumptions used in the measurement of the benefit obligation are as follows:

	U.S. Plans		Non - U.S. Plans	
Year Ended December 31	2004	2003	2004	2003
Discount rate	**5.9%**	6.3%	**4.9%**	5.1%
Rate of compensation increase	**4.5%**	4.5%	**3.7%**	3.8%

The weighted-average assumptions used in the measurement of the net periodic benefit cost are as follows:

	U.S. Plans			Non - U.S. Plans		
Year Ended December 31	2004	2003	2002	2004	2003	2002
Discount rate	**6.3%**	6.5%	7.5%	**5.1%**	5.3%	5.4%
Expected long-term return on plan assets	**8.5%**	8.5%	8.5%	**5.7%**	6.1%	6.1%
Rate of compensation increase	**4.5%**	5.0%	6.0%	**3.8%**	3.7%	4.1%

Our overall expected long-term rate of return on U.S. plan assets is 8.5%. Our overall expected long-term rate of return on our non-U.S. plans varies by country and ranges from 1.3% to 7.0%. For a majority of our plans, a building block approach has been employed to establish this return. Historical markets are studied and long-term historical relationships between equity securities and fixed income instruments are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over time. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established via a building block approach with proper consideration of diversification and rebalancing. We also use guaranteed insurance contracts for one of our foreign plans. Peer data and historical returns are reviewed to check for reasonableness and appropriateness of our expected rate of return.

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

We generally use an external investment manager to assist us in establishing our investment strategies and policies. Our long-term objective is to minimize plan expenses and contributions by outperforming plan liabilities. We have historically used a balanced portfolio strategy based primarily on a target allocation of equity securities and fixed-income instruments, which vary by location. These target allocations, which are similar to the 2004 allocations, are determined based on the favorable risk tolerance characteristics of the plan and, at times, may be adjusted within a specified range to advance our overall objective.

The weighted-average asset allocations of our plans as of December 31 are as follows:

	2004	2003
Asset Category		
Equity securities	**40.3%**	42.4%
Fixed-income securities	**43.2%**	40.3%
Cash and other	**16.5%**	17.3%

Plan assets are primarily comprised of domestic and foreign equity securities, professionally-managed equity and bond funds, government and agency securities, and guaranteed insurance contracts. None of our plan assets include any of our debt or equity securities.

Retiree Health Care Plan

We provide medical and dental benefits to certain eligible retired employees in the United States. Due to the nature of the plan, there are no plan assets. The reconciliation of the changes in the plan’s benefit obligation and the statement of the funded status of the plan are as follows:

Year Ended December 31	2004	2003
Benefit obligation, beginning of year	**$21.6**	$20.6
Service cost	**0.4**	0.4
Interest cost	**1.3**	1.3
Actuarial loss	**1.3**	0.3
Benefits paid	**(1.1)**	(1.0)
Benefit obligation, end of year	**23.5**	21.6
Unrecognized net gain	**5.0**	6.8
Accrued liability recognized	**$28.5**	$28.4

We use a December 31 measurement date for this plan. The discount rate used in the measurement of the benefit obligation was 5.8% and 6.3% in 2004 and 2003, respectively. The discount rate used in the measurement of net periodic benefit cost was 6.3%, 6.5%, and 7.5% in 2004, 2003 and 2002, respectively. The components of net periodic benefit cost for this plan are as follows:

Year Ended December 31	2004	2003	2002
Service cost	**$ 0.4**	$ 0.4	$ 0.3
Interest cost	**1.3**	1.3	1.3
Amortization of unrecognized gain	**(0.5)**	(0.6)	(1.0)
	$ 1.2	$ 1.1	$ 0.6

The health care cost trend rate was assumed to be 10.0% for 2004, decreasing gradually to 5.5% for the years 2009 and beyond. Assumed health care cost trend rates have a significant effect on the amounts reported. A one-percentage point change in the assumed health care cost trend rate would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 0.2	$ (0.2)
Effect on postretirement benefit obligation	3.2	(2.8)

Plan Contributions and Benefit Payments

We plan to contribute $17.9 to our defined benefit plans and $1.2 to our retiree health care plan in 2005. Projected benefit payments from the plans as of December 31, 2004 are estimated as follows:

Year	Pension Plans	Retiree Health
2005	$ 7.4	$ 1.2
2006	7.5	1.2
2007	8.2	1.2
2008	8.0	1.3
2009	8.5	1.3
2010-2014	51.3	7.6

Defined Contribution Plans

We have defined contribution plans covering substantially all permanent United States employees and various other employees throughout the world. Employees may generally elect to contribute a portion of their salary to the plans and we match a portion of their contribution up to a maximum percentage of the employee's salary. In addition, profit sharing contributions are made to certain U.S. plans if a targeted earnings level is reached in the United States. The total expense for our match and any profit sharing contributions was $14.2, $7.9, and $6.9 for 2004, 2003, and 2002, respectively.

Deferred Compensation Plans

In February 2004, we established the Senior Management Performance-Based Deferred Compensation Plan. The plan is intended to focus our corporate executives on the achievement of certain annual operating goals, shareholder value creation, and execution of our business strategies over the longer term by aligning company executives' interests with shareholders' interests. Under the plan, incentives are focused on improving our Net Earnings Per Share – Diluted and economic profit. Participation in the plan is determined annually by a Committee of the Board of Directors. Deferred compensation benefits are earned by participants for the plan year based on our attainment of certain established goals

and any deferred benefits earn interest based on the effective yield on a fixed 10-year U.S. Treasury note at the beginning of each year. Participants become vested in the deferred benefits if they are still employed by Manpower when they reach age 50 with 15 years of service, when they reach age 62, or in certain other circumstances. As of December 31, approximately $1.2 million has been earned under this plan.

We also maintain a non-qualified deferred compensation plan for certain employees at RMC. Under the plan, participants may defer from their pre-tax income, payments of up to a maximum of 15% of their total compensation. A matching contribution is made of 25% of the participating employees' contributions to the plan. Additional contributions are made to the plan if certain internal financial targets are met. In 2004, no additional contributions were made to the plan. Contributions vest at 33.3% over a three-year period from the employee's date of hire. Our contributions were $0.2 for 2004.

10.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of Accumulated Other Comprehensive Income (Loss), net of tax, are as follows:

December 31	2004	2003	2002
Foreign currency translation	**$133.6**	$ 47.3	$ (99.5)
Unrealized gain (loss) on investments	**4.7**	1.3	(3.5)
Unrealized loss on derivatives	**(11.4)**	(8.9)	(12.3)
Minimum pension liability adjustment	**(17.5)**	(11.4)	(8.4)
	$109.4	$ 28.3	$(123.7)

11.

LEASES

We lease property and equipment primarily under operating leases. Renewal options exist for substantially all leases. Future minimum payments, by year and in the aggregate, under noncancelable operating leases with any remaining term consist of the following as of December 31, 2004:

Year	
2005	$172.1
2006	136.0
2007	95.2
2008	67.2
2009	49.4
Thereafter	92.5
Total minimum lease payments	$612.4

Rental expense for all operating leases was $215.7, $167.2, and $148.3 for the years ended December 31, 2004, 2003, and 2002, respectively.

12.

