# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended:

JUNE 30, 2003

or

[ ] Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from: ------ to ------

Commission file number: 1-10686

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

| | |
|---|---|
| WISCONSIN<br>(State or other jurisdiction of incorporation) | 39-1672779<br>(IRS Employer Identification No.) |
| 5301 N. IRONWOOD ROAD<br>MILWAUKEE, WISCONSIN<br>(Address of principal executive offices) | 53217<br>(Zip Code) |

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

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 X No ---------

Indicate by check mark whether the Registrant is an accelerated filer (as defined in rule 12b-2 of the Exchange Act).

Yes X No ---------

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| CLASS | SHARES OUTSTANDING AT JUNE 30, 2003 |
|---|---|
| Common Stock, $.01 par value | 77,725,977 |

MANPOWER INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1 -- Financial Statements

MANPOWER INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

ASSETS

| | JUNE 30, 2003 | DECEMBER 31, 2002 |
|---|---|---|
| | (Unaudited) | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 252.1 | $ 284.0 |
| Accounts receivable, less allowance for doubtful accounts of $77.0 and $70.3, respectively | 2,437.8 | 2,214.2 |
| Prepaid expenses and other assets | 84.6 | 76.0 |
| Future income tax benefits | 77.1 | 79.1 |
| Total current assets | 2,851.6 | 2,653.3 |
| OTHER ASSETS: | | |
| Goodwill and other intangible assets, less accumulated amortization of $49.4 and $46.7, respectively | 556.6 | 545.7 |
| Investments in licensees | 61.8 | 60.5 |
| Other assets | 305.0 | 253.4 |
| Total other assets | 923.4 | 859.6 |
| PROPERTY AND EQUIPMENT: | | |
| Land, buildings, leasehold improvements and equipment | 569.2 | 533.4 |
| Less: accumulated depreciation and amortization | 385.1 | 344.6 |
| Net property and equipment | 184.1 | 188.8 |
| Total assets | $ 3,959.1 | $ 3,701.7 |

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

MANPOWER INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

LIABILITIES AND SHAREHOLDERS' EQUITY

| | JUNE 30, 2003 (Unaudited) | DECEMBER 31, 2002 |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 521.8 | $ 447.0 |
| Employee compensation payable | 96.0 | 96.2 |
| Accrued liabilities | 313.9 | 295.7 |
| Accrued payroll taxes and insurance | 395.2 | 391.6 |
| Value added taxes payable | 343.4 | 309.0 |
| Short-term borrowings and current maturities of long-term debt | 15.4 | 22.8 |
| Total current liabilities | 1,685.7 | 1,562.3 |
| OTHER LIABILITIES: | | |
| Long-term debt | 813.5 | 799.0 |
| Other long-term liabilities | 351.2 | 340.5 |
| Total other liabilities | 1,164.7 | 1,139.5 |
| 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 87,671,177 and 87,043,956 shares, respectively | .9 | .9 |
| Capital in excess of par value | 1,710.1 | 1,696.2 |
| Accumulated deficit | (253.5) | (289.7) |
| Accumulated other comprehensive income (loss) | (65.0) | (123.7) |
| Treasury stock at cost, 9,945,200 shares | (283.8) | (283.8) |
| Total shareholders' equity | 1,108.7 | 999.9 |
| Total liabilities and shareholders' equity | $ 3,959.1 | $ 3,701.7 |

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

MANPOWER INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

| | 3 MONTHS ENDED JUNE 30, | | 6 MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Revenues from services | $ 3,013.4 | $ 2,602.9 | $ 5,692.1 | $ 4,886.9 |
| Cost of services | 2,491.9 | 2,135.3 | 4,704.6 | 4,004.5 |
| Gross profit | 521.5 | 467.6 | 987.5 | 882.4 |
| Selling and administrative expenses | 464.5 | 415.8 | 897.5 | 811.9 |
| Operating profit | 57.0 | 51.8 | 90.0 | 70.5 |
| Interest and other expense | 9.2 | 9.6 | 17.8 | 17.6 |
| Earnings before income taxes | 47.8 | 42.2 | 72.2 | 52.9 |
| Provision for income taxes | 18.7 | 16.5 | 28.2 | 20.3 |
| Net earnings | $ 29.1 | $ 25.7 | $ 44.0 | $ 32.6 |
| Net earnings per share | $ .38 | $ .34 | $ .57 | $ .43 |
| Net earnings per share -- diluted | $ .37 | $ .33 | $ .56 | $ .42 |
| Weighted average common shares | 77.5 | 75.9 | 77.4 | 76.0 |
| Weighted average common shares -- diluted | 78.3 | 77.5 | 78.2 | 77.6 |

The accompanying notes to consolidated financial statements are an integral part of these statements.

