

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934: For the fiscal year ended December 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 1-10686

MANPOWER INC.

(Exact name of registrant as specified in its charter)

WISCONSIN 39-1672779
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5301 NORTH IRONWOOD ROAD 53217
MILWAUKEE, WISCONSIN (Zip Code)
(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of Exchange on which registered -----
Common Stock, \$.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by nonaffiliates of the registrant was \$3,228,997,478 as of February 17, 1998. As of February 17, 1998, there were 80,599,001 of the registrant's shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part I and Part II incorporate information by reference to the Annual Report to Shareholders for the fiscal year ended December 31, 1997. Part III is incorporated by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 1998.

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PART I

Item 1. BUSINESS

Introduction and History

Manpower Inc. (the "Company") is the largest non-governmental employment services organization in the world,(1) based on systemwide sales,(2) with over 2,700 offices in 48 countries. The Company's largest operations, based on revenues, are located in the United States, France and the United Kingdom. The Company is primarily engaged in temporary staffing services, contract services and training and testing of temporary and permanent workers. The Company provides employment services to a wide variety of customers, none of which individually comprise a significant portion of revenues within a given geographic region or for the Company as a whole. Unless the context requires otherwise, references to the Company include its subsidiaries.

The Company was organized in 1991 as a holding company to acquire Manpower International Inc. ("Manpower"). Manpower, subsequently renamed Manpower Wisconsin Inc., was the primary operating subsidiary of the Company until June 30, 1996, when it was merged into the Company. The predecessor of Manpower was organized in 1948 and its shares were listed on the New York Stock Exchange (the "NYSE") in 1962.

The Company's principal executive offices are located at 5301 North Ironwood Road, Milwaukee, Wisconsin 53217 (telephone: 414-961-1000).

THE COMPANY'S OPERATIONS - MANPOWER

United States

In the United States, the Company's operations are carried out through both branch (i.e., Company-owned) and franchise offices. The Company had 671 branch and 455 franchise offices in the United States at December 31, 1997. The Company provides a number of central support services to its branches and franchises which enable it to maintain consistent service quality throughout the United States regardless of whether an office is a branch or franchise. The Company has developed a comprehensive system of assessment/selection, training and quality assurance for its temporary staffing operations. All assessment/selection, training and support materials are designed and produced by the Company for both branches and franchises. In addition, the Company conducts a series of training classes for all employees of both branches and franchises, including training classes for service representatives and branch managers, at its Milwaukee headquarters. The Company provides customer invoicing and payroll processing of its temporary employees for all branch offices and virtually all franchise offices through its Milwaukee headquarters.

The Company's franchise agreement provides the franchisee with the right to use the Manpower(R) service mark and associated marks in a specifically defined exclusive territory. U.S. franchise fees range from 2-3% of franchise sales. The Company's franchise agreement provides that in the event of a proposed sale of a franchise to a third party, the Company has the right to repurchase the franchise at the same price and on the same terms as proposed by the third party. The Company frequently exercises this right and intends to continue to do so in the future if opportunities arise with appropriate prices and terms.

In the United States, the Company's operations are primarily related to providing temporary employment services. During 1997, approximately 41% of the Company's United States temporary help revenues were derived from placing office staff, 41% from placing industrial staff and 18% from placing technical and information technology staff.

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(1) Based on publicly available information, including annual reports to shareholders, filings with governmental agencies and investment analyst reports.

(2) Systemwide sales of the Company includes total sales of Company-owned branches and franchises.

France

The Company is the second largest temporary employment service provider in France (see footnote 1 on page 1). The Company conducts its operations in France through over 692 branch offices under the name of Manpower and 32 branch offices under the name Supplay.

The temporary services market in France is predominately industrial. In 1997, the Company derived approximately 74% of its revenue in France from the industrial sector, 13% from the construction sector and 13% from the office sector.

United Kingdom

The Company is the largest supplier of temporary employment services in the United Kingdom (see footnote 1 on page 1). As of December 31, 1997, it conducted operations in the United Kingdom through 149 branch offices.

The Company uses the same approach to assessment/selection, training and marketing programs in the United Kingdom as it uses in the United States with such modifications as necessary to reflect differences in language, culture and business practices. Ultraskill, the Company's proprietary program for assessing the word processing skills of its temporary workers, has received endorsement from the Royal Society of Arts, one of the world's foremost qualification standards for office skills. Candidates whose results exceed prescribed levels can be automatically certified through the RSA. The Company was the first temporary staffing company to be registered under BS5750-IS09000, the international quality assurance standard.

In the United Kingdom, the Company offers temporary employment services in the office, industrial, technical, information technology, nursing and transport markets. It also offers a variety of specialized services targeted at the health sector and local government which consist of specialized assessment, selection and training, as well as the supply of specialized staff. The Company is also the leading company in the United Kingdom for the provision of managed services, project work and subcontracted activities.

During 1997, approximately 48% of the Company's revenues in the United Kingdom were derived from the supply of office staff, 22% from the supply of industrial staff, 19% from the supply of technical staff and information technology staff, 6% from the supply of nursing staff and 5% from the supply of drivers.

Other Europe

The Company operates through 358 branch offices and 54 franchise offices in other European countries. These operations are located in such countries as Austria, Belgium, Denmark, Finland, Germany, Italy, The Netherlands, Norway, Spain and Sweden, all of which are branch offices, and Switzerland, which is a 49% owned franchise. The Company is the second largest non-governmental temporary employment services firm in the European Economic Community (see footnote 1 on page 1). The Company utilizes the same approach to selection, training, recruiting and marketing techniques in continental Europe as are used in the United States with such modifications as may be appropriate for local legal requirements, cultural characteristics and business practices.

Rest of the World

The Company operates through 215 branch offices and 57 franchise offices in the other markets of the world. The largest of these operations are located in Japan (27 branch offices), Israel (56 branch offices), Mexico (35 branch offices) and Australia (23 branch offices and 2 franchise offices). Other significant operations are located in Canada and in 10 countries in South America and in 5 countries in Southeast Asia. The Company uses the same general approach to testing, training and marketing tools in other areas of the world as employed in the United States with such modifications as may be appropriate for local cultural differences and business practices. In most of these countries, the Company primarily supplies temporary workers to the industrial, general office and technical markets.

THE COMPANY'S OTHER OPERATIONS

The Company also owns Brook Street Bureau PLC which operates separately from the Manpower brand and exclusively in the United Kingdom. Brook Street Bureau PLC, acquired by the Company in 1985, has a total of 93 branches in England, Scotland and Wales. It provides services in the office, industrial and catering markets. In 1997, approximately 92% of its revenues were derived from temporary placements and 8% were derived from permanent placement. Brook Street Bureau PLC competes in certain U.K. markets with the Company's Manpower brand. Its permanent placement business primarily consists of recruitment for office workers.

COMPETITION

Historically, in periods of economic prosperity, the number of firms operating in the temporary help industry has increased significantly due to the combination of a favorable economic climate and low barriers to entry. Recessionary periods, such as that experienced in the United States and United Kingdom in the early 1990s, result in a reduction in competition through consolidation and closures. However, historically this reduction has proven to be of a limited duration as the following periods of economic recovery have led to a return to growth in the number of competitors operating in the industry.

The temporary employment services market throughout the world is highly competitive and highly fragmented with more than 15,000 firms competing in the industry throughout the world. In addition to the Company, the largest publicly owned companies (the only companies about which financial information is readily available) specializing in temporary employment services are Adecco, S.A. (Switzerland), Kelly Services, Inc. (U.S.), The Olsten Corporation (U.S.), Randstad Holding N.V. (Netherlands), and Vedior/Bis (Netherlands). However, except for Adecco, S.A. and Vedior/Bis, a substantial majority of the revenues of these companies are attributable to their home markets. Compared to the Company, each of them has a more limited network in foreign countries.

In the temporary help industry, competition is limited to firms with offices located within a customer's particular local market because temporary employees (aside from certain employees in the technology services segment) are generally unwilling to travel long distances. In most major markets, competitors generally include many of the publicly traded companies, and in addition, numerous regional and local competitors, some of which may operate only in a single market. Competition may also be provided by governmental entities or agencies, such as state employment offices in the United Kingdom and many European countries.

Since client companies rely on temporary employment firms having offices within the local area in which they operate, competition varies from market-to-market and country-to-country. In most areas, no single company has a dominant share of the market. Many client companies use more than one temporary employment services provider; however, in recent years, the practice of using a sole (or a limited number of) temporary supplier or a primary supplier has become an increasingly important factor among the largest customers, particularly in the United States and the United Kingdom. These sole supplier relationships can have a significant impact on the Company's revenue and operating profit growth. The Company's strategy is to build its large account business, including sole supplier relationships. While the Company believes that these large account relationships will prove to be less cyclical in the long-term than its traditional business, volume reductions by such customers, whether related to economic factors or otherwise, could have a material adverse effect on the Company's results in any period.

Methods of Competition

Temporary staffing firms act as intermediaries in matching available temporary workers to employer assignments. As a result, temporary staffing firms compete both to recruit and retain a supply of workers and to attract customers to employ temporary employees. Competition is generally limited to firms having offices located in a specific local geographic market. Depending on the economy of a particular market at any point in time, it may be necessary for the Company to place greater emphasis on recruitment and retention of temporary workers or marketing to customers. The Company recruits temporary workers through a wide variety of means, principally personal referrals and advertisements, and by providing an attractive compensation package, including (in jurisdictions where such

benefits are not otherwise required by law) health insurance, vacation and holiday pay, incentive plans and a recognition program.

Methods used to market temporary services to customers vary depending on the customer's perceived need for temporary workers, the local labor supply, the length of assignment and the number of workers required. Depending on these factors, the Company competes by means of quality of service provided, scope of service offered and price. In the temporary help industry, quality is measured primarily by the ability to effectively match an individual worker to a specific assignment, as well as the rate of and promptness in filling an order. Success in providing a high quality service is a function of the ability to access a large supply of available temporary workers, select suitable individuals for a particular assignment and, in some cases, train available workers in skills required for an assignment.

An important aspect in the selection of a temporary worker for an assignment is the ability of the temporary services firm to identify the skills, knowledge, abilities, and personal characteristics of a temporary worker and match their competencies or capabilities to an employer's requirements. The Company has developed a variety of proprietary programs for identifying and assessing skill levels of its temporary workers, including Ultraskill(R) (for word processing skills), Ultradex (for several important light industrial skills), Teleskill (for call center operations), Predicta (for critical general office skills) and Linguaskill (for language skills) which are used in selecting a particular individual for a specific assignment. The Company believes that its assessment systems enable it to offer a higher quality service by increasing productivity, decreasing turnover and reducing absenteeism. The Company believes it is the only temporary employment firm whose employee selection systems have been statistically validated in full or complete accordance with the guidelines established by the Equal Employment Opportunity Commission and standards set forth by the American Psychological Association in the United States and similar authorities in various other countries. In the United Kingdom, candidates whose test results on Ultraskill(R) exceed prescribed levels are automatically certified through the Royal Society of Arts, one of the world's best known qualification standards for word processing skills.

It is also important to be able to access a large network of skilled workers and to be able to "create" certain hard-to-find skills by offering training to available workers. The Company's competitive position is enhanced by being able to offer a wide variety of skills in some of the most important market segments for temporary work through the use of training systems.

For the office automation market, the Company has a proprietary training system called Skillware(R) which allows temporary workers to quickly and conveniently learn new or enhance existing skills in over 80 different word processing, data base, spreadsheet, data entry or graphics applications from a variety of manufacturers including Microsoft and Lotus. Skillware(R) is a hands-on, disk-based training program enabling workers to train on the actual hardware and software to be utilized on an assignment. The Skillware(R) system combines the human elements of classroom instruction with the self-paced work-related aspects of a disk-based system. A Skillware(R) administrator sets up the training, monitors all sessions and is available to answer questions. Every person completing a Skillware(R) course receives an Operator Support Manual and keyboard template which serves as an on-the-job reference and refresher. The Company supports over 150 different software programs through Skillware(R) for the equipment of a wide variety of hardware manufacturers, including IBM compatibles (PCs, mid-range and mainframes), Apple and DEC. New Skillware(R) is constantly developed or revised as new or updated hardware or software programs are introduced.

To assist its temporary workers in improving general office skills, the Company offers a variety of specific skill development programs in spelling, punctuation, keyboard skills and word processing.

The Company has partnered with CBT Systems to develop TechTrack, a CD-based training program for technical professionals. TechTrack is an interactive, self-directed training program which enhances technical employees' skills to meet the current and emerging demands of the business environment. TechTrack offers a spectrum of instruction focusing on client/server, networking and operating systems technologies. The training prepares technical employees for certification testing by guiding them through Visual Basic, C++ Programming, PowerBuilder, IEEE LAN Architecture and more than 200 other courses.

Beginning in 1994 the Company began delivering to all workers, both its permanent employees and temporary staff, a training program that focuses on providing exceptional service. Called Putting Quality to Work, this series of eight independent video programs introduces concepts that will influence workers' attitudes and behavior, with an emphasis on providing better service to a company's customers and providing support to co-workers.

Although temporary help firms compete in a local market, for administrative purposes, the largest customers demand national, and increasingly global, arrangements. A large national or multi-national customer will frequently enter into non-exclusive arrangements with several firms, with the ultimate choice among them being left to its local managers; this effectively limits competition to the few firms, including the Company, with large branch networks. National arrangements, which generally fix either the pricing or mark-up on services performed in a particular country, represented approximately 50% of the Company's sales in 1997. Global arrangements, where the Company services multinational customers in several countries, represented approximately 10% of the Company's sales in 1997. Since the Company provides services to a wide variety of customers, there is no one customer that individually comprises a significant portion of revenues within a given geographic region or for the Company as a whole.

The Company competes in the large company market by providing permanent staff training using its Skillware(R) training capability, widespread office network and large temporary work force, to train the permanent employees of large companies, particularly in new word or data processing software programs or hardware configurations. In the United States, 86 of the Fortune 100 companies have used Skillware training for their permanent staff. The Company believes its capability to offer permanent staff training, in addition to generating sufficient revenue to offset development costs, provides it with a key marketing advantage over its competitors in supplying temporary staff to companies where it has been involved in significant staff training.

REGULATION

The temporary employment services industry is closely regulated in all of the major markets in which the Company operates except the United States and Canada. Temporary employment service firms are generally subject to one or more of the following types of government regulation: (i) regulation of the employer/employee relationship between the firm and its temporary employees; (ii) registration, licensing, record keeping and reporting requirements; and (iii) substantive limitations on its operations or the use of temporary employees by customers.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on the Company's operations and the ability of customers to use the Company's services. In some markets, labor agreements are structured on an industry-wide (rather than company-by-company) basis. Changes in these collective labor agreements have occurred in the past and are expected to occur in the future and may have a material impact on the operations of temporary employment services firms, including the Company.

In many countries, including the United States and the United Kingdom, temporary employment services firms are considered the legal employers of temporary workers. Therefore, the firm is governed by laws regulating the employer/employee relationship, such as tax withholding or reporting, social security or retirement, anti-discrimination and workers' compensation. In other countries, temporary employment services firms, while not the direct legal employer of temporary workers, are still responsible for collecting taxes and social security deductions and transmitting such amounts to the taxing authorities.

In many countries, particularly in continental Europe, entry into the temporary employment market is restricted by the requirement to register with, or obtain licenses from, a government agency. In addition, a wide variety of ministerial requirements may be imposed, such as record keeping, written contracts and reporting. The United States and Canada do not presently have any form of national registration or licensing requirement.

In addition to licensing or registration requirements, many countries impose substantive restrictions on the use of temporary employment services. Such restrictions include regulations affecting the types of work permitted (e.g., Germany prohibits the use of temporary workers in construction work and Japan and Norway generally prohibit the use of temporary workers in industrial work), the maximum length of a temporary assignment (varying from 3 to 24 months), wage levels (e.g., in France, wages paid to temporary workers must be the same as paid to permanent workers) or reasons for which temporary workers may be employed. In some countries special taxes, fees or costs are imposed in connection with the use of temporary workers. For example, in France, temporary workers are entitled to a 10% allowance for the precarious nature of employment which is eliminated if a full-time position is offered to them

within three days. In some countries, the contract of employment with the temporary employee must differ from the length of assignment.

In the United States, the Company is subject to various federal and state laws relating to franchising, principally the Federal Trade Commission's franchise rules and analogous state laws. These laws and related rules and regulations impose specific disclosure requirements on prospective franchisees. Virtually all states also regulate the termination of franchises. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Legal Regulations and Union Relationships" which is found in the Company's 1997 Annual Report to Shareholders and which is incorporated herein by reference.

TRADEMARKS

The Company maintains a number of trademarks, tradenames, service marks and other intangible rights. The principal service marks are the Manpower(R) service mark and logo, Ultraskill(R), Skillware(R) and certain other names and logos, which are registered in the United States and certain other countries. The trademark Manpower(R) has been federally registered under United States Service Mark Registration No. 921701, issued October 5, 1971. Affidavits of use and incontestability have been filed. The Company renewed this registration for another ten years on October 5, 1991. The mark Skillware(R) has been federally registered under United States Trademark Registration No. 1413105, issued October 14, 1986, and the mark Ultraskill(R) has been federally registered under United States Trademark Registration No. 1361848, issued September 24, 1985. The Company plans to file affidavits of use and incontestability at the proper time and will effect timely renewals, as appropriate, for these and other intangible rights it maintains. The Company is not currently aware of any infringing uses which would be likely to substantially and detrimentally affect these rights.

RESEARCH AND DEVELOPMENT

The Company's research and development efforts are concentrated on the development and updating of its Skillware(R) training and employee selection programs. Approximately 31 employees are engaged in research and development at the Company's international headquarters. Independent contractors are also hired to assist in the development of these tools. Expenditures for research and development, which were internally financed, aggregated approximately \$3.5 million in 1997 and approximately \$4.3 million in 1996 and 1995.

EMPLOYEES

The Company had approximately 12,000 permanent full-time employees at December 31, 1997. In addition, the Company estimates that it assigned over 2.0 million temporary workers on a worldwide basis in 1997. As described above, in most jurisdictions, the Company (through its subsidiaries), as the employer of its temporary workers or, as otherwise required by applicable law, is responsible for employment administration, including collection of withholding taxes, employer contributions for social security (or its equivalent outside the United States), unemployment tax, workers' compensation and fidelity and liability insurance, and other governmental requirements imposed on employers. In most jurisdictions where such benefits are not legally required, including the United States, the Company provides health and life insurance, paid holidays and paid vacations to qualifying temporary employees.

FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

Note 12 to the Company's Consolidated Financial Statements sets forth the revenues, earnings before income taxes, identifiable assets and net assets derived from each geographical area for the years ended December 31, 1997, 1996 and 1995. Such note is found in the Company's 1997 Annual Report to Shareholders and is incorporated herein by reference.

ITEM 2. PROPERTIES

The Company's international headquarters are in Glendale, Wisconsin, a suburb of Milwaukee. The Company owns, free of any material encumbrances, an 82,000 square foot building and a 32,000 square foot building situated on a sixteen-acre site in Glendale, Wisconsin.

The Company owns two properties in England which are held for sale, consisting of a 24,000 square foot freehold building in London and a 90,000 square foot freehold building in St. Albans, Hertfordshire. The Company also owns additional properties at various other locations which are not material.

Most of the Company's operations are conducted from leased premises, none of which are material to the Company taken as a whole. The Company does not anticipate any difficulty in renewing these leases or in finding alternative sites in the ordinary course of business.

Item 3. Legal Proceedings

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

NAME OF OFFICER
- - - - -

OFFICE

Mitchell S. Fromstein
Age 70

President and Chief Executive Officer of the Company since January, 1989, and Chairman of the Board since April, 1989. President and Chief Executive Officer of Manpower from 1976 until 1996 and a director thereof from 1971 until 1996. A director of the Company and its predecessors for more than five years. Also a director of Aramark Corp.

Jon F. Chait
Age 47

Executive Vice President, Secretary and a director of the Company since August, 1991, Chief Financial Officer of the Company since August, 1993 and Managing Director-International Operations since December, 1995. Executive Vice President of Manpower from September, 1989 until 1996. Also a director of Marshall & Ilsley Corporation.

Terry A. Hueneke
Age 55

Executive Vice President of the Company and a director since December, 1995. Senior Vice President - Group Executive of Manpower from 1987 until 1996.

Michael J. Van Handel
Age 38

Vice President, Chief Accounting Officer and Treasurer of the Company since February, 1995 and of Manpower from February, 1995 to June, 1996. Vice President, International Accounting and Internal Audit of Manpower from September, 1992 to February, 1995 and Director of Internal Audit of Manpower prior thereto.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The Company's Common Stock is listed for trading on the New York Stock Exchange (the "NYSE"), which is the principal exchange for trading in the Company's shares. The table below sets forth the reported high and low sales price for shares of the Company's Common Stock on the NYSE during the indicated quarters based on the NYSE Trading Report:

	High ----	Low ---
Fiscal year ended December 31, 1997		
First Quarter.....	40 1/2	29 1/2
Second Quarter.....	49	35 1/4
Third Quarter.....	50 3/8	37
Fourth Quarter.....	40 3/4	35 1/4
Fiscal year ended December 31, 1996		
First Quarter.....	34 1/4	23 5/8
Second Quarter.....	43	29 1/2
Third Quarter.....	39 3/8	30
Fourth Quarter.....	33 5/8	27 7/8

HOLDERS

As of February 17, 1998, 80,599,001 shares of Common Stock were held of record by 5,751 record holders.

HISTORICAL DIVIDENDS

The Company paid a dividend of \$0.08 per share in the second quarter and \$0.09 per share in the fourth quarter of 1997. The Company paid a dividend of \$0.07 per share in the second quarter and \$0.08 per share in the fourth quarter of 1996.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this Item is set forth in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1997, under the heading "Selected Financial Data," (page 31) which information is hereby incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this Item is set forth in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1997, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," (pages 11 to 15) which information is hereby incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this Item is set forth in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1997, under the heading "Significant Matters Affecting Results of Operations," (pages 13 to 15) which information is hereby incorporated herein by reference.

Certain information included or incorporated by reference in this Annual Report on Form 10-K and identified by use of the words "expects," "believes," "plans" or the like constitutes forward-looking statements, as

such term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In addition, any information included or incorporated by reference in future filings by the Company with the Securities and Exchange Commission, as well as information contained in written material, releases and oral statements issued by or on behalf of the Company may include forward-looking statements. All statements which address operating performance, events or developments that the Company expects or anticipates will occur or future financial performance are forward-looking statements.

These forward-looking statements speak only as of the date on which they are made. They rely on a number of assumptions concerning future events and are subject to a number of risks and uncertainties, many of which are outside of the Company's control, that could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to:

- - material changes in the demand from larger customers, including customers with which the Company has national or global arrangements
- - availability of temporary workers or increases in the wages paid to these workers
- - competitive market pressures, including pricing pressures
- - ability to successfully invest in technology developments
- - changes in customer attitudes toward the use of staffing services
- - government or regulatory policies adverse to the employment services industry
- - general economic conditions in international markets
- - interest rate and exchange rate fluctuations

The Company disclaims any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth in the Financial Statements and the Notes thereto (pages 17 to 31) contained in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1997, which information is hereby incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

- (a) Executive Officers. Reference is made to "Executive Officers of the Registrant" in Part I after Item 4.
- (b) Directors. The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 1998 at pages 3 to 4 under the caption "Election of Directors," which information is hereby incorporated herein by reference.
- (c) Section 16 Compliance. The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 1998 at page 13 under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," which information is hereby incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 1998, at page 5 under the caption "Remuneration of Directors," pages 7 to 9 under the caption "Executive Compensation," and page 12 under the caption "Executive Compensation Committee Interlocks and Insider Participation," which information is hereby incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 1998, at page 2 under the caption "Security Ownership of Certain Beneficial Owners" and at page 6 under the caption "Security Ownership of Management," which information is hereby incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 1998, at page 5 under the caption "Remuneration of Directors" and at page 12 under the caption "Executive Compensation Committee Interlocks and Insider Participation," which information is hereby incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) Financial Statements.

PAGE NUMBER(S)
IN ANNUAL REPORT
TO SHAREHOLDERS

Consolidated Financial Statements. (Data incorporated by reference from the attached Annual Report to Shareholders):

Consolidated Balance Sheets as of December 31, 1997 and 1996.....	18-19
Consolidated Statements of Operations for the years ended December 31, 1997, 1996 and 1995.....	17
Consolidated Statements of Cash Flows for the years ended December 31, 1997, 1996 and 1995.....	20
Consolidated Statements of Stockholders' Equity for the years ended December 31, 1997, 1996 and 1995....	21
Notes to Consolidated Financial Statements.....	22-29

(a)(2) Financial Statement Schedules.

Report of Independent Public Accountants on the Financial Statement Schedule
Consent of Independent Public Accountants
SCHEDULE II - Valuation and Qualifying Accounts

(a)(3) Exhibits.

See (c) below.

(b) Reports on Form 8-K.

There was one report on Form 8-K filed on December 2, 1997 for the three months ended December 31, 1997.

(c) Exhibits.

- 3.1 Articles of Incorporation of Manpower Inc. incorporated by reference to Annex C of the Prospectus which is contained in Amendment No. 1 to Form S-4 (Registration No. 33-38684).
- 3.2 Amended and Restated By-laws of Manpower Inc., incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.
- 10.1 [Reserved].
- 10.2 Revolving Credit Agreement dated November 25, 1997, between Manpower Inc. and the banks set forth therein, Credit Lyonnais, the First National Bank of Chicago, Fleet National Bank, Mellon Bank, N.A., Citibank International PLC and Citibank, N.A.
- 10.3 Amended and Restated Manpower 1991 Executive Stock Option and Restricted Stock Plan, incorporated by reference to Form 10-Q of Manpower Inc. dated September 30, 1996.**
- 10.4 Manpower Savings Related Share Option Scheme, incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.5 Transfer Agreement dated February 25, 1991 between Manpower and the Company (the "Transfer Agreement"), incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.6 Blue Arrow Savings Related Share Option Scheme, as assumed by Manpower pursuant to the Transfer Agreement, incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**
- 10.7 Blue Arrow Executive Share Option Scheme, as assumed by Manpower pursuant to the Transfer Agreement, incorporated by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 (Registration No. 33-38684).**

- 10.8 Amended and Restated Manpower 1990 Employee Stock Purchase Plan, incorporated by reference to the Company's Registration Statement on Form S-8 (Registration No. 333-31021).**
- 10.9 Manpower Retirement Plan, as amended and restated effective as of March 1, 1989, incorporated by reference to Form 10-K of Manpower PLC, SEC File No. 0-9890, filed for the fiscal year ended October 31, 1989.**
- 10.10 Amended and Restated Manpower 1994 Executive Stock Option and Restricted Stock Plan, incorporated by reference to Form 10-Q of Manpower Inc. dated September 30, 1996.**
- 10.11(a) Employment Agreement dated September 16, 1987 among Manpower, Mitchell S. Fromstein and Manpower PLC, incorporated by reference to the Manpower PLC's registration statement on Form 20-F filed with the Securities and Exchange Commission on March 30, 1988, as amended May 19, 1989, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended October 31, 1989; and as amended on February 16, 1990 and October 4, 1990, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended December 31, 1990.**
- 10.11(b) Amendment dated June 17, 1992 to Employment Agreement dated September 16, 1987, as amended, among Manpower, Mitchell S. Fromstein and Manpower PLC, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.11(c) Amendment dated March 22, 1994 to Employment Agreement dated September 16, 1987, as amended, among Manpower, Mitchell S. Fromstein and Manpower PLC, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.**
- 10.12(a) Employment Agreement dated September 16, 1987 among Manpower, Gilbert Palay and Manpower PLC, incorporated by reference to Manpower PLC's registration statement on Form 20-F filed with the Securities and Exchange Commission on May 1, 1989, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended October 31, 1989; and as amended on February 16, 1990 and October 4, 1990, incorporated by reference to Manpower PLC's Form 10-K, SEC File No. 0-9890, filed for the fiscal year ended December 31, 1990.**
- 10.12(b) Consulting Agreement dated as of January 1, 1994 between Manpower Inc. and Gilbert Palay, incorporated by reference to the Company's Annual Report on

Form 10-K for the fiscal year ended December 31, 1993.**

- 10.13(a) Amended and Restated Employment Agreement between Jon F. Chait and Manpower International Inc., dated August 3, 1991, as amended on March 12, 1992, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.13(b) Amendment dated February 18, 1997 to Amended and Restated Employment Agreement dated August 3, 1991, as amended, between Manpower Inc. and Jon F. Chait, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.**
- 10.14 The Restricted Stock Plan of Manpower Inc., incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.**
- 10.15 Amended and Restated Manpower 1991 Directors Stock Option Plan, incorporated by reference to the Company's Registration Statement on Form S-8 (Registration No. 333-31021).**
- 10.16 Amended and Restated Manpower Deferred Stock Plan, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.**
- 10.17(a) Employment Agreement between Terry A. Hueneke and Manpower Inc. dated February 18, 1997, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.**
- 10.17(b) Employment Agreement between Terry A. Hueneke and Manpower Inc. dated February 23, 1998.**
- 13 1997 Annual Report to Shareholders. Pursuant to Item 601(b)(13)(ii) of Regulation S-K, any of the portions of the Annual Report incorporated by reference in this Form 10-K are filed as an exhibit hereto.
- 21 Subsidiaries of Manpower Inc.
- 23 Consent of Arthur Andersen LLP, incorporated by reference to the Schedule to the Financial Statements, which Schedule is contained in this Form 10-K.
- 24 Powers of Attorney.

- 27.1 Financial Data Schedule.
- 27.2 Restated Financial Data Schedule (9 months ended September 30, 1997).
- 27.3 Restated Financial Data Schedule (6 months ended June 30, 1997).
- 27.4 Restated Financial Data Schedule (3 months ended March 31, 1997).
- 27.5 Restated Financial Data Schedule (12 months ended December 31, 1996).
- 27.6 Restated Financial Data Schedule (9 months ended September 30, 1996).
- 27.7 Restated Financial Data Schedule (6 months ended June 30, 1996).

** Management contract or compensatory plan or arrangement.

SIGNATURES

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

MANPOWER INC.

By: /s/ Mitchell S. Fromstein

 Mitchell S. Fromstein
 Chairman of the Board

Date: March 30, 1998

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

Name ----	Title -----	Date ----
/s/ Mitchell S. Fromstein ----- Mitchell S. Fromstein	Chairman, President, Chief Executive Officer and a Director (Principal Executive Officer)	March 30, 1998
/s/ Jon F. Chait ----- Jon F. Chait	Executive Vice President, Managing Director - International Operations, Chief Financial Officer, Secretary and a Director (Principal Financial Officer)	March 30, 1998
/s/ Michael J. Van Handel ----- Michael J. Van Handel	Vice President, Chief Accounting Officer and Treasurer (Principal Accounting Officer)	March 30, 1998

Directors: Audrey Freedman, Dudley J. Godfrey, Jr., Marvin B. Goodman, J. Ira Harris, Terry A. Hueneke, Newton N. Minow, Gilbert Palay and Dennis Stevenson

By: /s/ Jon F. Chait

 Jon F. Chait
 Attorney-In-Fact* March 30, 1998

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

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

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

We have audited in accordance with generally accepted auditing standards, the financial statements included in Manpower Inc.'s annual report to shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 30, 1998. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the index at item 14(a)(2) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin,
January 30, 1998.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Annual Report on Form 10-K of Manpower Inc. of our report dated January 30, 1998, included in the 1997 Annual Report to Shareholders of Manpower Inc.

We also consent to the incorporation of our reports included (or incorporated by reference) in this Annual Report on Form 10-K, into the Company's previously filed Registration Statements on Form S-8 (File Nos. 33-40441, 33-51336, 33-55264, 33-84736, 333-1040 and 333-31021), the Company's Registration Statements on Form S-3 (File Nos. 33-89660 and 333-6545) and the Company's Registration Statements on Form S-4 (File Nos. 333-650 and 33-95896).

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin,
March 30, 1998.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

For the years ended December 31, 1997, 1996, and 1995, in thousands:

Allowance for Doubtful Accounts:

	BALANCE AT BEGINNING OF YEAR	TRANSLATION ADJUSTMENTS	PROVISIONS CHARGED TO EARNINGS	WRITE-OFFS	RECLASSIFICATIONS AND OTHER	BALANCE AT END OF YEAR
	-----	-----	-----	-----	-----	-----
Year ended December 31, 1997.....	\$33,526	(2,520)	16,225	(10,108)	896	\$38,019
Year ended December 31, 1996.....	\$32,901	(412)	12,360	(11,686)	363	\$33,526
Year ended December 31, 1995.....	\$31,170	2,203	8,981	(9,424)	(29)	\$32,901

REVOLVING CREDIT AGREEMENT

MANPOWER INC.

THE BANKS LISTED ON THE SIGNATURE PAGES HEREOF

CREDIT LYONNAIS CHICAGO BRANCH
THE FIRST NATIONAL BANK OF CHICAGO
FLEET NATIONAL BANK
AND MELLON BANK, N.A.
AS CO-AGENTS

CREDIT LYONNAIS NEW YORK BRANCH
AS ISSUING BANK
CREDIT LYONNAIS CHICAGO BRANCH
AS ISSUING BANK AGENT

CITIBANK INTERNATIONAL PLC
AS EURO-AGENT

AND

CITIBANK, N.A.
AS AGENT

ARRANGED BY
CITICORP SECURITIES, INC.

