



# ManpowerGroup™

## Manpower Reports 4th Quarter and Full-Year 2001 Results

January 30, 2002

MILWAUKEE, Jan 30, 2002 /PRNewswire-FirstCall via COMTEX/ -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended December 31, 2001 declined 52 percent to \$26.0 million, or 34 cents per diluted share, from \$53.5 million, or 70 cents per diluted share, a year earlier. Revenues for the fourth quarter totaled \$2.5 billion, a decline of 7 percent from the year-earlier period. Changes in foreign currency exchange rates between years did not materially impact revenues or net income in the quarter.

Commenting on the results, Manpower Chairman and CEO Jeffrey Joerres stated, "We entered the quarter knowing it was going to be a challenging environment throughout all of the major countries that we operate in, therefore, we were well prepared with our expense controls while we continued to focus on the protection of our customer relationships. As we look to the first quarter of 2002, we do not anticipate an economic turn in most of our global markets, and we expect revenues to lag the prior year. We are estimating earnings for the first quarter to be in the range of 6 to 10 cents per share."

Net income for the year ended December 31, 2001 totaled \$124.5 million, or \$1.62 per diluted share, a decline of 27 percent from \$171.2 million, or \$2.22 per diluted share in 2000. Revenues for the year declined 3 percent to \$10.5 billion. On a constant currency basis, earnings per share for the year declined 23% on stable revenues.

In conjunction with its fourth quarter earnings release, Manpower will broadcast its conference call live over the Internet on January 30, 2002 at 9:00 a.m. CST (10:00 a.m. EST). Interested parties are invited to listen by logging on to <http://investor.manpower.com>.

Manpower Inc. is a world leader in the staffing industry, providing workforce management services and solutions to customers through 3,900 offices in 61 countries. The firm annually provides employment to more than 2.7 million people worldwide and is an industry leader in employee assessment and training. Manpower also provides a range of staffing solutions, engagement and consulting services worldwide under the subsidiary brands of Brook Street, Elan, The Empower Group and Jefferson Wells. More information on Manpower Inc. can be found at the company's website, [www.manpower.com](http://www.manpower.com).

This news release contains statements, including revenue and earning projections, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause the Company's actual results to differ materially from those contained in the forward-looking statements can be found in the Company's current report on Form 8-K dated August 14, 2001, which information is incorporated herein by reference, and such other factors as may be described from time to time in the Company's SEC filings.

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

	Three Months Ended		
	2001	2000	Var.
	December 31 (Unaudited)		
Systemwide sales	\$2,823.7	\$3,121.3	-9.5%
Revenue from services	2,536.4	2,739.5	-7.4%
Cost of services	2,057.5	2,223.9	-7.5%
Gross profit	478.9	515.6	-7.1%
SG&A expenses	424.6	420.7	0.9%
Operating profit	54.3	94.9	-42.7%
Interest and other expenses	10.4	12.2	-13.7%
Earnings before income taxes	43.9	82.7	-47.0%
Provision for income taxes	17.9	29.2	-38.3%

Net earnings	\$ 26.0	\$ 53.5	-51.7%
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Net earnings per share:

Basic	\$ 0.34	\$ 0.71	-52.1%
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Diluted	\$ 0.34	\$ 0.70	-51.4%
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Weighted average shares:

Basic	76.0	75.7	0.4%
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Diluted	77.0	76.8	0.2%
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Manpower Inc.  
Results of Operations  
(In millions, except per share data)

Year Ended  
December 31  
2001    2000    Var.

Systemwide sales	\$11,779.1	\$12,444.9	-5.3%
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Revenue from services	10,483.8	10,842.8	-3.3%
Cost of services	8,527.3	8,896.1	-4.1%

Gross profit	1,956.5	1,946.7	0.5%
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SG&A expenses	1,718.9	1,635.7	5.1%
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Operating profit	237.6	311.0	-23.6%
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Interest and other expenses	39.7	45.8	-13.2%
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Earnings before income taxes	197.9	265.2	-25.4%
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Provision for income taxes	73.4	94.0	-21.8%
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Net earnings	\$ 124.5	\$ 171.2	-27.3%
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Net earnings per share:

Basic	\$ 1.64	\$ 2.26	-27.4%
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Diluted	\$ 1.62	\$ 2.22	-27.0%
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Weighted average shares:

Basic	75.9	75.9	0.0%
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Diluted	77.0	77.1	-0.1%
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Manpower Inc.  
Operating Unit Results  
(In millions)

Three Months Ended December 31  
% Variance  
Amount Constant  
2001    2000 Reported Currency  
(Unaudited)

Revenues from services:

United States (a)	\$ 451.2	\$ 601.9	-25.0%	-25.0%
France	887.1	968.2	-8.4%	-11.0%
United Kingdom	361.0	372.6	-3.1%	-2.8%
Other Europe	483.3	496.7	-2.7%	-3.8%
Other Countries	353.8	300.1	17.8%	26.1%
	\$2,536.4	\$2,739.5	-7.4%	-7.6%

Operating Unit Profit:

United States	\$ 0.5	\$ 21.1	-97.7%	-97.7%
France	36.8	39.0	-5.8%	-8.5%
United Kingdom	10.8	13.7	-20.8%	-21.1%
Other Europe	18.3	31.9	-42.5%	-43.6%
Other Countries	2.8	3.7	-18.0%	3.0%
	69.2	109.4		
Corporate expenses	10.1	11.2		
Amortization of intangibles	4.8	3.3		
Operating profit	54.3	94.9	-42.7%	-43.4%
Interest and other expense (b)	10.4	12.2		
Earnings before taxes	\$ 43.9	\$ 82.7		

Footnotes:

(a) Total systemwide sales in the United States, which includes sales of Company-owned branches and franchises were \$694.6 and \$936.8 for 2001 and 2000, respectively.