MANPOWER INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(IN MILLIONS)

| | 6 MONTHS ENDED JUNE 30, 2003 | 2002 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net earnings | $ 44.0 | $ 32.6 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 31.4 | 32.8 |
| Amortization of discount on convertible debentures | 3.8 | 3.6 |
| Deferred income taxes | 4.7 | 2.4 |
| Provision for doubtful accounts | 8.0 | 9.1 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (76.5) | (146.4) |
| Other assets | (25.8) | (4.8) |
| Other liabilities | 28.1 | 108.8 |
| Cash provided by operating activities | 17.7 | 38.1 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (23.8) | (31.0) |
| Acquisitions of businesses, net of cash acquired | (2.5) | (29.6) |
| Proceeds from the sale of property and equipment | 2.5 | 1.5 |
| Cash used by investing activities | (23.8) | (59.1) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net change in short-term borrowings | (7.8) | 21.1 |
| Proceeds from long-term debt | 26.5 | 364.3 |
| Repayment of long-term debt | (63.2) | (368.1) |
| Proceeds from stock option and purchase plans | 13.9 | 26.1 |
| Repurchases of common stock | -- | (30.7) |
| Dividends paid | (7.8) | (7.6) |
| Cash (used) provided by financing activities | (38.4) | 5.1 |
| Effect of exchange rate changes on cash | 12.6 | 19.1 |
| Net (decrease) increase in cash and cash equivalents | (31.9) | 3.2 |
| Cash and cash equivalents, beginning of year | 284.0 | 245.8 |
| Cash and cash equivalents, end of period | $ 252.1 | $ 249.0 |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | |
| Interest paid | $ 14.2 | $ 14.4 |
| Income taxes paid | $ 35.5 | $ 46.7 |

The accompanying notes to consolidated financial statements are an integral part of these statements.

(IN MILLIONS, EXCEPT PER SHARE DATA)

## (1) Basis of Presentation and Accounting Policies

### Basis of Presentation

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although we believe that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements included in our 2002 Annual Report to Shareholders.

The information furnished reflects all adjustments that, in the opinion of management, are necessary for a fair statement of the results of operations for the periods presented. Such adjustments are of a normal recurring nature.

### 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. No stock-based employee compensation expense related to 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 illustrates the effect on Net earnings and Net earnings per share if we had applied the fair value recognition provisions of SFAS No. 123 and 148 to stock-based employee compensation.

| | 3 MONTHS ENDED JUNE 30, | | 6 MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Net earnings, as reported | $ 29.1 | $ 25.7 | $ 44.0 | $ 32.6 |
| Less: Total stock-based employee compensation expense determined under the fair value method for all awards, net of related tax effects | (1.5) | (1.0) | (3.3) | (1.7) |
| Pro forma net earnings | $ 27.6 | $ 24.7 | $ 40.7 | $ 30.9 |
| Net earnings per share -- basic: | | | | |
| As reported | $ .38 | $ .34 | $ .57 | $ .43 |
| Pro forma | $ .36 | $ .33 | $ .53 | $ .41 |
| Net earnings per share -- diluted: | | | | |
| As reported | $ .37 | $ .33 | $ .56 | $ .42 |
| Pro forma | $ .36 | $ .32 | $ .53 | $ .40 |

On April 29, 2003, our shareholders approved the 2003 Equity Incentive Plan of Manpower Inc. Under this plan, all of our employees and directors are eligible to receive stock options, stock appreciation rights, restricted stock, and deferred stock grants. There are 4.5 million shares of common stock available for grant under this plan. Grants under this plan are determined on a basis consistent with that of previously existing plans. We anticipate that grants to directors will be modified to allow for deferred stock grants, rather than stock options, in lieu of certain cash compensation. Deferred stock grants may be settled in cash, shares of our common stock, or a combination thereof. We will no longer make any grants under our 1994 Executive Stock Option and Restricted Stock Plan.

During the second quarter of 2003, we recognized $.2 of expense, net of tax, related to restricted stock grants.

Recently Issued Accounting Standards

During April 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Accounting Standards ("SFAS") No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which amends and clarifies financial accounting and reporting for certain derivative instruments. We do not anticipate the adoption of this statement to have a material impact on our consolidated financial statements, as we are not currently a party to derivative financial instruments addressed by this standard.

During May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," which establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. We do not anticipate the adoption of this statement to have a material impact on our consolidated financial statements, as we are not currently a party to such instruments addressed by this standard.

(2) Income Taxes

We provided for income taxes during the first six months of 2003 at a rate of 39.0%, based on our current estimate of the annual effective tax rate. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates, valuation reserves recorded against foreign net operating losses and U.S. taxes on foreign earnings. For the year ended December 31, 2002 we provided for income taxes at a rate of 39.8%. The estimated effective tax rate for 2003 is lower than the 2002 rate due to estimated changes in the mix of taxable income between countries.

(3) Earnings Per Share

The calculations of Net earnings per share and Net earnings per share -- diluted are as follows:

| | 3 MONTHS ENDED JUNE 30, | | 6 MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Net earnings per share: | | | | |
| Net earnings available to common shareholders | $ 29.1 | $ 25.7 | $ 44.0 | $ 32.6 |
| Weighted average common shares outstanding | 77.5 | 75.9 | 77.4 | 76.0 |
| | $ .38 | $ .34 | $ .57 | $ .43 |
| Net earnings per share -- diluted: | | | | |
| Net earnings available to common shareholders | $ 29.1 | $ 25.7 | $ 44.0 | $ 32.6 |
| Weighted average common shares outstanding | 77.5 | 75.9 | 77.4 | 76.0 |
| Effect of dilutive stock options | .8 | 1.6 | .8 | 1.6 |
| | 78.3 | 77.5 | 78.2 | 77.6 |
| | $ .37 | $ .33 | $ .56 | $ .42 |

The calculation of Net earnings per share -- diluted 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 the period. There were 683,000 and 12,000 of such shares excluded from the calculation for the three months ended June 30, 2003 and 2002, respectively, and 2,405,000 and 50,000 of such shares excluded from the calculation for the six months ended June 30, 2003 and 2002, respectively.