NOVEMBER 25, 1997

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Exhibit E	Assignment and Acceptance
Exhibit F	Form of Opinion of General Counsel of and the Borrower
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Exhibit K	Form of Commitment and Acceptance
Exhibit L	Form of Designation Agreement

REVOLVING CREDIT AGREEMENT

Dated as of November 25, 1997

REVOLVING CREDIT AGREEMENT dated as of November 25, 1997 by

and among:

- (1) MANPOWER INC., a Wisconsin corporation (the "Borrower"),
- (2) the banks listed on the signature pages hereof,
- (3) CREDIT LYONNAIS CHICAGO BRANCH, THE FIRST NATIONAL BANK OF CHICAGO, FLEET NATIONAL BANK and MELLON BANK, N.A. as co-agents for the Banks hereunder (the "Co-Agents"),
- (4) CREDIT LYONNAIS NEW YORK BRANCH the initial issuing bank in respect of "Facility Letters of Credit" issued hereunder (the initial "Issuing Bank") and CREDIT LYONNAIS CHICAGO BRANCH as agent for such Issuing Bank hereunder (such "Issuing Bank Agent"),
- (5) CITIBANK, N.A. ("Citibank") as agent (the "Agent") for the Banks and the Issuing Banks hereunder, and
- (6) CITIBANK INTERNATIONAL PLC as agent for the Banks in connection with certain of the Eurocurrency Advances (the "Euro-Agent").

PRELIMINARY STATEMENT

The Borrower, certain of the Banks, certain of the Co- Agents, the initial Issuing Bank and the related Issuing Bank Agent, and the Agent are parties to a Revolving Credit Agreement dated as of April 1, 1996. The Borrower has requested that such Revolving Credit Agreement be terminated and superseded by this Agreement, as contemplated in Section 10.07(b) below. The credit facilities contemplated in this Agreement have been arranged by Citicorp Securities, Inc.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"A Advance" means an advance by a Bank to the Borrower as part of an A Borrowing and refers to a Base Rate Advance or a Eurocurrency Advance, each of which shall be a "Type" of A Advance.

"A Borrowing" means a borrowing consisting of simultaneous A Advances of the same Type (as such Type may be Converted from time to time pursuant to Section 2.02(g)) and in the same currency made by each of the Banks pursuant to Section 2.01.

"A Note" means a promissory note of the Borrower payable to the order of any Bank, in substantially the form of Exhibit A-1 hereto, evidencing the aggregate indebtedness of the Borrower to such Bank resulting from the A Advances made by such Bank.

"Advance" means an A Advance or a B Advance.

"Aggregate L/C Facility Commitment" has the meaning specified in Section 3.01.

"Agreement" means this Revolving Credit Agreement, as it may from time to time be amended, restated, supplemented or otherwise modified.

"Alternative Currency" means, at any time, any of the following: (i) Pounds Sterling or, if different, the then lawful currency of the United Kingdom, (ii) Francs or, if different, the then lawful currency of the Republic of France, (iii) Deutschmarks or, if different, the then lawful currency of the Federal Republic of Germany, (iv) Yen or, if different, the then lawful currency of Japan and (v) from and after becoming generally available in the international currency and exchange markets, the Euro or, if different, the then lawful currency of the European Community (or such members thereof as shall have agreed to accept a common currency as legal tender).

"Applicable Lending Office" means, with respect to each Bank, (i) in the case of a Base Rate Advance, such Bank's Domestic Lending Office, (ii) in the case of a Eurocurrency Advance, such Bank's Eurocurrency Lending

Office, and (iii) in the case of a B Advance, the office of such Bank notified by such Bank to the Agent as its Applicable Lending Office with respect to such B Advance.

"Applicable Margin" has the meaning specified in Section 2.06(c).

"Assignment and Acceptance" means an assignment and acceptance in substantially the form of Exhibit E hereto pursuant to which a Bank assigns all or a portion of such Bank's rights and obligations under this Agreement in accordance with the terms of Section 10.08.

"B Advance" means an advance by a Bank to the Borrower as part of a B Borrowing resulting from the auction bidding procedure described in Section 2.03.

"B Borrowing" means a borrowing consisting of simultaneous B Advances from each of the Banks whose offer to make one or more B Advances as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in Section 2.03.

"B Note" means a promissory note of the Borrower payable to the order of any Bank, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of the Borrower to such Bank resulting from a B Advance made by such Bank.

"B Reduction" has the meaning specified in Section 2.01.

"Bank" means at any time (i) each of the banks listed on the signature pages hereof, after giving effect to the introduction of any new Bank in accordance with Section 4.06 and any assignment made in accordance with Section 10.08 on or prior to such date and (ii) except when used in reference to an A Advance, an A Borrowing, an A Note, a Commitment, a Facility Letter of Credit, an L/C Facility Commitment, a Reimbursement Obligation or a related term, a Designated Bidder.

"Base Rate" means, for any period, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) 1/2 of one percent per annum above the latest three-week moving average of secondary market morning

offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly on each Monday (or, if any such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank, N.A. on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank, N.A. from three New York certificate of deposit dealers of recognized standing selected by Citibank, N.A., in either case adjusted to the nearest 1/16 of one percent or, if there is no nearest 1/16 of one percent, to the next higher 1/16 of one percent; and

(c) one-half of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means an A Advance denominated in Dollars which bears interest as provided in Section 2.06(a).

"Benefit Plan" means a defined benefit plan as defined in Section 3(35) of ERISA (other than a Multi employer Plan) in respect of which the Borrower or any ERISA Affiliate is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"Borrowing" means an A Borrowing or a B Borrowing.

"Business Day" means a day of the year (i) on which banks are not required or authorized to close in New York City, and (ii) if the applicable Business Day relates to any Eurocurrency Advance, on which dealings are carried on in the London (and, if the Alternative Currency is Yen, the Tokyo) interbank markets.

"Cash Collateral Account" has the meaning specified in Section 8.02(a).

"Capitalized Lease" means any lease which is or should be capitalized on the balance sheet of the lessee in accordance with GAAP.

"Code" means the Uniform Commercial Code of the State of New York, as the same may be amended from time to time.

"Collateral Securities" has the meaning specified in Section 8.02(b).

"Commitment" has the meaning specified in Section 2.01.

"Commitment and Acceptance" means a commitment and acceptance in substantially the form of Exhibit K hereto pursuant to which a Person becomes a Bank party hereto in accordance with the terms of Section 4.06.

"Consolidated" refers, with respect to any Person, to the consolidation of the accounts of such Person and its Subsidiaries in accordance with GAAP, including principles of consolidation, consistent with those applied in the preparation of the Consolidated financial statements referred to in Section 6.01(e).

"Consolidated EBITDA" means, for any period, the sum of the amounts for such period of (i) Consolidated Net Earnings after taxes of the Borrower and its Consolidated Subsidiaries for such period, determined in accordance with GAAP, plus (ii) the sum of the following amounts for such period, in each case to the extent the same shall have been deducted in the calculation of such Consolidated Net Earnings after taxes for such period: (A) Consolidated Interest Expense, (B) Federal, state, local and foreign income taxes, (C) amortization of goodwill, (D) depreciation, and (E) any non-cash restructuring charge reported by the Borrower in respect of, or otherwise allocated to, such period, minus (iii) any extraordinary, or unusual and non-recurring gains (or plus any extraordinary, or unusual and non-recurring, losses) calculated pursuant to GAAP for such period.

"Consolidated Interest Expense" means, for any period, total interest expense, whether paid or accrued (including the interest component of Capitalized Leases), of the Borrower and its Consolidated Subsidiaries on a Consolidated basis, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under any agreements providing interest rate protection, but excluding however, amortization of discount, interest paid in property other than cash or any other interest expense not payable in cash, all as determined in conformity with GAAP.

"Consolidated Net Earnings" means, for any period, all amounts which would be included under net earnings (or losses) on a consolidated income statement of the Borrower and its Consolidated Subsidiaries for such period, all as determined in accordance with GAAP.

"Consolidated Subsidiary" means, at any date with respect to any Person, any Subsidiary thereof the accounts of which would be consolidated with those of such Person in its consolidated financial statements at such date in accordance with GAAP.

"Consolidated Tangible Assets" means, with respect to any Person at any time of determination, total assets of such Person and its Consolidated Subsidiaries as set forth on the balance sheets most recently delivered to the Banks pursuant to Section 7.01(b), excluding all Intangible Assets of such Person and its Consolidated Subsidiaries.

"Consolidated Tangible Net Worth" means, at any date, the consolidated shareholders' equity of the Borrower and its Consolidated Subsidiaries, after deducting treasury stock, which would appear as such on a consolidated balance sheet as of such date of the Borrower and its Consolidated Subsidiaries; excluding, however, to the extent otherwise included, (i) all Intangible Assets of the Borrower and its Consolidated Subsidiaries and (ii) the foreign currency translation adjustment component of shareholder's equity.

"Convert", "Conversion" and "Converted" each refers to (i) a Conversion of A Advances of one Type comprising part of the same A Borrowing into A Advances of another Type or (ii) a continuation of A Advances of one Type comprising part of the same A Borrowing as the same Type of A Advances for an additional Interest Period, in each case pursuant to Section 2.02(g).

"Debt" means, with respect to any Person (but without duplication of any item), (i) indebtedness of such Person for borrowed money, (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations of such Person to pay the deferred purchase price of property or services (other than noninterest-bearing trade payables arising in the ordinary course of business), (iv) obligations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases, (v) the undrawn face amount of any letter of credit issued for the account of such Person, (vi) obligations of such Person in respect of any drawing made under any letter of credit and (vii) any Guarantee by such Person, including, without limitation, any guaranty or similar obligation of such Person in respect of the obligations of its franchisees.

"Debt-to-Capitalization Ratio" means, as of any date, the ratio of (i) all Debt of the Borrower and its Consolidated Subsidiaries on a consolidated basis on

such date, excluding Debt constituting any Guarantee issued by the Borrower or any of its Subsidiaries unless the primary obligor on the underlying Debt is a franchisee of the Borrower or any of its Subsidiaries (after giving effect to such exclusion, the "Adjusted Debt"), to (ii) the sum on such date of Adjusted Debt plus Consolidated Tangible Net Worth.

"Designated Bidder" means any Person (i) that shall have become a party hereto pursuant to Section 10.09 and (ii) which is not otherwise a Bank hereunder.

"Designation Agreement" means a designation agreement entered into by a Bank (other than a Designated Bidder) and a Designated Bidder, and accepted by the Agent, in substantially the form of Exhibit L hereto.

"Dollars" and the sign "\$" each means lawful money of the United States.

"Domestic Lending Office" means, with respect to any Bank, the office of such Bank specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or such other office of such Bank as such Bank may from time to time specify to the Borrower and the Agent.

"Effective Date" means the later to occur of (i) December 2, 1997, and (ii) the date this Agreement shall become effective in accordance with the terms of Section 10.07(a).

"Eligible Assignee" means any proposed assignee that is either (i) a Bank or any affiliate of a Bank; (ii) a commercial bank organized under the laws of the United States, any State thereof or the District of Columbia, and having a combined capital and surplus of at least \$250,000,000; or (iii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having a combined capital and surplus of at least \$250,000,000 or the local currency equivalent thereof, provided that such bank is acting through a branch or agency located in the United States; provided, in each case, that such proposed assignee has, as of the date of the proposed assignment, the Requisite Bank Credit Rating or is otherwise acceptable to the Issuing Bank Agents.

"Eligible Securities" has the meaning specified in Section 8.02(b).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" shall mean any (i) corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as the Borrower or any of its Subsidiaries, (ii) partnership, trade or business under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with the Borrower or any of its Subsidiaries, and (iii) member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as the Borrower or any of its Subsidiaries, any corporation described in clause (i) or any partnership, trade or business described in clause (ii).

"Eurocurrency Advance" means an A Advance denominated in Dollars or in an Alternative Currency which bears interest as provided in Section 2.06(b).

"Eurocurrency Lending Office" means, with respect to any Bank, the office of such Bank specified as its "Eurocurrency Lending Office" opposite its name on Schedule I hereto (or, if no such office is specified, its Domestic Lending Office), or such other office of such Bank as such Bank may from time to time specify to the Borrower and the Agent. A Bank may specify different offices for its Eurocurrency Advances denominated in Dollars and its Eurocurrency Advances denominated in Alternative Currencies, respectively, and the term "Eurocurrency Lending Office" shall refer to any or all such offices, collectively, as the context may require when used in respect of such Bank.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurocurrency Rate" means, for the Interest Period for each Eurocurrency Advance comprising part of the same A Borrowing, an interest rate per annum equal to the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in Dollars or in the relevant Alternative Currency are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to

such Reference Bank's Eurocurrency Advance comprising part of such A Borrowing and for a period equal to such Interest Period. The Eurocurrency Rate for the Interest Period for each Eurocurrency Advance comprising part of the same A Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurocurrency Rate Reserve Percentage" of any Bank for the Interest Period for any Eurocurrency Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Bank with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 8.01.

"Extension Request" has the meaning specified in Section 10.02.

"Facility Fee" has the meaning specified in Section 4.01.

"Facility Letter of Credit" shall mean (i) in accordance with Section 10.07(b), each "Facility Letter of Credit" issued by the "Issuing Bank" under the 1996 Credit Agreement and (ii) any letter of credit issued by an Issuing Bank for the account of the Borrower pursuant to Article III hereof.

"Facility Letter of Credit Obligations" shall mean, at any time, the sum of (i) the aggregate Reimbursement Obligations then outstanding, plus (ii) the aggregate maximum amount available for drawing under the Facility Letters of Credit then outstanding.

"Facility Quarter" means each consecutive three month period beginning on January 1, April 1, July 1 and October 1.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" means generally accepted accounting principles set forth in the opinions, statements and pronouncements of the Financial Accounting Standards Board, Accounting Principles Board and the American Institute of Certified Public Accountants or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination and in any event applied in a manner consistent with the application thereof used in the preparation of the financial statements referred to in Section 6.01(e).

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person or otherwise in any manner assuring the holder of any Debt of any other Person against loss (whether by agreement to keep-well, to purchase assets, goods or services, or to take-or-pay or otherwise), provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Intangible Assets" means, with respect to any Person at any time of determination, (i) goodwill, organizational expenses, research and development expenses, trademarks, tradenames, copyrights, patents, patent applications, licenses and rights in any thereof, (ii) all reserves carried and not deducted from assets, (iii) treasury stock, (iv) securities which are not readily marketable, (v) cash held in a sinking or other analogous fund for the purpose of redemption, retirement or prepayment of capital stock or indebtedness, (vi) any write-up in the book value of any asset resulting from a reevaluation thereof subsequent to December 31, 1996, and (vii) any items not included in items (i)-(vi) above which are treated as intangibles in accordance with GAAP

"Interest Coverage Ratio" means the ratio of Consolidated EBITDA to Consolidated Interest Expense.

"Interest Period" means, for each A Advance comprising part of the same A Borrowing, the period commencing on the date of such A Advance and ending on the last day of the period selected by the Borrower in a Notice of A Borrowing submitted in accordance with the terms of Section 2.02. The duration of each such Interest Period shall be (a) in the case of a Base Rate Advance, up to 180 days, and (b) in the case of a Eurocurrency Advance, subject to Section 2.11(b), one, two, three or six months or, with the consent of the Agent, 9 or 12 months, in each case as the Borrower may select; provided, however, that: (i) the Borrower may not select any Interest Period which ends after the Revolving Credit Termination Date, (ii) Interest Periods commencing on the same date for A Advances comprising part of the same A Borrowing and denominated in the same currency shall be of the same duration; and (iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day; provided that, in the case of any Eurocurrency Advance, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day. If, in accordance with Section 2.10 or otherwise, any A Borrowing shall include both Eurocurrency Advances and Base Rate Advances, each such Base Rate Advance shall be assigned an Interest Period that is coextensive with the Interest Period then assigned to such Eurocurrency Advances.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended and any successor statute.

"Issuing Bank" means Credit Lyonnais New York Branch and any other Bank that shall have been designated an "Issuing Bank" for purposes of this Agreement in accordance with Section 3.13.

"Issuing Bank Agent" means, (i) in the case of Credit Lyonnais New York Branch as an Issuing Bank, Credit Lyonnais Chicago Branch, and (ii) in the case of any other Issuing Bank, the "Issuing Bank Agent" designated by such Issuing Bank for purposes of this Agreement in accordance with Section 3.13.

"L/C Extension Date" shall have the meaning ascribed to such term in Section 3.03(a).

"L/C Facility" shall mean the financial accommodations contemplated in Article III of this Agreement.

"L/C Facility Commitments" has the meaning specified in Section 3.06.

"L/C Facility Fee" shall have the meaning ascribed to such term in Section 3.08.

"L/C Facility Termination Date" means November 25, 2002 or the earlier date of termination in whole of the L/C Facility Commitments pursuant to Section 3.11, or such later date as shall be determined under Section 10.02; provided in each case that if such day shall not be a Business Day, the L/C Facility Termination Date shall occur on the immediately preceding Business Day.

"L/C Issue" has the meaning specified in Section 5.03.

"L/C Pro Rata Share" means with respect to any Bank at any time, the percentage that such Bank's L/C Facility Commitment represents of the Aggregate L/C Facility Commitment at such time.

"Letter of Credit Amendment Request" has the meaning specified in Section 3.04.

"Letter of Credit Extension Request" has the meaning specified in Section 3.03.

"Letter of Credit Issuance Request" has the meaning specified in Section 3.02.

"Level" means, at any time, "Level 1", "Level 2", "Level 3", "Level 4" or "Level 5" as determined in accordance with the following conditions at such time:

- (i) "Level 1" shall exist at such time if the Manpower Credit Rating shall be either A- or better from S&P or A3 or better from Moody's;
- (ii) "Level 2" shall exist at such time if (A) Level 1 shall not then exist and (B) the Manpower Credit Rating shall be either BBB or better from S&P or Baa2 or better from Moody's;
- (iii) "Level 3" shall exist at such time if (A) neither Level 1 nor Level 2 shall then exist and (B) the Manpower Credit Rating shall be either BBB- from S&P or Baa3 from Moody's;
- (iv) "Level 4" shall exist at such time if (A) neither Level 1, Level 2 nor Level 3 shall

then exist and (B) the Manpower Credit Rating shall be either BB+ from S&P or Baa1 from Moody's; and

(v) "Level 5" shall exist at such time if none of Level 1, Level 2, Level 3 or Level 4 shall then exist;

provided that if the Manpower Credit Rating issued by S&P shall at any time be more than one ratings category removed from the equivalent ratings category of the Manpower Credit Rating issued by Moody's at such time, the Level then in effect shall be determined on the basis of an imputed ratings category for both S&P and Moody's that is one ratings category above the lower of the two actual Manpower Credit Ratings then in effect. Solely for purposes of illustration, if the Manpower Credit Ratings issued by S&P and Moody's shall at any time be A- and Baa2, respectively, the imputed ratings category shall be BBB+ and Baa1, respectively, and the Level shall be Level 2.

"Majority Banks" means at any time Banks then holding at least 66-2/3% of the outstanding A Advances; provided that (i) if no A Advances are then outstanding, "Majority Banks" shall mean Banks holding at least 66-2/3% of the Commitments at such time; (ii) if the Commitments shall have been terminated and the A Advances shall have been repaid in full, "Majority Banks" shall mean Banks holding at least 66-2/3% of the aggregate L/C Pro Rata Shares at such time; and (iii) if the Commitments shall have been terminated, the A Notes shall have been repaid in full and no Facility Letters of Credit shall then be outstanding, "Majority Banks" shall mean Banks holding at least 66-2/3% of the then aggregate unpaid principal amount of the B Notes.

"Manpower Credit Rating" means, as of any date with respect to any rating agency, the credit rating, if any, publicly announced by such rating agency and then in effect in respect of the senior, unsecured, non-credit enhanced long-term debt of the Borrower. If at any time, and during the period that, a credit rating shall cease to be publicly announced by S&P or Moody's, the "shadow" credit rating, if any, issued by such rating agency in respect of the senior, unsecured, non-credit-enhanced debt of the Borrower may be used as the Manpower Credit Rating for such rating agency at any time following demonstration by the Borrower to the satisfaction of the Agent as to the existence of such shadow credit rating.

"Margin Stock" has the meaning specified in Regulation U issued by the Board of Governors of Federal Reserve System.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any of its ERISA Affiliates is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"1996 Bank" means a Bank hereunder that shall have been party to the 1996 Credit Agreement.

"1996 Credit Agreement" means that certain Revolving Credit Agreement dated as of April 1, 1996 among (i) the Borrower, (ii) certain banks parties thereto, (iii) Credit Lyonnais Chicago Branch, The First National Bank of Chicago and Mellon Bank, N.A., as co-agents, (iv) Credit Lyonnais New York Branch, as "Issuing Bank" and Credit Lyonnais Chicago Branch, as "Issuing Bank Agent", (v) Citibank International PLC, as "Euro-Agent" and (vi) Citibank, N.A., as "Agent," as amended.

"Note" means either an A Note or a B Note, and "Notes" means the A Notes and the B Notes, collectively.

"Notice of A Borrowing" has the meaning specified in Section 2.02(a).

"Notice of B Borrowing" has the meaning specified in Section 2.03(a)(i).

"Payment Office" means (i) for Dollars, the principal office of Citibank in New York City, located on the date hereof at 399 Park Avenue, New York, New York 10043, and (ii) for any Alternative Currency, the office of Citibank International plc, located on the date hereof at 335 Strand, London WC2R ILS England, or in either case such other office of the Agent or the Euro-Agent as shall be from time to time selected by it by written notice to the Borrower and the Banks.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Plan" means an employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate is, or within the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Pro Rata Share" means with respect to any Bank at any time, the percentage that such Bank's Commitment represents of the aggregate Commitments of all Banks at such time.

"Reference Banks" means Citibank, Credit Lyonnais New York Branch (or, in the case of any Eurocurrency Rate to be determined in an Alternative Currency, Credit Lyonnais United Kingdom) and The First National Bank of Chicago.

"Register" has the meaning specified in Section 10.08.

"Reimbursement Obligations" shall mean, at any time, the then unpaid reimbursement or repayment obligations of the Borrower to the Issuing Banks with respect to drawings made under the Facility Letters of Credit.

"Replacement Bank" means, for purposes of either Section 3.12 or Section 4.05, a financial institution proposed by an Issuing Bank Agent or the Borrower, as applicable, to replace an existing Bank for the reasons set forth in such sections.

"Requested L/C Amount" shall mean, (i) with respect to any Facility Letter of Credit requested by the Borrower pursuant to a Letter of Credit Issuance Request but not yet issued by an Issuing Bank, the face amount of such Facility Letter of Credit, and (ii) with respect to any Facility Letter of Credit for which the Borrower has requested an amendment to increase the face amount thereof pursuant to a Letter of Credit Amendment Request, but which has not yet been so amended by the applicable Issuing Bank, the amount of such increase of the face amount of such Facility Letter of Credit.

"Requisite Bank Credit Rating" shall mean a credit rating issued by S&P, Moody's or any other nationally recognized rating agency of not less than the minimum such rating issued by such agency to signify that the applicable indebtedness or obligation of the rated entity is "investment grade." In the case of any actual or proposed Bank, the applicable "rated entity" for this purpose shall be such Bank or, if such Bank shall not then be rated, the bank holding company owning all or substantially all of the capital stock of such Bank.

"Revolving Credit Facility" shall mean the financial accommodations contemplated in Article II of this Agreement.

"Revolving Credit Termination Date" means November 25, 2002 or the earlier date of termination in whole of the Commitments pursuant to Section 2.04, or such later date as shall be determined under Section 10.02; provided in each case that if such day shall not be a Business Day, the Revolving Credit Termination Date shall occur on the immediately preceding Business Day.

"S&P" means Standard & Poor's Ratings Group.

"Subsidiary" means, with respect to any Person, any corporation or other entity in which such Person owns directly or indirectly 50% or more of the combined ordinary voting power of all classes of stock or interests of such entity having ordinary voting power.

"Termination Event" means (i) a "reportable event," as such term is described in Section 4043 of ERISA (other than a "reportable event" not subject to the provision for 30-day notice to the PBGC), or an event described in Section 4062(e) of ERISA, or (ii) the withdrawal of the Borrower or any of its ERISA Affiliates from a Benefit Plan during a plan year in which it was a "substantial employer", as such term is defined in Section 4001(a)(2) of ERISA, or the incurrence of liability by the Borrower or any of its ERISA Affiliates under Section 4064 of ERISA upon the termination of a Plan, or (iii) the imposition of an obligation on the Borrower or any ERISA Affiliate under Section 4041 of ERISA to provide affected parties with a written notice of intent to terminate a Benefit Plan in a distressed termination described in Section 4041(c) of ERISA, or (iv) the institution of proceedings to terminate a Benefit Plan by the PBGC under Section 4042 of ERISA, or (v) any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Benefit Plan or (vi) the partial or complete withdrawal of the Borrower or any ERISA Affiliate from a Multiemployer Plan.

"Type", in respect of any A Advance, has the meaning assigned thereto in the definition herein of "A Advance".

"Unused L/C Facility" shall mean at any time the amount, if any, by which the Aggregate L/C Facility Commitment then in effect exceeds the aggregate face amount of all Facility Letters of Credit then outstanding.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

SECTION 1.03. Accounting Terms and Change in Accounting Principles. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. If any changes in accounting principles from those used in the preparation of the financial statements referred to in Section 6.01(e) are hereafter required or permitted by the rules, regulations, pronouncements and opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and are adopted by the Borrower with the agreement of its independent certified public accountants and such changes result in a change in the components of the calculation of any of the financial covenants, standards or terms found in Article VI hereof, the Borrower and the Agent agree to enter into negotiations in order to amend such provisions so as to equitably reflect such changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such changes as if such changes had not been made; provided, however, that no change in GAAP that would affect the components of the calculation of any of such financial covenants, standards or terms shall be given effect in such calculations until such provisions are amended, in accordance with the terms of Section 10.01, to so reflect such change in accounting principles.

SECTION 1.04. Currency Equivalents Generally. For all purposes of this Agreement, except as otherwise provided in Article II, the equivalent in any Alternative Currency of an amount in Dollars shall be determined at the rate of exchange quoted by Citibank International plc, in London, at 9:00 A.M. (London time) on the date of determination, to prime banks in London for the spot purchase in the London foreign exchange market of such amount of Dollars with such Alternative Currency.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The A Advances. (a) Each Bank severally agrees, on the terms and conditions hereinafter set forth, to make A Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Revolving Credit Termination Date in an aggregate amount (determined in Dollars) not to exceed at any time outstanding the Dollar amount set forth below such Bank's name on the signature pages hereof in respect of the Revolving Credit Facility, as such

amount may be reduced pursuant to Section 2.04, increased pursuant to Section 4.06 or increased or decreased in connection with any assignment pursuant to Section 10.08 (such Bank's "Commitment").

(b) The aggregate amount of the Commitments of the Banks shall be deemed used from time to time to the extent of the aggregate amount of the B Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be applied to the Banks ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "B Reduction").

(c) Each A Borrowing shall consist of A Advances of the same Type made on the same day to the Borrower by the Banks ratably according to their respective Commitments, and shall be in an aggregate amount:

(i) in the case of an A Borrowing comprised of A Advances denominated in Dollars, not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof;

(ii) in the case of an A Borrowing comprised of Eurocurrency Advances denominated in any Alternative Currency, not less than an amount approximately equal to \$10,000,000 (at applicable exchange rates) or an integral multiple approximately equal to \$1,000,000 (at applicable exchange rates) in excess thereof in each case such amount (or integral multiple) to be advised to the Borrower by the Euro-Agent on the basis of then prevailing market conditions and conventions.

(d) Within the limits of each Bank's Commitment, the Borrower may borrow, Convert pursuant to Section 2.02(g), repay pursuant to Section 2.05 or prepay pursuant to Section 2.09, and reborrow under this Section 2.01. For purposes of this Section 2.01 and all other provisions of this Article II, the equivalent in Dollars of any Alternative Currency or the equivalent in any Alternative Currency of Dollars or of any other Alternative Currency shall be determined in accordance with Section 2.11.

SECTION 2.02. Making the A Advances. (a) Each A Borrowing shall be made on notice, given by the Borrower:

(x) in the case of a proposed A Borrowing comprised of Base Rate Advances, to the Agent not later than 10:30 A.M. (New York City time) on the Business Day that is the date of the proposed A Borrowing;

(y) in the case of a proposed A Borrowing comprised of Eurocurrency Advances to be denominated in an Alternative Currency, to the Euro-Agent not later than 12:00 Noon (London time) on the third Business Day prior to the date of such proposed A Borrowing; and

(z) in the case of a proposed A Borrowing comprised of Eurocurrency Advances to be denominated in Dollars, to the Agent not later than 10:30 A.M. (New York City time) on the third Business Day prior to the date of such proposed A Borrowing.

The Agent or the Euro-Agent, as applicable, shall give each Bank prompt notice thereof by telecopy, telex or cable. Each such notice of an A Borrowing (a "Notice of A Borrowing") shall be by telecopy, telex or cable, confirmed immediately in writing, in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such A Borrowing, (ii) Type of A Advances comprising such A Borrowing, (iii) in the case of a proposed A Borrowing comprised of Eurocurrency Advances, currency of such A Advances, (iv) Interest Period for each such A Advance and (v) aggregate amount of such A Borrowing. The Borrower shall certify, in each Notice of A Borrowing, the Level then in effect. In the case of an A Borrowing comprised of Eurocurrency Advances denominated in an Alternative Currency, the Borrower shall request, within one-half hour prior to the issuance of the applicable Notice of A Borrowing, the advice of the Euro-Agent as to the applicable exchange rate then in effect with respect to such Alternative Currency, and the Borrower shall specify in such Notice of A Borrowing the exchange rate so advised to it by the Euro-Agent.

(b) Each Bank shall make available for the account of its Applicable Lending Office:

(i) in the case of an A Borrowing comprised of Base Rate Advances, to the Agent before 12:00 noon (New York City time)(or, if the applicable Notice of A Borrowing shall have been given on the date of such A Borrowing, before 4:00 P.M. (New York City time)) on the date of such A Borrowing, at such account main tained at the Payment Office for Dollars as shall have been notified by the Agent to the Banks prior thereto and in same day funds, such Bank's Pro Rata Share of such A Borrowing;

(ii) in the case of an A Borrowing comprised of Eurocurrency Advances denominated in Dollars, to the Agent before 12:00 noon (New York City time) on the date of such A Borrowing, at such account maintained at the Payment Office for Dollars as shall have been notified by the Agent to the Banks prior thereto and in same day funds, such Bank's Pro Rata Share of such A Borrowing in Dollars; and

(iii) in the case of an A Borrowing comprised of Eurocurrency Advances denominated in an Alternative Currency, to the Euro-Agent before 12:00 noon (local time for the location of the Payment Office therefor) on the date of such A Borrowing, at such account

maintained at the Payment Office for such Alternative Currency as shall have been notified by the Euro-Agent to the Banks prior thereto and in same day funds, such Bank's Pro Rata Share of such A Borrowing in such Alternative Currency.

After the Agent's or Euro-Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article V, the Agent will make such funds available to the Borrower at the aforesaid applicable Payment Office.

(c) Anything hereinabove to the contrary notwithstanding,

(i) if any Bank shall, at least one Business Day before the date of any requested A Borrowing comprised of or any requested Conversion to Eurocurrency Advances, notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other governmental authority asserts that it is unlawful, for such Bank or its Eurocurrency Lending Office to perform its obligations hereunder generally to make, fund or maintain Eurocurrency Advances or to make, fund or maintain Eurocurrency Advances in the requested Alternative Currency for such A Borrowing, the right of the Borrower to select or Convert to Eurocurrency Advances in the affected currency or currencies for such A Borrowing or any subsequent A Borrowing shall be suspended until such Bank shall notify the Agent or the Euro-Agent that the circumstances causing such suspension no longer exist, and each A Advance comprising such A Borrowing shall be a Base Rate Advance;

(ii) if the Agent or the Euro-Agent shall, at least one Business Day before the date of any requested A Borrowing or Conversion to Eurocurrency Advances, notify the Borrower and the Banks that two or more Reference Banks shall have failed to furnish timely information to the Agent or the Euro-Agent for determining the Eurocurrency Rate for Eurocurrency Advances denominated in a particular currency and comprising such requested A Borrowing or Conversion, the right of the Borrower to select Eurocurrency Advances in such currency for such A Borrowing or Conversion or to select such currency for any subsequent A Borrowing or Conversion, shall be suspended until the Agent or the Euro-Agent shall notify the Borrower and the Banks that the circumstances causing such suspension no longer exist, and each A Advance comprising such A Borrowing shall be Converted to a Base Rate Advance on the requested date of Borrowing or Conversion;

(iii) if the Majority Banks shall, at least one Business Day before the date of any requested A Borrowing or Conversion, notify the Agent or the Euro-Agent that the Eurocurrency Rate for Eurocurrency Advances denominated in a particular currency and comprising such A Borrowing or Conversion, will not adequately reflect the cost to such Majority Banks of making or funding their respective Eurocurrency Advances for such A Borrowing or Conversion, the right of the Borrower to select Eurocurrency Advances in such currency for such A Borrowing or Conversion, or to select such currency for any subsequent A Borrowing or Conversion, shall be suspended until the Agent shall notify the Borrower and the Banks that the circumstances causing such suspension no longer exist, and each A Advance comprising such A Borrowing shall be a Base Rate Advance on the requested date of Borrowing or Conversion; and

(iv) if any Bank shall, at least one Business Day before the date of any requested A Borrowing to be comprised of or Converted to Eurocurrency Advances, notify the Agent or the Euro-Agent that such Bank is not satisfied that deposits in the relevant Alternative Currency will be freely available to it in the relevant amount and for the relevant Interest Period, the right of the Borrower to request Eurocurrency Advances in such Alternative Currency from such Bank as part of such A Borrowing or Conversion or any subsequent A Borrowing or Conversion shall be suspended until such Bank shall notify the Agent or the Euro-Agent that the circumstances causing such suspension no longer exist, and the A Advance to be made or Converted by such Bank as part of such A Borrowing or Conversion shall be a Base Rate Advance (or, in the case of any A Advance to be made or Converted by such Bank as part of any subsequent A Borrowing or Conversion in respect of which such Alternative Currency shall have been requested during such period of suspension, a Eurocurrency Advance denominated in Dollars) and having an Interest Period coextensive with the Interest Period in effect in respect of all other A Advances comprising a part of such A Borrowing.