INTEREST AND OTHER EXPENSE

Interest and Other Expense consists of the following:

Year Ended December 31	2004	2003	2002
Interest expense	**$45.4**	$41.4	42.4
Interest income	**(9.4)**	(8.0)	(9.0)
Foreign exchange gains	**(1.6)**	(1.3)	(1.8)
Fees and loss on sale of accounts receivable	**0.4**	0.4	0.4
Miscellaneous (income) expense, net	**(8.5)**	3.3	14.8
Interest and other expense	**$26.3**	$35.8	$46.8

Miscellaneous (Income) Expense, Net in 2004, includes non-operating gains of $14.2, primarily related to the sale of our equity interest in a European internet job board. In 2002, Miscellaneous Expenses included a charge of $5.1 related to a writedown of equity security investments where the decline in market value was determined to be other-than-temporary, as defined by SFAS 115.

13.

DERIVATIVE FINANCIAL INSTRUMENTS

Foreign Currency Exchange Rate Risk Management

In certain circumstances, we enter into foreign currency forward exchange contracts to reduce the effects of fluctuating foreign currency exchange rates on cash flows with foreign subsidiaries. All such contracts entered into during 2004 and 2003 were designated as cash flow hedges and were considered highly effective, as defined by SFAS 133, as amended. As of December 31, 2004, there were no forward contracts outstanding. As of December 31, 2003, there were two forward contracts outstanding totaling $24.7 relating to cash flows to be received from our foreign subsidiaries, both of which were designated as cash flow hedges and were considered highly effective as of December 31, 2003.

Our revolving credit agreement borrowings of €100.0 ($135.5) and the €200.0 ($271.1) unsecured notes, have been designated and are effective as economic hedges of our net investment in our foreign subsidiaries with a Euro-functional currency. Therefore, all translation gains or losses related to these borrowings are recorded as a component of Accumulated Other Comprehensive Income.

During September 2002, we entered into derivative financial instruments to swap our €150.0 ($203.7) unsecured notes, at 6.25% due March 2005, to floating U.S. LIBOR, with a current effective interest rate of 4.64%. These instruments expire in March 2005. Gains and losses arising from foreign exchange fluctuations throughout the contract term on the derivative instruments are recorded in the consolidated statements of operations, offsetting the foreign exchange gain or loss recorded on the notes.

Interest Rate Risk Management

Our exposure to market risk for changes in interest rates relates primarily to our Long-Term Debt obligations. We have historically managed interest rates through the use of a combination of fixed and variable rate borrowings and interest rate swap agreements.

As previously mentioned, we entered into derivative instruments to swap our €150.0 ($203.7) unsecured notes, at 6.25% due March 2005, to floating U.S. LIBOR, with a current effective interest rate of 4.64%. We designated these interest rate swaps as a fair value hedge, offsetting changes in the fair value of the notes that are due to interest rate

fluctuations. Changes in the fair value hedge and the fair value of the notes throughout the contract term will be reflected in the consolidated statements of operations. These instruments had a $4.7 favorable impact on interest expense in 2004, a $5.0 favorable impact in 2003, and an immaterial impact in 2002. Any ineffectiveness on the swaps is recorded in the consolidated statements of operations and was immaterial for 2004, 2003, and 2002.

We have various interest rate swap agreements to fix our interest costs on a portion of our Euro-denominated variable rate borrowings. The Euro interest rate swap agreements have a notional value of €100.0 ($135.5), which fix the interest rate, on a weighted-average basis, at 5.7% and expire in 2010. Such contracts have been designated as cash flow hedges and were considered highly effective, as defined by SFAS 133, as amended, as of December 31, 2004. For the years ended December 31, 2004, 2003 and 2002 these instruments increased interest expense by $4.6, $3.9, and $2.3, respectively.

During March 2003, we terminated our interest rate swap agreement with a notional value of ¥4,000.0 ($34.0), which was scheduled to expire in June 2003 for $0.1. In September 2003, we terminated our interest rate swap agreement with a notional value of ¥4,150.0 ($36.1), which was scheduled to expire in 2006 for $0.5.

Fair Value of Derivative Financial Instruments

The fair value of our derivative financial instruments are reflected in the consolidated balance sheets as follows:

December 31	2004	2003
Other assets:		
€150.0 Swaps	**$ 64.5**	$ 52.0
Other long-term liabilities:		
€100.0 Interest Rate Swaps	**(18.4)**	(14.4)
Forward contracts	**—**	(0.4)
	$ 46.1	$ 37.2

14.

CONTINGENCIES

Litigation

We are 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 our consolidated financial statements.

A search warrant was executed on November 30, 2004, at our French headquarters authorizing the French Regional Director on Inquiries of Competition to enter the office and review and obtain documents that may be pertinent to the investigation. According to the search warrant, the investigation stems from a complaint submitted during 2003 to the European Commission and subsequently transferred to France’s Direction Generale de la Concurrence, de la Consommation et de la Repression des Fraudes. We understand that the purpose of the investigation is to search for evidence of price fixing and allocation of market share within the French market. The investigation is continuing, and we currently are not able to predict the outcome.

Guarantees

We have entered into certain guarantee contracts and stand-by letters of credit that total $115.3 ($37.6 for guarantees and $77.7 for stand-by letters of credit). The guarantees primarily relate to indebtedness, bank accounts and leases. The stand-by letters of credit relate to workers’ compensation, operating leases and indebtedness. If certain conditions were met under these arrangements, we would be required to satisfy our obligation in cash. Due to the nature of these arrangements and our historical experience, we do not expect to make any significant payments under these arrangements.

15.

SEGMENT DATA

We are organized and managed primarily on a geographic basis, with the exception of Jefferson Wells and Right, which are operated as separate global business units. Each country and business unit primarily has its own distinct operations, is managed locally by its own management team and maintains its own financial reports. Each operation reports directly, or indirectly through a regional manager, to a member of executive management. Given this reporting structure, all of our operations have been segregated into the following segments: United States; France; EMEA (Europe, Middle East and Africa, excluding France); Jefferson Wells; Right (including the Empower Group); and Other Operations.

Historically, the results of Jefferson Wells and the Empower Group have been included in the Other Operations segment. Prior year results have been reclassified to conform to the current year presentation.

The United States, France, EMEA, and Other Operations segments derive a significant majority of their revenues from the placement of temporary workers. The remaining revenues within these segments are derived from other human resource services, including permanent employee recruitment, temporary and permanent employee testing, selection, and training and development. Jefferson Wells' revenues are derived from internal audit and controls, technology risk management, tax, financial and accounting services. The Right segment revenues are derived from career transition (outplacement) services and organizational consulting services. Segment revenues represent sales to external customers primarily within a single segment. Due to the nature of our business, we do not have export or intersegment sales. We provide services to a wide variety of customers, none of which individually comprise a significant portion of revenue for us as a whole, however approximately 19% of Jefferson Wells' revenues for 2004 were generated from providing services to one customer.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. We evaluate performance based on Operating Unit Profit, which is equal to segment revenues less direct costs and branch and national headquarters operating costs. This profit measure does not include interest and other income and expense amounts or income taxes. Total assets for the segments are reported after the elimination of investments in subsidiaries and intercompany accounts. Corporate Assets include the Goodwill and Intangible Assets related to our acquisitions of Jefferson Wells and RMC as this presentation is consistent with how segment assets are evaluated.