In addition, there were 6.1 million shares of common stock that were contingently issuable under our Debentures for both the three and six month periods ended June 30, 2003 and 2002. Such shares are excluded from the calculation of Net earnings per share -- diluted based upon the terms of the Debentures and our intent to settle any potential "put" of the Debentures 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.

The contingently issuable shares under the Debentures will be included in the calculation of Net earnings per share -- diluted when the shares become issuable under the conversion feature of the Debentures. This will occur when the average share price is 110% of the accreted value of the Debentures at the beginning of the conversion period, as defined by the agreement or in certain other circumstances. Given the accreted value of the Debentures at the beginning of the current conversion period, the average share price, during the period, will have to be approximately $46 per share for the shares to be issuable.

(4) Accounts Receivable Securitization

During March 2003, our Japanese subsidiary had transferred their interests in Yen3,006.0 ($25.5) of their accounts receivable under a securitization agreement and during June 2003, they terminated this agreement and replaced it with an overdraft facility. Upon termination, we were required to repay the entire amount initially transferred, which is included in repayments of long-term debt on our consolidated statements of cash flows for 2003.

During July 2003, we amended our Receivables Facility in the United States to expire in July 2004. All other terms remain unchanged and as of June 30, 2003 there were no amounts advanced under this agreement.

(5) Derivative Financial Instruments

During March 2003, we repaid Yen4,000.0 (approximately $34.0) that was outstanding under our Five-year Facility as of December 31, 2002. In connection with this repayment, we also terminated our interest rate swap agreement with a notional value of Yen4,000.0, which was scheduled to expire in June 2003, for a nominal amount.

(6) Shareholders' Equity

Comprehensive income (loss) consists of the following:

| | 3 MONTHS ENDED JUNE 30, | | 6 MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Net earnings | $ 29.1 | $ 25.7 | $ 44.0 | $ 32.6 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustments | 44.9 | 50.0 | 55.2 | 36.5 |
| Unrealized gain (loss) on available for sale securities -- net of tax | 2.0 | (.8) | 2.3 | (2.8) |
| Unrealized gain (loss) on derivative financial instruments -- net of tax | 4.0 | (2.6) | 1.2 | (1.0) |
| Comprehensive income (loss) | $ 80.0 | $ 72.3 | $ 102.7 | $ 65.3 |

On April 29, 2003, the Board of Directors declared a cash dividend of $.10 per share, which was paid on June 16, 2003 to shareholders of record on June 3, 2003.

(7) Interest and Other Expense (Income)

Interest and other expense (income) consists of the following:

| | 3 MONTHS ENDED JUNE 30, | | 6 MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Interest expense | $ 10.4 | $ 10.5 | $ 20.4 | $ 20.4 |
| Interest income | (2.1) | (2.1) | (4.5) | (4.7) |
| Foreign exchange gains | (.3) | (.9) | (1.5) | (.7) |
| Miscellaneous, net | 1.2 | 2.1 | 3.4 | 2.6 |
| Total | $ 9.2 | $ 9.6 | $ 17.8 | $ 17.6 |

(8) Segment Data

| | 3 MONTHS ENDED JUNE 30, | | 6 MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Revenues from services: | | | | |
| United States (a) | $ 483.9 | $ 474.9 | $ 947.4 | $ 903.6 |
| France | 1,172.0 | 943.3 | 2,126.6 | 1,710.4 |
| EMEA | 951.2 | 830.1 | 1,837.6 | 1,594.3 |
| Other Operations | 406.3 | 354.6 | 780.5 | 678.6 |
| | $ 3,013.4 | $ 2,602.9 | $ 5,692.1 | $ 4,886.9 |
| Operating unit profit: | | | | |
| United States | $ 10.3 | $ 8.3 | $ 13.0 | $ 3.4 |
| France | 41.9 | 32.7 | 68.8 | 54.9 |
| EMEA | 7.6 | 16.7 | 17.4 | 27.7 |
| Other Operations | 6.5 | 1.6 | 8.9 | (.2) |
| | 66.3 | 59.3 | 108.1 | 85.8 |
| Corporate expenses | 9.3 | 7.4 | 18.1 | 15.2 |
| Amortization of other intangible assets | -- | .1 | -- | .1 |
| Interest and other expense | 9.2 | 9.6 | 17.8 | 17.6 |
| Earnings before income taxes | $ 47.8 | $ 42.2 | $ 72.2 | $ 52.9 |

(a) United States revenues above represent revenues from our Company-owned branches only. U.S. Systemwide sales information is provided on page 22.

Item 2 -- Management's Discussion and Analysis of Financial Condition and Results of Operations

Operating Results - Three Months Ended June 30, 2003 and 2002

Revenues from services increased 15.8% to $3,013.4 million for the second quarter of 2003 from the same period in 2002. 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 1.0%. Revenue growth in the second quarter of 2003 attributable to acquisitions was approximately $5 million or .2% of revenue. Systemwide sales were $3,301.6 million and $2,892.1 million for the second quarter of 2003 and 2002, respectively. (See Financial Measures on pages 21 and 22 for further information on constant currency and Systemwide sales.)

Gross profit increased 11.6% to $521.5 million for the second quarter of 2003. Gross profit margin was 17.3%, a decrease of 70 basis points (.7%) from the second quarter of 2002. This decrease was attributable to changes in the geographical mix of business, payroll tax and social cost increases, a change in the service mix of business and pricing pressures experienced throughout the world. Gross profit growth from acquisitions was minimal and had no impact on gross profit margin.