Each of the Agent and the Euro-Agent shall, upon becoming aware that the circumstances causing any such suspension no longer apply, promptly so notify the Borrower, provided that the failure of the Agent or the Euro-Agent to so notify the Borrower shall not impair the rights of the Banks under this Section 2.02(c) or expose the Agent or the Euro-Agent to any liability. In the case of any notice given to the Borrower under clause (i), (ii) or (iii) above, the Borrower may, upon its receipt of such notice, elect to revoke the applicable Notice of A Borrowing by forthwith providing written notice of such revocation to the Agent.

(d) Except as otherwise provided in Section 2.02(c), each Notice of A Borrowing shall be irrevocable and binding on the Borrower. In the case of any A Borrowing which the related Notice of A Borrowing specifies is to be comprised of Eurocurrency Advances, the Borrower shall indemnify each Bank against any loss, cost or expense incurred by such Bank as a result of any failure to fulfill on or before the date specified in such Notice of A Borrowing for such A Borrowing the applicable conditions set forth in Article V or as a result of the revocation by the Borrower of such Notice of A Borrowing under Section 2.02(c), in each case including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Bank to fund the A Advance to be made by such Bank as part of such A Borrowing when such A Advance, as a result of such failure or revocation, is not made on such date.

(e) Unless the Agent or the Euro-Agent, as applicable, shall have received notice from a Bank prior to the date of any A Borrowing that such Bank will not make available to the Agent or the Euro-Agent such Bank's Pro Rata Share of such A Borrowing, the Agent or the Euro-Agent, as applicable, may assume that such Bank has made such portion available to it on the date of such A Borrowing in accordance with subsection (b) of this Section 2.02 and it may, in reliance upon such assumption, make (but shall not be required to make) available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such Pro Rata Share available to the Agent or the Euro-Agent, as applicable, such Bank and the Borrower severally agree to repay to the Agent or the Euro-Agent, as applicable, forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent or the Euro-Agent, as applicable, at (i) in the case of the Borrower, the interest rate applicable at the time to A Advances comprising such A Borrowing and (ii) in the case of such Bank, the Federal Funds Rate. If such Bank shall repay to the Agent or the Euro-Agent, as applicable, such corresponding amount, such amount so repaid shall constitute such Bank's A Advance as part of such A Borrowing for purposes of this Agreement.

(f) The failure of any Bank to make the A Advance to be made by it as part of any A Borrowing shall not relieve any other Bank of its obligation, if any, hereunder to make its A Advance on the date of such A Borrowing, but no Bank shall be responsible for the failure of any other Bank to make the A Advance to be made by such other Bank on the date of any A Borrowing.

(g) The Borrower may on any Business Day, upon notice given to the Agent and, if applicable, the Euro-Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion, Convert all A

Advances of one Type comprising the same A Borrowing into A Advances of another Type or continue such A Advances as the same Type for a new Interest Period; provided, however, that:

(i) the Borrower shall not make any Conversion of any A Advances denominated in one currency into A Advances denominated in another currency;

(ii) the Conversion of any Eurocurrency Advances denominated in Dollars into Base Rate Advances, or the continuation of any Eurocurrency Advances for an additional Interest Period, shall be made on, and only on, the last day of the Interest Period then in effect for such Eurocurrency Advances;

(iii) if, on the date of any proposed Conversion, an Event of Default shall have occurred and is then continuing, each Eurocurrency Advance that would otherwise be Converted or continued on such date shall (A) if denominated in a currency other than Dollars, be repayable in full in the applicable currency on such date, and (B) if denominated in Dollars, Convert into a Base Rate Advance on such date; and

(iv) the Borrower shall not continue any Eurocurrency Advances denominated in an Alternative Currency if, as of the date of the issuance of the applicable Notice of Conversion and determined on the basis of the applicable exchange rate for the proposed new Interest Period in respect of such Eurocurrency Advances, the aggregate amount (determined in Dollars) of the Advances outstanding hereunder after giving effect to such continuation would exceed the aggregate Commitments at such time.

Each such notice of a Conversion (a "Notice of Conversion") shall be substantially in the form of Exhibit I hereto and shall, within the restrictions specified above, specify the date of such Conversion, the A Advances to be Converted, and the duration of the new Interest Period for each such A Advance. In the case of an A Borrowing comprised of Eurocurrency Advances denominated in an Alternative Currency which is proposed to be continued for an additional Interest Period, the Borrower shall request, within one-half hour prior to the issuance of the applicable Notice of Conversion, the advice of the Euro-Agent as to the applicable exchange rate then in effect with respect to such Alternative Currency, and the Borrower shall specify in such Notice of Conversion the exchange rate so advised to it by the Euro-Agent. If the Borrower shall fail to select the duration of any new Interest Period by the time therefor required above in respect of the A Advances comprising any A Borrowing, such A Advances shall, subject to the terms and conditions set forth in this Section 2.02(g), automatically Convert on the last day of the then current Interest Period into A Advances of the same currency and

having an Interest Period of one month, and the Agent will so notify the Borrower and the Banks.

SECTION 2.03. The B Advances. (a) Each Bank severally agrees that the Borrower may make B Borrowings in Dollars under this Section 2.03 from time to time on any Business Day during the period from the Effective Date until the date occurring 30 days prior to the Revolving Credit Termination Date in the manner set forth below; provided that, following the making of each B Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Banks (computed without regard to any B Reduction).

(i) The Borrower may request a B Borrowing under this Section 2.03 by delivering to the Agent, by telecopier, telex or cable, confirmed immediately in writing, a notice of a B Borrowing (a "Notice of B Borrowing"), in substantially the form of Exhibit B-2 hereto, specifying the date and aggregate amount of the proposed B Borrowing, the maturity date for repayment of each B Advance to be made as part of such B Borrowing (which maturity date shall be a Business Day that is not earlier than 30 days after the date of the proposed B Borrowing and not later than the Revolving Credit Termination Date), the interest payment date or dates relating thereto, the basis on which interest is to be calculated and any other terms to be applicable to such B Borrowing, not later than 10:30 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed B Borrowing, if the Borrower shall specify in the Notice of B Borrowing that the rates of interest to be offered by the Banks shall be fixed rates per annum and (B) at least four Business Days prior to the date of the proposed B Borrowing, if the Borrower shall instead specify in the Notice of B Borrowing the basis to be used by the Banks in determining the rates of interest to be offered by them. The Agent shall in turn promptly notify each Bank of each request for a B Borrowing received by it from the Borrower by sending such Bank a copy of the related Notice of B Borrowing.

(ii) Each Bank may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more B Advances to the Borrower as part of such proposed B Borrowing at a rate or rates of interest specified by such Bank in its sole discretion, by notifying the Agent (which shall give prompt notice thereof to the Borrower), before 10:00 A.M. (New York City time) (A) on the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (A) of paragraph (i) above and (B) three Business Days before the date of such

proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (B) of paragraph (i) above, of the minimum amount and maximum amount of each B Advance which such Bank would be willing to make as part of such proposed B Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Bank's Commitment), the rate or rates of interest therefor and such Bank's Applicable Lending Office with respect to such B Advance; provided that if the Agent in its capacity as a Bank shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer before 9:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Banks. If any Bank shall elect not to make such an offer, such Bank shall so notify the Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Agent by the other Banks, and such Bank shall not be obligated to, and shall not, make any B Advance as part of such B Borrowing; provided that the failure by any Bank to give such notice shall not cause such Bank to be obligated to make any B Advance as part of such proposed B Borrowing.

(iii) The Borrower shall, in turn, (A) before 11:00 A.M. (New York City time) on the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (A) of paragraph (i) above and (B) before 1:00 P.M. (New York City time) three Business Days before the date of such proposed B Borrowing, in the case of a Notice of B Borrowing delivered pursuant to clause (B) of paragraph (i) above, either:

(x) cancel such B Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Bank or Banks pursuant to paragraph (ii) above, in its sole discretion, by giving notice to the Agent of the amount of each B Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Agent on behalf of such Bank for such B Advance pursuant to paragraph (ii) above) to be made by each Bank as part of such B Borrowing, and reject any remaining offers made by Banks pursuant to paragraph (ii) above by giving the Agent notice to that effect. The Borrower shall not accept offers in an aggregate amount, in respect of any maturity, in excess of the maximum amount requested for such maturity by the Borrower in the

applicable Notice of B Borrowing. The Borrower shall accept offers on the basis of the respective rates quoted, selecting first the lowest such rate and accepting offers thereafter in ascending order of such rates. If two or more Banks make offers at the same rate for the same maturity, and the Borrower elects to accept a portion but not all of the aggregate amount of such offers, the Borrower shall accept such offers ratably in proportion to the amount bid by each such Bank.

(iv) If the Borrower notifies the Agent that such B Borrowing is cancelled pursuant to paragraph (iii)(x) above, the Agent shall give prompt notice thereof to the Banks and such B Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Bank or Banks pursuant to paragraph (iii)(y) above, the Agent shall in turn promptly notify (A) each Bank that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such B Borrowing and whether or not any offer or offers made by such Bank pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Bank that is to make a B Advance as part of such B Borrowing, of the amount of each B Advance to be made by such Bank as part of such B Borrowing, and (C) each Bank that is to make a B Advance as part of such B Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article V. Each Bank that is to make a B Advance as part of such B Borrowing shall, before 12:00 noon (New York City time) on the date of such B Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Bank shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at the Payment Office such Bank's portion of such B Borrowing, in same day funds. Upon fulfillment of the applicable conditions set forth in Article V and after receipt by the Agent of such funds, the Agent will make such funds available to the Borrower at the Payment Office. Promptly after each B Borrowing, the Agent will notify each Bank of the amount of the B Borrowing, the consequent B Reduction and the dates upon which such B Reduction commenced and will terminate.

(b) Each B Borrowing shall be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and, following the making of each B Borrowing, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03; provided that a B Borrowing shall not be made within three Business Days of the date of any other B Borrowing.

(d) The Borrower shall repay to the Agent for the account of each Bank which has made a B Advance, or each other holder of a B Note, on the maturity date of each B Advance (such maturity date being that specified by the Borrower for repayment of such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above and provided in the B Note evidencing such B Advance), the then unpaid principal amount of such B Advance. The Borrower shall have no right to prepay any principal amount of any B Advance unless, and then only on the terms, specified by the Borrower for such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above and set forth in the B Note evidencing such B Advance.

(e) The Borrower shall pay interest on the unpaid principal amount of each B Advance from the date of such B Advance to the date the principal amount of such B Advance is repaid in full, at the rate of interest for such B Advance specified by the Bank making such B Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above, as provided in the B Note evidencing such B Advance.

(f) The indebtedness of the Borrower resulting from each B Advance made to the Borrower as part of a B Borrowing shall be evidenced by a separate B Note of the Borrower payable to the order of the Bank making such B Advance.

SECTION 2.04. Reduction of the Commitments. The Borrower shall have the right, upon at least three Business Days' written notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Banks; provided, that (i) each partial reduction shall be in the aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) after giving effect to any such reduction, the aggregate Commitments then in effect shall be in an amount not less than the sum of (A) the Aggregate L/C Facility Commitment then in effect, (B) the aggregate face amount of all commercial paper of the Borrower and its Subsidiaries then outstanding and (C) the aggregate principal amount of the Advances then outstanding.

SECTION 2.05. Repayment of A Advances. The Borrower shall repay the principal amount of each A Advance made to it by each Bank on the Revolving Credit Termination Date (or on such

earlier date as may be required under Section 2.11(b) or otherwise hereunder) and in the currency in which such A Advance shall have been made.

SECTION 2.06. Interest on A Advances. The Borrower shall pay interest on the unpaid principal amount of each A Advance made by each Bank to the Borrower from the date of such A Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances. If an A Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of the Base Rate in effect from time to time plus the Applicable Margin, payable on the last day of the applicable Interest Period (or on any earlier date on which such A Advance shall be Converted or paid in full) and, if such Interest Period has a duration of more than 90 days, on the date that occurs 90 days after the first day of such Interest Period. The Agent shall provide telephonic notice to the Borrower of the amount of interest due and payable on Base Rate Advances by a date not later than the date such payment is due; provided, however, that the Agent's failure to give such notice shall not discharge the Borrower from the Borrower's obligation to make payment of interest but shall only delay the due date of such interest until such telephonic notice is given.

(b) Eurocurrency Advances. If such A Advance is a Eurocurrency Advance, a rate per annum equal at all times during each Interest Period for such A Advance to the sum of the Eurocurrency Rate for such Interest Period plus the Applicable Margin, payable on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day which occurs during such Interest Period every three months from the first day of such Interest Period.

(c) "Applicable Margin" means, in respect of any A Advance, a rate per annum determined as of the first day of the Interest Period for such A Advance in reference to the table set forth below on the basis of the Level existing on such day.

Level	Applicable Margin (Rate per annum)	
	Base Rate Advances	Eurocurrency Advances
Level 1	0	0.17%
Level 2	0	0.215%
Level 3	0	0.25%
Level 4	0	0.40%
Level 5	0	0.625%;

provided that in the event that, in respect of any calendar month, (i) the sum of the average aggregate principal amount of Advances outstanding during such calendar month and the average aggregate face amount of Facility Letters of Credit outstanding during such calendar month shall exceed an amount equal to 50% of (ii) the sum of the average aggregate Commitments and average aggregate L/C Facility Commitments during such calendar month, then the Applicable Margin in respect of each A Advance outstanding during the month next following such calendar month shall be as set forth below:

Level	Applicable Margin (Rate per annum) During the Month Following Calendar Month of Designated Utilization	
	Base Rate Advances	Eurocurrency Advances
Level 1	0.03%	0.20%
Level 2	0.03%	0.245%
Level 3	0.03%	0.28%
Level 4	0.075%	0.475%
Level 5	0.125%	0.75%;

provided further that upon the occurrence and during the continuance of any Event of Default, the Applicable Margin in respect of each A Advance shall increase to 2.00% per annum over the Applicable Margin otherwise in effect for such A Advance.

SECTION 2.07. Additional Interest on Eurocurrency Advances.

The Borrower shall pay to each Bank, so long as such Bank shall be required under regulations of the Board of

Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurocurrency Advance made by such Bank to the Borrower, from the date of such A Advance until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the Eurocurrency Rate for the Interest Period for such A Advance from (ii) the rate obtained by dividing such Eurocurrency Rate by a percentage equal to 100% minus the Eurocurrency Rate Reserve Percentage of such Bank for such Interest Period, payable on each date on which interest is payable on such A Advance. Such additional interest so notified to the Borrower by any Bank shall be payable to the Agent (or, in the case of any Eurocurrency Advance denominated in an Alternative Currency, the Euro-Agent) for the account of such Bank on the dates specified for payment of interest for such A Advance in Section 2.06.

SECTION 2.08. Interest Rate Determination. Each Reference Bank agrees to furnish to the Agent (in the case of Eurocurrency Advances denominated in Dollars) and the Euro-Agent (in the case of Eurocurrency Advances denominated in any Alternative Currency) timely information for the purpose of determining each Eurocurrency Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Agent or the Euro-Agent, as applicable, for the purpose of determining any such interest rate, the Agent or the Euro-Agent, as applicable, shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent and the Euro-Agent, as applicable, shall give prompt notice to the Borrower and the Banks of the applicable interest rate determined by the Agent or the Euro-Agent, as applicable, for purposes of Section 2.06, and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining the applicable interest rate under Section 2.06(b).

SECTION 2.09. Prepayments. (a) The Borrower may, upon written notice given to the Agent not later than 11:00 A.M. (New York City time) on the date of prepayment and stating the proposed date (which shall be a Business Day) and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Base Rate Advances comprising part of the same A Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid, on such date specified for prepayment; provided, however, that (i) each partial prepayment shall be in an aggregate principal amount not less than \$1,000,000 and (ii) a Base Rate Advance that constitutes part of an A Borrowing that, pursuant to Section 2.10, contains Eurocurrency Advances may not be prepaid unless at such time such Eurocurrency Advances are being prepaid in accordance with Section 2.09(b).

(b) The Borrower may, upon written notice given to the Agent not later than 11:00 A.M. (New York City time) two Business Days prior to the date of prepayment and stating the proposed date (which shall be a Business Day) and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Eurocurrency Advances comprising part of the same A Borrowing in whole (and not in part), together with accrued interest to the date of such prepayment on the principal amount prepaid, on such date specified for prepayment and shall pay to each Bank, on demand, such other amounts in connection therewith as may be required under Section 10.05(b).

(c) Subject to Section 2.03(d), the Borrower shall have no right to prepay any principal amount of any B Advance.

SECTION 2.10. Illegality. (a) In the event that any Bank shall have determined (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) at any time that the making or continuance of any of its Eurocurrency Advances in Dollars or in any Alternative Currency has become unlawful because of the introduction of or any change in or in the interpretation of any law or regulation or because of the assertion of unlawfulness by any central bank or other governmental authority, then, in any such event, such Bank shall give prompt notice (by telephone confirmed in writing) to the Borrower and to the Agent of such determination (which notice the Agent shall promptly transmit to the other Banks).

(b) Upon the giving of the notice to the Borrower referred to in subsection (a) above, if the affected Eurocurrency Advances are then outstanding, the Borrower shall, upon at least one Business Day's written notice to the Agent (and, if the affected Eurocurrency Advances are denominated in any Alternative Currency, the Euro-Agent) and the affected Bank, or if permitted by applicable law no later than the date permitted thereby, in the Borrower's sole discretion, either (i) prepay the principal amount of all outstanding Eurocurrency Advances of such Bank to which such notice related, together with accrued interest thereon to the date of payment or (ii) Convert each such Eurocurrency Advance into a Base Rate Advance, and, in each case be obligated to reimburse the Banks in respect thereof pursuant to Section 10.05(b) hereof. If more than one Bank gives notice pursuant to Section 2.10(a) at any time, then all outstanding Eurocurrency Advances of such Banks must be treated the same by the Borrower pursuant to this Section 2.10(b). Any Base Rate Advance arising by reason of this Section 2.10(b) shall have an Interest Period assigned to it that ends on the date that the Eurocurrency Advance for which it shall have been substituted would have expired, and the principal thereof and interest thereon shall be payable on the date that principal and interest would otherwise have been payable on such Eurocurrency Advance (whether on the last day of such Interest Period or on any earlier date that the other A Advances comprising a part of the

related A Borrowing shall be prepaid). Such Base Rate Advance may not be prepaid at any time prior to the date that the Eurocurrency Advances comprising a part of such A Borrowing shall be repaid.

SECTION 2.11. Currency Equivalents. (a) For purposes of determining compliance with Section 2.01, 2.02(g) or 2.03(a) at any time, the equivalent in Dollars in respect of any A Borrowing to be comprised of A Advances denominated (or proposed to be denominated) in an Alternative Currency or to be continued as A Advances in such Alternative Currency for an additional Interest Period shall be determined in accordance with Section 2.02(a) or 2.02(g), as applicable, by the Euro-Agent, in consultation with the Borrower, immediately prior to the issuance by the Borrower of the Notice of A Borrowing requesting such A Advances or the Notice of Conversion requesting such continuation. Any equivalent determined in accordance with Section 2.02(a) or 2.02(g) shall be deemed to remain in effect at all times during (and until the last day of) the applicable Interest Period in respect of the A Advances comprising the applicable A Borrowing, notwithstanding any fluctuation in exchange rates occurring prior to the last day of such Interest Period.

(b) Promptly following the date (the "Announcement Date") the countries parties to the Treaty on the European and Economic Monetary Union (or any similar treaty)(the "Treaty") announce the date (the "Euro-Conversion Date") on which participating countries shall convert their respective currencies to the Euro (or another common currency), the Agent, the Euro- Agent and the Borrower shall mutually agree upon the means by which the Eurocurrency Advances hereunder that are denominated in an affected Alternative Currency shall be converted to Eurocurrency Advances denominated in the Euro, and shall determine whether there is a need to amend this Agreement to accommodate any conventions then proposed to be in effect for such Conversion or for the funding or exchange of Euros generally. From and after the Announcement Date, no Interest Period selected by the Borrower in respect of any Eurocurrency Advance that is denominated in an Alternative Currency affected by the Treaty shall extend beyond the Euro-Conversion Date without the prior consent of the Agent and the Euro-Agent. The Agent and the Euro-Agent may, on written notice to the Borrower, require that all outstanding Eurocurrency Advances denominated in Alternative Currencies affected by the Treaty be repaid in full on the Euro-Conversion Date.

SECTION 2.12. Evidence of A Advances. (a) The indebtedness of the Borrower to each Bank resulting from the A Advances made to the Borrower by such Bank shall be evidenced by an A Note of the Borrower payable to the order of such Bank. Prior to the transfer of its A Note, each Bank may either (i) record each A Advance (and payment thereon) on the grid attached to its A Note or (ii) maintain, in accordance with its usual

practice, an account or accounts evidencing the indebtedness of the Borrower to such Bank resulting from each A Advance owing to such Bank from time to time, including the amounts of principal and interest payable and paid to such Bank from time to time hereunder. At the time of transfer of its A Note, each Bank shall record on the grid attached to such A Note the A Advances then owing to such Bank, the currency of such A Advances and the Interest Period for each such A Advance. Notwithstanding the foregoing, no failure on the part of any Bank to make the notations or recordations contemplated herein shall impair, modify or otherwise adversely affect the claim of such Bank against the Borrower in respect of any A Advance made by such Bank hereunder.

(b) The Register maintained by the Agent pursuant to Section 10.08(c) shall include a control account, and a subsidiary account for each Bank, in which accounts (taken together) shall be recorded (i) the date and amount of each A Borrowing made hereunder, the Type of A Advances comprising such Borrowing, the currency of such A Advances and the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Bank hereunder, and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Bank's share thereof.

(c) The entries made in the Register shall be conclusive and binding for all purposes, absent manifest error.

ARTICLE III

THE LETTER OF CREDIT FACILITY

SECTION 3.01. Obligation to Issue. Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties of the Borrower herein set forth, each Issuing Bank agrees to issue, from time to time on any Business Day during the period from the Effective Date until the L/C Facility Termination Date, for the account of the Borrower through such of such Issuing Bank's branches as it and the Borrower may jointly agree, one or more Facility Letters of Credit; provided that the aggregate face amount of all Facility Letters of Credit outstanding hereunder shall not at any time exceed an amount equal to \$90,000,000 (as such amount may be reduced pursuant to Section 3.11, the "Aggregate L/C Facility Commitment").

SECTION 3.02. Issuance of Facility Letters of Credit. (a) Each Facility Letter of Credit shall be issued on written notice given by the Borrower to an Issuing Bank Agent and the Agent not later than 11:00 A.M. (New York City time) five

Business Days prior to the date proposed for such issuance. Such notice (a "Letter of Credit Issuance Request") shall be in substantially the form of Exhibit C-1 hereto (or in such other form as may be mutually agreed as among the Borrower, such Issuing Bank Agent and the Agent) and shall be irrevocable once given. Each Letter of Credit Issuance Request shall be by telecopy, telex, telegraph or cable, confirmed immediately in writing by mail, and shall specify therein (i) the stated amount of the proposed Facility Letter of Credit, (ii) the effective date (which shall be a Business Day) of issuance thereof, (iii) the date on which such proposed Facility Letter of Credit is to expire (which date shall be a Business Day and shall in no event be later than the earlier to occur of the date occurring one year after the effective date of such Facility Letter of Credit or the Business Day immediately preceding the L/C Facility Termination Date), (iv) the purpose for which such proposed Facility Letter of Credit is to be issued and (v) the Person for whose benefit such proposed Facility Letter of Credit is to be issued. Each Facility Letter of Credit shall be denominated in Dollars. Each Letter of Credit Issuance Request shall be accompanied by the form of the letter of credit then being requested to be issued, which form shall not contain any terms or provisions inconsistent with the terms and provisions of this Agreement. Such Issuing Bank Agent shall forthwith advise its related Issuing Bank of its receipt, and the contents of, each Letter of Credit Issuance Request.

(b) Based upon the information contained in a Letter of Credit Issuance Request, and based upon information provided by the Issuing Banks and the Issuing Bank Agents and the books and records of the Agent, the Agent shall determine, as of the close of business on the day it receives such Letter of Credit Issuance Request, the amount of the Unused L/C Facility (without giving effect to such Letter of Credit Issuance Request). Prior to the close of business on the second Business Day following the Agent's receipt of such Letter of Credit Issuance Request, the Agent shall notify the applicable Issuing Bank Agent, either in writing or by telephone notice confirmed promptly thereafter in writing, whether the face amount of the requested Facility Letter of Credit exceeds the Unused L/C Facility (without giving effect to such Letter of Credit Issuance Request).

(c) Promptly following receipt by the applicable Issuing Bank Agent of notice from the Agent pursuant to Section 3.02(b), the related Issuing Bank shall, subject to the terms and conditions of this Agreement, issue the requested Facility Letter of Credit in accordance with such Issuing Bank's usual and customary business practices on the date requested for such issuance by the Borrower in the applicable Letter of Credit Issuance Request. The proposed Facility Letter of Credit shall, in each case, be in form and content acceptable to such Issuing Bank, due regard being given to the terms and provisions of this Agreement, the customs and conventions followed by such Issuing Bank in the issuance of letters of credit generally and the

advice of the Banks from time to time given to such Issuing Bank as to necessary or desirable terms and provisions in the form of any such Facility Letter of Credit.

(d) For purposes of calculating the Facility Letter of Credit Obligations at any time, it shall be assumed that a Facility Letter of Credit requested by the Borrower in accordance with the foregoing provisions of this Section 3.02 has been issued unless and until the Agent shall have received notice from the applicable Issuing Bank or its Issuing Bank Agent that such Facility Letter of Credit was not in fact issued. Such Issuing Bank shall (or shall cause its Issuing Bank Agent to) give the Agent written notice, or telephonic notice confirmed promptly thereafter in writing, upon the issuance by it of a Facility Letter of Credit hereunder, and the Agent shall promptly thereafter give notice of such issuance to the Banks. A Facility Letter of Credit otherwise issued in accordance with the terms of this Agreement shall be a Facility Letter of Credit notwithstanding any failure by the applicable Issuing Bank, its Issuing Bank Agent or the Agent to provide any such notice in a timely manner.

SECTION 3.03. Extension and Renewal of Facility Letters of Credit. (a) The Borrower may request that a Facility Letter of Credit be extended beyond its stated expiry date or otherwise renewed by giving the applicable Issuing Bank Agent and the Agent written notice of any such extension or renewal not later than ten Business Days (and not earlier than thirty days) prior to the date (the "L/C Extension Date") which is the earlier of (i) the date such Facility Letter of Credit would have expired absent such extension or renewal and (ii) five Business Days prior to the date that the applicable Issuing Bank must provide notice to the Borrower or any beneficiary of such Facility Letter of Credit that such Facility Letter of Credit will or will not be extended or renewed. Each such notice (a "Letter of Credit Extension Request") shall be in substantially the form of Exhibit C-2 hereto (or in such other form as may be mutually agreed as among the Borrower, the applicable Issuing Bank Agent and the Agent) and shall specify the Facility Letter of Credit which is being extended or renewed and the proposed new expiration date of such Facility Letter of Credit. Such Issuing Bank Agent shall forthwith advise its related Issuing Bank of its receipt of, and the contents of, each Letter of Credit Extension Request and the Agent shall promptly so advise each Bank.

(b) The new expiration date proposed for any Facility Letter of Credit may not be a date that is either (1) more than one year (without regard to consensual renewal provisions contained therein) after the date such Facility Letter of Credit would have expired absent such extension or renewal, or (2) on or after the Business Day immediately preceding the L/C Facility Termination Date.

(c) Following proper delivery of a Letter of Credit Extension Request pursuant to Section 3.03(a), the applicable Issuing Bank may, subject to Section 5.03, extend the expiration date of or renew any Facility Letter of Credit issued by such Issuing Bank (including, without limitation, by allowing an automatic renewal to occur).

SECTION 3.04. Amendment of Facility Letters of Credit. The Borrower may request that a Facility Letter of Credit be amended at any time by giving the applicable Issuing Bank Agent and the Agent written notice thereof not later than ten Business Days prior to the date proposed for such amendment and, if such Issuing Bank Agent and the Agent agree to such amendment, such amendment shall be given effect; provided, that (i) any extension of the expiration date or renewal of a Facility Letter of Credit shall be subject to the terms of Section 3.03, and (ii) any amendment which increases the face amount of a Facility Letter of Credit shall be deemed an issuance of a new Facility Letter of Credit with a face amount equal to the amount of such increase, and shall be subject to the provisions of Section 3.02 (including, without limitation, the receipt by the applicable Issuing Bank Agent of notice from the Agent that the amount of such increase does not exceed the Unused L/C Facility (without giving effect to such increase). Each such notice (a "Letter of Credit Amendment Request") shall be in substantially the form of Exhibit C-3 hereto (or in such other form as may be mutually agreed as among the Borrower, such Issuing Bank Agent and the Agent). Each Letter of Credit Amendment Request shall specify in reasonable detail the changes that are then being requested to be made in the applicable Facility Letter of Credit and the changes, if any, in the information specified in the original Letter of Credit Request with respect to such Facility Letter of Credit. The applicable Issuing Bank Agent shall forthwith advise its related Issuing Bank of its receipt of, and the contents of, each Letter of Credit Amendment Request and the Agent shall promptly so advise each Bank.

SECTION 3.05. Reimbursement Obligations; Duties of an Issuing Bank. (a) The Borrower shall reimburse each Issuing Bank for each drawing under each Facility Letter of Credit issued by such Issuing Bank immediately following the occurrence of such drawing and in any event by no later than the date that is three Business Days after the date of such drawing. Any Reimbursement Obligation not repaid on the date of the applicable drawing giving rise thereto shall bear interest from such date until repaid in full at a rate per annum equal to 2% per annum above the rate per annum that would be payable on Base Rate Advances at such time.

(b) Any action taken or omitted to be taken by any Issuing Bank or any Issuing Bank Agent under or in connection with any Facility Letter of Credit, if taken or omitted in the absence of willful misconduct or gross negligence, shall not put such Issuing Bank or Issuing Bank Agent under any resulting

liability to any Bank or, assuming that such Issuing Bank or Issuing Bank Agent has complied with the applicable procedures specified herein and such Bank has not given a notice contemplated by Section 3.06(a) that continues in full force and effect, relieve that Bank of its obligations hereunder to the Issuing Bank. In determining whether to pay under any Facility Letter of Credit, the applicable Issuing Bank shall have no obligation relative to the Banks other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered in compliance and that they appear to comply on their face with the requirements of such Facility Letter of Credit.

SECTION 3.06. Participations. (a) Upon the issuance by any Issuing Bank of any Facility Letter of Credit in accordance with the procedures and the terms set forth herein (and, in the case of each Facility Letter of Credit that shall have been issued under the 1996 Credit Agreement and that is outstanding as of the Effective Date, on the Effective Date), each Bank shall be deemed to have irrevocably and unconditionally purchased and received from such Issuing Bank, without recourse or warranty, an undivided interest and participation to the extent of such Bank's L/C Pro Rata Share in such Facility Letter of Credit (including, without limitation, all obligations of the Borrower with respect thereto other than amounts owing to such Issuing Bank under Section 3.08(b)), provided, that (i) the aggregate participation of any Bank in Facility Letters of Credit hereunder shall at no time exceed an amount equal to the amount set forth below such Bank's name on the signature pages hereof in respect of the L/C Facility, as such amount may be reduced pursuant to Section 3.11 (such Bank's "L/C Facility Commitment"), and (ii) a letter of credit issued by an Issuing Bank shall not be deemed to be a Facility Letter of Credit for purposes of this Section 3.06 if its related Issuing Bank Agent or such Issuing Bank shall have received written notice from the Agent or any Bank on or before the Business Day prior to the date of its issuance of such letter of credit that one or more of the conditions contained in Article V is not then satisfied, and in the event such Issuing Bank Agent or Issuing Bank receives such a notice, such Issuing Bank shall have no further obligation to issue any letter of credit until such notice is withdrawn by the party giving such notice.

(b) (i) In the event that any Issuing Bank makes any payment under any Facility Letter of Credit and the Borrower shall not have repaid such amount to such Issuing Bank pursuant to Section 3.05, such Issuing Bank shall (or shall cause its Issuing Bank Agent to) promptly notify the Agent, which shall promptly notify each Bank, of such failure, and each Bank severally agrees to promptly and unconditionally pay to the Agent for the account of such Issuing Bank the amount of such Bank's L/C Pro Rata Share of such payment in Dollars and in same day funds and the Agent shall promptly pay such amount, and any other amounts received by the Agent for such Issuing Bank's account

pursuant to this Section 3.06(b), to such Issuing Bank. If the Agent so notifies such Bank prior to 11:00 A.M. (New York time) on any Business Day, such Bank shall make available to the Agent for the account of such Issuing Bank its L/C Pro Rata Share of the amount of such payment on such Business Day in same day funds (or on the next succeeding Business Day if notice is given after such time). The failure of any Bank to make available to the Agent for the account of any Issuing Bank its L/C Pro Rata Share of any such payment shall not relieve any other Bank of its obligation hereunder to make available to the Agent for the account of such Issuing Bank its L/C Pro Rata Share of any payment on the date such payment is to be made.

(ii) In the event that any Bank fails to fund its L/C Pro Rata Share of any payment required to be made by the Banks to the Agent for the benefit of any Issuing Bank in accordance with the provisions of clause (i) above, until the earlier of such Bank's cure of such failure and the termination of the Bank's L/C Facility Commitment, the proceeds of all amounts thereafter paid or repaid to the Agent by the Borrower (or any Person on behalf of the Borrower) and contemplated hereunder to be disbursed to such Bank for application against amounts owing such Bank hereunder shall be disbursed instead to such Issuing Bank by the Agent on behalf of such Bank to cure, in full or in part, such failure by such Bank, and, upon such disbursement, payment to such Bank shall be deemed to have been made. Notwithstanding anything in this Agreement to the contrary:

(A) if such Issuing Bank has theretofore applied any portion of any cash collateral pledged to it to secure Reimbursement Obligations relating to the applicable Facility Letter of Credit as reimbursement for such Reimbursement Obligations, any amounts disbursed to such Issuing Bank by the Agent in accordance with this Section 3.06(b)(ii) (net of any interest due such Issuing Bank) shall be used by such Issuing Bank to restore such cash collateral; and

(B) a Bank shall be deemed to have cured its failure to fund its L/C Pro Rata Share of any such required payment in respect of a Facility Letter of Credit at such time as an amount equal to such Bank's L/C Pro Rata Share (determined as of the time of the Agent's receipt of notice of the failure by the Borrower to reimburse such Issuing Bank with respect to a payment under such Facility Letter of Credit) of such required payment plus any interest accrued thereon is fully funded to such Issuing Bank, whether made by such Bank itself, by operation of the terms of this Section 3.06(b)(ii) or by the Borrower directly to such Issuing Bank.