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

Interest expense	\$ 10.9	\$ 9.4
Interest income	(2.8)	(1.8)
Translation loss (gain)	0.7	0.4
Loss on sale of accounts receivable	0.2	2.4
Miscellaneous	1.4	1.8
	\$ 10.4	\$ 12.2

Manpower Inc.  
Operating Unit Results  
(In millions)

Year Ended December 31  
% Variance  
Amount Constant  
2001 2000 Reported Currency

Revenues from services:

United States (a)	\$ 2,003.4	\$ 2,413.5	-17.0%	-17.0%
France	3,766.4	3,939.2	-4.4%	-1.6%
United Kingdom	1,489.3	1,453.1	2.5%	7.9%
Other Europe	1,939.4	1,896.3	2.3%	6.8%
Other Countries	1,285.3	1,140.7	12.7%	22.4%
	\$10,483.8	\$10,842.8	-3.3%	0.4%

Operating Unit Profit:

United States	\$ 29.5	\$ 84.6	-65.2%	-65.2%
France	135.7	130.6	3.9%	6.5%
United Kingdom	44.5	46.2	-3.8%	1.3%
Other Europe	75.9	89.1	-14.8%	-11.5%
Other Countries	8.9	13.2	-31.9%	-15.1%
	294.5	363.7		
Corporate expenses	39.9	39.4		
Amortization of intangibles	17.0	13.3		

Operating profit	237.6	311.0	-23.6%	-20.0%
Interest and other expense (b)	39.7	45.8		
Earnings before taxes	\$ 197.9	\$ 265.2		

Footnotes:

(a) Total systemwide sales in the United States, which includes sales of Company-owned branches and franchises were \$3,114.8 and \$3,814.9 for 2001 and 2000, respectively.

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

Interest expense	\$ 39.1	\$ 35.0
Interest income	(10.3)	(7.3)
Translation loss (gain)	0.2	2.3
Loss on sale of accounts receivable	5.3	9.8
Miscellaneous	5.4	6.0
	\$ 39.7	\$ 45.8

Manpower Inc.  
Consolidated Balance Sheets  
(In millions)

	Dec. 31	Dec. 31
	2001	2000

ASSETS

Current assets:

Cash and cash equivalents	\$ 245.8	\$ 181.7
Accounts receivable, net	1,917.8	2,094.4
Prepaid expenses and other assets	77.0	51.8
Future income tax benefits	73.8	68.8
Total current assets	2,314.4	2,396.7

Other assets:

Intangible assets, net	480.8	247.6
Investments in licensees	44.7	41.8
Other assets	204.7	163.9
Total other assets	730.2	453.3

Property and equipment:

Land, buildings, leasehold improvements and equipment	465.4	440.9
Less: accumulated depreciation and amortization	271.4	249.3
Net property and equipment	194.0	191.6
Total assets	\$3,238.6	\$3,041.6

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 382.1	\$ 453.1
Employee compensation payable	93.2	81.2
Accrued liabilities	234.9	269.2
Accrued payroll taxes and insurance	300.8	341.8
Value added taxes payable	255.9	311.0
Short-term borrowings and current maturities of long-term debt	23.7	65.9
Total current liabilities	1,290.6	1,522.2

Other liabilities:

Long-term debt	811.1	491.6
Other long-term liabilities	322.6	287.4

Total other liabilities	1,133.7	779.0
Shareholders' equity:		
Common stock	0.9	0.8
Capital in excess of par value	1,644.9	1,631.4
Accumulated deficit	(387.6)	(496.9)
Accumulated other comprehensive income (loss)	(190.8)	(145.1)
Treasury stock, at cost	(253.1)	(249.8)
Total shareholders' equity	814.3	740.4
Total liabilities and shareholders' equity	\$3,238.6	\$3,041.6

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

Year Ended  
December 31  
2001      2000

Cash Flows from Operating Activities:

Net earnings	\$124.5	\$171.2
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	80.2	66.8
Deferred income taxes	(7.3)	(15.8)
Provision for doubtful accounts	23.8	21.7
Changes in operating assets and liabilities:		
Amounts advanced under the Receivables Facility	(145.0)	(55.0)
Accounts receivable	217.3	(261.2)
Other assets	(69.1)	(32.6)
Other liabilities	(88.4)	262.8
Cash provided by operating activities	136.0	157.9

Cash Flows from Investing Activities:

Capital expenditures	(87.3)	(82.6)
Acquisitions of business, net of cash acquired	(295.9)	(172.4)
Proceeds from the sale of property and equipment	16.1	7.3
Net cash used by investing activities	(367.1)	(247.7)

Cash Flows from Financing Activities:

Net borrowings from short-term facilities and long-term debt	313.0	71.8
Proceeds from stock option and purchase plans	13.6	10.0
Repurchase of common stock	(3.3)	(20.0)
Dividends paid	(15.2)	(15.1)
Net cash provided by financing activities	308.1	46.7

Effect of exchange rate changes on cash	(12.9)	(16.9)
Change in cash and cash equivalents	64.1	(60.0)

Cash and cash equivalents, beginning of period	181.7	241.7
Cash and cash equivalents, end of period	\$245.8	\$181.7

SOURCE Manpower Inc.

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