Selling and administrative expenses increased 11.7% from the second quarter of 2002, to $464.5 million in the second quarter of 2003. This increase is primarily due to the changes in exchange rates, as these expenses decreased 1.6% on a constant currency basis. As a percent of revenues, Selling and administrative expenses were 15.4% in the second quarter of 2003 compared to 16.0% in the second quarter of 2002. The improvement in this ratio is a result of careful expense management in conjunction with growing revenues.

Operating profit increased 10.1% for the second quarter of 2003 compared to 2002 resulting in an operating profit margin of 1.9% in 2003 compared to 2.0% in 2002. On a constant currency basis, Operating profit decreased 8.5%. Acquisitions did not have an impact on Operating profit.

Interest and other expense decreased $.4 million from the second quarter of 2002 to $9.2 million in the second quarter of 2003. Net interest expense decreased $.1 million in the quarter to $8.3 million. Translation gains were $.3 million in the second quarter of 2003 compared to $.9 million in the second quarter of 2002. Miscellaneous expenses, net decreased $.9 million and consist of bank fees and other non-operating expenses and income.

We provided for income taxes during the second quarter of 2003 at a rate of 39.0%, based on our current estimate of the annual effective tax rate. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates, valuation reserves recorded against foreign net operating losses and U.S. taxes on foreign earnings. For the year ended December 31, 2002 we provided for income taxes at a rate of 39.8%. The estimated effective tax rate for 2003 is lower than the 2002 rate due to estimated changes in the mix of taxable income between countries.

Net earnings per share, on a diluted basis, increased 12.1% to $.37 in the second quarter of 2003 compared to $.33 in the second quarter of 2002. In constant currency, Net earnings per share, on a diluted basis, decreased 9.1%. The change in foreign currency exchange rates positively impacted Net earnings per share, on a diluted basis, by approximately $.07 in the second quarter of 2003.

## Segment Operating Results

### United States

The United States experienced an increase in revenues of 1.9% for the second quarter of 2003 compared to 2002, reflecting a decline in revenue growth from the first quarter growth rate of 8.1%. Growth in the light industrial sector slowed during the quarter (an increase of 1% in the second quarter compared to growth of 13% in the first quarter), while we saw improvement in the office sector and continued growth in the professional sector of 7% for the quarter. Franchise acquisitions added 1.1% to revenue growth in the United States for the quarter. Revenues for the first half of 2003 increased 4.8% from the same period in the prior year (3.5% excluding franchise acquisitions). Systemwide sales were $727.4 million and $724.3 million for the first quarter of 2003 and 2002, respectively, and $1,415.3 million and $1,378.3 million for the first half of 2003 and 2002, respectively. (See page 22 for further information on Systemwide sales in the United States.)

Operating unit profit ("OUP") margin in the United States was 2.1% and 1.7% for the second quarter of 2003 and 2002, respectively, and 1.4% and .4% for the first half of 2003 and 2002, respectively. The year-over-year improvement in OUP margin during 2003 was due to the leveraging impact of the increased revenue levels and the continued cost control efforts. The impact of the cost control efforts was partially offset by a decrease in gross profit margin, which resulted from higher state unemployment taxes and a shift in business mix.

### France

In France, revenues increased 24.3% (.6% in Euro) during the second quarter of 2003 compared to 2002. This quarterly growth rate, in Euro, reflects a slowing demand for services experienced throughout the quarter. It represents a decrease from the growth rate of 1.6% experienced during the fist quarter of 2003 and 4.3% during the fourth quarter of 2002.

During the second quarter of 2003 and 2002, OUP margin in France was 3.6% and 3.5%, respectively. The OUP margin was 3.2% for the first half of 2003 and 2002. Our continued cost control efforts offset a slight decline in the year-over-year gross profit margin.

### EMEA

In EMEA, which represents operations throughout Europe, the Middle East and Africa (excluding France), revenues increased 14.6%, but declined 2.7% in constant currency for the second quarter of 2003 compared to 2002. For the first half of 2003, revenues for EMEA were 15.3% above prior year levels (down 2.1% in constant currency). Positive year-over-year revenue variances were experienced in Germany, Italy, Spain and our Brook Street operations, while negative variances were experienced in The Netherlands, the Nordics and our Manpower UK operations due to continued weakening in those markets.

OUP margin for EMEA was .8% and 2.0% for the second quarter of 2003 and 2002, respectively, and .9% and 1.7% for the first half of 2003 and 2002, respectively. The decline in OUP margin was primarily the result of decreased gross profit margins due to changes in both the geographical and service mix of business, higher social costs, and pricing pressures in The Netherlands.

Other Operations

Revenues of Other Operations increased 14.6% (9.5% in constant currency) during the second quarter of 2003 compared to 2002. For the first six months of 2003, revenue increased 15.0% from 2002 (11.1% in constant currency). The majority of markets in this segment experienced revenue increases, in constant currency, during the second quarter and the first half of 2003.

The OUP margin for Other Operations in the second quarter of 2003 and 2002 was 1.6% and .4%, respectively, and 1.1% and 0% in the first half of 2003 and 2002, respectively. This improvement is the result of higher gross profit margins and good cost control, particularly in Japan.

Operating Results - Six Months Ended June 30, 2003 and 2002

Revenues from services increased 16.5% to $5,692.1 million for the first half of 2003 from the same period in 2002. 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 2.1%. Revenue growth in the first half of 2003 attributable to acquisitions was approximately $13 million or .3% of revenues. Systemwide sales were $6,241.0 million and $5,432.1 million for the first half of 2003 and 2002, respectively. (See Financial Measures on pages 21 and 22 for further information on constant currency and Systemwide sales.)