Year Ended December 31	2004	2003	2002
Revenues from Services [a]			
United States [b]	**$ 2,041.1**	$ 1,945.8	$ 1,911.4
France	**5,226.7**	4,638.8	3,848.2
EMEA	**5,084.3**	3,920.2	3,434.9
Jefferson Wells	**340.6**	136.4	141.7
Right [c]	**431.1**	66.9	54.4
Other Operations	**1,806.2**	1,476.4	1,220.3
	$14,930.0	$12,184.5	$10,610.9
Operating Unit Profit			
United States	**$ 49.3**	$ 33.7	$ 29.2
France	**178.8**	184.0	143.6
EMEA	**115.1**	51.7	83.0
Jefferson Wells	**51.4**	(9.9)	(8.3)
Right	**24.5**	(2.3)	(4.5)
Other Operations	**46.0**	40.1	19.4
	465.1	297.3	262.4
Corporate expenses	**57.0**	39.4	27.5
Amortization of intangible assets	**12.3**	—	0.1
Interest and other expense	**26.3**	35.8	46.8
Earnings before income taxes	**$ 369.5**	$ 222.1	$ 188.0
Depreciation and Amortization Expense			
United States	**$ 7.3**	$ 8.9	$ 10.9
France	**17.9**	19.4	16.5
EMEA	**23.6**	26.0	26.9
Jefferson Wells	**2.2**	2.3	3.2
Right	**14.7**	1.0	0.8
Other Operations	**8.5**	6.8	7.0
	$ 74.2	$ 64.4	$ 65.3
Earnings from Investments in Licensees			
United States	**$ 0.8**	$ (0.7)	$ (0.2)
France	**(0.3)**	—	—
EMEA	**0.6**	6.3	3.5
Other Operations	**(0.5)**	—	(0.4)
	$ 0.6	$ 5.6	$ 2.9

(a) Supplemental geographic information is as follows:

Revenues from Services:	2004	2003	2002
United States	$ 2,542.7	$ 2,092.4	$2,063.9
France	5,258.4	4,638.8	3,848.2
United Kingdom	1,791.5	1,371.8	1,287.4
Total Foreign	12,387.3	10,092.1	8,547.0

(b) U.S. revenues above represent revenues from our Company-owned branches and franchise fees received from our franchise operations. These fees are primarily based on revenues generated by our franchise operations, which are discussed further on the financial highlights page.

(c) Represents the operations of Right Management Consultants, Inc., since its acquisition in January 2004, and the Empower Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
in millions, except share and per share data

As Of and For The Year Ended December 31	2004	2003	2002
Total Assets			
United States	**$ 687.6**	$ 655.4	$ 623.7
France	**1,829.8**	1,555.2	1,218.5
EMEA	**1,563.6**	1,362.9	1,134.0
Jefferson Wells	**60.9**	38.4	41.0
Right[a]	**282.0**	109.1	104.2
Other Operations	**550.0**	416.4	332.5
Corporate[b]	**869.2**	239.0	236.0
	$5,843.1	$4,376.4	$3,689.9
Investments in Licensees			
United States	**$ 15.3**	$ 14.5	$ 14.7
France	**0.9**	—	—
EMEA	**45.3**	61.0	54.1
Other Operations	**21.2**	20.2	18.4
	$ 82.7	$ 95.7	$ 87.2
Long-Lived Assets[c]			
United States	**$ 50.4**	$ 55.8	$ 57.0
France	**80.1**	79.2	72.3
EMEA	**66.8**	65.4	73.5
Jefferson Wells	**5.2**	3.8	5.3
Right	**38.0**	2.6	3.0
Other Operations	**28.0**	24.4	20.4
Corporate	**3.9**	4.4	—
	$ 272.4	$ 235.6	$ 231.5
Additions to Long-Lived Assets			
United States	**$ 7.5**	$ 11.4	$ 23.4
France	**14.4**	13.7	13.3
EMEA	**22.8**	18.5	17.5
Jefferson Wells	**3.7**	1.1	0.4
Right	**7.5**	0.5	0.8
Other Operations	**13.1**	10.9	6.1
Corporate	**—**	4.4	—
	$ 69.0	$ 60.5	$ 61.5

(a) Represents the operations of Right Management Consultants, Inc., since its acquisition in January 2004, and the Empower Group.

(b) Corporate assets include assets that are not used in the operations of any segment or allocated for management reporting.

(c) Supplemental geographic information is as follows:

Long-Lived Assets	2004	2003	2002
United States	$ 73.6	$ 59.8	$ 62.7
France	83.9	79.2	72.3
United Kingdom	27.1	24.2	30.8
Total Foreign	198.8	175.8	168.8

QUARTERLY DATA (UNAUDITED)
in millions, except share and per share data

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Year Ended December 31, 2004					
Revenues from services	$3,334.1	$3,622.4	$3,900.8	$4,072.7	$14,930.0
Gross profit	616.5	679.3	728.1	764.2	2,788.1
Operating profit	56.2	95.2	126.9	117.5	395.8
Net earnings	39.6	53.1	83.4	69.6	245.7
Net earnings per share	$ 0.46	$ 0.59	$ 0.93	$ 0.77	$ 2.76
Net earnings per share – diluted [a]	$ 0.43	$ 0.56	$ 0.87	$ 0.73	$ 2.59
Dividends per share	$ —	$ 0.10	$ —	$ 0.20	$ 0.30
Market price:					
High	$ 49.14	$ 50.77	$ 49.30	$ 49.67	
Low	41.20	46.00	38.71	41.99	
Year Ended December 31, 2003					
Revenues from services	$2,678.7	$3,013.4	$3,203.2	$3,289.2	$12,184.5
Gross profit	466.0	521.5	549.6	599.7	2,136.8
Operating profit	33.0	57.0	78.8	89.1	257.9
Net earnings	14.9	29.1	43.8	49.9	137.7
Net earnings per share	$ 0.19	$ 0.38	$ 0.56	$ 0.64	$ 1.77
Net earnings per share – diluted [a]	$ 0.19	$ 0.36	$ 0.53	$ 0.61	$ 1.69
Dividends per share	$ —	$ 0.10	$ —	$ 0.10	$ 0.20
Market price:					
High	$ 34.71	$ 38.28	$ 39.99	$ 47.54	
Low	27.50	29.91	34.64	37.55	

[a] In the fourth quarter of 2004, we adopted EITF 04-8. Previously reported Net Earnings Per Share – Diluted amounts have been restated to reflect the impact of applying the “if-converted” method to our Debentures. (See note 3 for further information.)

FINANCIAL MEASURES
Constant Currency and Organic Constant Currency Reconciliation

Certain constant currency and organic constant currency percent variances are discussed throughout this annual report. A reconciliation to the percent variances calculated based on our financial results is provided below. (See Constant Currency on page 40 for further information.)

