



Manpower Reports 3rd Quarter 2003 Results

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MILWAUKEE, Wis., Oct. 16 /PRNewswire-FirstCall/ -- Manpower Inc. (NYSE: MAN) today reported that net income for the three months ended September 30, 2003 increased 8.0 percent to \$43.8 million, or 56 cents per diluted share, from \$40.5 million, or 52 cents per diluted share, a year earlier. Revenues for the third quarter totaled \$3.2 billion, an increase of 11.0 percent from the year-earlier period. Systemwide sales were \$3.5 billion. Results for the third 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 49 cents on a 1.8 percent revenue increase.

Jeffrey A. Joerres, Manpower Chairman and CEO, said: "Once again we were able to deliver a solid quarter despite the persistently difficult economic environment. We entered the third quarter anticipating a year-over-year deceleration across the network. In fact, most regions were flat to slightly positive. The result of the better performances in France and Europe accounted for the increase from anticipated earnings.

"This quarter, more than any other in 2003, we sensed stronger signals for a meaningful recovery. However, clearly we are unable to call an end to the current labor market challenges," stated Joerres. "Most importantly, while the staffing market in general is experiencing pricing pressure, our new and existing customers have recognized Manpower's value which contributed to the successful third quarter.

"As we look ahead to the fourth quarter, we are assuming no dramatic movements in any of the major geographies in which we operate. Therefore, we anticipate the fourth quarter earnings per share will be between 49 and 53 cents or \$1.61 and \$1.65 for 2003. We anticipate a 7 cent favorable impact from currency in the quarter."

Net income for the nine months ended September 30, 2003 totaled \$87.8 million or \$1.12 per diluted share, an increase of 20.2 percent from \$73.1 million, or 94 cents per diluted share in 2002. Revenues for the nine-month period were \$8.9 billion, an increase of 14.4% from the prior year. Systemwide sales were \$9.8 billion. On a constant currency basis, earnings per diluted share for the nine-month period were 92 cents on a 2.0 percent revenue increase.

In conjunction with its third quarter earnings release, Manpower will broadcast its conference call live over the Internet on October 16, 2003 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>.

The systemwide sales and constant currency amounts included in this press release are further explained on the attached Results of Operations. Supplemental financial information referenced in the conference call can be found at <http://investor.manpower.com>.

Manpower Inc. is a world leader in the staffing industry, providing workforce management services and solutions to customers through 4,000 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, <http://www.manpower.com>.

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, 2002, 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 September 30		% Variance	
	2003	2002	Amount Reported	Constant Currency
			(Unaudited)	
Systemwide sales (a)	\$3,510.3	\$3,183.5	10.3%	
Revenue from services	3,203.2	2,885.9	11.0%	1.8%
Cost of services	2,653.6	2,373.6	11.8%	
Gross profit	549.6	512.3	7.3%	-1.4%
Selling and administrative expenses	470.8	435.1	8.2%	0.0%
Operating profit	78.8	77.2	2.0%	-9.3%

Interest and other expenses	9.4	11.3	-17.5%	
Earnings before income taxes	69.4	65.9	5.4%	
Provision for income taxes	25.6	25.4	1.2%	
Net earnings	\$43.8	\$40.5	8.0%	-5.0%
Net earnings per share - basic	\$0.56	\$0.53	5.7%	
Net earnings per share - diluted	\$0.56	\$0.52	7.7%	-5.8%
Weighted average shares - basic	77.7	76.6	1.4%	
Weighted average shares - diluted	78.8	77.4	1.8%	

(a) Systemwide sales represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales is calculated as follows:

Revenue from services	\$3,203.2	\$2,885.9
Less: Franchise fees	6.9	6.7
Add: Franchise sales	314.0	304.3
Systemwide sales	\$3,510.3	\$3,183.5

Manpower Inc.
Operating Unit Results
(In millions)