Interest shall accrue on the amount that should have been paid by the defaulting Bank, for each day from the date such amount shall have been due until the date such amount is repaid to the Agent for the benefit of the applicable Issuing Bank, at (i) in the case of the Borrower, the interest rate applicable at the time under Section 3.05(a) and (ii) in the case of such Bank, the Federal Funds Rate.

(c) Whenever an Issuing Bank receives a payment on account of a Reimbursement Obligation, including any interest thereon, as to which the Agent has received for the account of such Issuing Bank any payments from the Banks pursuant to this Section 3.06, it shall promptly pay to the Agent and the Agent shall promptly pay to each Bank which has funded its participating interest therein, in Dollars and in the kind of funds so received, an amount equal to such Bank's L/C Pro Rata Share thereof (according to the amounts so funded). Each such payment shall be made by the applicable Issuing Bank or the Agent, as the case may be, on the Business Day on which such Person receives the funds paid to it pursuant to the preceding sentence, if received prior to 11:00 a.m. (New York time) on such Business Day, and otherwise on the next succeeding Business Day.

(d) Upon the request of any Agent or any Bank, each Issuing Bank shall furnish to such Agent or Bank copies of any Facility Letter of Credit, any letter of credit application to which such Issuing Bank is party and such other documentation as may reasonably be requested by such Agent or Bank.

SECTION 3.07. Obligations Absolute. (a) The obligations of (x) a Bank to make payments to the Agent for the account of an Issuing Bank with respect to a drawing made under a Facility Letter of Credit issued by such Issuing Bank in accordance with the terms of this Agreement and (y) the Borrower to make payment with respect to all Reimbursement Obligations from time to time existing, in each case, shall be irrevocable, shall not be subject to any qualification or exception whatsoever and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

(i) any lack of validity or enforceability of any Facility Letter of Credit, this Agreement or any other instrument, document or agreement executed and/or delivered under or in connection herewith;

(ii) the existence of any claim, setoff, defense or other right which the Borrower or any of its affiliates may have at any time against a beneficiary named in a Facility Letter of Credit or any transferee of any Facility Letter of Credit (or any Person for whom any such transferee may be acting), the Agent, any Issuing Bank, any Issuing Bank Agent, any Bank, or any other Person, whether in connection with this

Agreement, any Facility Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transactions between the Borrower or any of its affiliates and the beneficiary named in any Facility Letter of Credit);

(iii) any draft, certificate or any other document presented under the Facility Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of this Agreement or of any instrument, document or agreement executed and/or delivered under or in connection herewith;

(v) any failure by the Agent or any Issuing Bank to make (or cause to be made) any reports required pursuant to Section 3.09;

(vi) the occurrence of any Event of Default; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

provided, however, that, notwithstanding the foregoing, neither the Banks nor the Borrower shall be required to make any payments for the account of an Issuing Bank with respect to any Facility Letter of Credit for which such Issuing Bank is not entitled to indemnification from the Borrower by reason of Section 3.10(d).

(b) In the event any payment by the Borrower received by an Issuing Bank or the Agent with respect to a Facility Letter of Credit and distributed by the Agent to the Banks on account of their participations is thereafter set aside, avoided or recovered from such Issuing Bank in connection with any receivership, liquidation, reorganization or bankruptcy proceeding, each Bank which received any of such distribution shall, upon demand by such Issuing Bank, its related Issuing Bank Agent or the Agent, contribute such Bank's L/C Pro Rata Share of the amount set aside, avoided or recovered together with interest on the amount so contributed at the rate required to be paid by such Issuing Bank upon the amount required to be repaid by such Issuing Bank, and any failure of a Bank to fund its L/C Pro Rata Share of such contribution obligations shall be subject to the rights of the Agent, acting on behalf of such Issuing Bank (as described in Section 3.06(b)), to advance to such Issuing Bank any payments otherwise contemplated hereunder to be disbursed to such defaulting Bank, in an amount sufficient to cure any such failure to fund.

SECTION 3.08. Compensation for Facility Letters of Credit. (a)

The Borrower agrees to pay to the Agent for the account of each Bank, from the date hereof until the L/C Facility Termination Date, a letter of credit issuance fee (the "L/C Issuance Fee") at the respective rate per annum set forth below on such Bank's L/C Pro Rata Share of the average daily undrawn face amount of the Facility Letters of Credit. The L/C Issuance Fee shall be payable in respect of each Bank on the last day of each Facility Quarter during the term of such Bank's L/C Facility Commitment, and on the L/C Facility Termination Date. The L/C Issuance Fee in respect of any period shall be determined on the basis of the Level in effect during such period, in accordance with the table set forth below. The rate per annum at which such fees are calculated shall change when and as the existing Level changes.

Level -----	L/C Issuance Fee ----- (Rate per annum)
Level 1	0.17%
Level 2	0.215%
Level 3	0.25%
Level 4	0.40%
Level 5	0.625%;

provided that in the event that, in respect of any calendar month, (i) the sum of the average aggregate principal amount of Advances outstanding during such calendar month and the average aggregate face amount of Facility Letters of Credit outstanding during such calendar month shall exceed an amount equal to 50% of (ii) the sum of the average aggregate Commitments and average aggregate L/C Facility Commitments during such calendar month, then the L/C Issuance Fee in respect of each Facility Letter of Credit outstanding during the month next following such calendar month shall be as set forth below:

Level -----	L/C Issuance Fee (Rate per annum) During the Month Following Calendar Month of Designated Utilization -----
Level 1	0.20%
Level 2	0.245%
Level 3	0.28%
Level 4	0.475%
Level 5	0.75%;

provided further that upon the occurrence and during the continuance of any Event of Default, the L/C Issuance Fee in respect of each Facility Letter of Credit shall increase to 2.00% per annum over the L/C Issuance Fee otherwise in effect for such Facility Letter of Credit.

(b) The Borrower shall pay to each Issuing Bank (or to its related Issuing Bank Agent for the account of such Issuing Bank) such fee and charges in connection with the issuance, administration, amendment and payment or cancellation of each Facility Letter of Credit issued by such Issuing Bank as shall be separately agreed to by such Issuing Bank (or its related Issuing Bank Agent on its behalf) and the Borrower.

SECTION 3.09. Issuing Bank Reporting Requirements. In addition to the notice required by Section 3.02(d), each Issuing Bank shall (or shall cause its Issuing Bank Agent to), by no later than the tenth Business Day following the last day of each month, provide to the Agent a schedule in form reasonably satisfactory to the Agent, showing the date of issue, account party, amount, expiration date and the reference number of each Facility Letter of Credit issued by it and outstanding at any time during such month.

SECTION 3.10. Indemnification; Nature of the Issuing Bank's Duties. (a) In addition to amounts payable as elsewhere provided in this Article III, the Borrower hereby agrees to protect, indemnify, pay and save the Agent, each Issuing Bank, each Issuing Bank Agent and each Bank harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges or expenses (including reasonable attorneys' fees) arising from the claims of third parties against the Agent, any Issuing Bank, any Issuing Bank Agent or any Bank as a consequence, direct or indirect, of (i) the issuance of any Facility Letter of Credit other than as a result of the gross negligence or willful misconduct of the Agent, such Issuing Bank, such Issuing Bank Agent or any Bank, as determined by a court of competent jurisdiction or (ii) the failure of such Issuing Bank

to honor a drawing under such Facility Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or government authority (all such acts or omissions herein called "Government Acts").

(b) As between the Borrower on the one hand and the Agent, the Banks, the Issuing Banks and the Issuing Bank Agents on the other, the Borrower assumes all risks of the acts and omissions of, or misuse of any Facility Letter of Credit by, the respective beneficiary of such Facility Letter of Credit. In furtherance and not in limitation of the foregoing, the Agent, the Issuing Banks, the Issuing Bank Agents and the Banks shall not be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Facility Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Facility Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of a Facility Letter of Credit to comply fully with conditions required in order to draw upon such Facility Letter of Credit, other than conditions expressly stated in such Facility Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Facility Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of a Facility Letter of Credit of the proceeds of any drawing under such Facility Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Agent, any Issuing Bank, any Issuing Bank Agent and the other Banks including, without limitation, any Government Acts. None of the above shall affect, impair or prevent the vesting of any of an Issuing Bank's, the Agent's, an Issuing Bank Agent's or other Bank's rights or powers under this Section 3.10.

(c) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by any Issuing Bank or any Issuing Bank Agent under or in connection with the Facility Letters of Credit or any related certificates, if taken or omitted in good faith, shall not put such Issuing Bank, its related Issuing Bank Agent, the Agent or any Banks under any resulting liability to the Borrower or any affiliate of the Borrower or relieve the Borrower of any of its obligations hereunder to any such Person.

(d) Notwithstanding anything to the contrary contained in this Section 3.10, the Borrower shall not have any obligation to indemnify an Issuing Bank or its related Issuing Bank Agent under this Section 3.10 in respect of any claim, demand, liability, damage, loss, cost, charge or expense incurred by such Issuing Bank or Issuing Bank Agent arising primarily out of the gross negligence or willful misconduct of such Issuing Bank or Issuing Bank Agent as determined by a court of competent jurisdiction.

SECTION 3.11. Reduction of the L/C Facility Commitments. The Borrower shall have the right, upon at least five Business Days' notice to each Issuing Bank Agent and the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective L/C Facility Commitments of the Banks; provided, that each partial reduction shall be in the amount of \$20,000,000 or an integral multiple of \$5,000,000 in excess thereof. Upon any partial reduction of the L/C Facility Commitments, the Aggregate L/C Facility Commitment shall simultaneously reduce to an amount equal to the aggregate L/C Facility Commitments then in effect.

SECTION 3.12. Substitution of Certain Banks. In the event the credit rating of any Bank (or, if applicable, the bank holding company controlling such Bank) shall decline to a level below the Requisite Bank Credit Rating, any Issuing Bank Agent may direct that a Replacement Bank acceptable to the Agent and the Borrower (such consent not to be unreasonably withheld) replace such Bank (the "Released Bank"). Such Replacement Bank shall be an Eligible Assignee and shall have agreed to assume the Commitment, the L/C Facility Commitment, the participation in Facility Letters of Credit then outstanding and all other obligations hereunder of the Released Bank and to purchase the Note(s) and other rights of such Released Bank hereunder, without recourse to or warranty (other than as to unencumbered ownership) by, or expense to, such Released Bank for a purchase price equal to the outstanding principal amount of the Advances and Reimbursement Obligations then payable to such Released Bank plus any accrued but unpaid interest and accrued but unpaid fees with respect thereto. Such purchase shall be effected by execution and delivery by such Released Bank and such Replacement Bank of an Assignment and Acceptance, and shall otherwise be made in the manner described in Section 10.08. Upon such purchase, such Released Bank shall no longer be a party hereto or have any rights or benefits hereunder (except for rights or benefits that such Released Bank would retain hereunder upon termination of this Agreement and rights arising under Section 10.05(b) upon the prepayment of all Eurocurrency Advances extended by the Released Bank with the proceeds of such purchase) and the Replacement Bank shall succeed to the rights and benefits, and shall assume the obligations, of such Released Bank hereunder and under such Note.

SECTION 3.13. Designation of Additional Issuing Banks. (a) The Borrower may, from time to time, designate any Bank then

party hereto to be an "Issuing Bank" hereunder by giving written notice thereof to the Agent and each Bank. Such designation shall thereafter become effective upon the consent thereto by the Agent (which consent shall not be unreasonably withheld or delayed). Each newly designated Issuing Bank shall designate, by written notice thereof to the Agent and the Borrower, itself or any other Person as its "Issuing Bank Agent" for purposes of this Agreement; provided that if such Issuing Bank Agent is not then party to this Agreement, such Person shall execute and deliver such instruments, documents or agreements as the Agent may reasonably request to evidence that such Person, in the capacity as an Issuing Bank Agent, has agreed to be bound by the terms of this Agreement.

(b) The failure of any Issuing Bank to honor its obligations hereunder or under any Facility Letter of Credit issued by it shall not relieve any other Issuing Bank from honoring its respective obligations hereunder or under any Facility Letter of Credit issued by such other Issuing Bank, but no Issuing Bank (or Issuing Bank Agent) shall be responsible for the failure of any other Issuing Bank to honor such other Issuing Bank's obligations hereunder or under any Facility Letter of Credit issued by such other Issuing Bank.

ARTICLE IV

GENERAL TERMS

SECTION 4.01. Fees. (a) Facility Fee. The Borrower agrees to pay to the Agent for the account of each Bank a facility fee ("Facility Fee") at the respective rate per annum set forth below on the average daily aggregate amount of the Commitment and the L/C Facility Commitment of such Bank (whether used or unused, and without regard to any B Reduction that may then exist) from the date hereof until the later to occur of the Revolving Credit Termination Date and the L/C Facility Termination Date, payable on the last day of each Facility Quarter during the term of such Bank's Commitment and L/C Facility Commitment, on the Revolving Credit Termination Date and on the L/C Facility Termination Date. The Facility Fee in respect of any period shall be determined on the basis of the Level in effect during such period, in accordance with the table set forth below. The rate per annum at which such Facility Fee is calculated shall change when and as the existing Level changes.

Level -----	Facility Fee ----- (Rate per annum)
Level 1	0.08%
Level 2	0.11%
Level 3	0.125%
Level 4	0.25%
Level 5	0.3750%

(b) Agency Fee. The Borrower agrees to pay (i) to the Agent and the Euro-Agent such fees as may from time to time be agreed upon among the Borrower, the Agent and the Euro-Agent and (ii) to Citicorp Securities, Inc. the arrangement or other fees as may from time to time be agreed upon between the Borrower and Citicorp Securities, Inc., in each case when and as such fees shall become due and payable by the Borrower as provided therein.

(c) Auction Fee. The Borrower agrees to pay to the Agent, for the account of the Agent, on the date of issuance of any Notice of B Borrowing, an auction fee in the amount of \$3000. Such fee shall be fully earned upon issuance of such Notice of B Borrowing, and shall be nonrefundable without regard to whether or not any B Advances are thereafter made in response to the solicitation of bids made in such Notice of B Borrowing.

SECTION 4.02. Payments and Computations. (a) The Borrower

shall make each payment hereunder and under the Notes (except with respect to principal of, interest on, and other amounts relating to Advances denominated in an Alternative Currency) not later than 11:00 A.M. (New York City time) on the day when due in Dollars to the Agent in same day funds by deposit of such funds to the Agent's account maintained at the Payment Office for Dollars in New York City. The Borrower shall make each payment hereunder and under the Notes with respect to principal of, interest on, and other amounts relating to Advances denominated in an Alternative Currency not later than 11:00 A.M. (local time for the location of the Payment Office therefor) on the day when due in such Alternative Currency to the Euro-Agent in same day funds by deposit of such funds to the Euro-Agent's account maintained at the Payment Office for such Alternative Currency. The Agent or the Euro-Agent, as applicable, will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or fees ratably (other than amounts payable pursuant to Section 2.07, 4.03, 4.05 or 10.05) to the Banks for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Bank to such Bank for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement.

(b) The Borrower hereby authorizes each Bank, if and to the extent payment owed to such Bank by the Borrower is not made when due hereunder or under any Note held by such Bank, to charge from time to time against any or all of the Borrower's accounts with such Bank any amount so due. Each Bank agrees promptly to notify the Borrower after any such charge, provided that the failure to give such notice shall not affect the validity of such charge.

(c) All computations of interest based on the Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurocurrency Rate or the Federal Funds Rate and of fees shall be made by the Agent or the Euro-Agent, as applicable, and all computations of interest pursuant to Section 2.07 shall be made by a Bank, on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Agent or the Euro-Agent (or, in the case of Section 2.07, by a Bank) of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such cases be included in the computation of payment of interest or facility fee, as the case may be; provided, however, if such extension would cause payment

of interest on or principal of Eurocurrency Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Agent or the Euro-Agent shall have received notice from the Borrower prior to the date on which any payment is due from the Borrower to the Banks hereunder that the Borrower will not make such payment in full, the Agent or the Euro-Agent, as applicable, may assume that the Borrower has made such payment in full to it on such date and it may, in reliance upon such assumption, cause (but shall not be required to cause) to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent the Borrower shall not have so made such payment in full to the Agent or the Euro-Agent, as applicable, each Bank shall repay to the Agent or the Euro-Agent, as applicable, forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Agent or the Euro-Agent, as applicable, at the Federal Funds Rate.

SECTION 4.03. Increased Costs and Reduced Return. (a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements, in the case of Eurocurrency Advances, included in the Eurocurrency Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase after the date hereof in the cost to any Bank or any Issuing Bank of agreeing to make or making, funding or maintaining Eurocurrency Advances (including the conversion of any Advance denominated in an Alternative Currency other than Euros into an Advance denominated in Euros), by an amount deemed by such Bank or such Issuing Bank to be material, then the Borrower shall from time to time, within 15 days after demand by such Bank or such Issuing Bank (with a copy of such demand to the Agent), pay to the Agent for the account of such Bank or such Issuing Bank (as applicable) additional amounts sufficient to compensate such Bank or such Issuing Bank for such increased cost.

(b) If, after the date hereof, any Bank or any Issuing Bank shall have determined that the compliance with any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office or any corporation controlling such Bank) or such Issuing Bank with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on

such Bank's or such Issuing Bank's capital or the capital of any corporation controlling such Bank or such Issuing Bank as a consequence of such Bank's or such Issuing Bank's obligations hereunder or in connection herewith to a level below that which such Bank or such Issuing Bank (or such corporation) could have achieved but for such adoption, change or compliance by an amount deemed by such Bank or such Issuing Bank to be material, then the Borrower shall, from time to time, within 15 days after demand by such Bank or such Issuing Bank (with a copy of such demand to the Agent), pay to the Agent for the account of such Bank or such Issuing Bank (as applicable) such additional amount or amounts as will compensate such Bank or such Issuing Bank or such controlling corporation for such reduction.

(c) Each Bank and each Issuing Bank will promptly notify the Borrower and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank or such Issuing Bank to compensation pursuant to this Section and, in the case of a Bank, will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank or any Issuing Bank claiming compensation under this Section shall set forth the additional amount or amounts to be paid to it hereunder in reasonable detail, including the basis for the calculation thereof and shall be conclusive in the absence of manifest error. In determining such amount, such Bank or such Issuing Bank may use any reasonable averaging and attribution methods.

SECTION 4.04. Sharing of Payments, Etc. If any Bank shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the A Advances made by it (other than pursuant to Section 2.07, 4.03 or 4.05) or the Reimbursement Obligations owing to it, in either case in excess of its ratable share of payments on account of the A Advances or the Reimbursement Obligations obtained by all the Banks, such Bank shall forthwith purchase from the other Banks such participations in the A Advances made by them or the Reimbursement Obligations owing to them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with each of them, provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Bank, such purchase from each Bank shall be rescinded and such Bank shall repay to the purchasing Bank the purchase price to the extent of such recovery together with an amount equal to such Bank's ratable share (according to the proportion of (i) the amount of such Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Borrower agrees that any Bank so purchasing a participation from another Bank pursuant to this Section 4.04 may, to the fullest extent permitted by law, exercise all its rights of payment (including

the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower in the amount of such participation.

SECTION 4.05. Taxes; Bank Certifications. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 4.02 hereof, without deduction or with holding for, any and all present or future taxes, levies, imposts, deductions or charges and all liabilities with respect thereto, excluding (i) in the case of each Bank, the Agent and the Euro-Agent, taxes imposed on its income and franchise taxes imposed on it, by the jurisdiction under the laws of which such Bank, the Agent or the Euro-Agent (as the case may be) is organized or by the laws of any political subdivision thereof or by the laws of any nation which includes or is included within such jurisdiction and in the case of each Bank, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of the location of such Bank's Applicable Lending Office, or any political subdivision thereof and (ii) in the case of any assignment by a Bank to an Eligible Assignee pursuant to Section 10.08, or any change by a Bank of an Applicable Lending Office in one jurisdiction to an Applicable Lending Office in another jurisdiction, any excess in the withholding tax applicable to such Eligible Assignee, or such new Applicable Lending Office, over the withholding tax (other than any with holding tax excluded from the definition of Taxes under clause (i) or this clause (ii) of Section 4.05(a)) applicable to the former Bank, or the former Applicable Lending Office, in each case as determined under laws (including, without limitation, any treaty, law, rule, regulation or determination) applicable to the former Bank and such Eligible Assignee, or the former Applicable Lending Office and such new Applicable Lending Office, and in effect on the date of such assignment, or such change in Applicable Lending Office, but not including any increase in with holding tax resulting from any subsequent change in such laws (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder, to any Bank, any Issuing Bank, the Agent or the Euro-Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions such Bank, the Agent or the Euro-Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made and (ii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If any Bank is entitled to reduce the taxes or any amounts otherwise payable by it (whether through utilization of a tax credit or other benefit, application against other payments or otherwise) as a result of any payments required to be made by the Borrower pursuant to this Section 4.05(a), or if any Bank subsequently recovers any amount of Taxes previously paid by the Borrower pursuant hereto, such Bank shall, to the extent permitted by applicable law, (i) in the case of a reduction in taxes

or other payments, pay to the Borrower the amount of such reduction within thirty days after such reduction is realized and (ii) in the case of a recovery of Taxes previously paid by the Borrower, refund the amount of such recovery to the Borrower within thirty days after receipt thereof. Each Bank shall endeavor in good faith to achieve any such reductions and recover such Taxes to the extent that it may do so without the incurrance of expenses or other detriments deemed by it in good faith to be material. If the Borrower is required to make any payments to or on behalf of any Bank pursuant to this Section 4.05(a), such Bank shall provide to the Borrower, within 90 days after the Borrower's request therefor, a written statement executed by an appropriate officer of the Bank stating whether such Bank anticipates making any payment to the Borrower pursuant to the provisions of this Section 4.05(a) and the anticipated timing thereof and briefly summarizing the tax or other considerations involved.

(b) If the Borrower makes any payment hereunder in respect of which it is required by law to make any deduction or withholding of any Taxes, it shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Agent or the Euro-Agent, as applicable, and the applicable Banks as soon as practicable after it has made such payment to the applicable authority a receipt issued by such authority or, if no such receipt is available, a statement of the Borrower confirming the payment to such authority of all amounts so required to be deducted or withheld from such payment. The Borrower will indemnify each Bank, the Agent and the Euro-Agent for the full amount of Taxes (including, without limitation, any Taxes imposed by any jurisdiction on amounts payable under this Section 4.05) paid by such Bank, the Agent or the Euro-Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date such Bank, the Agent or the Euro-Agent (as the case may be) makes written demand therefor.

(c) Prior to the date of the initial Borrowing hereunder in the case of each Bank (and on the date of the Assignment and Acceptance, Commitment and Acceptance or Designation Agreement, as applicable, pursuant to which it became a Bank in the case of each other Bank), and from time to time thereafter if requested by the Borrower, the Agent or the Euro-Agent, each Bank that is organized under the laws of any jurisdiction other than the United States or any political subdivision thereof agrees to furnish to the Borrower and the Agent, two copies of either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 or any successor forms thereto (wherein such Bank claims entitlement to complete exemption from U.S. federal withholding tax on interest paid by the

Borrower hereunder) and to provide to the Borrower and the Agent a new Form 4224 or Form 1001 or any successor forms thereto if any previously delivered form shall have expired or is found to be incomplete or incorrect in any material respect or upon the obsolescence of any previously delivered form.

(d) The Borrower shall not be required to pay any increased amount on account of Taxes pursuant to this Section 4.05 to any Bank, the Agent or the Euro-Agent to the extent such Taxes would not have been payable if (i) such Bank had furnished a form (properly and accurately completed in all material respects by such Bank) which it was otherwise required to furnish in accordance with Section 4.05(c) hereof and (ii) the Borrower fully cooperated with such Bank in the preparation and completion of such form. In the event of any change in applicable law, rule or regulation resulting in liability to the Borrower for withholding taxes, the Agent or any Bank entitled to receive additional amounts pursuant to this Section 4.05 as a result of such change, shall use its reasonable endeavors (consistent with its internal policy and legal or regulatory restrictions) to change its Applicable Lending Office or take any other action if the making of such change or the taking of such other action would avoid the need for, or reduce the amount of, any additional amounts chargeable to the Borrower under this Section 4.05 and would not, in the judgment of the Agent, the Euro-Agent or such Bank, as applicable, be otherwise disadvantageous to the Agent, the Euro-Agent or such Bank.

(e) In the event the Borrower becomes obligated to pay additional amounts on account of Taxes to any Bank pursuant to Section 4.05(a), unless such Bank has theretofore taken steps to change, and has changed the circumstances creating the cause for such obligation to pay such additional amounts, the Borrower may designate a Replacement Bank which is reasonably acceptable to the Agent to assume such Bank's Commitment, L/C Facility Commitment, participation in Facility Letters of Credit then outstanding and other obligations hereunder and to purchase such Bank's Notes and other rights hereunder, without recourse to or warranty (other than as to unencumbered ownership) by, or expense to, such Bank for a purchase price equal to the outstanding principal amount of the Advances and Reimbursement Obligations then payable to such Bank plus any accrued but unpaid interest and accrued but unpaid fees with respect thereto. Such purchase shall be effected by the execution and delivery by such Bank and such Replacement Bank of an Assignment and Acceptance, and shall otherwise be made in the manner described in Section 10.08. Upon such purchase and the payment of the additional amounts described above and all other obligations owing to such Bank, such Bank shall no longer be a party hereto or have any rights or benefits hereunder (except for rights or benefits that such Bank would retain hereunder upon termination of this Agreement), and the Replacement Bank shall succeed to the rights and benefits, and shall assume the obligations, of such Bank hereunder. Each Bank agrees to use its best efforts to notify the Borrower as promptly

as practicable upon such Bank's becoming aware that circumstances exist which would cause the Borrower to become obligated to pay additional amounts to such Bank pursuant to Section 4.05(a), provided, that the failure by any Bank to give such notice shall not affect the obligations of the Borrower under such Section.

SECTION 4.06. Increases in the Facility. (a) At any time prior to the Revolving Credit Termination Date and the L/C Facility Termination Date, the Borrower may request that the Revolving Credit Facility and the L/C Facility be increased; provided that, without the prior written consent of all of the Banks, no such increase shall occur if (i) the aggregate amount of the Commitments and L/C Facility Commitments would, after giving effect to such increase, exceed \$500,000,000, (ii) at the time of, and after giving effect to, such increase, the Manpower Credit Rating issued by Moody's is less than A3 and the Manpower Credit Rating issued by S&P is less than A-, (iii) any Event of Default, or event which with the giving of notice or the lapse of time or both would constitute an Event of Default, has occurred and is continuing or would occur as a result of such increase or (iv) any increase in the facilities under this Section 4.06 shall have occurred within the twelve month period immediately preceding the date such increase is proposed to be made.

(b) Each request for an increase in the facilities shall be made in a written notice substantially in the form of Exhibit J hereto given to the Agent not less than 30 days prior to the effective date of such increase, which notice (a "Facility Increase Notice") shall specify (i) the aggregate amount of the proposed increase in the Commitments and the L/C Facility Commitments, which shall be an amount that is an integral multiple of \$25,000,000 and shall be allocated ratably as between the Revolving Credit Facility and the L/C Facility in the proportion (the "Designated Proportion") that the aggregate amount of the Commitments bears to the aggregate amount of the L/C Facility Commitments immediately prior to giving effect to such increase, (ii) each financial institution that shall have agreed to become a "Bank" party hereto (a "Proposed New Bank") in connection therewith and/or the Banks then parties hereto that shall have agreed to increase their respective Commitments and L/C Facility Commitments hereunder (collectively with the Proposed New Banks, the "Increasing Banks"), (iii) the allocation of Commitments and L/C Facility Commitments among the Increasing Banks, in each case the Commitment and the L/C Facility Commitment of each Increasing Bank being in the Designated Proportion after giving effect to such requested increase, and (iv) the effective date of such increase (an "Increase Date").

(c) Prior to the inclusion of any Proposed New Bank in any Facility Increase Notice, the Borrower shall have obtained the consent thereto of the Agent. The aggregate Commitment and L/C Facility Commitment of any Proposed New Bank shall be in a minimum amount of \$15,000,000. The Borrower may elect to offer some or all of the Banks the opportunity to participate in the

anticipated increase; provided that each such Bank shall have the right but not the obligation to commit to participate in such increase. Nothing contained herein shall constitute, or otherwise be deemed to be, a commitment on the part of any Bank to increase its Commitment or L/C Facility Commitment hereunder at any time.

(d) Upon its receipt of any Facility Increase Request, the Agent shall provide notice thereof to each Bank. On or prior to the applicable Increase Date, the Borrower, the Agent and each Increasing Bank shall have executed and delivered a Commitment and Acceptance, and the Borrower and each Proposed New Bank shall otherwise have executed and delivered such other instruments and documents as may be required under Section 4.05 or that the Agent shall have reasonably requested in connection with such increase, including, without limitation, in the case of the Borrower an A Note made to the order of each Proposed New Bank. Upon satisfaction of the conditions set forth herein, the increases requested in a Facility Increase Request shall become effective on the applicable Increase Date, whereupon each Proposed New Bank shall become and be a party hereto as a Bank and shall have the rights and obligations of a Bank hereunder. The Agent shall maintain a copy of each Commitment and Acceptance delivered to it and record the same in the Register.

ARTICLE V

CONDITIONS OF LENDING

SECTION 5.01. Conditions Precedent to Initial Advances and Initial Facility Letter of Credit. The obligation of each Bank to make its initial Advance and the obligation of any Issuing Bank to issue the initial Facility Letter of Credit on or after the Effective Date is subject to the conditions precedent that the Agent shall have received on or before the day of the initial Borrowing or the issuance of the initial Facility Letter of Credit (whichever is proposed to first occur) the following, each dated the date hereof, in form and substance satisfactory to the Agent and in sufficient copies for each Bank:

(i) The A Notes, made by the Borrower to the order of the Banks, respectively;

(ii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying a copy of the resolutions of the Board of Directors of the Borrower approving this Agreement and all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement;

(iii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered hereunder;

(iv) A favorable opinion of Joel W. Biller, General Counsel of Manpower Inc., as counsel for the Borrower, in substantially the form of Exhibit F hereto;

(v) A favorable opinion of Godfrey & Kahn, S.C., special counsel for the Borrower, in substantially the form of Exhibit G hereto;

(vi) A favorable opinion of Sidley & Austin, counsel for the Agent and the Euro-Agent, in substantially the form of Exhibit H hereto; and

(vii) Evidence that the 1996 Credit Agreement will be terminated on the Effective Date as contemplated in Section 10.07(b).

SECTION 5.02. Conditions Precedent to Each A Borrowing. The obligation of each Bank to make an A Advance on the occasion of each A Borrowing (including the initial A Borrowing) shall be subject to the further conditions precedent that on the date of such A Borrowing: (a) the following statements shall be true and the Agent shall have received for the account of such Bank a certificate signed by a duly authorized officer of the Borrower as follows:

(i) The representations and warranties contained in Section 6.01 (excluding those contained in subsections (e) and (f)(i) thereof) are correct on and as of the date of such A Borrowing, before and after giving effect to such A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date,

(ii) No event has occurred and is continuing, or would result from such A Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or which would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and

(iii) In the event that the Revolving Credit Facility is being used by the Borrower to backstop or otherwise support the issuance by the Borrower or any of its Subsidiaries of commercial paper, the amount by which the aggregate Commitments exceeds the Advances, after giving effect to such A Borrowing and to the application of the proceeds therefrom, is not less than the aggregate face

amount of commercial paper of the Borrower and such Subsidiaries then outstanding; and

and (b) the Agent shall have received such other approvals, opinions or documents as any Bank through the Agent may reasonably request.

SECTION 5.03. Conditions Precedent to the Issuance, Increase or Extension of Facility Letters of Credit. The obligation of each Issuing Bank to issue, increase, extend, renew or otherwise modify any Facility Letter of Credit requested under Article III (any such action being an "L/C Issue") shall, in addition to the other terms and provisions of this Agreement, be subject to the following conditions: (a) on the date of such L/C Issue, the following statements shall be true (and the giving of the applicable request therefor by the Borrower, whether in the form of a Letter of Credit Issuance Request, a Letter of Credit Extension Request, a Letter of Credit Amendment Request or otherwise, and the acceptance by the Borrower of the applicable Facility Letter of Credit after giving effect to the L/C Issue in each case shall be deemed to be a representation and warranty by the Borrower that the following statements are true):

(i) The representations and warranties contained in Section 6.01 (excluding those contained in subsections (e) and (f)(i) thereof) are correct on and as of the date of such L/C Issue, before and after giving effect thereto, as though made on and as of such date, and

(ii) No event has occurred and is continuing, or would result from such L/C Issue which constitutes an Event of Default or which would constitute an Event of Default but for the requirement that notice be given or time elapse or both;

(b) notice (if applicable) shall have been given by the Agent to such Issuing Bank Agent pursuant to Section 3.02(b) stating that the face amount of such Facility Letter of Credit (or, in the case of an amendment increasing the face amount of a Facility Letter of Credit, the amount of such increase) does not exceed the Unused L/C Facility (without giving effect to the applicable L/C Issue) and (c) the Borrower shall have paid in full all fees and expenses then payable to such Issuing Bank and its related Issuing Bank Agent in connection with such L/C Issue and shall have repaid in full all Reimbursement Obligations in respect of drawings made prior to the date of such L/C Issue.