	Reported Variance	Impact Of Currency	Variance In Constant Currency	Impact Of Acquisitions/ Dispositions (In Constant Currency)	Organic Constant Currency Variance
YEAR ENDED DECEMBER 31, 2003					
Revenues from Services					
United States	1.8%	— %	1.8%	1.1%	.7%
France	20.5	19.6	.9		
EMEA	14.1	14.4	(.3)		
Jefferson Wells	(3.7)	—	(3.7)		
Right [a]					
Other Operations	21.0	6.6	14.4		14.4
Manpower Inc.	14.8	12.6	2.2	.2	2.0
Gross Profit – Manpower Inc.	11.9	12.2	(.3)	.2	(.5)
Operating Unit Profit					
United States	15.2	—	15.2		
France	28.2	20.8	7.4		
EMEA	(37.7)	7.7	(45.4)		
Jefferson Wells					
Right [a]					
Other Operations	106.4	12.4	94.0		
Operating Profit – Manpower Inc.	9.9	16.5	(6.6)	—	(6.6)
Net Earnings per Share – Diluted [b]	19.0	19.0	—		
YEAR ENDED DECEMBER 31, 2004					
Revenues from Services					
United States	4.9%	— %	4.9%	(1.0)%	5.9%
France	12.7	9.9	2.8		
EMEA	29.7	11.7	18.0	1.6	16.4
Jefferson Wells	149.6	—	149.6		
Right					
Other Operations	22.3	6.3	16.0		
Manpower Inc.	22.5	8.4	14.1	3.2	10.9
Gross Profit – Manpower Inc.	30.5	8.5	22.0	9.9	12.1
Operating Unit Profit					
United States	46.4	—	46.4		
France	(2.8)	8.2	(11.0)		
EMEA	122.4	18.3	104.1		
Jefferson Wells					
Right					
Other Operations	14.9	6.4	8.5		
Operating Profit – Manpower Inc.	53.5	10.5	43.0	7.3	35.7
Net Earnings per Share – Diluted	53.3	8.3	45.0		

[a] Represents the operations of Right Management Consultants, Inc. (“RMC”), since its acquisition in January 2004, and the Empower Group. Since RMC comprises most of this segment, the year-over-year variances are not meaningful and have been excluded from the above information.

[b] In the fourth quarter of 2004, we adopted EITF 04-8. Previously reported Net Earnings Per Share – Diluted amounts have been restated to reflect the impact of applying the “if-converted” method to our Debentures. (See note 3 to the consolidated financial statements for further information.)

SELECTED FINANCIAL DATA
in millions, except per share data

As Of And For The Year Ended December 31	2004	2003	2002	2001	2000
Operations Data					
Revenues from services	**$14,930.0**	$12,184.5	$10,610.9	$10,483.8	$10,842.8
Gross profit	**2,788.1**	2,136.8	1,910.4	1,956.5	1,946.7
Operating profit[(a)]	**395.8**	257.9	234.8	237.6	311.0
Net earnings[(a)]	**245.7**	137.7	113.2	124.5	171.2
Per Share Data					
Net earnings[(a)]	**$ 2.76**	$ 1.77	$ 1.48	$ 1.64	$ 2.26
Net earnings – diluted[(a)(b)]	**2.59**	1.69	1.42	1.59	2.22
Dividends	**0.30**	0.20	0.20	0.20	0.20
Balance Sheet Data					
Total assets	**$ 5,843.1**	$ 4,376.4	$ 3,689.9	$ 3,228.0	$ 3,033.9
Long-term debt	**676.1**	829.6	799.0	811.1	491.6

The notes to consolidated financial statements should be read in conjunction with the above summary.

(a) On January 1, 2002, we adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which prohibits the amortization of goodwill and identifiable intangible assets with an indefinite life. (See note 1 to the consolidated financial statements for further information.)

(b) In the fourth quarter of 2004, we adopted EITF 04-8. Previously reported Net Earnings Per Share - Diluted amounts have been restated to reflect the impact of applying the "if-converted" method to our Debentures. (See note 3 to the consolidated financial statements for further information.) As the 2001 and 2000 amounts were previously audited by Arthur Andersen LLP, these restated figures are unaudited.

CORPORATE INFORMATION

INTERNATIONAL HEADQUARTERS

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5301 N. Ironwood Rd.
Milwaukee, WI 53201 USA
+1.414.961.1000
www.manpower.com

TRANSFER AGENT AND REGISTRAR

Mellon Investor Services, L.L.C.
P.O. Box 3315
South Hackensack, NJ 07606 USA
www.mellon-investor.com

STOCK EXCHANGE LISTING

NYSE Symbol: MAN

FORM 10 - K

A copy of Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2004 is available without charge after February 22, 2005 and can be obtained online at **www.investor.manpower.com** or by writing to:

Michael J. Van Handel
Manpower Inc.
P.O. Box 2053
5301 N. Ironwood Rd.
Milwaukee, WI 53201 USA

SHAREHOLDERS

As of February 15, 2005, Manpower Inc. common stock was held by approximately 6,900 record holders.

ANNULMEETING OF SHAREHOLDERS

April 26, 2005 at 9 a.m.
Manpower International Headquarters
5301 N. Ironwood Rd.
Milwaukee, WI 53217
USA

INVESTOR RELATIONS WEBSITE

The most current corporate and investor information can be found on the Manpower Inc. corporate website at **www.manpower.com**. Interested individuals may also choose to receive Manpower press releases and other information via e-mail by subscribing to our E-mail Alert service at **www.investor.manpower.com**.

GOVERNANCE

Manpower's governance structure is designed to ensure transparency in our operations and adherence to the regulations set forth by the U.S. Securities and Exchange Commission (SEC). Information on Manpower's corporate governance structure and policies can be found at **www.manpower.com** in the section titled, "About Manpower."

As of November 3, 2004, the Corporate Governance Quotient indicated that Manpower outperformed 91.9% of the companies in the S&P 400 and 96.3% of the companies in the Commercial Services & Supplies group. The Corporate Governance Quotient index is issued by Institutional Shareholder Services, a respected authority on proxy voting and corporate governance.

Governance Metrics International, an independent corporate governance rating agency, rated Manpower a 7 on a scale of 1 to 10, with 10 being the highest ranking, in August 2004. The average score of all companies rated by GMI is 6.5.

CORPORATE INFORMATION

DIRECTORS

Jeffrey A. Joerres

Chairman, CEO and President
Manpower Inc.

Marc J. Bolland[2]

Executive Board Member
Heineken N.V.

J. Thomas Bouchard[1,2*]

Retired Senior Vice President, Human Resources
IBM

Stephanie A. Burns[1,3]

President and CEO
Dow Corning

Willie D. Davis[1,3]

President
All Pro Broadcasting Inc.

Jack M. Greenberg[2]

Retired Chairman and CEO
McDonald's Corporation

Terry A. Hueneke

Retired Executive Vice President
Manpower Inc.