	Three Months Ended September 30			
	2003	2002	% Variance Amount Constant Reported Currency	
	(Unaudited)			
Revenues from services:				
United States (a)	\$500.6	\$512.8	-2.4%	-2.4%
France	1,279.1	1,103.3	15.9%	1.3%
EMEA	993.1	906.6	9.5%	0.1%
Other Operations	430.4	363.2	18.5%	13.6%
	\$3,203.2	\$2,885.9	11.0%	1.8%
Operating Unit Profit:				
United States	\$11.0	\$12.4	-11.7%	-11.7%
France	51.3	40.6	26.4%	10.4%
EMEA	17.3	28.5	-39.2%	-44.5%
Other Operations	7.6	2.7	177.5%	152.6%
	87.2	84.2		
Corporate expenses	8.4	7.0		
Amortization of other intangible assets	--	--		
Operating profit	78.8	77.2	2.0%	-9.3%
Interest and other expenses (b)	9.4	11.3		
Earnings before income taxes	\$69.4	\$65.9		

(a) Systemwide sales in the United States represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales in the United States is calculated as follows:

Revenue from services	\$500.6	\$512.8
Less: Franchise fees	5.6	5.6
Add: Franchise sales	261.4	276.5
Systemwide sales	\$756.4	\$783.7

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

Interest expense	\$10.6	\$11.5
Interest income	(1.5)	(1.9)
Foreign exchange loss (gain)	0.6	(0.1)
Miscellaneous, net	(0.3)	1.8
	\$9.4	\$11.3

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

	Nine Months Ended September 30			
	2003	2002	% Variance	
Amount			Constant	
		2002	Reported	Currency
		(Unaudited)		
Systemwide sales (a)	\$9,751.3	\$8,615.6	13.2%	
Revenue from services	8,895.3	7,772.8	14.4%	2.0%
Cost of services	7,358.2	6,378.1	15.4%	
Gross profit	1,537.1	1,394.7	10.2%	-1.7%
Selling and administrative expenses	1,368.3	1,247.0	9.7%	-1.5%
Operating profit	168.8	147.7	14.3%	-2.9%
Interest and other expenses	27.2	28.9	-6.0%	
Earnings before income taxes	141.6	118.8	19.2%	
Provision for income taxes	53.8	45.7	17.7%	
Net earnings	\$87.8	\$73.1	20.2%	-1.2%
Net earnings per share - basic	\$1.13	\$0.96	17.7%	
Net earnings per share - diluted	\$1.12	\$0.94	19.1%	-2.1%
Weighted average shares - basic	77.5	76.2	1.7%	
Weighted average shares - diluted	78.4	77.6	1.0%	

(a) Systemwide sales represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales is calculated as follows:

Revenue from services	\$8,895.3	\$7,772.8
Less: Franchise fees	18.8	19.0
Add: Franchise sales	874.8	861.8
Systemwide sales	\$9,751.3	\$8,615.6

Manpower Inc.
Operating Unit Results
(In millions)

	Nine Months Ended September 30			
	2003	2002 (Unaudited)	% Variance	
Amount			Constant Reported Currency	
Revenues from services:				
United States (a)	\$1,448.0	\$1,416.4	2.2%	2.2%
France	3,405.7	2,813.7	21.0%	1.1%
EMEA	2,830.7	2,500.9	13.2%	-1.3%
Other Operations	1,210.9	1,041.8	16.2%	12.0%
	\$8,895.3	\$7,772.8	14.4%	2.0%
Operating Unit Profit:				
United States	\$24.0	\$15.8	52.2%	52.2%
France	120.1	95.5	25.8%	5.4%
EMEA	34.7	56.2	-38.2%	-45.7%
Other Operations	16.5	2.5	528.6%	462.3%
	195.3	170.0		
Corporate expenses	26.5	22.2		
Amortization of other intangible assets	--	0.1		
Operating profit	168.8	147.7	14.3%	-2.9%
Interest and other expenses (b)	27.2	28.9		
Earnings before income taxes	\$141.6	\$118.8		