SECTION 5.04. Conditions Precedent to Each B Borrowing. The obligation of each Bank which is to make a B Advance on the occasion of a B Borrowing (including the initial B Borrowing) to make such B Advance as part of such B Borrowing is subject to the conditions precedent that (i) the Agent shall have received the written confirmatory Notice of B Borrowing with respect

thereto, (ii) on or before the date of such B Borrowing, but prior to such B Borrowing, the Agent shall have received a B Note payable to the order of such Bank for each of the one or more B Advances to be made by such Bank as part of such B Borrowing, in a principal amount equal to the principal amount of the B Advance to be evidenced thereby and otherwise on such terms as were agreed to for such B Advance in accordance with Section 2.03, and (iii) on the date of such B Borrowing the following statements shall be true (and each of the giving of the applicable Notice of B Borrowing and the acceptance by the Borrower of the proceeds of such B Borrowing shall constitute a representation and warranty by the Borrower that on the date of such B Borrowing such statements are true):

(a) The representations and warranties contained in Section 6.01 (excluding those contained in subsections (e) and (f)(i) thereof) are correct on and as of the date of such B Borrowing, before and after giving effect to such B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date,

(b) No event has occurred and is continuing, or would result from such B Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or which would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and

(c) No event has occurred and no circumstance exists as a result of which the information concerning the Borrower that has been provided to the Agent and each Bank by the Borrower in connection herewith would include an untrue statement of a material fact or omit to state any material fact or any fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

SECTION 6.01. Representation and Warranties of the Borrower.

The Borrower represents and warrants to the Banks and the Agent as follows:

(a) The Borrower and each of its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and is duly qualified as a foreign corporation to do business and is in good standing in

every jurisdiction in which the nature of its business or the ownership of its properties requires such qualification and where failure so to qualify might materially adversely affect the financial condition or results of operations of the Borrower and its Subsidiaries taken as a whole.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws or (ii) any law or any contractual restriction binding on or affecting the Borrower.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement or any of the Notes.

(d) This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their terms, subject to any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to general principles of equity.

(e) The audited consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of December 31, 1996, and the related statements of income and retained earnings of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, fairly present the financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the fiscal year ended on such date, all in accordance with GAAP consistently applied, and since December 31, 1996, there has been no material adverse change in such condition or operations.

(f) There is no pending or threatened action or proceeding affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, (i) which, if adversely determined, may materially adversely affect the financial condition or operations of the Borrower and its Subsidiaries taken as a whole, or (ii) which purports to affect the legality, validity or enforceability of this Agreement or any of the Notes.

(g) United States Federal income tax returns of the Borrower and its Subsidiaries have been examined and closed through December 1992. The Borrower and its Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries except such taxes or assessments, if any, as are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes are, in the opinion of the Borrower, adequate.

(h) No events, including, without limitation, any "Reportable Event" or "Prohibited Transactions," as those terms are defined in ERISA, have occurred in connection with any Plan of the Borrower or any of its ERISA Affiliates which might reasonably be expected to constitute grounds for the termination of any such Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer any such Plan. All of the Plans of the Borrower and its ERISA Affiliates meet the minimum funding standards of Section 302 of ERISA. Each Foreign Subsidiary (as defined in Section 6.01(i) below) of the Borrower is in compliance in all material respects with all applicable requirements of law with respect to employee benefits, the failure to comply with which would have a material adverse effect on the Borrower and its Subsidiaries taken as a whole.

(i) (i) The operations of the Borrower and each of its Domestic Subsidiaries comply in all material respects with all applicable environmental, health and safety requirements of law; (ii) the operations of each Foreign Subsidiary of the Borrower comply in all material respects with all applicable environmental, health and safety requirements of law, the failure to comply with which would have a material adverse effect on the Borrower and its Subsidiaries taken as a whole; and (iii) prior to the date hereof, the Borrower shall have inspected, and shall have caused each of its Subsidiaries to have inspected, its property owned in fee and, with respect to each building in which asbestos shall have been found, the Borrower shall have caused such building to be in compliance with applicable rules and regulations under local law relating to asbestos containment, maintenance and removal. For purposes of Sections 6.01(i) and (h), the term "Domestic Subsidiary" means a Subsidiary organized under the laws of, or having its principal place of business within, a jurisdiction located in the United States and the term "Foreign Subsidiary" means any other Subsidiary.

(j) No proceeds of any Advance will be used to acquire any equity security of a class which is registered pursuant to Section 12 of the Securities Exchange Act of 1934 if the Borrower has reason to know that the board of directors of the issuer of such equity security opposes or will oppose such acquisition.

(k) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock and no proceeds of any Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock in a manner that would cause any party hereto to be in violation of any of Regulation G, U, T or X of the Board of Governors of the Federal Reserve System. Not more than twenty-five percent (25%) of the value of the assets subject to any "arrangement" (as such term is used in section 221.2(g)(1) of Regulation U of the Board of Governors of the Federal Reserve System) under this Agreement or the Notes is represented by Margin Stock.

(l) Except as set forth on Schedule II hereto, neither the Borrower nor any ERISA Affiliate maintains or contributes to any Plan; each Plan which is intended to be a qualified plan has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Internal Revenue Code as currently in effect and each trust related to any such Plan has been determined to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code; neither the Borrower nor any ERISA Affiliate maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides lifetime benefits to retirees; neither the Borrower nor any ERISA Affiliate has breached in any material respect any of the responsibilities, obligations or duties imposed on it by ERISA or regulations promulgated thereunder with respect to any Plan; no accumulated funding deficiency (as defined in Section 302(a)(2) of ERISA and Section 412(a) of the Internal Revenue Code) exists in respect to any Plan; neither the Borrower nor any ERISA Affiliate nor any fiduciary of any Plan (i) has engaged in a nonexempt "prohibited transaction" described in Section 406 of ERISA or Section 4975 of the Internal Revenue Code or (ii) has taken any action which would constitute or may result in a Termination Event with respect to any Plan; neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC which remains outstanding other than with respect to the payment of premiums which are not yet due and payable. Schedule B to the most recent annual report filed with the Internal Revenue Service with respect to each Benefit

Plan and furnished to the Banks is complete and accurate in all material respects and, except as disclosed on Schedule II hereto, since the date of each such Schedule B, there has been no material adverse change in the funding status or financial condition of the Benefit Plan relating to such Schedule B; neither the Borrower nor any ERISA Affiliate has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan; neither the Borrower nor any ERISA Affiliate has failed to make a required installment or any other required payment under Section 412 of the Internal Revenue Code on or before the due date for such installment or other payment; neither Manpower Inc. nor any ERISA Affiliate is required to provide security to a Benefit Plan under Section 401(a)(29) of the Internal Revenue Code due to a Plan amendment that results in an increase in current liability of the plan year.

(m) The proceeds of each Advance shall be used exclusively for general corporate purposes, including the repayment of commercial paper of the Borrower or any of its Subsidiaries from time to time outstanding, the making of acquisitions or as otherwise permitted hereunder.

(n) The Borrower is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE VII

COVENANTS OF THE BORROWER

SECTION 7.01. Affirmative Covenants. So long as any Note or Reimbursement Obligation shall remain unpaid or any Bank shall have any Commitment or any L/C Facility Commitment hereunder, the Borrower will, unless the Majority Banks shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith.

(b) Reporting Requirements. Furnish to the Banks:

(i) as soon as available and in any event within 45 days after the end of each of its fiscal quarters, Consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such quarter and statements of income and retained earnings of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, and statements of income and retained earnings of the Borrower and its Subsidiaries for the twelve-month period then ended;

(ii) as soon as available and in any event within 90 days after the end of each of its fiscal years, a copy of the annual report for such year for the Borrower and its Subsidiaries, containing Consolidated financial statements for such year and certified in a manner acceptable to the Majority Banks by Arthur Andersen & Co. or other independent public accountants acceptable to the Majority Banks;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (i) and (ii) above, a certificate of the chief financial officer or the chief accounting officer of the Borrower, (A) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 7.01(j) and 7.01(k) hereof, on the date of such financial statements, (B) stating whether there exists on the date of such certificate any Event of Default or an event which with the giving of notice or lapse of time, or both, would constitute an Event of Default and, if there exists any such Event of Default or event, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto and (C) setting forth the Manpower Credit Rating as of the date of such financial statements (and, if different, as of the date of such certificate);

(iv) as soon as possible and in any event within five days after any of (A) the chief financial officer or the chief accounting officer of the Borrower or (B) the chief financial officer, the chief accounting officer or the director of international

finance of the Borrower learns of the occurrence of any Event of Default or any event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken and proposes to take with respect thereto;

(v) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to all holders of any class of its securities and copies of all reports and registration statements which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission or any national securities exchange;

(vi) promptly after the filing or receiving thereof, copies of all reports and notices which the Borrower or any of its Subsidiaries or any ERISA Affiliate files under ERISA with the Internal Revenue Service or the PBGC or the U.S. Department of Labor or which the Borrower or any of its Subsidiaries or any ERISA Affiliate receives from such entities;

(vii) promptly following any change in any credit rating (whether publicly announced or shadow) by either S&P or Moody's in respect of any debt of the Borrower, notice thereof; and

(viii) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Bank through the Agent may from time to time reasonably request.

(c) Corporate Existence. Subject to Section 7.02(c), preserve and keep, and will cause each of its Subsidiaries to preserve and keep, its corporate existence, rights, franchises and licenses in full force and effect; provided, however, that the Borrower may terminate the corporate existence of any of its Subsidiaries, or permit the termination or abandonment of any right, franchise or license if, in the good faith judgment of the appropriate officer or officers of the Borrower, such termination or abandonment is not

disadvantageous to the Borrower and is not materially disadvantageous to the Banks.

(d) Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with sound and reputable insurers covering all such properties and risks as are customarily insured by, and in amounts not less than those customarily carried by, corporations engaged in similar businesses and similarly situated.

(e) Properties. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties necessary (in the Borrower's best business judgment) for the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

(f) Business. Without prohibiting the Borrower from making acquisitions or divestitures permitted under Section 7.02(c), remain in the same businesses, similar businesses or other manufacturing or service businesses reasonably related thereto, taken as a whole, as are carried on at the date of this Agreement.

(g) Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each of its Subsidiaries in accordance with GAAP consistently applied.

(h) Visitation Rights. At any reasonable time and from time to time, permit the Agent or any of the Banks or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the proper ties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their respective officers or directors.

(i) Material Contracts. Perform and observe, and cause each of its Subsidiaries to perform and observe, all the terms and provisions of each Material Contract to be performed or observed by it. For this purpose, the term "Material Contract" means each contract to which the Borrower or any of its Subsidiaries is a party that involves consideration payable by the Borrower or any of its Subsidiaries of \$10,000,000 or more in any one case or an aggregate amount of \$25,000,000 or more.

(j) Maintenance of Interest Coverage Ratio. Maintain a ratio of Consolidated EBITDA to Consolidated

Interest Expense as of the end of each fiscal quarter, in respect of the four-quarter period then ended, of not less than 3.00 to 1.

(k) Maintenance of Debt-to-Capitalization Ratio. Maintain a Debt-to-Capitalization Ratio as of the end of each fiscal quarter of not greater than 0.55 to 1.

(l) Use of the Revolving Credit Facility. In the event that the Revolving Credit Facility is being used by the Borrower at any time to backstop the issuance by the Borrower or any of its Subsidiaries of commercial paper, the Borrower shall at all times cause the amount by which the aggregate Commitments hereunder exceeds the Advances to be an amount that is not less than the aggregate face amount of commercial paper of the Borrower and such Subsidiaries outstanding at such time.

SECTION 7.02. Negative Covenants. So long as any Note or Reimbursement Obligation shall remain unpaid or any Bank shall have any Commitment or any L/C Facility Commitment hereunder, the Borrower will not, without the written consent of the Majority Banks:

(a) Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(i) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained;

(ii) Statutory liens of landlords and liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained;

(iii) Liens (other than any lien imposed by ERISA) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds

and other similar obligations (exclusive of obligations for the payment of borrowed money);

(iv) Easements, rights-of-way, restrictions and other similar charges or encumbrances not interfering with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(v) Liens existing on any property prior to the acquisition thereof, or prior to the acquisition of the entity which owns such property, by the Borrower or any of its Subsidiaries, in each case which lien was not created in contemplation of such acquisition;

(vi) (A) Purchase money liens or purchase money security interests upon or in any property acquired or held by the Borrower or any of its Subsidiaries in the ordinary course of business to secure the purchase of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition of such property, (B) liens consisting of the interests of lessors under Capitalized Leases and (C) liens not otherwise described above in this Section 7.02(a); provided, that the aggregate capitalized amount of Debt incurred pursuant to such Capitalized Leases, plus the aggregate principal amount of the indebtedness or other obligations secured by any of the liens described in this clause (vi) (or, if greater, the book value of the assets that are subject to such liens) shall not exceed \$20,000,000 at any time outstanding; and

(vii) Liens created in favor of the Agent, for the benefit of the Banks and the Issuing Banks, as security for the obligations of the Borrower under or in connection with this Agreement, including, without limitation, Liens created in the manner contemplated in Section 7.02(e) or Article VIII.

(b) Subsidiary Debt. At any time, permit its Subsidiaries to incur or maintain Debt in an aggregate principal amount outstanding at any time greater than \$50,000,000, other than Debt of the type permitted under Section 7.02(e)(vi) or (vii).

(c) Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, or

acquire all or substantially all of the assets of, any Person, or permit any of its Subsidiaries to do so, except that:

(i) the Borrower or any Subsidiary of the Borrower may, in the ordinary course of its business, acquire all or any portion of the stock of any Person conducting business primarily in the temporary help industry or acquire all or substantially all of the assets used in the conduct by any Person of a temporary help business (and assume the liabilities related to such assets); provided, that the aggregate purchase price for such acquisitions, together with any liabilities assumed by the Borrower or such Subsidiary in connection therewith, shall not exceed \$90,000,000 during any calendar year; and

(ii) any Subsidiary of the Borrower or the Borrower may merge into or consolidate with, or transfer assets to or acquire the assets of any other Subsidiary of the Borrower or the Borrower; provided, that in the case of any such transaction to which the Borrower is a party, the Borrower shall be the surviving corporation.

provided that, in each such case, immediately after giving effect to such proposed transaction, no Event of Default or event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default shall exist.

(d) Sales, Etc. of Assets. Sell, lease, transfer or otherwise dispose of, or permit any of its Subsidiaries to sell, lease, transfer or otherwise dispose of, any material portion of its assets, including (without limitation) assets constituting any investment in any Subsidiary thereof or substantially all of the assets constituting the business of any division, branch or other unit operation thereof, except (i) in a transaction or a series of related transactions where the aggregate amount of the fair market value of all assets of the Borrower and its Subsidiaries sold, leased, assigned, transferred or otherwise disposed of in such transaction or transactions (as such fair market value is determined by the Board of Directors of the Borrower at the time of such transaction or transactions) does not exceed 15% of the Borrower's Consolidated Tangible Assets, and the consideration received by the Borrower or any of its Subsidiaries in each such transaction shall constitute fair market value, or (ii) in connection with a transaction permitted by Section 7.02(c). In no event shall the Borrower or any Subsidiary of the Borrower

sell, assign or otherwise dispose of all or any material portion of its accounts receivable.

(e) Investments in Other Persons. Make, or permit any of its Subsidiaries to make, any loan or advance to any Person, other than to the Borrower or (subject to clauses (vi) and (vii) below) any of its Subsidiaries, except in the ordinary course of its business as presently conducted, or purchase or otherwise acquire, or permit any of its Subsidiaries to purchase or otherwise acquire, any capital stock, obligations or other securities of, make any capital contribution to, or otherwise invest in, any Person other than a wholly-owned (except for qualifying shares that may be required to be owned by other Persons under applicable law) Subsidiary of the Borrower; provided, however, that nothing in this subsection shall prevent the Borrower or any Subsidiary of the Borrower from:

(i) purchasing readily marketable direct obligations of the United States of America, or any agency thereof, or obligations guaranteed by the United States or any agency thereof, in each case maturing within three years from the date of purchase thereof;

(ii) purchasing certificates of deposit and Eurodollar time deposits issued by any Bank or by commercial banks of the United States of America with a net worth of not less than \$100,000,000;

(iii) investing up to \$100,000 in certificates of deposit issued by any FDIC insured bank or FSLIC insured savings and loan institution which does not meet the net worth limitation set forth in clause (ii) above;

(iv) purchasing the stock of any Person in connection with a transaction permitted by Section 7.02(c) above;

(v) entering into repurchase agreements with primary dealers, any Bank or commercial banks of the United States of America with a net worth of not less than \$100,000,000, provided that such repurchase agreements are fully collateralized by obligations of or guaranteed by the United States or any agency thereof;

(vi) extending loans or other financial accommodations to any of Manpower International Inc., Manpower Incorporated of New York, Manpower of Texas Limited Partnership, Manpower of Indiana Limited Partnership, Manpower France S.A.R.L.,

Manpower GmbH Salespower, Manpower Japan Co., Ltd. or Manpower PLC or their successors (collectively, the "Designated Affiliates");

(vii) extending loans or other financial accommodations to any Subsidiary of the Borrower other than a Designated Affiliate; provided, that the aggregate outstanding amount of all loans and other financial accommodations extended to such Subsidiaries may not at any time exceed \$50,000,000;

(viii) extending loans or other financial accommodations to any Person other than a Designated Affiliate or a Subsidiary of the Borrower, in which Person the Borrower directly or indirectly holds not less than 10% of the ordinary voting power through its ownership of common stock or similar ownership interests therein (each such Person being an "Other Affiliate"); provided, that the aggregate outstanding amount of all loans and other financial accommodations extended to Other Affiliates shall not at any time exceed \$3,000,000;

(ix) purchasing prime commercial paper that either (A) is rated A-1 (or better) by S&P and P-1 by Moody's or (B) is unrated commercial paper that has a term not to exceed 90 days and is issued by a unit of M&I Marshall & Ilsley Bank, Firstar Bank Milwaukee, N.A. or Bank One, Milwaukee, NA as agent for a corporation having its chief executive office (or other significant presence) in the State of Wisconsin;

(x) in the case of any Subsidiary of the Borrower which is incorporated in a country (the "Domicile Country") other than the United States of America, such Subsidiary (i) investing in certificates of deposit (or comparable instruments) issued by a commercial bank located in its Domicile Country and having a net worth that is the equivalent of \$100,000,000 (United States dollars), or (ii) purchasing readily marketable direct obligations of the government of its Domicile Country or any agency thereof, or obligations guaranteed by such government or agency (collectively, "Country Obligations"), in each case such certificate of deposit or Country Obligation being denominated in the currency of such Domicile Country and maturing within one year from the date of purchase thereof; provided that any Subsidiary incorporated in France, Germany, Norway or the United Kingdom may purchase Country

Obligations of its Domicile Country that mature up to three years after the date of purchase thereof if, after giving effect to such purchase, the aggregate outstanding investment by the Borrower and its Subsidiaries in the Country Obligations of France, Germany, Norway and the United Kingdom and having a maturity date of more than one year from the date of purchase thereof does not exceed an amount equal to (x) \$5,000,000 in the case of any such country of (y) \$20,000,000 in the case of all such countries; and

(xi) extending personal loans or advances to employees of the Borrower or employees of any of its Subsidiaries in the ordinary course of business; provided that the aggregate principal amount of all such employee loans and advances shall not at any time exceed an amount equal to \$3,000,000;

provided, that in the case of each of the transactions described in clauses (iv), (vi), (vii) and (viii) above, immediately prior to and immediately after giving effect to such transaction, no Event of Default or event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default shall exist. In any determination of the aggregate outstanding amount of loans and other financial accommodations extended to any Person at any time for purposes of clause (vi), (vii) or (viii) above, the undrawn face amount of, and the Reimbursement Obligations in connection with, any Facility Letter of Credit issued for the benefit of any such Person shall be included. A Facility Letter of Credit shall be deemed to have been issued for the benefit of a Designated Affiliate, a Subsidiary of the Borrower or an Other Affiliate of the Borrower if it names such Person as the beneficiary thereunder, or names any other Person as beneficiary thereunder to further a business objective or other purpose of such Designated Affiliate, Subsidiary or Other Affiliate.

(f) Assumptions, Guaranties, Etc. of Indebtedness of Other Persons. Assume, guarantee, endorse or other wise become directly or contingently liable, or permit any of its Subsidiaries to assume, guarantee, endorse, or otherwise become directly or contingently liable (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in the debtor or otherwise to assure the creditor against loss) in connection with any obligations or indebtedness of any Person or entity other than the Borrower or any Subsidiary of the Borrower, except (i) guaranties by endorsement of negotiable instruments for deposit or collection or

similar transactions in the ordinary course of business, (ii) until December 1, 1998, the indemnities contemplated in Section 8 (without regard to Section 8(f) thereof) of that certain Purchase Agreement dated as of October 1, 1992, by and between the Borrower, Manpower International Inc. (which has subsequently merged into the Borrower), Lazard Freres & Co., and Morgan Stanley & Co., a copy of which section is set forth on Schedule III herein, and without giving effect to any amendments therein after November 22, 1994, and (iii) guaranties or similar obligations (other than the obligations described in clause (i) or (ii) above) in an aggregate amount not to exceed \$80,000,000 at any time outstanding.

(g) Subsidiaries Not Permitted to Restrict Certain of their Rights. At any time, become, or permit any of its Subsidiaries to become, subject to any document, instrument, agreement, charter, by-laws, cooperative association, consensual decree or other contractual or constitutional arrangement that has the effect (either alone or together with any other contractual or constitutional arrangements) of in any manner impairing, limiting, restricting or delaying the ability of any of its Subsidiaries to:

(i) make or declare, in accordance with applicable law, dividends or other distributions of assets, properties, cash, rights, obligations or securities on account of any shares of any class of capital stock of such Subsidiary,

(ii) purchase, redeem or otherwise acquire for value, in accordance with applicable law, any shares of any class of capital stock of such Subsidiary or any warrants, rights or options to acquire any such shares,

(iii) make any loan, advance or other financial accommodation of any type to the Borrower or to any other Subsidiary of the Borrower, or

(iv) incur or maintain Debt (in an aggregate amount with respect to all Subsidiaries) of up to \$60,000,000 outstanding at any time.

ARTICLE VIII
EVENTS OF DEFAULT

SECTION 8.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal, Reimbursement Obligation or any fees when due under this Agreement, or the Borrower shall fail to pay any interest within three Business Days after the date such interest shall have become due under this Agreement; or

(b) Any written representation or warranty made by the Borrower herein or in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) The Borrower shall fail to perform or observe (i) any term, covenant or agreement contained in Section 7.01(b)(iv), 7.01(d), 7.01(j), 7.01(k), or 7.02 or (ii) any other term, covenant or agreement contained in this Agreement, on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Agent or any Bank; or

(d)(i) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt (excluding Debt which as to it constitutes "Guarantee Debt" as defined below and excluding Debt created by Advances or constituting Reimbursement Obligations under this Agreement) (such non-excluded Debt being "Other Debt") which is outstanding in a principal amount of at least \$25,000,000 in the aggregate of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Other Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Other Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate or permit the acceleration of the maturity of such Other Debt; or any Other Debt which is outstanding in a principal amount of at least \$5,000,000 in the aggregate shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof, whether by acceleration or otherwise; or

(ii) In the case of any Debt (the "Guarantee Debt") existing by reason of a Guarantee issued by the Borrower or any of its Subsidiaries in respect of the indebtedness or obligations (the "Primary Obligation") of any other Person (the "Primary Obligor"), the Primary Obligor shall fail to pay any principal of, premium or interest on, or other amount payable on or in connection with the Primary Obligation which is outstanding in a principal or other amount of at least \$10,000,000 in the aggregate when the same becomes due or declared payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Primary Obligation, and demand for such payment shall be made under the Guarantee Debt; or any other event shall occur or condition exist under any agreement or instrument relating to any such Primary Obligation and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Primary Obligation; or any such Primary Obligation shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of \$5,000,000 shall be rendered against the Borrower or any of its Subsidiaries and (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) Any Termination Event with respect to a Plan shall have occurred and be continuing 30 days after notice thereof shall have been given to the Borrower by the Agent, and the then current value of such Plan's benefits guaranteed under Title IV of ERISA exceeds then current value of such Plan's assets allocable to such benefits by more than \$500,000 (or in the case of a Termination Event involving the withdrawal of a substantial employer or the withdrawal from a Multiemployer Plan, the withdrawing employer's pro portionate share of such excess amount or such withdrawal liability); or

(h) (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of securities of the Borrower (or other securities convertible into such securities) representing 20% or more of the combined voting power of all securities of the Borrower entitled to vote in the election of directors, other than securities having such power only by reason of the happening of a contingency; or (ii) any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of, the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Borrower;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Majority Banks, by notice to the Borrower, declare the obligation of each Bank to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Banks by notice to the Borrower, declare the outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Advances, all such interest and all such amounts shall become and be forthwith due and payable, without present ment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower and (iii) shall at the request, or may with the consent, of either Issuing Bank (or its related Issuing Bank Agent) or the Majority Banks, by notice to the Borrower, declare the obligation of such Issuing Bank to issue Facility Letters of Credit to be terminated, whereupon the same shall forthwith terminate; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower or any of its Subsidiaries under the Federal Bankruptcy Code, (A) the obligation of each Bank to make Advances shall automatically be terminated, (B) the obligation of each Issuing Bank to issue Facility Letters of Credit shall

automatically be terminated and (C) the outstanding Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 8.02. The Cash Collateral Account. (a) If any Event of Default shall have occurred and be continuing, the Agent shall at the request, or may with the consent, of either the Majority Banks or the Issuing Bank Agents, make demand upon the Borrower to, and forthwith upon such demand the Borrower shall, pay to the Agent in immediately available funds at the Agent's office described in Section 10.03 below, for deposit in a special non-interest bearing cash collateral account (the "Cash Collateral Account") to be maintained at such office of the Agent, an amount equal to the maximum amount then available to be drawn under the Facility Letters of Credit (or such lesser amount as may be demanded by the Agent in its sole discretion). The Cash Collateral Account shall be in the name of the Borrower (as a cash collateral account), but under the sole dominion and control of the Agent and subject to the terms of this Agreement.

(b) If requested by the Borrower and subject to the right of the Agent to withdraw funds from the Cash Collateral Account as provided below, the Agent shall, so long as no Event of Default shall have occurred and be continuing, from time to time invest funds on deposit in the Cash Collateral Account, reinvest proceeds of any such investments which may mature or be sold, and invest interest or other income received from any such investments, in each case in such Eligible Securities as the Borrower may select and notify to the Agent. Such proceeds, interest or income which are not so invested or reinvested in Eligible Securities shall, except as otherwise provided in this Section 8.02, be deposited and held by the Agent in the Cash Collateral Account. Neither the Agent nor any Bank shall be liable to the Borrower for, or with respect to, any decline in value of amounts on deposit in the Cash Collateral Account which shall have been invested, pursuant to this Section 8.02(b), at the direction of the Borrower. "Eligible Securities" means (i) United States Treasury bills with a remaining maturity not in excess of 180 days, (ii) negotiable certificates of deposit, or time deposits or bankers acceptances, of any Bank or of any prime United States commercial bank with a remaining maturity not in excess of 90 days, which commercial bank shall have capital and surplus of at least \$100,000,000 in the aggregate at all times and a debt rating of at least A from S&P and at least A2 from Moody's at all times, and (iii) such other instruments (within the meaning of Article 9 of the Code) as the Borrower may request in writing and the Agent may approve. Eligible Securities from time to time purchased and held pursuant to this Section 8.02(b) shall be referred to as "Collateral Securities" and shall, for purposes of this Agreement, constitute part of the funds held in the Cash Collateral Account in amounts equal to their respective outstanding principal amounts.

(c) If at any time the Agent or any Issuing Bank Agent determines that any funds held in the Cash Collateral Account are subject to any right or claim of any Person other than the Agent or that the total amount of such funds is less than the maximum amount at such time available to be drawn under the Facility Letters of Credit, the Borrower will, forthwith upon demand by the Agent or such Issuing Bank Agent, pay to the Agent, as additional funds to be deposited and held in the Cash Collateral Account, an amount equal to the excess of (i) such maximum amount at such time available to be drawn under the Facility Letters of Credit over (ii) the total amount of funds, if any, then held in the Cash Collateral Account which the Agent determines to be free and clear of any such right and claim.

(d) The Borrower hereby pledges, and grants to the Agent, for the benefit of the Banks and the Issuing Banks, a security interest in, all funds held in the Cash Collateral Account (including Collateral Securities) from time to time and all proceeds thereof, as security for the payment of all amounts due and to become due from the Borrower to the Issuing Banks, the Issuing Bank Agents, the Banks and the Agent under this Agreement. Nothing in this Section 8.02, however, shall obligate the Agent to take any action which the Agent determines may expose the Agent to personal liability or which is contrary to this Agreement or applicable law.

(e) The Agent may, at any time or from time to time after funds are either deposited in the Cash Collateral Account or invested in Collateral Securities, after selling, if necessary, any Collateral Securities, apply funds then held in the Cash Collateral Account to the payment of any amounts, in such order as the Agent may elect (but in any event ratably as among the Banks, after reimbursement of the Agent's costs and expenses), as shall have become or shall become due and payable by the Borrower to the Banks or the Agent under this Agreement and whether or not such amount payable is in respect of a drawing made under a Facility Letter of Credit, principal or interest on any Advance made hereunder or any fees or expenses payable under or in connection with this Agreement. The Borrower agrees that, to the extent notice of sale of any Collateral Securities shall be required by law, at least five (5) Business Days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(f) Neither the Borrower nor any Person or entity claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds held in the Cash Collateral Account, except as otherwise provided in Section 8.02(g) below and except that upon the latest to occur of (i) the expiration or termination of all of the Facility Letters of Credit in

accordance with their respective terms, (ii) the payment of all amounts payable by the Borrower to the Banks and the Agent under this Agreement and the Notes, and (iii) the termination of this Agreement, any funds remaining in the Cash Collateral Account, shall be returned by the Agent to the Borrower or paid to whoever may be legally entitled thereto.

(g) So long as no Event of Default shall have occurred and be continuing, the Agent will release to the Borrower or at its order, at the written request of the Borrower, funds held in the Cash Collateral Account in an amount up to but not exceeding the excess, if any (immediately prior to the release of any such funds), of (i) the total amount of funds held in the Cash Collateral Account over (ii) the maximum amount then available to be drawn under the Facility Letters of Credit.

(h) The Borrower agrees that it will not (i) sell or otherwise dispose of any interest in the Cash Collateral Account or any funds held therein, or (ii) create or permit to exist any lien, security interest or other encumbrance upon or with respect to the Cash Collateral Account or any funds held therein, except as provided in or contemplated by this Section 8.02.

(i) The Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Agent accords its own property, it being understood that the Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

ARTICLE IX

THE AGENT AND THE EURO-AGENT

SECTION 9.01. Authorization and Action. Each Bank and Issuing Bank hereby appoints and authorizes the Agent and the Euro-Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Advances or the Reimbursement Obligations), neither the Agent nor the Euro-Agent shall be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Banks, and such instructions shall be binding upon all Banks and Issuing Banks; provided, however, that neither the Agent nor the Euro-Agent shall be required to take any action which exposes the Agent or the Euro-Agent to

personal liability or which is contrary to this Agreement or applicable law. Each of the Agent and the Euro-Agent agrees to give to each Bank prompt notice of each written notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 9.02. Agent's and Euro-Agent's Reliance, Etc. Neither the Agent, the Euro-Agent nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, each of the Agent and the Euro-Agent: (i) may treat the payee of any Advance as the holder thereof until the Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Bank and shall not be responsible to any Bank for any statements, warranties or representations made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Bank for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 9.03. Citibank and Affiliates. With respect to its Commitment, L/C Facility Commitment, participation in Facility Letters of Credit and the Advances made by it, Citibank shall have the same rights and powers under this Agreement as any other Bank and may exercise the same as though it were not the Agent; and the term "Bank" or "Banks" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any of its Subsidiaries all as if Citibank were not the Agent and Citibank International plc were not the Euro-Agent and without any duty to account therefor to the Banks.

SECTION 9.04. Bank Credit Decision. Each Bank and Issuing Bank acknowledges that it has, independently and without

reliance upon the Agent, the Euro-Agent or any other Bank and based on the financial statements referred to in Section 6.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank and Issuing Bank also acknowledges that it will, independently and without reliance upon the Agent, the Euro-Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 9.05. Indemnification. The Banks agree to indemnify the Agent and the Euro-Agent (to the extent not reimbursed by the Borrower), ratably according to the respective amounts of their Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent or the Euro-Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent or the Euro-Agent under this Agreement, provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's or the Euro-Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Bank agrees to reimburse the Agent or the Euro-Agent, as applicable promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent and the Euro-Agent are not reimbursed for such expenses by the Borrower.

SECTION 9.06. Successor Agent. Either or both of the Agent or the Euro-Agent may resign at any time by giving written notice thereof to the Banks and the Borrower and may be removed at any time with or without cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint one of the Banks as the successor Agent and such Bank or an affiliate of such Bank as the successor Euro-Agent. If no successor Agent or Euro-Agent, as applicable, shall have been so appointed by the Majority Banks, and shall have accepted such appointment, within 30 days after the retiring Agent's or retiring Euro-Agent's giving of notice of resignation or the Majority Banks' removal of the retiring agent, then the retiring Agent or retiring Euro-Agent may, on behalf of the Banks, appoint one of the Banks as the successor Agent or successor Euro-Agent. If none of the Banks will accept such an appointment, the retiring Agent may, on behalf of the Banks, appoint a successor Agent or successor Euro-Agent which shall be

a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of any appointment as Agent or Euro-Agent hereunder by a successor Agent or Euro-Agent, such successor Agent or Euro-Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent or Euro-Agent, as applicable, and the retiring Agent or Euro-Agent, as applicable, shall be discharged from its duties and obligations under this Agreement. The successor Agent or Euro-Agent shall immediately notify the Borrower of such appointment. After any retiring Agent's or retiring Euro-Agent's resignation or removal hereunder as Agent or Euro-Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent or Euro-Agent under this Agreement.