Rozanne L. Ridgway[2,3]

Former Assistant Secretary of State
for Europe and Canada

Dennis Stevenson

Chairman
HBOS plc and Pearson plc

John R. Walter[2,3*]

Retired President and COO
AT&T Corp.
Former Chairman, President and CEO
R.R. Donnelley & Sons

Edward J. Zore[1*,3]

President and CEO
Northwestern Mutual

MANAGEMENT

Jeffrey A. Joerres
Chairman, CEO and President

Michael J. Van Handel

Executive Vice President and CFO

Barbara J. Beck

Executive Vice President
United States and Canadian Operations

Jean-Pierre Lemonnier

Executive Vice President
France and Region

Yoav Michaely

Executive Vice President
Europe, Middle East and Africa (excluding France)

Owen Sullivan

Executive Vice President
CEO of Right Management Consultants and Jefferson Wells

David Arkless

Senior Vice President
Corporate Affairs

Richard B. Davidson

Senior Vice President
Global Chief Information Officer

Iain Herbertson

Senior Vice President
Asia Pacific

Tammy Johns

Senior Vice President
Global Sales

Board Committees

[1] Audit Committee

[2] Executive Compensation Committee

[3] Nominating and Governance Committee

* Denotes Committee Chair

PRINCIPAL OPERATING UNITS

Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Czech Republic, Denmark, Ecuador, El Salvador, Estonia, Finland, France, Germany, Greece, Guadeloupe, Guatemala, Honduras, Hong Kong, Hungary, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, Martinique, Mexico, Monaco, Morocco, New Caledonia, New Zealand, Nicaragua, Netherlands, Norway, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Reunion, Romania, Russia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UK, USA, Uruguay, and Venezuela.

Manpower Inc. (NYSE: MAN) is a world leader in the employment services industry, offering customers a continuum of services to meet their needs throughout the employment and business cycle. The company specializes in permanent, temporary and contract recruitment; employee assessment; training; career transition and organizational consulting services. Manpower's worldwide network of 4,300 offices in 67 countries and territories enables the company to meet the needs of its 400,000 customers per year, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction, enabling customers to concentrate on their core business activities. In addition to the Manpower brand, the company operates under the brand names of Right Management Consultants, Jefferson Wells, Elan and Brook Street. More information on Manpower Inc. is available at www.manpower.com.

Jefferson Wells International, Inc., a wholly owned subsidiary of Manpower Inc., was acquired in July of 2001. Jefferson Wells delivers professional services in the areas of internal audit and controls, technology risk management, tax, finance and accounting. The firm serves clients, including Fortune 500 and Global 1000 companies, through highly experienced professionals working from 37 offices across North America and in Europe.

Right Management Consultants, Inc., the world's largest career transition and organizational consulting firm, was acquired by Manpower in January of 2004. It offers its services to corporations of all sizes through a global network of approximately 300 service locations in 35 countries and via the Internet. The Empower Group, Manpower's organizational performance consulting subsidiary headquartered in London, merged with Right Management Consultants in 2004.

Elan Group Ltd., a wholly owned subsidiary of Manpower Inc., is the world's leading IT and technical recruitment specialists. Having provided IT and telecommunications professionals to over 1,400 companies worldwide, the company has built a reputation for quality delivery of personnel in all technologies and disciplines on a contract, permanent and managed service basis. Elan serves its clients via a network of 52 offices throughout 16 countries in Europe and Asia Pacific.

Brook Street Bureau is a wholly owned subsidiary of Manpower Inc. in the United Kingdom. Its core business is the supply of temporary, permanent and contract staff to office, secretarial and light industrial positions.

POWER AWARD INDIVIDUAL WINNERS ANNOUNCEMENT

The Manpower Power Award has been part of the company's culture since 1959. The Award recognizes specific operations around the world for their outstanding performance during the year in representing the values, culture and brand of Manpower and for their financial achievements over the past year.

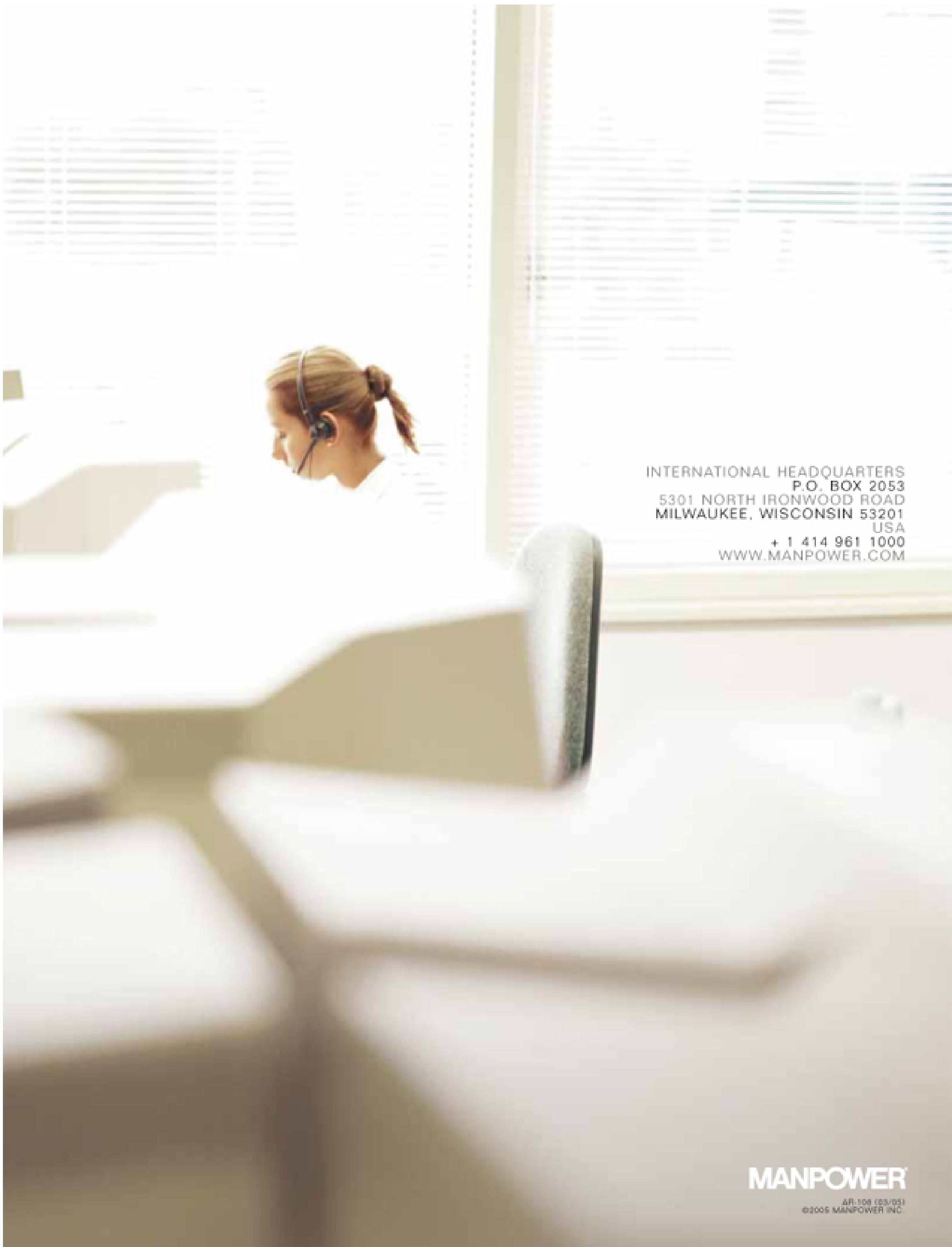
This year, for the first time in the program's history, three individual winners also received the Power Award. These winners include:

Nancy Creuziger, Manpower Vice President and Corporate Controller, for her leadership of Manpower's successful Sarbanes-Oxley compliance program;

Doug Klemp, Director of Customer Implementation, for his leadership role in ensuring the successful integration of Right Management Consultants after Manpower acquired the business in 2004, in addition to his responsibilities managing a key global account and developing customer implementation programs; and

Jonas Prising, Managing Director of Manpower Italy, in recognition of the organization's outstanding performance in 2004, as well as his leading role in managing a global team on a significant corporate initiative.

