



ManpowerGroup™

Manpower Reports 4th Quarter and Full-Year 2002 Results

January 29, 2003

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MILWAUKEE, Jan. 29 /PRNewswire-FirstCall/ -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended December 31, 2002 increased 54.9 percent to \$40.1 million, or 52 cents per diluted share, from \$26.0 million, or 34 cents per diluted share, a year earlier. Included in 2001 net income is \$4.3 million (net of income taxes) or 5 cents per diluted share of amortization of intangible assets which are no longer amortized, as required by the new accounting rules effective January 1, 2002.

Revenues for the fourth quarter totaled \$2.8 billion, an increase of 11.9 percent from the year-earlier period. Systemwide sales were \$3.1 billion. Results for the fourth quarter were positively affected by relatively stronger foreign currencies compared to the prior year period. On a constant currency basis, earnings per diluted share for the quarter were 44 cents on a 4.5 percent revenue increase.

Jeffrey A. Joerres, Manpower Chairman and Chief Executive Officer said, "We performed well in the fourth quarter. We continued to gain traction throughout all of our major operations. France, our largest operation, performed extraordinarily well, given the economic conditions and, once again, our geographical diversification benefited our earnings.

"In the difficult economic environment of 2002, we improved our cash flow and strengthened our balance sheet. Equally important, we strengthened our position in the marketplace through expansion of offices in the specialty service areas, launching new services and better execution of our strategies.

"This is an exciting time for Manpower, as we are well positioned to capitalize when the economies improve. Our accomplishments in 2002 are a credit to the diligent work of the Manpower team worldwide.

"Despite our optimism regarding 2003, we are still confronted with uncertainty in the majority of the markets where we operate. The acceleration that we experienced at the end of the third quarter and the beginning of the fourth quarter has slowed somewhat, which necessitates that we approach the first quarter of 2003, and potentially more of the year, with caution. We anticipate earnings per share for the first quarter of 2003 in the range of 16 to 20 cents. This includes an estimated favorable currency impact of 5 cents," Joerres said.

Net income for the year ended December 31, 2002 totaled \$113.2 million or \$1.46 per diluted share, down 9.1 percent from \$124.5 million, or \$1.62 per diluted share in 2001. Included in 2001 net income is \$14.8 million (net of income taxes) or 19 cents per diluted share of amortization of intangible assets. Revenues for the year were \$10.6 billion, an increase of 1.2% from the prior year. Systemwide sales were \$11.8 billion. On a constant currency basis, earnings per diluted share for the year were \$1.29 on a revenue decline of 2.0%.

In conjunction with its fourth quarter earnings release, Manpower will broadcast its conference call live over the Internet on January 29 at 8:00 a.m. CDT (9:00 a.m. EDT). Interested parties are invited to listen by logging on to <http://investor.manpower.com>.

Manpower Inc. is a world leader in the staffing industry, providing workforce management services and solutions to customers through 3,900 offices in 63 countries. The firm annually provides employment to 2 million people worldwide and is an industry leader in employee assessment and training. Manpower also provides a range of staffing solutions, and engagement and consulting services worldwide under the subsidiary brands of Brook Street, Elan, The Empower Group and Jefferson Wells. More information on Manpower Inc. can be found at the Company's Web site, www.manpower.com, which includes a comprehensive Investor Relations section.

This news release contains statements, including earning projections, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause the Company's actual results to differ materially from those contained in the forward-looking statement can be found in the Company's reports filed with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2001, which information is incorporated herein by reference.

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

Three Months Ended
December 31
2002 2001 Variance

Systemwide sales (unaudited) (a)	\$3,149.3	\$2,823.7	11.5%
Revenue from services	2,838.1	2,536.4	11.9%

Cost of services	2,322.4	2,057.5	12.9%
Gross profit	515.7	478.9	7.7%
Selling and administrative expenses	428.6	424.6	1.0%
Operating profit	87.1	54.3	59.8%
Interest and other expenses	17.9	10.4	68.0%
Earnings before income taxes	69.2	43.9	57.8%
Provision for income taxes	29.1	17.9	62.1%
Net earnings	\$40.1	\$26.0	54.9%
Net earnings per share - basic	\$0.52	\$0.34	52.9%
Net earnings per share - diluted	\$0.52	\$0.34	52.9%
Weighted average shares - basic	76.9	76.0	1.2%
Weighted average shares - diluted	77.6	77.0	0.8%

(a) Systemwide sales includes sales of the Company-owned branch offices as well as its franchise offices.