Gross profit increased 11.9% to $987.5 million for the first half of 2003. Gross profit margin was 17.3%, a decrease of 70 basis points (.7%) from the first half of 2002. This decrease was attributable to changes in the geographical mix of business, payroll tax and social cost increases, a change in the service mix of business and pricing pressures experienced throughout the world. Gross profit growth from acquisitions was approximately $1.5 million, which had no impact on gross profit margin.

Selling and administrative expenses increased 10.5% from the first half of 2002, to $897.5 million in the first half of 2003. This increase is primarily due to the changes in exchange rates, as these expenses decreased 2.4% on a constant currency basis. As a percent of revenues, Selling and administrative expenses were 15.8% in the first half of 2003 compared to 16.6% in the first half of 2002. The improvement is a result of careful expense management in conjunction with growing revenues.

Operating profit increased 27.7% for the first half of 2003 compared to 2002 resulting in an operating profit margin of 1.6% in 2003 compared to 1.4% in 2002. The increased Operating profit level primarily reflects the improved leveraging of the business experienced during the first quarter of 2003. On a constant currency basis, Operating profit increased 4.1%. Acquisitions did not have an impact on Operating profit.

Interest and other expense increased $.2 million from the first half of 2002 to $17.8 million in the first half of 2003. Net interest expense increased $.2 million in 2003 to $15.9 million. Translation gains were $1.5 million in the first half of 2003 compared to $.7 million in the first half of 2002. Miscellaneous expenses, net increased $.8 million in the first half of 2003 compared to 2002 and consist of bank fees and other non-operating expenses and income.

We provided for income taxes during the first six months of 2003 at a rate of 39.0%, based on our current estimate of the annual effective tax rate. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates, valuation reserves recorded against foreign net operating losses and U.S. taxes on foreign earnings. For the year ended December 31, 2002 we provided for income taxes at a rate of 39.8%. The estimated effective tax rate for 2003 is lower than the 2002 rate due to estimated changes in the mix of taxable income between countries.

Net earnings per share, on a diluted basis, increased 33.3% to $.56 in the first six months of 2003 compared to $.42 in 2002. In constant currency, Net earnings per share, on a diluted basis, increased 2.4%. The change in foreign currency exchange rates positively impacted Net earnings per share, on a diluted basis, by approximately $.13 in 2003.

Liquidity and Capital Resources

Cash provided by operating activities was $17.7 million in the first half of 2003 compared to $38.1 million for the same period in 2002. This decrease mainly reflects the changes in operating assets and liabilities due primarily to the timing of vendor and payroll-related payments offset by a one-day improvement in our year-over-year consolidated days sales outstanding ("DSO").

Capital expenditures were $23.8 million in the first half of 2003 compared to $31.0 million during the first half of 2002. 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.

Net cash used to repay borrowings was $44.5 million in the first half of 2003 compared to $17.3 million of net cash provided by borrowings during the first half of 2002.

We have aggregate commitments related to debt repayments, operating leases and other commitments of $1,245.9 million as of June 30, 2003 compared to $1,235.5 million as of December 31, 2002. This increase primarily reflects the impact of changes in foreign currency exchange rates since December 31, 2002.

We also have entered into guarantee contracts and stand-by letters of credit that total approximately $116.5 million and $111.1 million as of June 30, 2003 and December 31, 2002, respectively ($44.3 million and $39.4 million for guarantees, respectively, and $72.2 million and $71.7 million for stand-by letters of credit, respectively). The guarantees primarily relate to government requirements for operating a temporary service company in certain countries, operating leases, bank accounts and indebtedness. 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 discussed above.

Accounts receivable increased to $2,437.8 million as of June 30, 2003 from $2,214.2 million as of December 31, 2002. This increase is due to changes in foreign currency exchange rates and higher seasonal business volume. At December 31, 2002 exchange rates, the June 30, 2003 balance would have been approximately $155.0 million less than reported.

During March 2003, our Japanese subsidiary had transferred their interests in Yen3,006.0 million ($25.5 million) of their accounts receivable under a securitization agreement and during June 2003, they terminated this agreement and replaced it with an overdraft facility. Upon termination, we were required to repay the entire amount initially transferred, which is included in repayments of long-term debt on our consolidated statements of cash flows for 2003.

During July 2003, we amended our Receivables Facility in the United States to expire in July 2004. All other terms remain unchanged and as of June 30, 2003 there were no amounts advanced under this agreement. Currently, there is $200.0 million eligible to be advanced to us under this agreement.

During March 2003, we repaid Yen4,000.0 million (approximately $34.0 million) that was outstanding under our Five-year Facility as of December 31, 2002. In connection with this repayment, we also terminated our interest rate swap agreement with a notional value of Yen4,000.0 million, which was scheduled to expire in June 2003, for a nominal amount.

As of June 30, 2003, we had borrowings of $149.8 million and letters of credit of $72.2 million outstanding under our Five-year Facility, and there were no borrowings outstanding under our U.S. commercial paper program. Additional borrowings of $510.3 million were available to us under our Five-year Facility and 364-day Facility as of June 30, 2003.

We also maintain separate lines of credit with foreign financial institutions to meet working capital needs of our foreign operations. As of June 30, 2003, such lines totaled $229.8 million, of which $220.2 million was unused.

Certain of our debt agreements require, 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 agreements, we had a Debt-to-EBITDA ratio of 2.72 to 1 and a fixed charge ratio of 2.38 to 1 as of June 30, 2003. Based upon current forecasts, we expect to be in compliance with these covenants throughout 2003.