Congratulations to all of our Power Award winners this year.



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MANPOWER
AR-108 (03/05)
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Exhibit 21

SUBSIDIARIES OF MANPOWER INC.

Corporation Name	Incorporated in State / Country of
Huntsville Service Contractors, Inc.	Alabama
Benefits S.A.	Argentina
Cotecsud S.A.S.E.	Argentina
Rural Power S.A.	Argentina
Empower Corporate Research Pty. Ltd.	Australia
Compower Pty. Limited	Australia
ICV International Pty. Ltd.	Australia
Intellectual Capital Pty. Ltd.	Australia
Manpower Services (Australia) Pty. Ltd.	Australia
Right Management Consultants (OC) Pty Ltd.	Australia
ORMS Group APS Pty Limited	Australia
Polson Pty. Ltd.	Australia
Workforce (Vic) Pty. Limited	Australia
Right from Home Pty. Ltd.	Australia
Right Management Consultants (NSW) Pty. Ltd.	Australia
Right Management Consultants (QLD) Pty. Ltd.	Australia
Right Mangement Consultants Holdings Pty. Ltd.	Australia
Right Mangement Consultants International Pty. Ltd.	Australia
Right Mangement Consultants Pty. Ltd.	Australia
Manpower No. 10 Pty. Ltd.	Australia
Manpower No. 11 Pty. Ltd.	Australia
Manpower No. 12 Pty. Ltd.	Australia
Manpower No. 13 Pty. Ltd.	Australia
Manpower No. 14 Pty. Ltd.	Australia
Manpower No. 15 Pty. Ltd.	Australia
Human Power Projects GmbH	Austria
Manpower GmbH	Austria
Manpower Holding GmbH	Austria
Manpower Unternehmens und Personalberatungs GmbH	Austria
MTW Personaldienstleistungen GmbH	Austria
Elan IT Resource S.A.	Belgium
Mulitskill S.A.	Belgium
S.A. Manpower (Belgium) N.V.	Belgium
Alternative International (Holdings) SA	Belgium
Coutts Alternative SA	Belgium
Curriculum Plus NV	Belgium
Right Consulting Belgium	Belgium
Right Management Consultants (Belgium) SA	Belgium
Coutts Consulting	Belgium
Empower-BCI Europe	Belgium
Right Management Consultants LP	Bermuda
Manpower Brasil Ltda.	Brazil
Manpower Professional Ltda.	Brazil
Manpower Staffing Ltda.	Brazil
Right de Brasil Ltda.	Brazil
Manpower/V-TRAC International, Ltd.	British Virgin Islands
AMFO Members Insurance Company, Ltd.	Cayman Islands
Jefferson Wells International (Canada), Inc.	Canada
Manpower Services Canada Limited	Canada
Coutts Consulting Canada Inc.	Canada
Murray Axmith & Associates Limited	Canada
Right Management Consultants Canada	Canada
CEL Management Consultancy (Shanghai) Co. Ltd	China

Manpower Business Consulting (Shanghai) Co. Ltd.	China
Manpower & Standard Human Resources (Shanghai) Co. Ltd.	China
Manpower de Columbia Ltda.	Colombia
Manpower Professional Ltd.	Colombia
Manpower Costa Rica, S.A.	Costa Rica
Manpower Republique Tcheque	Czech Republic
Ambridge Group, Inc.	Delaware
Ironwood Capital Corporation	Delaware
Jefferson Wells International, Inc.	Delaware
Manpower CIS Inc.	Delaware
Manpower Franchises, LLC	Delaware
Manpower Holdings, Inc.	Delaware
Manpower International, Inc.	Delaware
Right License Holdings, LLC	Delaware
U.S. Caden Corporation	Delaware
Elan Computing A/S	Denmark
Empower A/S	Denmark
INGroup Denmark Aps	Denmark
Manpower Europe Holdings Aps	Denmark
Manpower A/S (Denmark)	Denmark
Manpower Facilities Management A/S	Denmark
Contact Center Denmark	Denmark
Right Kjaer & Kerulf A/S	Denmark
Right Search and Selection Denmark A/S	Denmark
Sinova International Holding A/S	Denmark
Manpower El Salvador, S.A. de C.V.	El Salvador
Manpower EESTI OÜ	Estonia
Elan IT Resource OY	Finland
Manpower Contract Center Oy	Finland
Manpower Facility Management OY	Finland
Manpower OY	Finland
INGroup Finland OY	Finland
The Empower Group OY	Finland
Alisia SARL	France
Manpower France Holding SAS	France
Elan I.T. Resource SARL	France
Right Management Consultants SA	France
Manpower Ocean Indien	France
Solertis	France
Coutts Consultants France SA	France
Manpower France SAS	France
Supplay S.A.	France
Manpower Guadalupe	Guadalupe
Adservice GmbH	Germany
Ambridge Group GmbH	Germany
Bankpower GmbH Personaldienstleistungen	Germany
Consulting by Manpower GmbH	Germany
Elan Computing (Deutschland) GmbH	Germany
Elan IT ReSource GmbH	Germany
Elan Telecommunications GmbH	Germany
Engineering by Manpower GmbH	Germany
Manpower Deutschland GmbH	Germany
Alternative Management Consultants GmbH	Germany
Right Coutts (Deutschland) GMBH	Germany
AviationPower GmbH	Germany
Manpower Finance - Personaldienstleistungen GmbH	Germany
Manpower GmbH Personaldienstleistungen	Germany
Project Support by Manpower GmbH	Germany
PSA by Manpower GmbH	Germany