(a) Systemwide sales in the United States represents revenue from our branch offices plus the sales activity of locations operating under a franchise agreement with us. Systemwide sales in the United States is calculated as follows:

Revenue from services	\$1,448.0	\$1,416.4
Less: Franchise fees	15.7	16.0
Add: Franchise sales	739.4	761.7
Systemwide sales	\$2,171.7	\$2,162.1

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

Interest expense	\$31.0	\$31.9
Interest income	(6.0)	(6.6)
Foreign exchange gains	(0.9)	(0.8)
Miscellaneous, net	3.1	4.4
	\$27.2	\$28.9

Manpower Inc.
Consolidated Balance Sheets
(In millions)

	Sept. 30 2003 (Unaudited)	Dec. 31 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$287.5	\$284.0
Accounts receivable, net	2,576.3	2,214.2
Prepaid expenses and other assets	76.7	76.0
Future income tax benefits	81.0	79.1
Total current assets	3,021.5	2,653.3
Other assets:		

Goodwill and other intangible assets, net	563.1	545.7
Investments in licensees	64.8	60.5
Other assets	312.4	253.4
Total other assets	940.3	859.6
Property and equipment:		
Land, buildings, leasehold improvements and equipment	582.0	533.4
Less: accumulated depreciation and amortization	396.6	344.6
Net property and equipment	185.4	188.8
Total assets	\$4,147.2	\$3,701.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$524.3	\$447.0
Employee compensation payable	115.3	96.2
Accrued liabilities	372.3	295.7
Accrued payroll taxes and insurance	420.4	391.6
Value added taxes payable	391.7	309.0
Short-term borrowings and current maturities of long-term debt	14.2	22.8
Total current liabilities	1,838.2	1,562.3
Other liabilities:		
Long-term debt	788.0	799.0
Other long-term liabilities	339.7	340.5
Total other liabilities	1,127.7	1,139.5
Shareholders' equity:		
Common stock	0.9	0.9
Capital in excess of par value	1,714.9	1,696.2
Accumulated deficit	(209.7)	(289.7)
Accumulated other comprehensive income (loss)	(41.0)	(123.7)
Treasury stock, at cost	(283.8)	(283.8)
Total shareholders' equity	1,181.3	999.9
Total liabilities and shareholders' equity	\$4,147.2	\$3,701.7

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

	Nine Months Ended	
	2003	2002
	September 30	
	(Unaudited)	
Cash Flows from Operating Activities:		
Net earnings	\$87.8	\$73.1
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	46.5	48.9
Amortization of discount on convertible debentures	5.6	5.5
Deferred income taxes	1.8	3.0
Provision for doubtful accounts	14.4	15.2
Changes in operating assets and liabilities:		
Accounts receivable	(186.4)	(172.8)
Other assets	(23.4)	26.2
Other liabilities	149.4	71.0

Cash provided by operating activities	95.7	70.1
Cash Flows from Investing Activities:		
Capital expenditures	(38.9)	(40.2)
Acquisitions of business, net of cash acquired	(3.6)	(31.2)
Proceeds from the sale of property and equipment	2.2	2.2
Cash used by investing activities	(40.3)	(69.2)
Cash Flows from Financing Activities:		
Net repayments of short-term facilities and long-term debt	(80.7)	(19.7)
Proceeds from stock option and purchase plans	18.7	30.4
Repurchase of common stock	-	(30.7)
Dividends paid	(7.8)	(7.6)
Cash used by financing activities	(69.8)	(27.6)
Effect of exchange rate changes on cash	17.9	17.5
Change in cash and cash equivalents	3.5	(9.2)
Cash and cash equivalents, beginning of period	284.0	245.8
Cash and cash equivalents, end of period	\$287.5	\$236.6

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