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

	Year Ended		
	2002	2001	Variance
Systemwide sales (unaudited) (a)	\$11,764.9	\$11,779.1	-0.1%
Revenue from services	10,610.9	10,483.8	1.2%
Cost of services	8,700.5	8,527.3	2.0%
Gross profit	1,910.4	1,956.5	-2.4%
Selling and administrative expenses	1,675.6	1,718.9	-2.5%
Operating profit	234.8	237.6	-1.2%
Interest and other expenses	46.8	39.7	17.6%
Earnings before income taxes	188.0	197.9	-5.0%
Provision for income taxes	74.8	73.4	1.9%
Net earnings	\$113.2	\$124.5	-9.1%
Net earnings per share - basic	\$1.48	\$1.64	-9.8%
Net earnings per share - diluted	\$1.46	\$1.62	-9.9%
Weighted average shares - basic	76.4	75.9	0.6%
Weighted average shares - diluted	77.7	77.0	0.9%

(a) Systemwide sales includes sales of the Company-owned branch offices as well as its franchise offices.

Manpower Inc.
Operating Unit Results
(In millions)

Three Months Ended December 31

	2002	2001	% Variance	
			Amount Reported	Constant Currency
(Unaudited)				
Revenues from services:				
United States (a)	\$495.0	\$451.2	9.7%	9.7%
France	1,034.5	887.1	16.6%	4.3%
United Kingdom	373.3	361.0	3.4%	-5.3%
Other Europe	560.7	483.3	16.0%	3.3%
Other Operations	374.6	353.8	6.0%	9.9%
	\$2,838.1	\$2,536.4	11.9%	4.5%
Operating Unit Profit:				
United States	\$13.4	\$0.5	2611.3%	2611.3%
France	48.1	36.8	30.8%	16.5%
United Kingdom	5.7	10.8	-47.1%	-50.3%
Other Europe	25.7	18.3	40.6%	25.3%
Other Operations	4.1	2.8	35.7%	46.1%
	97.0	69.2		
Corporate expenses	9.9	10.1		
Amortization of intangibles	-	4.8		
Operating profit	87.1	54.3	59.8%	44.9%
Interest and other expense (b)	17.9	10.4		
Earnings before taxes	\$69.2	\$43.9		

(a) Systemwide sales (unaudited) in the United States, which includes sales of the Company-owned branch offices as well as its franchise offices were \$743.4 and \$694.6 for the three months ended December 31, 2002 and 2001, respectively.

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

Interest expense	\$10.5	\$10.9
Interest income	(2.4)	(2.8)
Foreign exchange (gains) losses	(1.0)	0.7
Loss on sale of accounts receivable	0.1	0.2
Miscellaneous, net	10.7	1.4
	\$17.9	\$10.4

Manpower Inc.
Operating Unit Results
(In millions)

Year Ended December 31

	2002	2001	% Variance	
			Amount Reported	Constant Currency
(Unaudited)				
Revenues from services:				
United States (a)	\$1,911.4	\$2,003.4	-4.6%	-4.6%
France	3,848.2	3,766.4	2.2%	-3.8%
United Kingdom	1,394.0	1,489.3	-6.4%	-10.5%
Other Europe	2,040.9	1,939.4	5.2%	-0.6%
Other Operations	1,416.4	1,285.3	10.2%	14.9%
	\$10,610.9	\$10,483.8	1.2%	-2.0%

Operating Unit Profit:				
United States	\$29.2	\$29.5	-0.8%	-0.8%
France	143.6	135.7	5.8%	-1.6%
United Kingdom	20.5	44.5	-53.9%	-55.9%
Other Europe	75.8	75.9	-0.1%	-7.5%
Other Operations	6.6	8.9	-27.1%	-33.7%
	275.7	294.5		
Corporate expenses	40.8	39.9		
Amortization of intangibles	0.1	17.0		
Operating profit	234.8	237.6	-1.2%	-8.5%
Interest and other expense (b)	46.8	39.7		
Earnings before taxes	\$188.0	\$197.9		

(a) Systemwide sales (unaudited) in the United States, which includes sales of the Company-owned branch offices as well as its franchise offices were \$2,905.5 and \$3,114.8 for the year ended December 31, 2002 and 2001, respectively.

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

Interest expense	\$42.4	\$39.1		
Interest income	(9.0)	(10.3)		
Foreign exchange (gains) losses	(1.8)	0.2		
Loss on sale of accounts receivable	0.4	5.3		
Miscellaneous, net	14.8	5.4		
	\$46.8	\$39.7		

Manpower Inc.
Restated Operating Unit Results
(In millions)

Three Months Ended December 31

% Variance
Amount Constant
2002 2001 Reported Currency
(Unaudited)

Revenues from services:				
United States	\$495.0	\$451.2	9.7%	9.7%
France	1,034.5	887.1	16.6%	4.3%
EMEA (a)	934.0	844.3	10.6%	-0.4%
Other Operations	374.6	353.8	6.0%	9.9%
	\$2,838.1	\$2,536.4	11.9%	4.5%

Operating Unit Profit:				
United States	\$13.4	\$0.5	2611.3%	2611.3%
France	48.1	36.8	30.8%	16.5%
EMEA	26.8	25.2	7.2%	-5.4%
Other Operations	4.1	2.8	35.7%	46.1%
	92.4	65.3		
Corporate expenses	5.3	6.2		
Amortization of intangibles	-	4.8		
Operating profit	87.1	54.3	59.8%	44.9%
Interest and other expense	17.9	10.4		
Earnings before taxes	\$69.2	\$43.9		

(a) Represents operations in Europe, Middle East and Africa (excluding France), which is a combination of operations historically included in segments referred to as United Kingdom and Other Europe. In addition, central costs for EMEA, which historically have been included in corporate expense are now included in the determination of operating unit profit.