SECTION 9.07. Designation of Collateral Agents. The Agent may, from time to time, designate one or more of the Banks to serve as collateral agent (each, a "Collateral Agent") for all of the Banks and Issuing Banks in respect of this Agreement and, in that connection, to accept from the Borrower and hold in pledge certain collateral for the benefit of the Banks and the Issuing Banks including, without limitation, pledges of promissory notes or other instruments of the type contemplated under clauses (vi), (vii) and (viii) of Section 7.02(e). Any such designation shall be effected in accordance with documentation ("Collateral Documents") satisfactory to the Agent and such Collateral Agent and, to the extent the Borrower shall be party thereto, the Borrower. Neither the Agent nor any Collateral Agent nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any Collateral Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent and the Collateral Agent, in connection with any collateral arrangement: (i) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Bank and shall not be responsible to any Bank for any statements, warranties or representations made in or in connection with the collateral then pledged or to be pledged under such collateral arrangement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of the Collateral Documents on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (iv) shall not be responsible to any Bank for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Collateral Document or any other instrument or document furnished pursuant thereto; (v) shall

incur no liability under or in respect of any Collateral Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties and (vi) shall have no responsibility to undertake perfection of any security interest granted to the Banks by the Borrower other than the taking of possession of any assets pledged to the Collateral Agent under such collateral arrangement and shall not have any responsibility to ensure the priority of any such security interest.

SECTION 9.08. Issuing Bank Agent. Each Issuing Bank hereby appoints and authorizes its designated Issuing Bank Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such Issuing Bank Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Each Bank and the Agent (i) may at all times assume that an Issuing Bank Agent is and remains duly appointed and authorized to act on behalf of its related Issuing Bank, and (ii) shall be entitled to rely on any notice, consent, certificate or other advice by such Issuing Bank Agent on behalf of itself or its related Issuing Bank, in each case until such time as the Agent receives written notice from the applicable Issuing Bank that such Issuing Bank Agent has resigned or been removed and that a replacement Issuing Bank Agent (which may be such Issuing Bank itself) has been appointed and authorized to act as the "Issuing Bank Agent" hereunder by such Issuing Bank. Each Issuing Bank agrees to provide the Agent not less than 10 Business Days' (or such lesser period of time as shall be acceptable to the Agent under the circumstances) notice of any replacement of its related Issuing Bank Agent. The Agent shall promptly advise each Bank of any notice it receives relating to the replacement of any Issuing Bank Agent.

SECTION 9.09. Borrower's Reliance. The Borrower (i) may at all times assume that the Agent, the Euro-Agent and the Issuing Bank Agents are and remain duly appointed and authorized to act in their respective capacities hereunder, and (ii) shall be entitled to rely on any notice, consent, certificate or other advice by the Agent, the Euro-Agent, or any Issuing Bank Agent on behalf of itself or its respective principal, in each case until such time as the Agent delivers written notice to the Borrower that the Agent, the Euro-Agent or such Issuing Bank Agent has resigned or been removed and that a replacement agent has been appointed and authorized to act in the capacity of the agent that has been removed.

ARTICLE X
MISCELLANEOUS

SECTION 10.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the A Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks (other than Designated Bidders), do any of the following: (i) waive any of the conditions specified in Section 5.01, 5.02, 5.03 or 5.04, (ii) increase the Commitment or L/C Facility Commitment of any Bank, or subject the Banks to any additional obligations, (iii) except as provided in Section 4.06, increase the aggregate Commitment or Aggregate L/C Facility Commitment, (iv) reduce the principal of, or interest on, the Advances or the Reimbursement Obligations or any fees or other amounts payable hereunder, (v) other than as contemplated in Section 10.02, postpone the Revolving Credit Termination Date or the L/C Facility Termination Date or any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (vi) change the percentage of the Commitments or L/C Facility Commitments or of the aggregate unpaid principal amount of the Advances or the Reimbursement Obligations, or the number of Banks, which shall be required for the Banks or any of them to take any action hereunder or (vii) amend the definition of "Majority Banks", this Section 10.01 or Section 10.06; and provided, further, that (a) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Banks required above to take such action, affect the rights or duties of the Agent under this Agreement, (b) no amendment, waiver or consent shall, unless in writing and signed by the applicable Issuing Bank in addition to the Banks required above to take such action, affect the rights, commitment or other obligations of such Issuing Bank under this Agreement and (c) no amendment, waiver or consent shall, unless in writing and signed by the applicable Issuing Bank Agent in addition to the Persons required above to take such action, affect the rights, commitment or other obligations of its related Issuing Bank Agent under this Agreement (d) no amendment, waiver or consent shall, unless in writing and signed by the applicable Designated Bidder in addition to the other Persons required hereunder to take such action, reduce the principal of, or interest on, or otherwise modify any of the terms of any B Note held by such Designated Bidder, and (e) if the Commitments shall have been terminated, the A Notes shall have been repaid in full and no Facility Letters of Credit shall then be outstanding, then the term "all the Banks" as used in the foregoing proviso shall mean all of the Banks then holding B Notes.

SECTION 10.02. Extensions of the Commitments. (a) The Borrower may, by written notice (an "Extension Request") substantially in the form of Exhibit D hereto given to the Agent not less than 60 days (and not earlier than 90 days) prior to May 15 of any year during the term of this Agreement (each, a "Reference Date"), request that the Revolving Credit Termination Date and the L/C Facility Termination Date then in effect be extended for an additional one-year period. The Agent shall promptly advise each Bank of its receipt of any Extension Request. Each Bank may, in its sole discretion, consent to a requested extension by giving written notice thereof to the Agent and the Borrower by not later than the date (the "Acceptance Deadline Date") that is 30 days prior to the applicable Reference Date. Failure on the part of any Bank to respond to an Extension Request shall be deemed to be a denial of such request by such Bank. If all of the Banks at the time of the issuance of any Extension Request shall consent in writing to the requested extension, such request shall be granted. The Agent shall promptly (and in any event by no later than the close of business on the applicable Acceptance Deadline Date) notify the Borrower in writing as to whether the requested extension has been granted (such written notice being an "Extension Confirmation Notice"), and shall promptly thereafter provide a copy of such Extension Confirmation Notice to each Bank. Each permitted extension shall become effective on the applicable Reference Date. Each Extension Confirmation Notice shall, if applicable, specify therein the new Revolving Credit Termination Date and L/C Facility Termination Date.

(b) The failure of the Borrower to issue an Extension Request prior to the first Reference Date shall not operate as a waiver of the Borrower's right to issue an Extension Request prior to any subsequent Reference Date; provided, that no extension granted under this Section 10.02 at any one time shall exceed a period of one year.

(c) Each Extension Request shall contemplate the extension both of the Revolving Credit Termination Date and the L/C Facility Termination Date. Notwithstanding any agreement of the Banks to extend the Revolving Credit Termination Date or the L/C Facility Termination Date as provided herein, no Issuing Bank or Issuing Bank Agent shall have any obligation to continue in such respective capacity under this Agreement without its prior written consent thereto.

SECTION 10.03. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered:

- (a) if to the Borrower, at its address at:
- 5301 North Ironwood Road
Milwaukee, Wisconsin 53217
Attention: Michael J. Van Handel;
- (b) if to any Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto;
- (c) if to the Agent, at its address at:
- Suite 200
Two Penns Way
New Castle, Delaware 19720
Attention: Jackie Lai
Bank Loan Syndications
Telephone No. 302-894-6022
Telecopier No. 302-894-6120

with a copy to:

- Citicorp North America, Inc.
200 S. Wacker Drive
Chicago, Illinois 60606
Attention: Manpower Relationship Manager;
- (d) if to the Euro-Agent, at its address at:
- Riverdale House
68 Molesworth Street
Lewisham SE13 7EU, England
Attention: Kenneth Purchase, Loans Agency
Telecopier No. 081-852-7007
Telex No. 299831 CIBLA;
- (e) if to the Issuing Bank Agent in respect of the initial Issuing Bank, at its address at:
- Credit Lyonnais Chicago Branch
227 West Monroe, 38th Floor
Chicago, Illinois 60606
Attention: Manpower Relationship Manager;
and Telecopier No. 312-641-0527
- (f) if to the initial Issuing Bank, in care of its Issuing Bank Agent at the address set forth above,

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed, telegraphed, telecopied, telexed or cabled, be effective when deposited in the mails, delivered to the telegraph company, telecopied and confirmed by return telecopy, telex answerback or

delivered to the cable company, respectively, except that notices and communications to the Agent or the Euro-Agent pursuant to Article II, III, or IX shall not be effective until received by the Agent or Euro-Agent, as applicable, and, if applicable, the appropriate Issuing Bank Agent.

SECTION 10.04. No Waiver; Remedies. No failure on the part of any Bank, any Issuing Bank, any Issuing Bank Agent, the Agent or the Euro-Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.05. Costs, Expenses and Taxes. (a) The Borrower agrees to pay on demand all costs and expenses in connection with the preparation, execution, delivery, administration, syndication, modification and amendment of this Agreement, the Notes, each Facility Letter of Credit and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel and other advisors for Citicorp Securities, Inc., the Agent and the Euro-Agent with respect thereto and with respect to advising the Agent and the Euro-Agent as to its rights and responsibilities under this Agreement, and all costs and expenses of the Agent, the Euro-Agent and the Banks, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder. In addition, the Borrower shall pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Agreement and the other documents to be delivered hereunder, and agrees to save the Agent, the Euro-Agent and each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.

(b) If any payment of principal of any Eurocurrency Advance is made other than on the last day of the Interest Period for such Advance or any payment of principal of any B Advance is made other than on the maturity date originally scheduled therefor, in either case as a result of a prepayment thereon pursuant to Section 2.09, the acceleration of the maturity of the Advances pursuant to Section 8.01 or for any other reason, or if any Eurocurrency Advance is Converted to a Base Rate Advance pursuant to Section 2.10(b), then the Borrower shall, upon demand by any Bank (with a copy of such demand to the Agent and the Euro-Agent), pay to the Agent (or, if so directed, the Euro-Agent) for the account of such Bank any amounts required to compensate such Bank for any additional losses, costs or expenses which it may reasonably incur as a result of such payment including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the

liquidation or reemployment of deposits or other funds acquired by any Bank to fund or maintain such Advance.

SECTION 10.06. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 8.01 to authorize the Agent to declare the Advances due and payable pursuant to the provisions of Section 8.01, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Advances and the Reimbursement Obligations owed to such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement and although such obligations may be unmatured. Each Bank agrees promptly to notify the Borrower after any such set-off and application made by such Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Bank may have.

SECTION 10.07. Binding Effect. (a) This Agreement shall become effective when it shall have been executed by the Borrower and the Agent, the Euro-Agent, the initial Issuing Bank and its Issuing Bank Agent, and when the Agent shall have been notified by each Bank that such Bank has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent, the Euro-Agent, each Issuing Bank and each Issuing Bank Agent and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Banks.

(b) The Borrower and each of the 1996 Banks hereby agree that on the Effective Date, as among the Borrower and the 1996 Banks, the 1996 Credit Agreement shall be terminated and superseded by this Agreement, and the Borrower shall take all actions necessary in respect of the other parties to the 1996 Credit Agreement to cause the 1996 Credit Agreement to be terminated on and as of the Effective Date. In that regard, the Borrower and each of the 1996 Banks acknowledge and agree that, on the Effective Date:

(i) the "Commitments" and the "L/C Facility Commitments" under and as defined in the 1996 Credit Agreement shall reduce to zero, all participation interests in "Facility Letters of Credit" under Section 3.06(a) of the 1996 Credit Agreement shall terminate, all facility fees under the 1996 Credit Agreement shall cease to accrue, the

1996 Credit Agreement shall terminate, and neither the 1996 Banks nor any of the "Agent", "Co-Agent", "Euro-Agent" or "Issuing Bank Agent" thereunder shall have any continuing obligations thereunder;

(ii) each "A Advance" and "B Advance" outstanding under the 1996 Credit Agreement shall be immediately due and payable in full and shall be paid by the Borrower;

(iii) each "Facility Letter of Credit" issued under the 1996 Credit Agreement shall become and be a Facility Letter of Credit hereunder, such Facility Letter of Credit having the same terms as the corresponding "Facility Letter of Credit" under the 1996 Credit Agreement; provided that at all times from and after the effectiveness of this Agreement the "L/C Issuance Fee" thereon shall accrue at the applicable rate set forth in Section 3.08 hereof; and

(iv) all accrued and unpaid interest, facility fees, agency fees and other amounts payable by the Borrower to the "Banks" and the "Agent" under the 1996 Credit Agreement shall become and be immediately due and payable by the Borrower.

To the extent the 1996 Credit Agreement requires any other time or place for the giving of notice in respect of such reduction or termination, such requirement is hereby waived by the Banks parties hereto that are 1996 Banks. Notwithstanding the foregoing, nothing contained herein shall amend, waive or otherwise modify any right of any party to the 1996 Credit Agreement which right is stated therein to survive the termination of the 1996 Credit Agreement.

(c) On the Effective Date, and the repayment of the Borrower's obligations under the 1996 Credit Agreement, each "A Note" and "B Note" (each a "1996 Note") issued by the Borrower under the 1996 Credit Agreement shall be deemed terminated and cancelled. Each 1996 Bank shall cause the 1996 Notes issued to it to be surrendered to the Borrower or otherwise destroyed; provided that failure on the part of any 1996 Bank to so surrender or destroy its 1996 Notes shall not give rise to any continuing liability on the part of the Borrower under any such 1996 Note.

SECTION 10.08. Assignments and Participations. (a) Each Bank (other than a Designated Bidder) may assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, its L/C Facility Commitment and the A Advances and Reimbursement Obligations owing to it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of the assigning Bank's rights and obligations (other than in respect of any B Notes or B Advances then held by such Bank) so assigned and

shall contemplate a fixed percentage assumption of each of the assigning Bank's Commitment, A Advances, L/C Facility Commitment and participation in Facility Letters of Credit then outstanding, (ii) except for assignments by one Bank to another Bank, the aggregate amount of the Commitment and the L/C Facility Commitment of the assigning Bank being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$10,000,000 and, if in excess of \$10,000,000, shall be in an integral multiple of \$1,000,000; provided that a Bank may, in a single transaction, assign the then remaining amount of such assigning Bank's Commitment and L/C Facility Commitment, (iii) each such assignment shall be to an Eligible Assignee, (iv) in the case of any proposed assignment to a Person that is not a Bank or an affiliate of a Bank, each of the Borrower and the Agent shall have consented to such assignment (which consent in each case shall not be unreasonably withheld or delayed) and (v) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, and shall deliver to the Agent the A Note or A Notes that are subject to such assignment together with a processing and recordation fee of \$3,000. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least two (2) Business Days after the execution thereof or such earlier date as the Agent shall permit, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Bank hereunder and (y) the Bank assignor shall, to the extent that rights and obligations here under have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee there under confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any state ments, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agree ment or any other instrument or document furnished pursuant hereto; (ii) such assigning Bank makes no representation or warranty and assumes no responsibility with respect to the finan cial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this

Agreement, together with copies of the financial statements referred to in Section 6.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent and the Euro-Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent and the Euro-Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms, all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(c) The Agent shall maintain at its address referred to in Section 10.03 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Banks and the Commitment of, the L/C Facility Commitment of, and principal amount of the Advances and Reimbursement Obligations owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent, the Euro-Agent, each Issuing Bank and each Issuing Bank Agent and each Bank may treat each Person whose name is recorded in the Register as a Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, any Issuing Bank, any Issuing Bank Agent or any Bank at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an assignee representing that it is an Eligible Assignee, the Agent shall, if such Assignment and Acceptance has been completed and is substantially the form of Exhibit E hereto, and otherwise satisfies the requirements of Section 10.08(a), (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Agent in exchange for the surrendered A Note or Notes a new A Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance and, if the assigning Bank has retained a Commitment hereunder, a new A Note to the order of the assigning Bank in an amount equal to the Commitment retained by it hereunder. Such new A Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered A Note or Notes, shall be dated the effective date of such Assign-

ment and Acceptance and shall otherwise be in substantially the form of Exhibit A-1 hereto.

(e) Each Bank may assign to one or more banks or other entities any B Note or B Notes held by it.

(f) Each Bank may sell participations to one or more banks or other entities in or to all or a portion of the Advances owing to it; provided, however, that (i) such Bank's obligations under this Agreement (including, without limitation, its Commitment and its L/C Facility Commitment) shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Issuing Banks, the Issuing Bank Agents, the Agent, the Euro-Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement.

(g) Notwithstanding any other provisions set forth in this Agreement, any Bank at any time may assign, as collateral or otherwise, any of its rights (including, without limitation, rights to payments of principal of and/or interest on the Advances) under this Agreement to any Federal Reserve Bank without notice to or consent of the Borrower, the Agent, the Euro-Agent, the Issuing Banks, the Issuing Bank Agents or any other Bank.

(h) Any Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.08, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Bank by or on behalf of the Borrower; provided that, prior to any such disclosure of non-public information, such Bank shall have obtained the Borrower's consent (which consent shall not be unreasonably withheld) and the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrower received by it from such Bank.

SECTION 10.09. Designated Bidders. Each Bank may assign to one or more banks or other entities any B Note or B Notes held by it. In addition, each Bank (other than a Designated Bidder) may grant to one or more banks or other entities the right to bid for and to make B Advances as a Bank pursuant to Section 2.03; provided, however, that (i) no such Bank shall be entitled to make more than three such designations, (ii) each such Bank making one or more such designations shall retain the right to make B Advances as a Bank pursuant to Section 2.03, (iii) each such designation shall be subject to the consent of the Borrower, which consent shall not be unreasonably withheld or delayed, and (iv) the parties to each such designation shall execute and deliver to the Agent, for its acceptance and recording in the Register, a Designation Agreement. Upon such

execution, delivery, acceptance and recording, from and after the effective date specified in each Designation Agreement, the designee thereunder shall be a party hereto with the right to make B Advances as a Bank pursuant to Section 2.03 and the obligations related thereto.

(b) By executing and delivering a Designation Agreement, the Bank making the designation thereunder and its designee thereunder confirm and agree with each other and the other parties hereto as follows: (i) such Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such Bank makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower or any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such designee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 6.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into the Designation Agreement; (iv) such designee will, independently and without reliance upon the Agent, such designating Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such designee confirms that it is qualified to become a Designated Bidder; (vi) such designee appoints and authorizes the Agent and the Euro-Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent and the Euro-Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such designee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(c) Upon its receipt of a Designation Agreement executed by a designating Bank and a designee representing that it is qualified to become a Designated Bidder, the Agent shall, if such Designation Agreement has been completed and is substantially in the form of Exhibit L hereto, (i) accept such Designation Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

SECTION 10.10. Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 10.11. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 10.12. Indemnification. The Borrower agrees to indemnify and hold harmless the Agent, the Euro-Agent, each Issuing Bank, each Issuing Bank Agent and each Bank from and against any and all claims, damages, liabilities and expenses (including, without limitation, fees and disbursements of counsel) which may be incurred by or asserted against the Agent, the Euro-Agent, such Issuing Bank, such Issuing Bank Agent or such Bank in connection with or arising out of any investigation, litigation or proceeding related to this Agreement, the use of the proceeds of the Borrowings or use of any Facility Letter of Credit by the Borrower, whether or not the Agent, the Euro-Agent, such Issuing Bank, or such Issuing Bank Agent or such Bank is a party thereto; provided, however, that the Borrower shall not be liable for any portion of such claims, damages, liabilities and expenses resulting from the Agent's, or the Euro-Agent's, or any Issuing Bank's, or any Issuing Bank Agent's or any Bank's gross negligence or willful misconduct or for such claims and liabilities settled without the consent of the Borrower. Each Bank agrees to give the Borrower prompt written notice of any investigation, litigation or proceeding which may lead to a claim for indemnification under this Section, provided that the failure to give such notice shall not affect the validity or enforceability of the indemnification hereunder.

SECTION 10.13. Currency. (a) Each reference in this Agreement to Dollars or to an Alternative Currency (the "Relevant Currency") is of the essence. To the fullest extent permitted by law, the obligation of the Borrower in respect of any amount due in the Relevant Currency under this Agreement shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Relevant Currency that the Person entitled to receive such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which such Person receives such payment. If the amount in the Relevant Currency that may be so purchased for any reason falls short of the amount originally due, the Borrower shall pay such additional amounts, in the Relevant Currency, as may be necessary to compensate for the shortfall. Any obligations of the Borrower not discharged by such payment shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

(b) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower

hereunder or under the Notes in the currency expressed to be payable herein or under the Notes (the "Specified Currency") into another currency, the parties agree that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the Specified Currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due to any Bank or the Agent hereunder or under any Note shall, notwithstanding any judgment in a currency other than the Specified Currency, be discharged only to the extent that on the Business Day following receipt by such Bank or the Agent, as applicable, may in accordance with normal bank procedures purchase the Specified Currency with such other currency. If the amount of the Specified Currency so purchased is less than the sum originally due to such Bank or the Agent in the Specified Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Bank and the Agent against such loss, and if the amount of the Specified Currency so purchased exceeds the sum of (a) the amount originally due to the applicable Bank or the Agent in the Specified Currency plus (b) any amounts shared with other Banks as a result of allocations of such excess as a disproportionate payment to such Bank under Section 4.04 hereof, such Bank or the Agent, as the case may be, agrees to remit such excess to the Borrower.

SECTION 10.14. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers there unto duly authorized, as of the date first above written.

MANPOWER INC.

By: /s/ Michael J. Van Handel

Title: Vice President, Chief
Accounting Officer and
Treasurer

CITIBANK, N.A., as Agent

By: -----
Vice President

CITIBANK INTERNATIONAL PLC,
as Euro-Agent

By: -----
Title:

CREDIT LYONNAIS CHICAGO BRANCH
as Co-Agent

By: -----
Title:

THE FIRST NATIONAL BANK OF
CHICAGO, as Co-Agent

By: -----
Title:

FLEET NATIONAL BANK, as
Co-Agent

By: -----
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

MANPOWER INC.

By: Michael J. Van Handel

Title: V.P., Chief Accounting
Officer and Treasurer

CITIBANK, N.A., as Agent

By: [Sig]

ATTORNEY-IN-FACT

CITIBANK INTERNATIONAL PLC,
as Euro-Agent

By: Ken Purchase

Title: V.P.

CREDIT LYONNAIS CHICAGO BRANCH
as Co-Agent

By: Nigel R. Carter

Title: Vice President

THE FIRST NATIONAL BANK OF
CHICAGO, as Co-Agent

By: [Sig]

Title: Senior Vice President

FLEET NATIONAL BANK, as
Co-Agent

By: [Sig]

Title: Senior Vice President

MELLON BANK, N.A.
as Co-Agent

By: Martin J. Randal

Title: Banking Officer

CREDIT LYONNAIS
NEW YORK BRANCH,
as Issuing Bank

By: Robert Ivosevich

Title: Senior Vice President

CREDIT LYONNAIS CHICAGO BRANCH,
as Issuing Bank Agent

By: -----
Title: Senior Vice President

CREDIT LYONNAIS CHICAGO BRANCH,
as Issuing Bank Agent

By: Nigel R. Carter

Title: Vice President

MANPOWER INC.
5301 NORTH IRONWOOD ROAD
MILWAUKEE, WISCONSIN 53217

February 23, 1998

Mr. Terry A. Hueneke:

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

1. Upon termination of your employment with the Company for any reason:

(a) The Company will pay you your base compensation through the date of termination.

(b) Not later than ten business days after the date of termination, the Company will pay you a portion of the incentive bonus you would have received for the year in which termination occurs under the agreement between you and Manpower Inc. dated February 18, 1997 (as subsequently amended or modified), such portion to equal the estimate of the bonus you would have received had your employment not terminated, determined as provided below, multiplied by a fraction, the numerator of which is the number of days you were employed by the Company during the year and denominator of which is 365. The estimate of the bonus you would have received will be determined based on the financial

results of the Company through the date of termination but adjusting your bonus targets to account for the less than full year measurement period.

(c) The Company will provide you with all other benefits of employment to which you were entitled through the date of termination.

2. Upon termination of your employment with the Company for any reason other than Cause (as defined below):

(a) Not later than ten business days after the date of termination, the Company will make a lump sum severance payment to you equal to the sum of your monthly base compensation as of the date of termination multiplied by 24 and an amount equal to the greater of (i) the highest bonus paid to you by the Company during the five years before the date of termination and (ii) the amount of the estimate of the bonus you would have received had your employment not terminated determined under paragraph 1(b), above.

(b) For 18 months after the date of termination, the Company will arrange to provide you and your eligible dependents, at the Company's expense, with benefits under the medical, dental, life, and disability plans of the Company, or benefits substantially equivalent to such benefits; provided, however, that benefits otherwise receivable by you pursuant to this subparagraph (b) will be reduced to the extent other comparable benefits are actually received by you during the 18 months following the date of termination, and any such benefits actually received by you will be reported to the Company.

(c) For 12 months after the date of termination, the Company will pay all expenses associated with maintaining an office and obtaining secretarial and administrative assistance for you substantially equivalent to that provided to you on the date of termination.

(d) At your written request, the Company will cause title to the automobile which is provided for your use at the time of termination of employment to be transferred to you upon payment by you to the Company of an amount equal to the cost to the Company upon exercise of its option to purchase such automobile; provided, however, that you will pay all out-of-pocket expenses which may be incurred as a result of such transfer.

3. You will have a minimum of three months following termination of your employment with the Company (other than termination for Cause) to exercise any stock options held by you at that time, notwithstanding the terms of any plan under which such options are granted.

4. For purposes of this letter, termination of employment for "Cause" will mean termination by the Company upon (i) the willful and continued failure by you to substantially perform your duties with the Company after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and you have failed to resume substantial performance of your duties on a continuous basis within fourteen days after receiving such demand, (ii) the willful engaging by you in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise, (iii) any dishonest or fraudulent conduct which results or is intended to result in gain to you or your personal enrichment at the expense of the Company, or (iv) your

conviction of felony or misdemeanor, as evidenced by a binding and final judgment, order or decree of a court of competent jurisdiction in effect after exhaustion or lapse of all right of appeal, which impairs your ability substantially to perform your duties with the Company. For purposes of this provision, no act, or failure to act, on your part will be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interests of the Company.

5. You will not be required to mitigate the amount of any payment or benefit provided for in this letter by seeking other employment or otherwise, nor will the amount of any payment or benefit provided for in this letter, unless otherwise stated, be reduced by any compensation earned by you or benefits provided to you through employment by another employer after the date of termination.

6. If any payment to be made under the terms of this letter is not made when due, in addition to such principal sum, the Company will pay you interest on such delinquent payment computed at the prime rate as announced from time to time by Firststar Bank of Milwaukee, or its successor, compounded monthly.

7. The Company will pay to you all legal fees and expenses incurred by you in seeking to obtain or enforce any right or benefit provided by this letter, whether by legal, arbitration, or some other proceeding, to the extent you are ultimately successful on the merits.

8. In the event any portion of the payments to you or benefits provided you under this letter would be subject to the tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended from time to time, the amount of such payments or

benefits will be reduced to the extent necessary (and only to the extent necessary) to preclude the application of such tax.

9. Nothing contained in this letter will be construed as conferring upon you any right to remain employed by the Company or to retain any title, position or duties with the Company or affect the right of the Company to terminate your employment at any time for any reason.

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

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

12. The Company's obligation to make the payments provided for in this letter and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right, or action which the Company may have against you or others.

13. The validity, interpretation, construction and performance of this letter agreement will be governed by and construed in accordance with the laws of the State of Wisconsin without regard to choice of law principles.

14. This letter agreement supersedes the letter agreement between you and Manpower International Inc. dated December 8, 1992, and accepted by you March 8, 1993, which agreement is terminated.

Mr. Terry A. Hueneke
February 23, 1998
Page 6

To confirm your agreement with the terms of this letter, kindly execute a copy in the place provided below and return it to us.

Sincerely,

MANPOWER INC.

By: /s/ Mitchell S. Fromstein

Mitchell S. Fromstein,
President and Chief Executive Officer

I hereby confirm my agreement with the terms of this letter.

/s/ Terry A. Hueneke

Terry A. Hueneke

MANPOWER INC.

[PHOTO]

1997 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(in thousands)	1997	1996	1995
SYSTEMWIDE SALES (a)	\$ 8,859,893	\$ 7,474,212	\$ 6,883,605
REVENUES FROM SERVICES	\$ 7,258,504	\$ 6,079,905	\$ 5,484,175
OPERATING PROFIT	\$ 255,387	\$ 226,957	\$ 211,653

REVENUES FROM SERVICES (b)
(in billions of US dollars)

88 - 1,934,272
 89 - 2,131,153
 90 - 2,587,601
 91 - 2,799,918
 92 - 3,186,557
 93 - 3,180,391
 94 - 4,296,443
 95 - 5,484,175
 96 - 6,079,905
 97 - 7,258,504

[BAR GRAPH]

OPERATING PROFIT (b) (c)
(in millions of US dollars)

88 - 108,404
 89 - 115,438
 90 - 114,233
 91 - 70,393
 92 - 80,236
 93 - 82,866
 94 - 151,746
 95 - 211,653
 96 - 226,957
 97 - 255,387

[BAR GRAPH]

(a) Represents total sales of Company-owned branches and franchises.

(b) Graphical information for years prior to 1991 represents Manpower International Inc., the Company's primary operating subsidiary, until June 30, 1996, when it was merged into the Company. This presentation is believed to be the most meaningful as Manpower Inc. was formed as a United States company in 1991. Manpower International Inc.'s Revenues from Services comprise approximately 95% of the Company's Revenues from Services for each of the years 1991 through 1995.

(c) For years prior to 1994, Operating Profit does not include the charge for the Amortization of Intangible Assets. This earnings measurement is not determined pursuant to generally accepted accounting principles (GAAP) and should not be considered in isolation or as an alternative to GAAP-derived measures.

CHAIRMAN'S MESSAGE

March 17, 1998

Dear Shareholders,

Our 1997 year was a record year in every respect and marked our 50th consecutive year of revenue growth. Our net earning of \$163,880,000 represented a slight increase on a revenue gain of 19.4%. However, when adjusted for a one-time gain from the sale of assets and other non-recurring tax credits in 1996 and for the negative impact of 1997 foreign currency value declines, our results reveal a strong growth year in which revenues, at constant currency rates, rose 27% and adjusted net income was up 30%. Those pro forma results are much more indicative of our progress as they identify our continuing growth and sustained leadership in the Staffing Industry.

Our efforts during the 1997 year had a dual focus. The first was to maintain our day-to-day operational thrust at traditional levels. We did that by increasing our Systemwide Sales to \$8.9 billion, employing over two million individuals during the year. In that process, we performed 660 million hours of work for our vast global customer base, an increase of 22% over the prior year. That year-to-year increase of 120 million "Hours Worked" was accomplished without the benefit of mergers or acquisitions. It represents the "Real Organic Growth" that has marked our progress throughout our 50-year history.

The second area of our 1997 focus was equally important and involved an intensive effort to view the future for our business and to create both the "Engine" and the "Fuel" to propel us into the new Millennium. Our strategy for this effort is "KALEIDOSCOPIIC INNOVATIONS." As the world's largest labor market intermediary, we know that changes in any one of the factors impacting on our function brings about changes in all other factors and that we must react swiftly and innovatively to maintain our momentum. The photographic Kaleidoscope in this report represents the ever-changing and intersecting dynamics of work, workers, customer needs and technology, and has been adopted as our symbol of the challenge that lies ahead.

[PHOTO]

A major factor in our Kaleidoscope is, of course, technology, and in 1997 we made major moves to adopt leading-edge technology in every aspect of our business. The centerpiece of this initiative is called "MANPOWERNET," a program which embodies a new and innovative information system, a massive Internet-based global training capability, and an Intranet-based system that will link major customer sites to all Manpower sites, providing up-to-date account information and service

knowledge on a real-time basis. We have established and will maintain our own World-Wide Web site to ensure efficient and effective use of these network facilities, with protective firewalls and the ability to instantly update all pertinent information.

[PHOTO]

Our Internet training facility will be known as the "MANPOWER GLOBAL LEARNING CENTER" through which we will make available to our current and prospective contract workers the very latest in training. These offerings will run the gamut from Office Automation skills up through a wide variety of high-tech skills in Programming, Systems Integration and Administration. This unique use of the Internet will download training to any location on Earth in a variety of languages and in unlimited volume. We anticipate that this Global Learning Center may reach over one million people, offering the ability to add new skills or upgrade skills on their own schedules and at their own pace. In addition, we will provide the ability to assess skills, to build skill sets for certification purposes, and to describe global employment opportunities as well as career guidance. Our intention is to make the Manpower Global Learning Center "The Largest Classroom in the World." This unique new capability is designed to attract and retain employees, as well as to provide us with the ability to add new skills

as they are required in the high-tech workplace. Given the known shortage of technical personnel in the world marketplace, this new capability should allow us to accomplish both recruitment and growth objectives in a way that will give us a clear competitive advantage in the years to come.

The unique combination of our internal information network, our global training facilities and our electronic customer interface has been officially recognized by the American Productivity and Quality Center (APQC) in a current global study of "BEST PRACTICES IN KNOWLEDGE MANAGEMENT."

Our investments in MANPOWERNET in 1997 were substantial but we feel we have created an ability to address "Kaleidoscopic Innovation," in every respect, blending current needs with maximum flexibility.

[PHOTO]

One of the most important elements in addressing our future is the constant expansion of our Global network. While we are currently the largest and most expansive single brand in the Staffing Industry, we will continuously grow that network as market opportunities arise. In 1997, we added fully-staffed capability in Colombia, Costa Rica, Finland, Guatemala, Italy, Malaysia and Morocco. We plan to add at least three new countries in 1998, as well as to add substantial new offices in existing countries. Our strategy is to expand globally wherever and whenever opportunities to add business arise. We anticipate that 1998

will bring us to the \$10 billion Systemwide Sales milestone. In 1997, the new countries added represented a substantial start-up investment as we have always elected to grow organically rather than by acquisition. Our long-term objective is to achieve a well-balanced global network, striving to eliminate exposure to economic fluctuations in any particular geographic region.