Manpower Team S.A.	Greece
Project Solutions S.A.	Greece
Manpower, S.A.	Guatemala
Manpower Guadeloupe	Guadeloupe
Manpower Honduras, S.A.	Honduras
Center for Effective Leadership (HK) Ltd.	Hong Kong
Elan Computing (Asia) Limited	Hong Kong
Manpower Services (Hong Kong) Limited	Hong Kong
Standard Management Consulting Limited	Hong Kong
Right Management Consultants Ltd (Hong Kong)	Hong Kong
Manpower Munkaero Szervezesi KFT	Hungary
Right Management Consultants of Illinois	Illinois
Manpower Services India Pvt. Ltd.	India
Elan Recruitment Limited	Ireland
Manpower (Ireland) Group Limited	Ireland
Right Management Consultants Ireland Ltd.	Ireland
Right Transition Ltd.	Ireland
The Skills Group Contract Services Limited	Ireland
The Skills Group Financial Services Limited	Ireland
The Skills Group International Limited	Ireland
Adam Ltd.	Israel
Adi Ltd.	Israel
Career Ltd.	Israel
Hahaklai Ltd.	Israel
Career – Management of Housing for Elderly Ltd.	Israel
Career Harmony, Ltd	Israel
M.I.T. (Manpower Information Technology) Ltd.	Israel
M.P.H. Holdings Ltd.	Israel
Manpower Israel Holdings (1999) Limited	Israel
Manpower (Israel) Ltd.	Israel
Manpower Miluot Ltd.	Israel
Nativ 2 Ltd.	Israel
S.T.M Technologies Ltd.	Israel
Telepower	Israel
Unison Engineering Projects Ltd.	Israel
Brook Street S.P.A. Selection and Recruiting	Italy
Brook Street S.P.A. Temporary Services	Italy
Elan IT Resource Italia Srl	Italy
Manpower Consulting S.P.A.	Italy
Manpower S.P.A.	Italy
Manpower Formazione Spa	Italy
Right Management Consultants (Italy) SRL	Italy
Manpower Italia S.r.l.	Italy
Manpower Management S.P.A.	Italy
Adgrams, Inc.	Japan
I.P.C. Corporation	Japan
JobSearchpower Co. Ltd.	Japan
JobSupportpower Co. Ltd.	Japan
Manpower Japan Co. Limited	Japan
Mates Co. Ltd.	Japan
Right Management Consultants Japan Inc.	Japan
Skillpartner Co. Ltd.	Japan
Career Aid Power Co. Ltd	Japan
Jordanian American Manpower Company, W.L.L.	Jordan
Manpower Korea, Inc.	Korea
Manpower Professional Services, Inc.	Korea
Right Management Consultants Korea Co. Ltd.	Korea
Aide Temporaire SARL	Luxembourg
Right Management Consultants (Luxembourg) SA	Luxembourg

Right Management Consultants (Luxembourg) SarL	Luxembourg
Agensi Pekerjaan Manpower Recruitment Sdn Bhd	Malaysia
Manpower Staffing Services (Malaysia) Sdn Bhd	Malaysia
Techpower Consulting Sdn Bhd	Malaysia
Right Management Consultants International Pty. Ltd.	Malaysia
Manpower Antilles	Martinique
Intelecto Tecnologico, S.A. De C.V.	Mexico
Manpower Corporativo, S.A. de C.V.	Mexico
Manpower Industrial, S.A. de C.V.	Mexico
Manpower Mensajeria, S.A. de C.V.	Mexico
Manpower S.A. de C.V.	Mexico
Tecnologia Y Manufactura, S.A. de C.V.	Mexico
The Empower Group, S.A. de C.V.	Mexico
Headpower,S.A.de C.V.	Mexico
Manpower Monaco SAM	Monaco
Societe Marocaine De Travail Temporaire	Morocco
Elan Computing (Netherlands) B.V.	Netherlands
Ambridge International B.V.	Netherlands
Manpower Consultancy B.V.	Netherlands
Manpower Direkt B.V.	Netherlands
Manpower Management B.V.	Netherlands
Manpower Nederland B.V.	Netherlands
Manpower Services B.V.	Netherlands
Manpower Special Staffing B.V.	Netherlands
Manpower Uitzendorganisatie B.V.	Netherlands
Mobilans B.V.	Netherlands
Assessment & Development Consult Arnheim BV	Netherlands
Assessment & Development Consult Gouda BV	Netherlands
Assessment & Development Consult Holding BV	Netherlands
Coutts Alternative (Nederland) BV	Netherlands
Coutts Consulting (Nederland) BV	Netherlands
Coutts Outplacement Nederland BV	Netherlands
Multi-Consulting Loopbaanadvies Outplacement BV	Netherlands
Right Nederland BV	Netherlands
Syntelligence Beheer BV	Netherlands
Syntelligence BV	Netherlands
Performance Improvement Network BV	Netherlands
Ultraflex B.V.	Netherlands
Ultrasearch B.V.	Netherlands
Manpower Nouvelle Caledonie	New Caledonia
Brecker & Merryman, Inc.	New York
Manpower Incorporated of New York	New York
Manpower Services (New Zealand) Ltd.	New Zealand
Right Management Consultants Ltd. (New Zealand)	New Zealand
Manpower Nicaruagua S.A.	Nicaragua
Bankpower A/S	Norway
Elan IT Resource A/S	Norway
Framnaes Installajon A/S	Norway
INGroup Norway A/S	Norway
Manpower A/S	Norway
Manpower Contact Center AS	Norway
Manpower Facility Management A/S	Norway
Manpower Norway Holdings	Norway
Quality People A/S	Norway
Raadhuset Rekruttering & Utuelgelse AS	Norway
Raadhuset Rogaland	Norway
Right Management Consultants Norway A/S	Norway
Right Search and Selection Norway A/S	Norway
Techpower A/S	Norway

The Empower Group A/S	Norway
Tri County Business Services, Inc.	Ohio
Manpower Panama, S.A.	Panama
Temporales Panama, S.A.	Panama
Manpower Paraguay	Paraguay
Manpower Peru S.A.	Peru
Manpower Professional Services S.A.	Peru
Right Management Consultants, Inc.	Pennsylvania
Manpower Outsourcing Services Inc.	Philippines
Prime Manpower Resources Development, Inc.	Philippines
Manpower Polska SP. ZO. O	Poland
Manpower Reunion	Reunion
Manpower Romania SRL	Romania
Bowker Consultants Pte. Ltd.	Singapore
Center for Effective Leadership (Asia) Pte. Ltd.	Singapore
Highly Effective Youth (Asia) Pte. Ltd.	Singapore
Manpower Staffing Services (Singapore) Pte. Ltd.	Singapore
The Empower Group (Asia) Ltd.	Singapore
Right Management Consultants International Pty. Ltd.	Singapore
Manpower Slovakia	Slovakia
Apel Servis d.o.o.	Slovenia
Manpower S.A. (Pty) Ltd.	South Africa
Vuya Manpower (Pty) Limited	South Africa
Vuya Manpower Contact Centre Solutions (Pty) Ltd.	South Africa
By Manpower S.L.U.	Spain
Elan IT Resource S.L.U.	Spain
Link Externalizacion de Servicios, S.L.U.	Spain
Manpower Team E.T.T., S.A.U.	Spain
Right Management Consultants Iberia, S.L.	Spain
MZTK Chefsrekrytering AB	Sweden
Elan IT Resources AB	Sweden
Empower Solutions AB	Sweden
INGroup Administration AB	Sweden
INGroup Företagsservice AB	Sweden
INGroup Förvaltning AB	Sweden
INGroup Support AB	Sweden
Right Management Consultants AB	Sweden
Right Health Partners AB	Sweden
Manpower JKW AB	Sweden
Manpower AB	Sweden
Manpower Boservice AB	Sweden
Manpower Care AB	Sweden
Manpower Contact Center AB	Sweden
Manpower Construction AB	Sweden
Manpower Facility Management AB	Sweden
Manpower Industrieservice	Sweden
Manpower Security AB	Sweden
Manpower Servicenter AB	Sweden
Manpower Sverige AB	Sweden
Mariedals Byggtjanst	Sweden
The Empower Group AB	Sweden
Nordea Bemanning AB	Sweden
Right Search & Selection Sweden AB	Sweden
Right Sinova AB	Sweden
Right Sinova Sweden AB	Sweden
Manpower Solutions INgroup Holding AB	Sweden
Manpower Solutions INgroup Sweden AB	Sweden
Manpower Solutions INgroup Contact Center AB	Sweden
Allegra Finanz AG	Switzerland