Goodwill Impairment

In connection with SFAS No. 142, "Goodwill and Other Intangible Assets," we are required to perform goodwill impairment reviews, at least annually, using a fair-value-based approach. The majority of our goodwill results from our acquisitions of Elan and Jefferson Wells, as well as the development of our Empower operations.

We primarily use a discounted cash flow analysis in our impairment reviews to estimate fair value. 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. The revenue growth rates and operating unit profit margins are based on our expectation of future results.

Our operating results, including those of our more specialized operations, continue to be negatively impacted by the worldwide economic conditions, and during the first six months of 2003, the results of certain of our specialized operations were below the level forecasted during our most recent impairment review. During the third quarter, we will perform our annual impairment review for 2003.

Lower earnings levels, or changes to other assumptions, could significantly impact our estimate of the fair value of our reporting units. Such a change could result in a goodwill impairment charge, which could have a significant impact on the reportable segments that include the related acquisitions and our consolidated financial statements.

Legal Regulations

During 2002, the French government passed legislation related to various social programs, including the 35-hour workweek, minimum working wage and social contribution subsidies. At the time of filing our 2002 Annual Report to Shareholders it was difficult to estimate the impact of these changes on our future financial results. We estimated at the time that the maximum possible impact of the legislation would be a reduction of euro 10 million in gross profit in each of the second half of 2003 and the first half of 2004.

The rules surrounding these social programs have now been finalized and we do not anticipate that there will be a material impact on our financial results in either 2003 or 2004.

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 is no longer being discussed in the European Parliament, and it is not expected to be passed in its current form, if at all. 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 April 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Accounting Standards ("SFAS") No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which amends and clarifies financial accounting and reporting for certain derivative instruments. We do not anticipate the adoption of this statement to have a material impact on our consolidated financial statements, as we are not currently a party to derivative financial instruments addressed by this standard.

During May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," which establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. We do not anticipate the adoption of this statement to have a material impact on our consolidated financial statements, as we are not currently a party to such instruments addressed by this standard.

## Forward-Looking Statements

Statements made in this quarterly 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, 2002, 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.

## Item 3 -- Quantitative and Qualitative Disclosures About Market Risk

Our 2002 Annual Report on Form 10-K contains certain disclosures about market risks affecting us. There have been no material changes to the information provided which would require additional disclosures as of the date of this filing, except for the termination of our interest rate swap agreement with a notional value of Yen4,000.0 million that was previously identified.

## Item 4 - 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 ("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 the end of the period covered by this report.

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.

PART II - OTHER INFORMATION

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

On April 29, 2003, at our Annual Meeting of Shareholders (the "Annual Meeting") our shareholders voted on proposals to: (1) elect three directors to serve until 2006 as Class I directors; (2) approve the 2003 Equity Incentive Plan of Manpower Inc.; and (3) ratify the appointment of PricewaterhouseCoopers LLP as our independent auditors for 2003. In addition, Willie D. Davis and Terry A. Hueneke continued as Class II directors (term expiring 2004), and J. Thomas Bouchard, Rozanne L. Ridgeway and Edward J. Zore continued as Class III directors (term expiring 2005). The results of the proposals voted upon at the Annual Meeting are as follows:

| | For | Against | Withheld | Abstain | Broker Non-Vote |
|---|---|---|---|---|---|
| 1. a) Election of Jeffery A. Joerres | 64,200,146 | -- | 761,013 | -- | -- |
| b) Election of Dennis Stevenson | 41,221,430 | -- | 23,739,729 | -- | -- |
| c) Election of John R. Walter | 61,585,289 | -- | 3,375,870 | -- | -- |
| 2. Approval of the 2003 Equity Incentive Plan of Manpower Inc. | 41,336,927 | 19,408,954 | -- | 471,412 | 3,743,866 |
| 3. Ratification of PricewaterhouseCoopers LLP as independent auditors | 63,938,071 | 1,007,181 | -- | 15,907 | -- |

Item 5 -- Other Information

The following audit-related and non-audit services performed or to be performed for us by our independent auditors, PricewaterhouseCoopers, LLP were pre-approved in accordance with our policy on non-audit services during the second quarter:

(a) audit-related services including:

(i) the provision of audits and reviews of pension and other retirement plans and related consultation;

(ii) assistance and consultation regarding the application of accounting principles;

(iii) assistance in the registration and issuance of securities; and

(iv) advisory services related to our Section 404 documentation.

(b) assistance in the preparation and filing of our international tax returns;

(c) federal, state and international tax planning strategies; and

(d) transfer pricing documentation work.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 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.

12.1 Statement Regarding Computation of Ratio of Earnings to Fixed Charges.

99.1 Certification of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.

99.2 Certification of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to Section 13a-14(a) of the Securities Exchane Act of 1934.

99.3 Statement of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to 18 U.S.C. ss. 1350.

99.4 Statement of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. ss. 1350.

(b) During the quarter ended June 30, 2003, we filed one current report on Form 8-K dated June 12, 2003 with respect to Item 5 -- Other Events and two current reports on Form 8-K dated April 15, 2003 with respect to Item 12 -- Results of Operations and Financial Condition.