(In millions)

Year Ended December 31

	% Variance			
	Amount	Constant	Reported	Currency
	2002	2001	(Unaudited)	(Unaudited)
Revenues from services:				
United States	\$1,911.4	\$2,003.4	-4.6%	-4.6%
France	3,848.2	3,766.4	2.2%	-3.8%
EMEA (a)	3,434.9	3,428.7	0.2%	-4.9%
Other Operations	1,416.4	1,285.3	10.2%	14.9%
	\$10,610.9	\$10,483.8	1.2%	-2.0%
Operating Unit Profit:				
United States	\$29.2	\$29.5	-0.8%	-0.8%
France	143.6	135.7	5.8%	-1.6%
EMEA	83.0	106.0	-21.6%	-27.8%
Other Operations	6.6	8.9	-27.1%	-33.7%
	262.4	280.1		
Corporate expenses	27.5	25.5		
Amortization of intangibles	0.1	17.0		
Operating profit	234.8	237.6	-1.2%	-8.5%
Interest and other expense	46.8	46.8		
Earnings before taxes	\$188.0	\$197.9		

(a) Represents operations in Europe, Middle East and Africa (excluding France), which is a combination of operations historically included in segments referred to as United Kingdom and Other Europe. In addition, central costs for EMEA, which historically have been included in corporate expense are now included in the determination of operating unit profit.

Manpower Inc.
Consolidated Balance Sheets
(In millions)

	Dec. 31 2002	Dec. 31 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$284.0	\$245.8
Accounts receivable, net	2,214.2	1,917.8
Prepaid expenses and other assets	76.0	77.0
Future income tax benefits	79.1	73.8
Total current assets	2,653.3	2,314.4
Other assets:		
Intangible assets, net	545.7	480.8
Investments in licensees	60.5	44.7
Other assets	253.4	204.7
Total other assets	859.6	730.2
Property and equipment:		
Land, buildings, leasehold improvements and equipment	533.4	465.4
Less: accumulated depreciation and amortization	344.6	271.4
Net property and equipment	188.8	194.0
Total assets	\$3,701.7	\$3,238.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$447.0	\$382.1

Employee compensation payable	96.2	93.2
Accrued liabilities	295.7	234.9
Accrued payroll taxes and insurance	391.6	300.8
Value added taxes payable	309.0	255.9
Short-term borrowings and current maturities of long-term debt	22.8	23.7
Total current liabilities	1,562.3	1,290.6

Other liabilities:

Long-term debt	799.0	811.1
Other long-term liabilities	340.5	322.6
Total other liabilities	1,139.5	1,133.7

Shareholders' equity:

Common stock	0.9	0.9
Capital in excess of par value	1,696.2	1,644.9
Accumulated deficit	(289.7)	(387.6)
Accumulated other comprehensive income (loss)	(123.7)	(190.8)
Treasury stock, at cost	(283.8)	(253.1)
Total shareholders' equity	999.9	814.3
Total liabilities and shareholders' equity	\$3,701.7	\$3,238.6

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

Year Ended
December 31
2002 2001

Cash Flows from Operating Activities:

Net earnings	\$113.2	\$124.5
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	65.4	80.2
Amortization of discount on convertible debentures	7.3	2.7
Deferred income taxes	(0.2)	(7.3)
Provision for doubtful accounts	18.2	23.8
Changes in operating assets and liabilities:		
Amounts advanced under the Receivables Facility	-	(145.0)
Accounts receivable	(54.4)	217.3
Other assets	41.6	(69.1)
Other liabilities	36.8	(91.1)
Cash provided by operating activities	227.9	136.0

Cash Flows from Investing Activities:

Capital expenditures	(58.5)	(87.3)
Acquisitions of business, net of cash acquired	(33.5)	(295.9)
Proceeds from the sale of property and equipment	5.3	16.1
Cash used by investing activities	(86.7)	(367.1)

Cash Flows from Financing Activities:

Net borrowings from short-term facilities and long-term debt	(115.0)	313.0
Proceeds from stock option and purchase plans	29.4	13.6
Repurchase of common stock	(30.7)	(3.3)
Dividends paid	(15.3)	(15.2)
Cash (used) provided by financing activities	(131.6)	308.1

Effect of exchange rate changes on cash	28.6	(12.9)
Change in cash and cash equivalents	38.2	64.1
Cash and cash equivalents, beginning of period	245.8	181.7
Cash and cash equivalents, end of period	\$284.0	\$245.8

SOURCE: Manpower Inc.

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