[PHOTO]

Another twist of our Kaleidoscope dial reveals a rapidly changing trend toward the consolidation of suppliers in our Industry. In that respect, we are equipping ourselves to serve the increasing base of large users of our services. We currently have a very strong position in the acquisition and development of multinational customers. The growth of these relationships has been marked by a wide spectrum of new applications of our service on a global scale. A notable example of this is the fast-growing area of customer service center staffing in which we now have more than 30,000 call center specialists at work each day across the globe. Our technology advancements described earlier are expected to address large accounts in a way that preserve our operating margin through productivity in a highly competitive pricing environment.

[PHOTO]

With the new Millennium within short reach, we believe that we are in a good position to address all of the possible combinations in our current Kaleidoscopic view. We have created what I consider to be a well-balanced business - geographically, segment-wise, and on the basis of the size of our account portfolio - and I believe we now have the innovative tools to maintain both our growth and our profitability in the years ahead.

Respectfully yours,

/s/ Mitchell S. Fromstein

Mitchell S. Fromstein
Chairman, President and
Chief Executive Officer

FINANCIAL REVIEW

CONSOLIDATED RESULTS

During 1997, the Company achieved record systemwide sales and operating profits, reaching \$8.9 billion of systemwide sales, or a 19% increase, and \$255.4 million of operating profit, an increase of 13%. In fact, the Company's actual operating performance in 1997 compared to 1996 is somewhat obscured by a number of non-recurring factors in each year; negative factors in 1997 and positive factors in 1996. During 1997, the dollar strengthened considerably relative to most European currencies and the Japanese Yen. Similar to many U.S. multinationals, the Company's reported results were negatively impacted by currency. Excluding the impact of currency, systemwide sales increased 25% (compared to 19% after currency impact) and operating profit increased 23% (compared to 13% after currency impact). After excluding currency and non-recurring employment incentives in 1996, operating profits were up an impressive 33%.

MANPOWER INC. REVENUES 1995-97
(in billions of US dollars)

95 - 5.484
96 - 6.080
97 - 7.259

In the third quarter of 1997, the French government increased the corporate income tax rate to 41.6% from 36.6%, retroactive to January 1, 1997. This tax rate increase reduced consolidated earnings per share by \$.04 in 1997.

The Company's balance sheet remains very strong with a debt to capital ratio of 30%. During the course of the year, the Company was able to lower its weighted average cost of capital with the repurchase of 2.3 million shares of stock for \$81.9 million.

MANPOWER INC. OPERATING PROFITS 1995-97
(in millions of US dollars)

95 - 212
96 - 227
97 - 255

UNITED STATES

In 1997, the U.S. organization achieved record systemwide sales of \$3.3 billion, an increase of 14%. Revenues increased 12% to \$2.0 billion. The U.S. staffing industry experienced some slowing in the second half of 1997, as did the Company. U.S. systemwide sales growth was 13% in the second half, compared to 15% in the first half.

Systemwide sales of the office segment grew at a slightly faster rate than the overall business, at 15%, while systemwide sales of the industrial/light industrial segment increased 12%, finishing the fourth quarter up 14%.

UNITED STATES SYSTEMWIDE SALES 1995-97
(in millions of US dollars)

95 - 2,671
96 - 2,941
97 - 3,342

Systemwide sales of the technical segment grew 19%, as the Company continues to maintain its position as one of the largest providers in the U.S. technical services sector. Over the last three-year period, the Company has nearly doubled its U.S. technical services business.

U.S. operating profits increased 5% to \$92.6 million in 1997. Gross margins remained relatively stable, while selling and administrative expenses increased 17%, reflecting infrastructure investments to support large account growth and the growing technical services business.

UNITED STATES OPERATING PROFITS 1995-97
(in millions of US dollars)

95 - 76.0
96 - 88.2
97 - 92.6

FRANCE

Revenues in France increased 37% to nearly FFR 16 billion. Our business gained strength throughout the year, with a revenue increase of 26% (in Francs) in the first quarter and 52% (in Francs) in the fourth quarter. Our French business gained significant market share, outpacing the French staffing market as a whole by an estimated 18%.

FRANCE REVENUES 1995-97
(in millions of US dollars)

1995 - 2,209
1996 - 2,275
1997 - 2,717

Operating margins improved to 3.4% in 1997 from 3.2% in 1996. The French operation was able to achieve significant operating leverage in 1997 despite the addition of more than 70 new offices and the reduction of certain employment tax credits received in 1996. (See page 11 of Management's Discussion and Analysis for a discussion of further changes to the employment tax credits which were effective January 1, 1998.)

FRANCE OPERATING PROFITS 1995-97
(in millions of US dollars)

1995 - 72.6
1996 - 73.7
1997 - 91.2

UNITED KINGDOM

Manpower U.K. reached record revenues of L. 488.6 million, an increase of 12% (in Pounds Sterling). Manpower U.K. successfully defended its leading market position, while achieving record operating profits of L. 17.7 million. Operating profit margins were stable at 3.6%, despite gross margin pressure on the large account business, as overhead costs were controlled very well.

UNITED KINGDOM REVENUES 1995-97
(in millions of US dollars)

1995 - 818
1996 - 868
1997 - 989

The Company's Brook Street brand contributed nicely to the U.K. segment, with operating profit growth of 20% (in Pounds Sterling). Operating profit margins improved to 5.7% in 1997 from 4.6% in 1996 as a result of strong permanent recruitment business.

UNITED KINGDOM OPERATING PROFITS 1995-97
(in millions of US dollars)

1995 - 35.0
1996 - 33.2
1997 - 39.8

OTHER EUROPE

The Other Europe segment experienced very strong revenue growth of 26% (38% in constant currency) to \$855.4 million.

OTHER EUROPE REVENUES 1995-97
(in millions of US dollars)

1995 - 528
1996 - 678
1997 - 855

Record revenue and operating profits were achieved in the Netherlands, Norway and Sweden. Aggressive expansion in Germany, Spain and Italy negatively affected earnings in these areas and in the segment as a whole. We have established a strong network of over 70 offices in both Germany and Spain. With the legalization of temporary staffing services in Italy in December of 1997, we anticipate continued investment in this segment during 1998.

The Company also recognized solid growth in Austria, Belgium and Switzerland and started a new operation in Finland.

OTHER EUROPE OPERATING PROFITS 1995-97
(in millions of US dollars)

1995 - 35.0
1996 - 38.4
1997 - 38.8

OTHER COUNTRIES

The Company's operations in the Other Countries segment achieved record revenues and operating profits primarily fueled by strong growth in Mexico, Australia, Japan and Israel. Revenues increased 45% (55% in constant currency) to \$703.7 million, while operating profits increased 37% (46% in constant currency) to \$30.7 million.

OTHER COUNTRIES REVENUES 1995-97
(in millions of US dollars)

1995 - 377.7
1996 - 484.7
1997 - 703.7

The Company's Mexico operations achieved spectacular growth, with more than a quadrupling of revenues and operating profit. Some of this growth was the result of large one-time contracts, but nevertheless the recurring base of business showed remarkable growth.

In Australia, the Company's operations showed very strong growth, with almost a tripling of revenues, as the Company continued its aggressive expansion in this market.

The Company's operations in Japan completed their third year in a row with revenue growth in excess of 25%. The secular trend in the staffing industry fueled this growth during a period of only marginal economic growth. Revenue growth in the fourth quarter slowed to 21%, possibly reflecting the impact of the Asian financial crisis.

The Company also achieved very solid results in Argentina and Canada. We continued to expand our geographical reach with offices opening in Colombia, Costa Rica, Guatemala, Malaysia and Morocco.

OTHER COUNTRIES OPERATING PROFITS 1995-97
(in millions of US dollars)

1995 - 16.5
1996 - 22.5
1997 - 30.7

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NATURE OF OPERATIONS

Manpower Inc. (the "Company") is the largest non-governmental employment services organization in the world, with over 2700 systemwide offices in 48 countries. The Company is primarily engaged in temporary staffing services, contract services and employee training and testing.

RESULTS OF OPERATIONS - YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995

Revenues from services increased 19.4% and 10.9% in 1997 and 1996, respectively. Revenues were unfavorably impacted by changes in currency exchange rates during 1997 and 1996 due to the strengthening of the U.S. Dollar relative to the currencies in most of the Company's non-U.S. markets. At constant exchange rates, the increase in revenues would have been 27.2% in 1997 and 13.0% in 1996. Volume, as measured by billable hours of branch operations, increased 24.8% in 1997 and 10.3% in 1996. All of the Company's major markets experienced revenue increases, including the United States (12%), France (37% in French Francs) and Manpower-United Kingdom (12% in Pounds Sterling).

Cost of services, which consists of payroll and related expenses of temporary workers, increased as a percentage of revenues to 81.9% in 1997 from 81.1% in 1996 and 81.8% in 1995. In certain of the Company's European markets, government employment incentive programs are in place to encourage employment by providing a credit against payroll taxes otherwise payable. The benefit of these programs reduced the cost of services in 1996. During 1997, the level of these benefits was reduced or eliminated, in certain cases resulting in higher payroll taxes and thus higher cost of services. In France, legislation was enacted in late 1997 which will further reduce the amount of the tax credit beginning in 1998. If the Company is not able to adjust pricing to offset these increased costs, the gross profit on Manpower's French operations could be reduced 1-1/2 to 3 percentage points, with a corresponding impact on the consolidated results.

Selling and administrative expenses increased 14.5% in 1997 and 16.7% in 1996. As a percentage of revenues, these expenses were 14.5% in 1997, 15.1% in 1996 and 14.4% in 1995. The 1997 amount represents the improved leveraging of overhead costs with revenue growth despite the opening of a number of new branch offices. The higher 1996 level was due, among other things, to one-time costs related to sponsorship of the 1998 World Cup and non-recurring costs related to the employment incentive programs discussed above.

Interest and other expense includes net interest expense of \$3.1 million in 1997, net interest income of \$1.0 million in 1996 and net interest expense of \$5.8 million in 1995. The change in net interest primarily represents the change in interest expense, which was \$11.1 million in 1997 compared to \$6.4 million in 1996 and \$12.7 million in 1995. Interest expense was primarily impacted by changes in worldwide borrowing levels. A non-recurring gain of \$15.5 million was recorded in 1996 related to the sale of the Company's remaining equity interests in two former non-Manpower brand subsidiaries based in the United Kingdom.

The Company provided for income taxes at a rate of 34.2% in 1997 compared to 33.0% in 1996 and 37.2% in 1995. The increased rate in 1997 over 1996 results primarily from an increase in the French corporate income tax rate, from 36.6% to 41.6%, effective as of January 1, 1997. In 1997 and 1996, the Company's effective income tax rate was lower than the U.S. Federal statutory rate of 35% due to the utilization of capital and net operating loss carryforwards which had been fully reserved for in prior years. In 1995, the Company's effective income tax rate was higher than the U.S. Federal statutory rate primarily due to state income taxes. The Company expects its 1998 effective tax rate to be higher than the 1997 rate of 34.2% due to the French income tax rate increase (discussed above) and a reduction in the utilization of net operating loss carryforwards.

Net earnings per share, on a diluted basis, was \$1.97 in 1997, \$1.94 in 1996 and \$1.59 in 1995. On an undiluted basis, net earnings per share was \$2.01 in 1997, \$1.98 in 1996 and \$1.68 in 1995. The weighted average shares outstanding remained constant in 1997 compared to 1996 due primarily to the Company's treasury stock purchases offsetting normal issuances. The weighted average shares outstanding increased by 5.5 million in 1996 compared to 1995, due to the conversion of the Company's convertible subordinated debentures in October of 1995.

LIQUIDITY & CAPITAL RESOURCES

CASH SOURCES

Cash provided by operating activities was \$36.1 million, \$102.6 million and \$102.2 million in 1997, 1996 and 1995, respectively. Cash provided by operating activities was significantly impacted by changes in working capital. Cash uses to support net working capital needs were \$187.2 million, \$80.8 million and \$57.7 million in 1997, 1996 and 1995, respectively. The significant revenue growth in France, where Days Sales Outstanding are in excess of 70 days, is the primary reason for the 1997 increase. Cash provided by operating activities before working capital changes was \$223.3 million, \$183.4 million and \$159.9 million in 1997, 1996 and 1995, respectively, due to the increased operating earnings of the Company in each year.

Accounts receivable increased to \$1,437.4 million at December 31, 1997 from \$1,167.5 million at December 31, 1996. This change is due to the increased sales levels in all of the Company's major markets, offset by the impact of currency exchange rates. At constant exchange rates, receivables would have increased an additional \$103.2 million.

Net cash provided by borrowings was \$137.8 million, \$29.5 million and \$9.5 million in 1997, 1996 and 1995, respectively. The large amount of additional borrowings in 1997 was primarily used to support the working capital growth, capital expenditures and the repurchase of the Company's common stock. The additional borrowings in 1996 and 1995 were used to support working capital growth in both years and for acquisitions in 1996.

CASH USES

Capital expenditures increased to \$98.6 million in 1997 from \$55.1 million in 1996 and \$47.9 million in 1995. These expenditures include capitalized software of \$37.6 million, \$14.2 million and \$4.2 million in 1997, 1996 and 1995, respectively. The balance is comprised of purchases of computer equipment, office furniture and other costs related to office openings and refurbishments.

From time to time, the Company acquires certain franchises and unrelated companies throughout the world. The total cash consideration paid for acquisitions, net of cash acquired, was \$16.5 million in 1997 and \$32.4 million in 1996. In addition to several small franchise acquisitions each year, in 1996 the Company acquired A Teamwork Sverige AB (subsequently renamed Manpower Teamwork Sverige AB), the largest employment services organization in Sweden.

In 1996 the Board of Directors authorized the purchase of up to five million shares of the Company's common stock. The purchases may be made from time to time at prevailing market prices. At December 31, 1997, 2.4 million shares at a cost of \$85.1 million have been purchased under this authorization, of which \$81.9 million was purchased during 1997.

The Company paid dividends of \$13.8 million, \$12.3 million and \$10.2 million in 1997, 1996 and 1995, respectively.

Cash and cash equivalents decreased \$38.3 million in 1997 compared to an increase of \$37.8 million and \$60.7 million in 1996 and 1995, respectively.

CAPITALIZATION

Total capitalization at December 31, 1997 was \$878.5 million, comprised of \$260.9 million of debt and \$617.6 million of equity. Debt as a percentage of total capitalization increased to 30% in 1997 from 18% in 1996, primarily as a result of the repurchase of the Company's common stock.

CAPITAL RESOURCES

The Company has a \$415 million unsecured revolving credit agreement that includes a \$90 million commitment to be used exclusively for standby letters of credit. Borrowings of \$131.2 million and letters of credit of \$60.0 million were outstanding under this multicurrency facility at December 31, 1997. The facility matures on November 25, 2002, but may be increased to a maximum of \$500 million or extended for an additional year with the lenders' consent. The agreement requires, among other things, that the Company comply with an interest coverage ratio of not less than 3.0 to 1, a debt-to-capitalization ratio of less than .55 to 1 and a maximum subsidiary debt level of \$50 million. As of December 31, 1997, the Company had an interest coverage ratio of 27 to 1, a debt-to-capitalization ratio, as defined in the agreement, of .36 to 1 and a subsidiary debt level of \$38.4 million.

Borrowings of \$55.4 million were outstanding under the Company's \$75 million U.S. commercial paper program. Commercial paper borrowings, which are backed by the unsecured revolving credit agreement, have been classified as long-term debt due to the availability to refinance them on a long-term basis under the revolving credit facility.

In addition to the above, the Company and some of its foreign subsidiaries maintain separate lines of credit with local financial institutions to meet working capital needs. As of December 31, 1997, such lines totaled \$149.3 million, of which \$79.4 million was unused.

The Company's principal on-going cash needs are to finance working capital, capital expenditures, franchise acquisitions and the share repurchase program. Working capital is primarily in the form of trade receivables, which increase as revenues increase. The amount of financing necessary to support revenue growth depends on receivable turnover, which differs in each market in which the Company operates.

The Company believes that the combination of internally generated funds and its existing credit facilities are sufficient to cover its near-term projected cash needs. With continued revenue increases, additional borrowings under the existing facilities would be necessary to finance anticipated working capital requirements.

SIGNIFICANT MATTERS AFFECTING RESULTS OF OPERATIONS

MARKET RISKS

The Company is exposed to the impact of interest rate changes and foreign currency fluctuations.

Interest Rates - The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long-term debt obligations, the majority of which are denominated in U.S. Dollars. The Company has historically managed interest rates through the use of a combination of fixed and variable rate borrowings. As of December 31, 1997, substantially all of the Company's long term obligations have variable interest rates.

Interest rate swaps may be used to adjust interest rate exposures when appropriate. There were no interest rate swap agreements as of December 31, 1997, however subsequently the Company entered into an agreement, expiring in 2001, to fix the interest rate at 6.0% on \$50 million of the Company's borrowings under the revolving credit agreement.

A 60 basis point move in interest rates on the Company's variable rate borrowings (10% of the weighted average worldwide interest rate) would have an immaterial impact on the Company's earnings before income taxes and cash flows in each of the next five years.

Exchange Rates - Other than intercompany transactions between the United States and the Company's foreign entities, the Company generally does not have significant foreign currency transactions that are denominated in a currency other than the functional currency applicable to each entity.

Over 70% of the Company's revenues are generated outside of the United States. As a result, fluctuations in the value of foreign currencies against the dollar may have a significant impact on the reported results of the Company. Revenues and expenses denominated in foreign currencies are translated into United States dollars at the weighted average exchange rate for the year. Consequently, as the value of the dollar strengthens relative to other currencies in the Company's major markets, as it did on average in 1997, the resulting translated revenues, expenses and operating profits are lower. Using constant exchange rates, 1997 revenues and operating profits would have been approximately 8% higher than reported.

Fluctuations in currency exchange rates may also impact the stockholders' equity of the Company. Amounts permanently invested in the Company's non-U.S. subsidiaries are translated into United States dollars at the exchange rates in effect at year end. The resulting translation adjustments are recorded in stockholders' equity as cumulative translation adjustments. The dollar was stronger relative to many of the foreign currencies at December 31, 1997 compared to December 31, 1996. Consequently, the cumulative translation adjustments component of stockholders' equity decreased \$62.2 million during the year. Using the year-end exchange rates, the total amount permanently invested in subsidiaries at December 31, 1997 is approximately \$1.1 billion.

Although currency fluctuations impact the Company's reported results, such fluctuations generally do not affect the Company's cash flow or result in actual economic gains or losses. Each of the Company's subsidiaries derives revenues and incurs expenses within a single country, and consequently does not generally incur currency risks in connection with the conduct of its normal business operations. The Company generally has few cross border transfers of funds, except for transfers to the United States to fund the expense of the Company's international headquarters and working capital loans made from the United States to the Company's foreign subsidiaries. To reduce the currency risk related to the loans, the Company may borrow funds under the Revolving Credit Agreement in the foreign currency to lend to the subsidiary, or alternatively, may enter into a forward contract to hedge the loan. Foreign exchange gains and losses recognized on any transactions are included in the Consolidated Statements of Operations and historically have been immaterial. The Company generally has not engaged in hedging activities, except as discussed above. The Company did not hold any derivative instruments at December 31, 1997.

IMPACT OF ECONOMIC CONDITIONS

Because one of the principal attractions of using temporary staffing services is to maintain a flexible supply of labor to meet changing economic conditions, the industry has been and remains sensitive to economic cycles. While the Company believes that the wide spread of its operations generally cushions it against the impact of an adverse economic cycle in any single country, adverse economic conditions in any of its three largest markets would likely have a material impact on the consolidated operating results.

YEAR 2000

Based on a recent assessment, the Company determined that it is required to modify portions of its software so that its computer systems will properly utilize dates beyond December 31, 1999. The efficient operation of the Company's business is dependent in part on its computer systems. Consequently, if upgrades, modifications or conversions are not made, or are not made in a timely manner, the Year 2000 issue could have a material impact on the Company's operations. The Company is in the process of converting or upgrading many of its internal information systems to meet changing customers' requirements. The Company believes that with these conversions and upgrades, and other modifications to existing systems, all significant Year 2000 issues will be addressed.

All costs related to the Year 2000 project will be expensed as incurred, except for new software and hardware that will be capitalized. The total future expense is estimated to be \$7 million to \$12 million. These costs are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

LEGAL REGULATIONS AND UNION RELATIONSHIPS

The temporary employment services industry is closely regulated in all of the major markets in which the Company operates except the United States and Canada. In addition to licensing or registration requirements, many countries impose substantive restrictions on temporary employment services, either on the temporary staffing company or the ultimate client company. They may restrict the length of temporary assignments, the type of work permitted for temporary workers or the occasions on which temporary workers may be used. Changes in applicable laws or regulations have occurred in the past and are expected in the future to affect the extent to which temporary employment services firms may operate. These changes could impose additional costs or taxes, additional record keeping or reporting requirements; restrict the tasks to which temporaries may be assigned; limit the duration of or otherwise impose restrictions on the nature of the temporary relationship (with the Company or the client) or otherwise adversely affect the industry.

In many markets, the existence or absence of collective bargaining agreements with labor organizations has a significant impact on the Company's operations and the ability of customers to utilize the Company's services. In some markets, labor agreements are structured on a national or industry-wide (rather than a company) basis. Changes in these collective labor agreements have occurred in the past and are expected in the future and may have a material impact on the operations of temporary staffing firms, including the Company.

The International Labor Organization (ILO), a UN specialized agency which sets international labor standards, has replaced long-standing Convention 96, which encouraged ILO member states to either abolish or strictly regulate temporary employment services, with a new Convention 181. Convention 181 recognizes the positive role that private sector temporary and permanent staffing agencies can play in labor markets and recommends a flexible regulatory framework that will permit them to operate effectively. The new Convention has been sent to ILO member countries to be considered for ratification. It is likely that over the course of the next several years many of the countries in which the Company does business will ratify the new Convention.

FORWARD-LOOKING STATEMENTS

Certain statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere are forward-looking statements. These statements discuss, among other things, expectations for future financial or operating performance. They speak only as of the date of this Annual Report and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Such risks and uncertainties include, but are not limited to, competitive pressures, material changes in demands from larger customers, availability of temporary workers, changes in customer attitudes, government policies and changes in economic conditions. The Company's Annual Report on Form 10-K contains additional information on the risk factors affecting the Company.

ACCOUNTING CHANGES

During the fourth quarter of 1997, the Company adopted SFAS No. 128, "Earnings per Share." As a result, the Company's reported earnings per share for all years prior to 1997 were restated. See Note 2 to the Consolidated Financial Statements for further discussion.

In 1997, the Financial Accounting Standards Board (the 'FASB') issued SFAS No. 130, "Reporting Comprehensive Income." This statement establishes standards for the reporting and display of comprehensive income and its components in the financial statements. This statement will be adopted by the Company in 1998 and is not expected to have a significant impact on the Consolidated Financial Statements.

In 1997, the FASB issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information." This statement will be adopted by the Company in 1998 and is not expected to significantly change the current segment reporting.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Manpower Inc. (a Wisconsin corporation) and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Manpower Inc. and subsidiaries as of December 31, 1997 and 1996 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP
Milwaukee, Wisconsin,
January 30, 1998.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

YEAR ENDED DECEMBER 31	1997	1996	1995
Revenues from services	\$7,258,504	\$6,079,905	\$5,484,175
Cost of services	5,948,308	4,931,937	4,483,343
Gross profit	1,310,196	1,147,968	1,000,832
Selling and administrative expenses	1,054,809	921,011	789,179
Operating profit	255,387	226,957	211,653
Interest and other (expense) income	(6,179)	15,355	(7,862)
Earnings before income taxes	249,208	242,312	203,791
Provision for income taxes	85,328	80,014	75,749
Net earnings	\$ 163,880	\$ 162,298	\$ 128,042
Net earnings per share	\$ 2.01	\$ 1.98	\$ 1.68
Net earnings per share - assuming dilution	\$ 1.97	\$ 1.94	\$ 1.59

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

SUPPLEMENTAL SYSTEMWIDE INFORMATION
(unaudited, dollars in thousands)

YEAR ENDED DECEMBER 31	1997	1996	1995
Systemwide sales	\$ 8,859,893	\$ 7,474,212	\$ 6,883,605
Systemwide offices at year end	2,776	2,519	2,449

Systemwide information represents total of Company-owned branches and franchises.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

ASSETS

DECEMBER 31	1997	1996

Current Assets:		
Cash and cash equivalents	\$ 142,246	\$ 180,553
Accounts receivable, less allowance for doubtful accounts of \$38,019 and \$33,526, respectively	1,437,378	1,167,468
Prepaid expenses and other assets	60,164	42,913
Future income tax benefits	47,113	48,151

Total current assets	1,686,901	1,439,085
Other Assets:		
Investments in licensees	32,763	29,409
Other assets	190,990	162,390

Total other assets	223,753	191,799
Property and Equipment:		
Land, buildings, leasehold improvements and equipment	324,770	302,547
Less: accumulated depreciation and amortization	188,394	181,168

Net property and equipment	136,376	121,379

Total assets	\$2,047,030	\$1,752,263
=====		

LIABILITIES AND STOCKHOLDERS' EQUITY

DECEMBER 31	1997	1996

Current Liabilities:		
Payable to banks	\$ 69,848	\$ 24,375
Accounts payable	271,064	235,466
Employee compensation payable	68,416	60,222
Accrued liabilities	108,615	87,444
Accrued payroll taxes and insurance	248,605	195,194
Value added taxes payable	223,538	174,624
Income taxes payable	13,303	30,945
Current maturities of long-term debt	1,288	2,986

Total current liabilities	1,004,677	811,256
Other Liabilities:		
Long-term debt	189,785	100,848
Other long-term liabilities	235,005	239,453

Total other liabilities	424,790	340,301
Stockholders' Equity:		
Preferred stock, \$.01 par value, authorized 25,000,000 shares, none issued	--	--
Common stock, \$.01 par value, authorized 125,000,000 shares, issued 82,778,873 and 82,206,446 shares, respectively	828	822
Capital in excess of par value	1,590,704	1,579,868
Accumulated deficit	(848,195)	(998,230)
Cumulative translation adjustment	(40,688)	21,476
Treasury stock at cost, 2,432,400 and 101,700 shares, respectively	(85,086)	(3,230)

Total stockholders' equity	617,563	600,706

Total liabilities and stockholders' equity	\$2,047,030	\$1,752,263
=====		

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

YEAR ENDED DECEMBER 31	1997	1996	1995
Cash Flows from Operating Activities:			
Net earnings	\$ 163,880	\$ 162,298	\$ 128,042
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	41,623	35,618	27,821
Deferred income taxes	1,959	(11,405)	(4,977)
Provision for doubtful accounts	15,884	12,360	8,981
Gain on sale of securities	--	(15,509)	--
Change in operating assets and liabilities:			
Accounts receivable	(398,825)	(168,735)	(175,064)
Other assets	(20,177)	(11,969)	(23,126)
Other liabilities	231,755	99,958	140,542
Cash provided by operating activities	36,099	102,616	102,219
Cash Flows from Investing Activities:			
Capital expenditures	(98,592)	(55,119)	(47,884)
Acquisitions of businesses, net of cash acquired	(16,480)	(32,362)	--
Proceeds from the sale of property and equipment	2,858	1,669	3,111
Proceeds from sale of securities	--	18,440	--
Cash used by investing activities	(112,214)	(67,372)	(44,773)
Cash Flows from Financing Activities:			
Net change in payable to banks	50,079	(11,124)	(21,204)
Proceeds from long-term debt	90,245	57,681	32,362
Repayment of long-term debt	(2,503)	(17,051)	(1,666)
Repurchase of common stock	(81,856)	(3,230)	--
Dividends paid	(13,845)	(12,305)	(10,171)
Cash provided (used) by financing activities	42,120	13,971	(679)
Effect of exchange rate changes on cash	(4,312)	(11,435)	3,957
Net (decrease) increase in cash and cash equivalents	(38,307)	37,780	60,724
Cash and cash equivalents, beginning of year	180,553	142,773	82,049
Cash and cash equivalents, end of year	\$ 142,246	\$ 180,553	\$ 142,773
Supplemental Cash Flow Information:			
Interest paid	\$ 11,260	\$ 7,119	\$ 15,297
Income taxes paid	\$ 89,387	\$ 79,230	\$ 80,582

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except per share data)

	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Cumulative Translation Adjustment	Treasury Stock	Total
BALANCE, DECEMBER 31, 1994	\$743	\$1,448,102	\$(1,266,094)	\$ 20,723	\$ --	\$ 203,474
Issuances under option and purchase plans	9	14,252	--	--	--	14,261
Issuance on conversion of sub- ordinated convertible debentures	54	97,986	--	--	--	98,040
Net earnings	--	--	128,042	--	--	128,042
Dividends (\$.13 per share)	--	--	(10,171)	--	--	(10,171)
Translation	--	--	--	17,376	--	17,376
Other	6	3,965	--	--	--	3,971
BALANCE, DECEMBER 31, 1995	812	1,564,305	(1,148,223)	38,099	--	454,993
Issuances under option and purchase plans	6	9,865	--	--	--	9,871
Net earnings	--	--	162,298	--	--	162,298
Dividends (\$.15 per share)	--	--	(12,305)	--	--	(12,305)
Translation	--	--	--	(16,623)	--	(16,623)
Repurchase of common stock	--	--	--	--	(3,230)	(3,230)
Issuances for acquisitions and other	4	5,698	--	--	--	5,702
BALANCE, DECEMBER 31, 1996	822	1,579,868	(998,230)	21,476	(3,230)	600,706
Issuances under option and purchase plans	6	10,836	--	--	--	10,842
Net earnings	--	--	163,880	--	--	163,880
Dividends (\$.17 per share)	--	--	(13,845)	--	--	(13,845)
Translation	--	--	--	(62,164)	--	(62,164)
Repurchase of common stock	--	--	--	--	(81,856)	(81,856)
BALANCE, DECEMBER 31, 1997	\$828	\$1,590,704	\$(848,195)	\$ (40,688)	\$ (85,086)	\$ 617,563

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Manpower Inc. (the "Company") is an employment services organization with over 2,700 systemwide offices in 48 countries. The Company's largest operations, based on revenues, are located in the United States, France and the United Kingdom. The Company's employment services include temporary help, contract services and training and testing of temporary and permanent workers. The Company provides employment services to a wide variety of customers, none of which individually comprise a significant portion of revenues within a given geographic region or for the Company as a whole.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and all subsidiaries in which an ownership interest greater than 50% is held. For subsidiaries in which the Company has an ownership interest of 50% or less, but more than 20%, the consolidated financial statements reflect the Company's ownership share of those earnings using the equity method of accounting. These investments are recorded as Investments in licensees in the Consolidated Balance Sheets. Included in stockholders' equity at December 31, 1997 are \$27,785 of unremitted earnings from investments accounted for using the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

REVENUES

The Company generates revenues from sales of services by its own branch operations and from fees earned on sales of services by its franchise operations. Franchise fees, which are included in revenues from services, were \$37,453, \$34,653 and \$33,688 for the years ended December 31, 1997, 1996 and 1995, respectively.

FOREIGN CURRENCY TRANSLATION

The financial statements of the Company's non-U.S. subsidiaries have been translated in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52. Under SFAS No. 52, asset and liability accounts are translated at the current exchange rate and income statement items are translated at the weighted average exchange rate for the year. The resulting translation adjustments are made directly to a separate component of stockholders' equity.

Translation adjustments for those operations in highly inflationary economies and certain other transaction adjustments are included in earnings and were immaterial for all periods presented.

CAPITALIZED SOFTWARE

The Company capitalizes purchased software and software development costs incurred from the time the software is considered technologically feasible until the software is ready for use. Research and development costs and software maintenance costs are expensed as incurred. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the software. The unamortized balance of \$53,490 and \$19,114 as of December 31, 1997 and 1996, respectively, is included in Other assets in the Consolidated Balance Sheets. The Company regularly reviews the carrying value of all capitalized software and recognizes a loss when the unamortized balance is considered unrealizable.

INTANGIBLE ASSETS

Intangible assets consist primarily of trademarks and the excess of cost over the fair value of net assets acquired. Trademarks are amortized on a straight-line basis over their useful lives. The excess of cost over the fair value of net assets acquired is amortized on a straight-line basis over its useful life, estimated based on the facts and circumstances surrounding each individual acquisition, not to exceed twenty years. Total intangible assets of \$53,127 and \$48,744, net of accumulated amortization of \$7,612 and \$4,712 at December 31, 1997 and 1996, respectively, are included in Other assets in the Consolidated Balance Sheets. Amortization expense was \$4,360, \$3,780, and \$3,487 in 1997, 1996 and 1995, respectively. The intangible asset and related accumulated amortization are removed from the Consolidated Balance Sheets when the intangible asset becomes fully amortized.

PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31 is as follows:

	1997	1996
Land	\$ 1,221	\$ 1,189
Buildings	16,620	15,525
Office furniture and equipment	209,571	185,877
Leasehold improvements	97,358	99,956
	\$324,770	\$302,547

Property and equipment are stated at cost and depreciated using the straight-line method over the following estimated useful lives: buildings - 20 to 25 years; leasehold improvements - lesser of life of asset or lease term; furniture and equipment - 3 to 10 years. Expenditures for renewals and betterments are capitalized whereas expenditures for repairs and maintenance are charged to income as incurred. Upon sale or disposition of properties, the difference between unamortized cost and the proceeds is charged or credited to income.

STATEMENTS OF CASH FLOWS

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

STOCKHOLDERS' EQUITY

In November 1996, the Board of Directors authorized the purchase of up to five million shares of the Company's common stock. The purchases may be made from time to time at prevailing market prices. At December 31, 1997, 2.4 million shares at a cost of \$85,086 have been purchased under this authorization.