## FINANCIAL MEASURES

### Constant Currency

Changes in our revenues and operating profits include the impact of changes in foreign currency exchange rates. We provide "constant currency" calculations in this Quarterly Report to remove this impact. We typically express year-over-year variances that are calculated in 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 rarely 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 generally impact only reported earnings and not our actual cash flow or economic condition.

| | 3 MONTHS ENDED JUNE 30, 2003 | | | 6 MONTHS ENDED JUNE 30, 2003 | | |
|---|---|---|---|---|---|---|
| | Reported Variance | Impact of Currency | Variance in Constant Currency | Reported Variance | Impact of Currency | Variance in Constant Currency |
| | (Unaudited) | | | | | |
| Revenues from services: | | | | | | |
| France | 24.3% | 23.7% | .6% | 24.3% | 23.2% | 1.1% |
| EMEA | 14.6 | 17.3 | (2.7) | 15.3 | 17.4 | (2.1) |
| Other Operations | 14.6 | 5.1 | 9.5 | 15.0 | 3.9 | 11.1 |
| Manpower Inc. | 15.8 | 14.8 | 1.0 | 16.5 | 14.4 | 2.1 |
| Gross profit | 11.6 | 14.0 | (2.4) | 11.9 | 13.7 | (1.8) |
| Selling and administrative expenses | 11.7 | 13.3 | (1.6) | 10.5 | 12.9 | (2.4) |
| Operating profit | 10.1 | 18.6 | (8.5) | 27.7 | 23.6 | 4.1 |
| Net earnings per share -- diluted | 12.1 | 21.2 | (9.1) | 33.3 | 30.9 | 2.4 |

Systemwide Sales

Systemwide sales represents revenues from our branch offices plus the sales activity of locations operating under a franchise agreement with us. We consider Systemwide sales to be important because it is a measure of the total market share of all entities operating under our various brands. In the United States, Systemwide sales relates to entities operating under the Manpower brand. Calculations of Systemwide sales on a consolidated basis and for the United States are provided below.

| 3 MONTHS ENDED JUNE 30 (in millions) | CONSOLIDATED | | UNITED STATES | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| | (Unaudited) | | | |
| Revenue from services | $3,013.4 | $ 2,602.9 | $ 483.9 | $ 474.9 |
| Less: Franchise fees | 5.9 | 6.0 | 4.9 | 5.5 |
| Add: Franchise sales | 294.1 | 295.2 | 248.4 | 254.9 |
| Systemwide sales | $3,301.6 | $ 2,892.1 | $ 727.4 | $ 724.3 |

| 6 MONTHS ENDED JUNE 30 (in millions) | CONSOLIDATED | | UNITED STATES | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| | (Unaudited) | | | |
| Revenue from services | $5,692.1 | $ 4,886.9 | $ 947.4 | $ 903.6 |
| Less: Franchise fees | 11.9 | 12.3 | 10.1 | 10.4 |
| Add: Franchise sales | 560.8 | 557.5 | 478.0 | 485.1 |
| Systemwide sales | $6,241.0 | $ 5,432.1 | $ 1,415.3 | $ 1,378.3 |

## SIGNATURES

Pursuant to the requirements 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.
--------------------------------------------------
(Registrant)

Date: August 4, 2003

/s/ Michael J. Van Handel
--------------------------------------------------
Michael J. Van Handel
Executive Vice President, Chief Financial Officer, and Secretary (Signing on behalf of the Registrant and as the Principal Financial Officer and Principal Accounting Officer)

EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 10.1 | 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. |
| 12.1 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges. |
| 99.1 | Certification of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to Section 13a-14 (a) of the Securities Exchange Act of 1934. |
| 99.2 | 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. |
| 99.3 | Statement of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to 18 U.S.C. ss. 1350. |
| 99.4 | Statement of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. ss. 1350. |

EXHIBIT 10.1

# 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.

FEBRUARY 18, 2003

## 1. DEFINITIONS

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

(a) An "Election Date" shall mean the date of the Director's initial appointment to the Board of Directors and thereafter November 5 of any year.

(b) An "Election Period" shall mean the period beginning November 5, 2001, and ending November 4, 2006, or a subsequent period of five years beginning on the day following the end of the prior Election Period.

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

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

(e) "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 OPTIONS.

(a) Elective Options. A Director may elect to receive, in lieu of all cash compensation to which he or she would otherwise be entitled as a Director (other than reimbursement for expenses), an Option granted in accordance with the following. The election shall cover a period of whole years (except as provided below) determined by the Director at the time of election beginning on any Election Date as of which no prior election is in effect under these Terms and Conditions (or similar election under the Procedures Governing the Grant of Options to Non-Employee Directors Under the 1994 Executive Stock Option and Restricted Stock Plan of the Company or under the Deferred Stock Plan of the Company), and ending no later than the expiration of the then current Election Period. If the Election Date is other than November 5 of any year, the first year covered by an election shall be a partial year beginning on the Election Date and ending on the next succeeding November 4, and the number of shares covered by the Option for this first partial year shall be prorated (rounded to the nearest whole share) based on the ratio of the number of days in such partial year to 365. The election to receive an Option in lieu of cash compensation must be made on or before the commencement of the period covered by the election, except that for an election made by a Director in connection with his or her initial appointment to the Board of Directors, the election may be made within the first 10 days following the date of such appointment. Notwithstanding the foregoing, no Director who is a resident of the United Kingdom shall be eligible to make an election hereunder but rather shall be required to receive an Option in lieu of cash compensation and, as such, treated as if he or she had made an election covering a period of five years effective beginning on each Election Date as of which no prior election is in effect. The Option will be for the following number of shares, subject to adjustment pursuant to Paragraph 2(b), below:

| Years of Cash Compensation Waived | Shares Covered by Option |
|---|---|
| 5 | 50,000 |
| 4 | 40,000 |
| 3 | 30,000 |
| 2 | 20,000 |
| 1 | 10,000 |

Said election shall be in writing and delivered to the Secretary of the Company. The date of grant of the Option shall be the date on which the period covered by the election begins. The Company shall effect the granting of Options under these Terms and Conditions by the execution of Option Agreements. Instead of electing to receive an Option in lieu of all cash compensation as provided above, a Director may make such election for only 75 percent or 50 percent of such cash compensation. In such event, the Option will be for 75 percent or 50 percent, respectively, of the number of shares otherwise provided above, again subject to adjustment pursuant to Paragraph 2(b), below.