Elan Computing (Schweiz) AG, Zurich	Switzerland
M.S.A.	Switzerland
Manpower AG	Switzerland
Manpower Holding AG	Switzerland
Manpower HR Management S.A.	Switzerland
Worklink AG	Switzerland
Elan Telecommunications GmbH	Switzerland
Ambridge Professional Services GmbH	Switzerland
Right Coutts (Schweiz) AG	Switzerland
MRC Consulting AG	Switzerland
Manpower Services (Taiwan) Co., Ltd.	Taiwan
Manpower Recruitment Solutions Co., Ltd.	Thailand
Skillpower Services (Thailand) Co. Ltd.	Thailand
Manpower (Pathumwan) Professional Services Co. Ltd.	Thailand
Manpower Tunisie	Tunisia
Manpower Insan Kaynaklari Limited Sirketi	Turkey
Manpower Secme ve Yerlestirme Hizmetleri Limited Sirketi	Turkey
Bafin (UK) Limited	United Kingdom
Bafin Holdings	United Kingdom
Bafin Services Limited	United Kingdom
Brook Street Bureau PLC	United Kingdom
Brook Street (UK) Limited	United Kingdom
BS Project Services Limited	United Kingdom
Challoners Limited	United Kingdom
The Empower Group (UK) Limited	United Kingdom
DP Support Services Limited	United Kingdom
Elan Computing Limited	United Kingdom
Elan Group Limited	United Kingdom
Elan Resource Support Services Limited	United Kingdom
Elan Telecommunications Group Ltd.	United Kingdom
Elan Telecommunications Ltd	United Kingdom
Ferribush Limited	United Kingdom
Girlpower Limited	United Kingdom
Manpower (UK) Limited	United Kingdom
Manpower Contract Services Limited	United Kingdom
Manpower Holdings Limited	United Kingdom
Manpower IT Services Limited	United Kingdom
Manpower Nominees Limited	United Kingdom
Manpower Public Limited Company	United Kingdom
Manpower Services Ltd.	United Kingdom
Nicholas Andrews Limited	United Kingdom
Overdrive Limited	United Kingdom
Psyconsult International Limited	United Kingdom
Salespower Limited	United Kingdom
Screenactive Ltd.	United Kingdom
SHL Group PLC	United Kingdom
Temp Finance & Accounting Service Limited	United Kingdom
Elan Telecommunications Group Ltd.	United Kingdom
The Empower Group Ltd.	United Kingdom
The Trotman Group Ltd.	United Kingdom
Trotman & Company Ltd.	United Kingdom
Working Links Ltd.	United Kingdom
Alternative International Limited	United Kingdom
Atlas Group Holdings Limited	United Kingdom
Coutts Career Consultants Limited	United Kingdom
Coutts Holdings Limited	United Kingdom
Coutts Outplacement International Limited	United Kingdom
Right Associates Ltd.	United Kingdom
Right Corecare Limited	United Kingdom

Right Coutts Consulting Limited	United Kingdom
Right Coutts Limited	United Kingdom
Right Management Consultants Limited	United Kingdom
CSCB Ltd.	United Kingdom
Winkfield Place Ltd.	United Kingdom
Jefferson Wells, Ltd	United Kingdom
Aris Sociedad Anonima	Uruguay
Manpower de Venezuela C.A.	Venezuela
Manpower Empresa de Trabajo Temporal, C.A.	Venezuela
Servicios Alleray, C.A.	Venezuela
Right Associates Government Services, Inc.	Virginia
Manpower Nominees Inc.	Wisconsin
Manpower of Indiana Limited Partnership	Wisconsin
Manpower of Texas Limited Partnership	Wisconsin
Manpower Professional Services, Inc.	Wisconsin
Manpower Texas Holdings LLC	Wisconsin
Resource Consulting Group, Inc.	Wisconsin
Signature Graphics of Milwaukee, Inc.	Wisconsin

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-40441, 33-55264, 33-84736, 333-1040, 333-31021, 333-82459, 333-66656, 333-105205 and 333-112164), Form S-3 (Nos. 33-89660, 333-6545, 333-71040) and Form S-4 (File Nos. 333-650, 33-95896 and 333-87554) of Manpower Inc. of our report dated February 16, 2005 relating to the financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 16, 2005 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
February 22, 2005

Exhibit 24

POWER OF ATTORNEY FOR ANNUAL REPORT ON FORM 10-K

Each of the undersigned directors of Manpower Inc. (the “Company”) hereby constitutes and appoints Jeffrey A. Joerres and Michael J. Van Handel, 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, 2004, and to file the same, with all exhibits thereto, other documents in connection therewith, and any amendments to any of the foregoing, 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, as of the 14th day of January, 2005.

/s/ J. THOMAS BOUCHARD **J. Thomas Bouchard**	/s/ JEFFREY A. JOERRES **Jeffrey A. Joerres**
/s/ MARC. J. BOLLAND **Marc. J. Bolland**	/s/ ROZANNE L. RIDGWAY **Rozanne L. Ridgway**
/s/ STEPHANIE A. BURNS **Stephanie A. Burns**	/s/ DENNIS STEVENSON **Dennis Stevenson**
/s/ WILLIE D. DAVIS **Willie D. Davis**	/s/ JOHN R. WALTER **John R. Walter**
/s/ JACK M. GREENBERG **Jack M. Greenberg**	/s/ EDWARD J. ZORE **Edward J. Zore**
/s/ TERRY A. HUENEKE **Terry A. Hueneke**	

Exhibit 31.1

CERTIFICATION

I, Jeffrey A. Joerres, Chairman and Chief Executive Officer of Manpower Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Manpower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 22, 2005

/s/ JEFFREY A. JOERRES

Jeffrey A. Joerres
Chairman, Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Michael J. Van Handel, Executive Vice President and Chief Financial Officer of Manpower Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Manpower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 22, 2005

/s/ MICHAEL J. VAN HANDEL

Michael J. Van Handel
Executive Vice President,
Chief Financial Officer

Exhibit 32.1

STATEMENT

Pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. ss. 1350, the undersigned officer of Manpower Inc. (the "Company"), hereby certifies that to his knowledge:

(1) the Company's Annual Report on Form 10-K for the year ended December 31, 2004 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MANPOWER INC.

Dated: February 22, 2005

/s/ JEFFREY A. JOERRES

Jeffrey A. Joerres
Chairman, Chief Executive Officer

This certification accompanies this Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of the Securities Exchange Act of 1934.

Exhibit 32.2

STATEMENT

Pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. ss. 1350, the undersigned officer of Manpower Inc. (the "Company"), hereby certifies that to his knowledge:

(1) the Company's Annual Report on Form 10-K for the year ended December 31, 2004 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MANPOWER INC.

Dated: February 22, 2005

/s/ MICHAEL J. VAN HANDEL

Michael J. Van Handel
Executive Vice President,
Chief Financial Officer

This certification accompanies this Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of the Securities Exchange Act of 1934.