(b) Adjustment Based on Changes in the Market Price of Shares. For any Option granted pursuant to Paragraph 2(a) after November 5, 2001, each of the numbers in the schedule in Paragraph 2(a), above, under "Shares Covered by Option" shall be adjusted, in accordance with the following formula, to equal the value of X, where

$$X = \frac{\text{Number shown in schedule} \times \$28.38}{\text{Market Price on the business day immediately proceeding the date of grant}}$$

3. OPTIONS: GENERAL PROVISIONS

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

(b) Exercise Period. The following shall apply for Options granted pursuant to these Terms and Conditions:

(1) An Option shall not initially be exercisable. On November 5 of each year following the date of grant of an Option, the Option shall become exercisable as to a number of shares equal to that number attributable to a period of one year under the Option. Notwithstanding the foregoing sentence, if an election covers a partial year as provided in Paragraph 2(a), above, then with respect to the number of shares attributable to that partial year the Option shall become exercisable on the later of the November 5 following the date of grant or the day that is six months after the date of grant, and thereafter the foregoing sentence shall apply to the Option.

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

(A) The Option shall become immediately exercisable as to a prorated number of Shares based on the time served during the one-year period (or partial-year period, if applicable) indicated in Paragraph 3(b)(1), above, in which termination occurs; provided, however, that for this purpose, any Director whose term expires in any year who does not stand for election at the Annual Meeting of Shareholders that year but continues to serve until the date of such meeting will be treated as if he or she had served through November 4 of such year.

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

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

(4) Once any portion of an Option becomes exercisable, it shall remain exercisable until the earlier of (A) ten years after the date of grant or (B) 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 three months after the date the Director's membership on the Board of Directors terminates in any other circumstances.

4. APPLICATION OF PLAN.

Except as otherwise provided in these Terms and Conditions, the Equity Plan shall apply to any 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)

| | 6 MONTHS ENDED JUNE 30, 2003 | 6 MONTHS ENDED JUNE 30, 2002 |
|---|---|---|
| Earnings: | | |
| Earnings before income taxes | $ 72.2 | $ 52.9 |
| Fixed charges | 60.9 | 56.2 |
| | $ 133.1 | $ 109.1 |
| Fixed charges: | | |
| Interest (expensed or capitalized) | $ 20.4 | $ 20.4 |
| Estimated interest portion of rent expense | 40.5 | 35.8 |
| | $ 60.9 | $ 56.2 |
| Ratio of earnings to fixed charges | 2.2 | 1.9 |

YEARS ENDED DECEMBER 31, ------------------------------------------------- 2002 2001 2000 1999 1998 -------- -------- -------- -------- -------- Earnings: Earnings before income taxes $ 188.0 $ 197.9 $ 265.2 $ 205.8 $ 113.8 Fixed charges 116.5 107.4 94.0 71.6 65.1 ------- ------- ------- ------- ------- $ 304.5 $ 305.3 $ 359.2 $ 277.4 $ 178.9 ======= ======= ======= ======= ======= Fixed charges: Interest (expensed or capitalized) $ 42.4 $ 39.1 $ 35.0 $ 17.3 $ 19.2 Estimated interest portion of rent expense 74.1 68.3 59.0 54.3 45.9 ------- ------- ------- ------- ------- $ 116.5 $ 107.4 $ 94.0 $ 71.6 $ 65.1 ======= ======= ======= ======= ======= Ratio of earnings to fixed charges 2.6 2.8 3.8 3.9 2.7 ======== ======= ======== ======== ======== 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 99.1

# CERTIFICATION

I, Jeffrey A. Joerres, Chairman and Chief Executive Officer of Manpower Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q 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)) 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) 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

(c) 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: August 4, 2003

/s/ Jeffrey A. Joerres

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Jeffrey A. Joerres
Chairman, Chief Executive Officer

EXHIBIT 99.2

CERTIFICATION

I, Michael J. Van Handel, Executive Vice President and Chief Financial Officer of Manpower Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q 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)) 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) 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

(c) 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: August 4, 2003

/s/ Michael J. Van Handel

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Michael J. Van Handel
Executive Vice President,
Chief Financial Officer

EXHIBIT 99.3

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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 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: August 4, 2003

/s/ Jeffrey A. Joerres

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Jeffrey A. Joerres
Chairman, Chief Executive Officer

This certification accompanies this Quarterly Report on Form 10-Q 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. A signed original of this written statement required by Section 906 has been provided to Manpower Inc. and will be retained by Manpower Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.4

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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 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: August 4, 2003

/s/ Michael J. Van Handel

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Michael J. Van Handel
Executive Vice President,
Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q 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. A signed original of this written statement required by Section 906 has been provided to Manpower Inc. and will be retained by Manpower Inc. and furnished to the Securities and Exchange Commission or its staff upon request.