ADVERTISING COSTS

The Company generally expenses production costs of media advertising as they are incurred. Advertising expenses, including the sponsorship of the 1998 World Cup, were \$21,600, \$24,300 and \$9,780 in 1997, 1996 and 1995, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

RECLASSIFICATIONS

Certain amounts in the 1996 and 1995 financial statements have been reclassified to be consistent with the current year presentation.

(2) EARNINGS PER SHARE

During the fourth quarter of 1997 the Company adopted SFAS No. 128, "Earnings per Share." As a result, the Company's reported earnings per share for all years prior to 1997 were restated. The effect of this accounting change on previously reported earnings per share is as follows:

	1996	1995
Net earnings per share:		
as reported	\$ 1.95	\$ 1.65
effect of SFAS No. 128	.03	.03
as restated	\$ 1.98	\$ 1.68
Net earnings per share - assuming dilution:		
as reported	\$ 1.95	\$ 1.65
effect of SFAS No. 128	(.01)	(.06)
as restated	\$ 1.94	\$ 1.59

The calculation of net earnings per share for the years ended December 31, 1997, 1996 and 1995, is as follows:

	1997	1996	1995
Net earnings per share:			
Net earnings available to common stockholders	\$ 163,880	\$ 162,298	\$ 128,042
Weighted average common shares outstanding	81,597	81,820	76,300
	\$ 2.01	\$ 1.98	\$ 1.68

The calculation of net earnings per share - assuming dilution for the years ended December 31, 1997, 1996 and 1995, is as follows:

	1997	1996	1995
Net earnings per share - assuming dilution:			

Net earnings available to common shareholders	\$ 163,880	\$ 162,298	\$ 128,042
Effect of dilutive securities - 6-1/4% convertible debentures	--	--	3,075
	-----	-----	-----
	\$ 163,880	\$ 162,298	\$ 131,117
	-----	-----	-----
Weighted average common shares outstanding	81,597	81,820	76,300
Effect of dilutive securities - 6-1/4% convertible debentures	--	--	4,248
Stock options	1,783	1,749	1,829
	-----	-----	-----
	83,380	83,569	82,377
	-----	-----	-----
	\$ 1.97	\$ 1.94	\$ 1.59
	=====	=====	=====

The calculation of net earnings per share - assuming dilution for the years ended December 31, 1997, 1996 and 1995 does not include certain stock option grants because the option exercise price for these grants is greater than the average market price of the common shares during that year. The number, exercise prices and weighted average remaining life of these antidilutive options is as follows:

	1997	1996	1995
Shares	10,000	205,500	56,500
Exercise prices	48.63	33.88-36.88	32.00-33.88
Weighted average remaining life	9.6 years	8.1 years	9.9 years

Net earnings per share - assuming dilution for 1995 was determined on the assumption that the 6-1/4% convertible debentures were converted on January 1, 1995.

(3) INCOME TAXES

The provision for income taxes consists of:

	1997	1996	1995
Current:			
United States			
Federal	\$ 14,410	\$ 19,309	\$ 24,611
State	2,133	4,312	5,892
Foreign	66,826	67,798	50,223
Total current	83,369	91,419	80,726
Deferred:			
United States			
Federal	13,984	2,103	2,268
State	803	676	(1,180)
Foreign	(12,828)	(14,184)	(6,065)
Total deferred	1,959	(11,405)	(4,977)
Total provision	\$ 85,328	\$ 80,014	\$ 75,749

A reconciliation between taxes computed at the United States Federal statutory tax rate of 35% and the consolidated effective tax rate is as follows:

	1997	1996	1995
Income tax based on statutory rate	\$ 87,223	\$ 84,809	\$ 71,327
Increase (decrease) resulting from:			
State income taxes	2,936	2,803	2,554
Change in valuation reserve	(3,611)	(6,231)	(3,062)
Other, net	(1,220)	(1,367)	4,930
Total provision	\$ 85,328	\$ 80,014	\$ 75,749

Deferred income taxes are recorded on temporary differences at the tax rate expected to be in effect when the temporary differences reverse. Temporary differences which gave rise to the deferred tax assets at December 31 are as follows:

	1997	1996
Accrued payroll taxes and insurance	\$ 41,741	\$ 45,116
Employee compensation payable	11,266	11,402
Pension and postretirement benefits	14,911	14,749
Net operating losses and other	44,531	60,475
Valuation allowance	(28,448)	(32,059)
Total future income tax benefits	84,001	99,683
Less--Noncurrent future income tax benefits	(36,888)	(51,532)
Current future income tax benefits	\$ 47,113	\$ 48,151

Noncurrent future income tax benefits have been classified as Other

assets in the Consolidated Balance Sheets.

The Company has U.S. Federal and foreign net operating loss carryforwards totaling \$31,951 that expire as follows: 1998 - \$83, 2000 - \$180, 2003 - \$294, 2004 and thereafter - \$13,550 and \$17,844 with no expiration. The Company has U.S. state net operating loss carryforwards totaling \$218,850 that expire as follows: 1998 - \$10,060, 1999 - \$9,082, 2003 - \$10,387, 2004 and thereafter - \$189,321. The Company has recorded a deferred tax asset of \$27,799 for the benefit of these net operating losses. Realization of this asset is dependent on generating sufficient taxable income prior to the expiration of the loss carryforwards. A valuation allowance of \$24,682 has been recorded as management believes that realization of certain loss carryforwards is unlikely.

United States income taxes have not been provided on undistributed earnings of foreign subsidiaries which are considered to be permanently invested. If such earnings were remitted, foreign tax credits would substantially offset any resulting United States income tax. At December 31, 1997, the estimated amount of unremitted earnings of the foreign subsidiaries totaled \$461,500.

(4) PAYABLE TO BANKS AND BANK LINES
OF CREDIT

Information concerning short-term borrowings at December 31 is as follows:

	1997	1996
Payable to banks	\$ 69,848	\$ 24,375
Average interest rates	3.6%	3.6%

The Company and some of its foreign subsidiaries maintain lines of credit with foreign financial institutions to meet short-term working capital needs. Such lines totaled \$149,257 at December 31, 1997, of which \$79,409 was unused. The Company has no significant compensating balance requirements or commitment fees related to these lines.

(5) LONG-TERM DEBT

A summary of long-term debt at December 31 is as follows:

	1997	1996
Commercial paper, maturing within 90 days, at average interest rates of 6.0% and 5.7%, respectively	\$ 55,433	\$ 47,321
Revolving credit agreement - U.S. dollar denominated borrowings, at average interest rates of 6.2% and 5.8%, respectively	110,000	30,000
Yen denominated borrowings, at a rate of .6%	21,244	19,286
Other	4,396	7,227
	191,073	103,834
Less--Current maturities	(1,288)	(2,986)
Long-term debt	\$ 189,785	\$ 100,848

On November 25, 1997, the Company entered into a \$415,000 unsecured revolving credit agreement which allows for borrowings in various currencies and includes a \$90,000 commitment to be used exclusively for standby letters of credit. Outstanding letters of credit totaled \$60,000 and \$43,853 as of December 31, 1997 and 1996, respectively. Approximately \$138,000 of additional borrowings were available to the Company under this agreement at December 31, 1997.

The interest rate and facility fee on the entire line and the issuance fee on the letter of credit commitment vary based on the Company's debt rating and borrowing level. Currently, the interest rate is LIBOR plus .215%, and the fees are .11% and .215%, respectively. The facility matures on November 25, 2002, and may be increased to a maximum of \$500,000 or extended for an additional year with the lenders' consent. The agreement requires, among other things, that the Company comply with minimum interest coverage and debt-to-capitalization ratios and a maximum subsidiary debt level.

Due to the availability of long-term financing, commercial paper borrowings have been classified as long-term debt. The carrying value of long-term debt approximates fair value.

The maturities of long-term debt payable within each of the four years subsequent to December 31, 1998 are as follows: 1999 - \$1,737, 2000 - \$707, 2001 - \$58 and 2002 - \$186,736.

Subsequent to December 31, 1997, the Company entered into an interest rate swap agreement, expiring in 2001, to fix the interest rate at 6.0% on \$50,000 of the Company's credit borrowings under the revolving credit agreement.

(6) STOCK COMPENSATION PLANS

During 1996 the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation." As permitted by the statement, the Company will continue to account for its stock-based compensation plans in accordance with APB Opinion No. 25 and related Interpretations. Accordingly, no compensation cost related to these plans was charged against earnings in 1997, 1996 and 1995. Had the Company determined compensation cost based on the fair value of the stock options at the grant date, consistent with the method of SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	1997	1996	1995
Net earnings:			
as reported	\$ 163,880	\$ 162,298	\$ 128,042
pro forma	162,526	160,582	127,271
Net earnings per share:			
as reported	\$ 2.01	\$ 1.98	\$ 1.68
pro forma	1.99	1.96	1.67
Net earnings per share - assuming dilution:			
as reported	\$ 1.97	\$ 1.94	\$ 1.59
pro forma	1.95	1.92	1.58

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for

grants in 1997, 1996 and 1995, respectively: risk-free interest rates of 5.8%, 6.2% and 6.3%; expected volatility of 14.4%, 17.3% and 12.2%; dividend yield of .5% in all years; and expected lives of 5.0 years, 6.1 years and 8.2 years. The weighted-average fair value of options granted was \$5.48, \$7.13 and \$7.46 in 1997, 1996 and 1995, respectively.

FIXED STOCK OPTION PLANS

The Company has reserved 5,625,000 shares of common stock for issuance under the Executive Stock Option and Restricted Stock Plans. Under the plans, all full-time employees of the Company are eligible to receive stock options, purchase rights and restricted stock. The options, rights and stock are granted to eligible employees at the discretion of a committee appointed by the Board of Directors. All options have generally been granted at a price equal to the fair market value of the Company's common stock at the date of grant. The purchase price per share pursuant to a purchase right is determined by the Board of Directors. The committee also determines the period during which options and rights are exercisable. Generally, options are granted with a vesting period of up to five years and expire ten years from the date of grant. Rights may generally be exercised for up to sixty days from the date of grant. Under the plans, the committee may also authorize the granting of stock appreciation rights and cash equivalent rights in conjunction with the stock options and purchase rights, respectively. As of December 31, 1997, no purchase rights, stock appreciation rights or cash equivalent rights had been granted.

The Company has reserved 800,000 shares of common stock for issuances under the 1991 Directors Stock Option Plan. Under the plan, each non-employee director of the Company may receive an option to purchase shares of the Company's common stock in lieu of cash compensation. The number of shares covered by the option is determined pursuant to a formula set forth in the plan. The per share purchase price for each option awarded is equal to the fair market value of the Company's common stock at the date of grant. Options are exercisable for the vested portion during the director's tenure and a limited period thereafter.

The Company also has the Savings Related Share Option Scheme for United Kingdom employees with at least one year of service. These employees are offered the opportunity to obtain an option for a specified number of shares of common stock at not less than 85% of their market value on the day prior to the offer to participate in the plan. Options are generally exercisable after 60 months, but may lapse earlier. Funds used to purchase the shares are accumulated through specified payroll deductions over a 60-month period.

Information related to options outstanding under the plans, and the related weighted-average exercise prices, is as follows:

	1997		1996		1995	
	Shares (000)	Price	Shares (000)	Price	Shares (000)	Price
Options outstanding, beginning of period	3,421	\$ 19	3,369	\$ 16	3,732	\$ 15
Granted	384	35	550	31	320	27
Exercised	(374)	17	(472)	16	(659)	16
Expired or cancelled	(69)	24	(26)	24	(24)	17
end of period	3,362	\$ 21	3,421	\$ 19	3,369	\$ 16
Options exercisable, end of period	2,378	\$ 16	2,659	\$ 16	2,918	\$ 15

Options outstanding as of December 31, 1997 are as follows:

Exercise prices	Options outstanding			Options exercisable	
	Shares (000)	Weighted- average remaining contractual life	Weighted- average exercise price	Shares (000)	Weighted- average exercise price
10.68-14.25	725	3.6 years	\$ 12	704	\$ 12
15.00-17.13	1,505	5.2 years	16	1,474	16

22.27-29.75	432	8.3 years	27	121	27
30.38-36.88	586	9.1 years	34	79	34
38.07-48.63	114	9.5 years	40	--	--

	3,362		\$ 21	2,378	\$ 16

=====					

OTHER STOCK PLANS

The Company has reserved 2,250,000 shares of common stock for issuance under the 1990 Employee Stock Purchase Plan. Under the plan, designated Manpower employees meeting certain service requirements may purchase shares of the Company's common stock through

payroll deductions. These shares may be purchased at the lesser of 85% of their fair market value at the beginning or end of each year. During 1997, 1996 and 1995, 239,229, 186,979 and 118,169 shares, respectively, were purchased under the plan.

(7) RETIREMENT PLANS

DEFINED BENEFIT PLANS

The Company has defined benefit pension and retirement plans covering substantially all permanent employees. Pension benefits are generally based upon years of service and compensation levels prior to retirement.

The components of pension expense are as follows:

	1997	1996	1995
Service cost	\$ 3,465	\$ 2,969	\$ 2,773
Interest cost	3,982	3,575	3,213
Actual return on assets	(8,797)	(5,022)	(4,735)
Net amortization and deferral	4,285	897	1,484
Total pension expense	\$ 2,935	\$ 2,419	\$ 2,735

The following is a reconciliation of the funded status of the pension plans at December 31:

	U.S. Plans		Non-U.S. Plans	
	1997	1996	1997	1996
Vested benefits	\$ 21,723	\$ 19,650	\$ 26,592	\$ 22,207
Nonvested benefits	380	407	1,416	1,394
Accumulated benefit obligation	22,103	20,057	28,008	23,601
Effect of projected compensation increases	4,713	4,141	7,859	7,336
Projected benefit obligation	26,816	24,198	35,867	30,937
Plan assets at fair value	26,177	20,903	36,435	31,462
Plan assets less than (in excess of) projected benefit obligation	639	3,295	(569)	(525)
Unrecognized net gain (loss)	7,488	3,930	(122)	617
Unrecognized transitional asset	769	884	209	202
Unrecognized prior service cost	--	--	(418)	(468)
Accrued (prepaid) pension cost	\$ 8,896	\$ 8,109	\$ (899)	\$ (174)

Assumptions used in determining the plans' funded status are as follows:

	U.S. Plans		Non-U.S. Plans	
	1997	1996	1997	1996
Discount rate	7.25%	7.5%	5.8%	6.5%
Rate of return on plan assets	8.5%	8.5%	7.3%	7.8%

Projected salary levels utilized in the determination of the projected benefit obligation are based upon historical experience. The unrecognized transitional asset is being amortized over the estimated remaining service lives of the employees.

Plan assets are primarily comprised of common stocks and U.S. government and agency securities.

DEFINED CONTRIBUTION PLANS

The Company has defined contribution plans covering substantially all permanent U.S. employees. Under the plans, employees may elect to contribute a portion of their salary to the plans. The Company, at its discretion, may match a portion of the employees' contributions. During 1997 the Company elected to match a portion of employees' contributions if a targeted earnings level was reached in the U.S. The total 1997 expense was \$296. The Company elected not to provide a matching contribution in 1996 and 1995.

RETIREE HEALTH CARE PLAN

The Company provides medical and dental benefits to eligible retired employees in the United States. Generally, retired employees who have reached age 65, or those who have reached age 55 with at least 20 years of service, are eligible to receive health care benefits. In determining benefits, the plan has taken into consideration payments by Medicare and other coverages. The plan is unfunded.

The Company charges the expected costs of retiree health care benefits to expense during the years that employees render service. The components of periodic postretirement benefit cost are as follows:

	1997	1996	1995
Service cost--benefits earned during the year	\$ 1,542	\$ 1,276	\$ 1,431
Interest cost on accumulated postretirement benefit obligation	1,492	1,339	1,235
Amortization of unrecognized gain	(29)	(27)	--
Net periodic postretirement benefit cost	\$ 3,005	\$ 2,588	\$ 2,666

The components of the accumulated postretirement benefit obligation at December 31 are as follows:

	1997	1996
Retirees	\$ 4,234	\$ 4,001
Fully eligible active participants	3,608	2,537
Other active participants	15,903	13,235
Accumulated postretirement benefit obligation	23,745	19,773
Unrecognized net gain	1,531	2,777
Accrued benefit cost	\$ 25,276	\$ 22,550

The accumulated postretirement benefit obligation was computed using a discount rate of 7.25% in 1997 and 7.5% in 1996.

The health care cost trend rate has a significant effect on the amounts reported. The rate was assumed to be 8.0% for 1997 and decreases gradually to 6% for the years 2001 and beyond. A one percentage point increase in the assumed health care cost trend rates would increase the accumulated postretirement benefit obligation by \$4,822 and increase the periodic benefit cost by \$708.

(8) LEASES

The Company leases property and equipment primarily under operating leases. Renewal options exist for substantially all leases.

Future minimum payments, by year and in the aggregate, under noncancellable operating leases with initial or remaining terms of one year or more consist of the following at December 31, 1997:

Year	
1998	\$ 40,884
1999	34,744
2000	26,605
2001	20,035
2002	15,694
Thereafter	64,576
Total minimum lease payments	\$202,538

Rental expense for all operating leases was \$72,196, \$67,198 and \$64,974 for the years ended December 31, 1997, 1996 and 1995, respectively.

(9) INTEREST AND OTHER (EXPENSE) INCOME

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

	1997	1996	1995
Interest expense	\$ (11,105)	\$ (6,388)	\$ (12,655)
Interest income	8,052	7,294	6,826
Gain on sale of securities	--	15,509	--
Foreign exchange losses	(1,258)	(941)	(362)
Miscellaneous, net	(1,868)	(119)	(1,671)
Interest and other (expense) income	\$ (6,179)	\$ 15,355	\$ (7,862)

During 1996 the Company recorded gains of \$15.5 million related to the sale of its interest in two non-Manpower brand subsidiaries in the United Kingdom. Total cash proceeds received from the equity interests and a note receivable was \$18.4 million. The Company had previously deferred recognition of most of the equity interests and the note due to uncertainties regarding their eventual realization.

(10) ACQUISITIONS OF BUSINESSES

From time to time, the Company acquires certain franchises and unrelated companies throughout the world. In 1996, the Company acquired A Teamwork

Sverige AB, the largest employment services organization in Sweden, and certain franchises in the United States, Canada and Spain. The Consolidated Financial Statements include the operating results of each business from the date of acquisition. Pro forma results of operations have not been presented because the effect of these acquisitions was not significant individually or in the aggregate. The total consideration for these acquisitions was \$17,601 and \$41,072 in 1997 and 1996, respectively, the majority of which was recorded as intangible assets.

(11) CONTINGENCIES

The Company is involved in a number of lawsuits arising in the ordinary course of business which will not, in the opinion of management, have a material effect on the financial condition of the Company.

(12) BUSINESS SEGMENT DATA BY
GEOGRAPHICAL AREA

Geographical segment information is as follows:

	1997	1996	1995

Revenues from services:			
United States (a)	\$1,993,665	\$1,774,240	\$1,551,407
France	2,716,683	2,274,761	2,208,729
United Kingdom	989,104	867,884	818,023
Other Europe	855,372	678,337	528,363
Other Countries	703,680	484,683	377,653
	-----	-----	-----
	\$7,258,504	\$6,079,905	\$5,484,175
	=====	=====	=====
Earnings before income taxes:			
United States	\$ 92,607	\$ 88,165	\$ 75,970
France	91,246	73,688	72,593
United Kingdom	39,831	33,246	34,972
Other Europe	38,811	38,440	34,971
Other Countries	30,744	22,452	16,492
Corporate - Amortization of intangible assets	(4,360)	(3,780)	(3,487)
Interest and other (expense) income	(6,179)	15,355	(7,862)
Other (b)	(33,492)	(25,254)	(19,858)
	-----	-----	-----
	\$ 249,208	\$ 242,312	\$ 203,791
	=====	=====	=====
Total assets:			
United States	\$ 470,861	\$ 426,732	\$ 365,479
France	869,354	723,900	678,027
United Kingdom	211,554	183,857	157,240
Other Europe	269,698	221,645	175,445
Other Countries	172,434	130,303	102,838
Corporate (b)	53,129	65,826	38,757
	-----	-----	-----
	\$2,047,030	\$1,752,263	\$1,517,786
	=====	=====	=====
Net assets:			
United States	\$ 112,360	\$ 142,731	\$ 107,680
France	295,146	279,480	241,156
United Kingdom	82,528	71,277	32,088
Other Europe	78,479	77,199	46,481
Other Countries	49,050	30,019	27,588
	-----	-----	-----
	\$ 617,563	\$ 600,706	\$ 454,993
	=====	=====	=====

(a) Total systemwide sales in the United States, which include sales of Company-owned branches and franchises, were \$3,340,212, \$2,938,926 and \$2,666,782 for the years ended December 31, 1997, 1996 and 1995, respectively.

(b) Other corporate expense includes costs incurred by the parent company which do not pertain to any specific geographical segment. Corporate assets include assets of the parent company that are not used in the operations of any geographical segment.

Due to the nature of its business, the Company does not have export sales.

During 1997 the Financial Accounting Standards Board released SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information." This Statement will be adopted by the Company in 1998 and is not expected to significantly change the current segment reporting.

QUARTERLY DATA (UNAUDITED)
(in thousands, except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total

Year Ended December 31, 1997					

Revenues from services	\$1,521,002	\$1,792,216	\$1,973,020	\$1,972,266	\$7,258,504
Gross profit	276,655	319,150	350,930	363,461	1,310,196
Net earnings	26,599	40,892	52,691	43,698	163,880
Net earnings per share	\$.32	\$.50	\$.64	\$.54	\$ 2.01
Net earnings per share - assuming dilution	\$.32	\$.49	\$.63	\$.53	\$ 1.97
Dividends per share	\$ --	\$.08	\$ --	\$.09	\$.17
Market price-					
High	\$ 40-1/2	\$ 49	\$ 50-3/8	\$ 40-3/4	
Low	29-1/2	35-1/4	37	35-1/4	

Year Ended December 31, 1996					

Revenues from services	\$1,309,167	\$1,460,624	\$1,694,523	\$1,615,591	\$6,079,905
Gross profit	244,639	269,260	315,324	318,745	1,147,968
Net earnings	23,195	38,602	52,416	48,085	162,298
Net earnings per share	\$.28	\$.47	\$.64	\$.59	\$ 1.98
Net earnings per share - assuming dilution	\$.28	\$.46	\$.63	\$.57	\$ 1.94
Dividends per share	\$ --	\$.07	\$ --	\$.08	\$.15
Market price-					
High	\$ 34-1/4	\$ 43	\$ 39-3/8	\$ 33-5/8	
Low	23-5/8	29-1/2	30	27-7/8	

SELECTED FINANCIAL DATA
(in millions, except per share data)

Year Ended December 31	1997	1996	1995	1994	1993
Operations Data					
Revenues from services	\$7,258.5	\$6,079.9	\$5,484.2	\$4,296.4	\$3,180.4
Gross profit	1,310.2	1,148.0	1,000.8	796.6	625.2
Amortization of intangible assets	4.4	3.8	3.5	7.0	78.1
Restructuring and other unusual items	--	--	--	--	20.0
Net earnings (loss)	163.9	162.3	128.0	83.9	(48.9)
Per Share Data					
Net earnings (loss)	\$ 2.01	\$ 1.98	\$ 1.68	\$ 1.14	\$ (.66)
Net earnings (loss) - assuming dilution	1.97	1.94	1.59	1.09	(.66)
Dividends	.17	.15	.13	.11	--
Balance Sheet Data					
Total assets	\$2,047.0	\$1,752.3	\$1,517.8	\$1,191.2	\$ 833.3
Long-term debt	189.8	100.8	61.8	130.9	130.0

The Notes to Consolidated Financial Statements should be read in conjunction with the above summary.

During the fourth quarter of 1997, the Company adopted SFAS No. 128, "Earnings per Share." As a result, the Company's reported earnings per share for years prior to 1997 were restated. See Note 2 to Consolidated Financial Statements for further discussion of the effect on 1996 and 1995. The previously reported earnings per share amounts for 1994 and 1993 were \$1.12 and \$(.66), respectively.

WORLD HEADQUARTERS

5301 North Ironwood Road
 Post Office Box 2053
 Milwaukee, Wisconsin 53201
 (414) 961-1000
 www.manpower.com

TRANSFER AGENT AND REGISTRAR

ChaseMellon Shareholder Services, L.L.C.
 New York, New York
 www.chasemellon.com

STOCK EXCHANGE LISTING

NYSE Symbol: MAN

10-K REPORT

A copy of Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 1997 is available without charge after March 31, 1998 by writing to:

Mr. Jon F. Chait
 Manpower Inc.
 5301 North Ironwood Road
 Post Office Box 2053
 Milwaukee, Wisconsin 53201

ANNUAL MEETING OF STOCKHOLDERS

April 23, 1998
 10:00 a.m.
 Marcus Center for the
 Performing Arts
 929 North Water Street
 Milwaukee, Wisconsin 53202

DIRECTORS

Mitchell S. Fromstein
 Chairman of the Board,
 President and
 Chief Executive Officer

Audrey Freedman
 Regular network business
 news commentator on
 economic developments;
 former principal of Audrey
 Freedman & Associates

Dudley J. Godfrey, Jr.
 Senior Partner
 Godfrey & Kahn, S.C.

Marvin B. Goodman
 Retired; former principal
 shareholder and officer of
 Manpower Services (Toronto)
 Limited, a Company franchise

J. Ira Harris
 Chairman of J.I. Harris &
 Associates and Vice Chairman of
 The Pritzker Organization, LLC

Newton N. Minow
 Of Counsel and former partner
 Sidley & Austin

Gilbert Palay
 Retired; former Senior Executive
 Vice President

Dennis Stevenson
 Chairman of GPA Group plc and
 Chairman of Pearson plc

Jon F. Chait
 Executive Vice President
 and Secretary,
 Managing Director
 International Operations

Terry A. Hueneke
 Executive Vice President

OFFICERS

Mitchell S. Fromstein
Chairman of the Board,
President and
Chief Executive Officer

Jon F. Chait
Executive Vice President
and Secretary,
Managing Director
International Operations

Terry A. Hueneke
Executive Vice President

Michael J. Van Handel
Vice President, Chief Accounting
Officer and Treasurer

PRINCIPAL OPERATING UNITS

MITCHELL S. FROMSTEIN
CHAIRMAN, PRESIDENT AND CEO

THE AMERICAS
North America and South America
AND AUSTRALIA

TERRY A. HUENEKE
EXECUTIVE VICE PRESIDENT

5301 North Ironwood Road
P.O. Box 2053
Milwaukee, Wisconsin 53201

Melanie Holmes
Senior Vice President
Customer Services Group

Jeffrey A. Joerres
Senior Vice President
Marketing and Major Accounts

William L. Bates
Vice President
U.S. Administrative Services

Richard J. Gallagher
Vice President
U.S. National Accounts

Marnie M. Harris
Vice President
Business Development

James J. Katte
Vice President
U.S. Accounting and Finance

Douglas H. Krueger
Vice President
U.S. Operations

William J. Pfannenstiel
Vice President
Technical Services

Peter Stockhausen
Vice President
Chief Information Officer

David B. Wescoe
Vice President
North American Administration

Kay Livingston Ash
Vice President
Mountain Region

M. Elaine Brown
Vice President
South Central Region

Richard Cutshall
Vice President
Western Region

Donald Johnston
Vice President
East Central Region

Craig Kasper
Vice President
Upper Midwest Region

Arthur David Keith
Vice President
Southwest Region

Martin Klein
Vice President
Philadelphia Region

Maureen Quinn
Vice President
Northeast Region

Warren Rosenow
Vice President
Midwest Region

Louis Scrivani
Vice President
New Jersey Region

Betty Stockstill
Vice President
Gulf South Region

Beba Franco
General Manager
Puerto Rico

CANADA
5090 Explorer Drive, Suite 401
Mississauga, Ontario L4W 4X6

Tammy Johns
Vice President

MEXICO AND CENTRAL AMERICA
GUILLERMO SANCHEZ
GENERAL MANAGER

MEXICO
Louisiana No. 80
Col. Napoles
C.P. 03810, Mexico, DF

Guillermo Sanchez
General Manager

COSTA RICA
300 metros al Norte de la Fuente
de la Hispanidad
Edificio Equus. Planta Baja
San Jose de Costa Rica

GUATEMALA
6(a) Av. 0-60, Zona 4
Torre Profesional 1, Oficina 304
Guatemala, C.A.

SOUTH AMERICA
HORACIO DE MARTINI
REGIONAL MANAGER

ARGENTINA
Maipu 942 - piso 23
1340 Buenos Aires

Horacio De Martini
General Manager

BOLIVIA
Edif San Pablo, Piso 11, Ofc 1106
Av 16 de Julio, #1476
La Paz, Bolivia

BRAZIL
Casa Central
Rua Jupí, 215
04755-050 Sao Paulo, SP

CHILE
Estados Unidos 395
Santiago

COLOMBIA
Diagonal 50 -No. 49-14, piso 7
Medellin

ECUADOR
Jorge Washington 742 y 9 de Octubre
Casilla 1711-6530, Quito

PANAMA
Bella Vista Calle 51
Edificio Margarita, Local No 6
Panama City, Republic of Panama

PARAGUAY
Av. Espana esq.
Padre Pucheu 485
Asuncion

PERU
Las Camelias 224
San Isidro
Lima 27

URUGUAY
Boulevard Artigas 2003
CP 11800 Montevideo

VENEZUELA
Av Francisco de Miranda
Torre Delta - Piso 3, Ofc D
1602 Altamira, Caracas

NETHERLAND ANTILLES
DSS Uitzendburo NV
Shopping Center Colon, Unit 11A
Curacao

AUSTRALIA
MALCOLM JACKMAN
GENERAL MANAGER

AUSTRALIA
Level 1, 34 Hunter Street
Sydney 2000 NSW
GPO Box 2599
Sydney NSW 2001

NEW ZEALAND
Level 4, The Vulcan Building
Corner Vulcan Lane and Queen Street
Auckland

EUROPE, ASIA, AFRICA AND THE
MIDDLE EAST

JON F. CHAIT
MANAGING DIRECTOR
INTERNATIONAL OPERATIONS

Avenue Louise, 523
1050 Brussels, Belgium

FRANCE
9, rue Jacques Bingen
F-75017 Paris

Michael Grunelius
Managing Director

Bertrand Denis
Deputy General Director

Andre Dalery
General Director of Operations

Pierre Catherine
Director of External Relations

Rene Boulland
Financial Director

Gilles Berolatti
Legal and Administrative Director

Bernard Auger
National Accounts Director

Christian Costaz
IT Director

Jean-Pierre Lemonnier
Human Resource Director

Francois Chojnacki
Director, France West

Rene Jume1
Director, France Southwest

Jean-Pierre Murlin
Director, France North

Gilbert Parichi
Director, Paris/Ile de France

UNITED KINGDOM AND IRELAND
International House
66 Chiltern Street
London W1M 1PR, England

Lilian Bennett
Chairman

Maureen Miffling
Managing Director

Maggi Bell
UK Operations Director

Lynn Elias
Finance Director

Anthony Hoskins
Marketing Director

David Davies
Financial Controller

Ken Pullan
Director of Regional Operations

John Day
General Manager
Major Accounts

Stan Conquest
General Manager
Technical Services

Sue George Jones
Operations Director
Nursing Services

Gerard Doyle
Director of IT

Ouida Weaver
Head of Training and
Human Resources

Deborah Wylie
General Manager of Marketing

Nick Smith
Call Center Strategy Manager

SCOTLAND
38 George Street
Edinburgh EH2 2LE, Scotland

WALES
90 Queen Street
Cardiff CF1 4ER, Wales

IRELAND
54 Grafton Street
Dublin 2

JAPAN
CS Tower 3F
11-30 Akasaka 1-chome
Minato-ku, Tokyo 107

Hiroshi Ono
General Manager

NORDIC REGION
TOR DAHL
REGIONAL DIRECTOR
Oslo, Norway

NORWAY
Dronning Maudsgate 10
P.O. Box 2506 Solli, 0202 Oslo

Lars Petter Orving
General Manager

SWEDEN
Odengatan 71, Box 6446
113 82 Stockholm

Lars Murman
General Manager

DENMARK
Norre Voldgade 19
1358 Kobenhavn

FINLAND
Aleksanterinkatu 48A, 6.Krs.
00100 Helsinki

NORTHERN EUROPEAN REGION
HANS VINK
REGIONAL DIRECTOR

THE NETHERLANDS
Gebouw Athena
Diemerhof 16-18
1112 XN Diemen

Hans Vink
General Manager

GERMANY
Kurt-Schumacher Strabe, 31
Postfach 20 01 16
D-60 605 Frankfurt/Main

Diethelm Bender
Geschäftsführer

AUSTRIA
Mahlerstrabe 14
A-1010 Vienna

Gerhard Flenreiss
General Manager
JADE G.m.b.H.

SOUTHERN REGION
YOAV MICHAELY
REGIONAL DIRECTOR
Rome, Italy

ISRAEL
90-92 Igal Alon Street
Tel Aviv 67891

Aki Friedman
Chairman

Tova Elazar
General Manager

SPAIN
Corsega 418 (4th Floor)
08037 Barcelona

Carmen Mur
General Manager

Italy
Via Gregoriana, 5
00187 Rome

PORTUGAL
Rua Bernardim Ribeiro 30-1
1150 Lisbon

Marcelino Pena Costa
General Manager

SOUTH EAST ASIAN REGION
CHRISTINE RAYNAUD
REGIONAL DIRECTOR

SINGAPORE
391 B Orchard Road
#25 - 07/08
Ngee Ann City Tower B
Singapore 238874

Christine Raynaud
General Manager

HONG KONG
15th Floor, California Tower
30-32 D'Aguilar Street
Central Hong Kong

Deborah Morgan
General Manager

MALAYSIA
Suite 17.01 Wisma Nusantara
Jalan Puncak, Off Jalan P. Ramlee
50250 Kuala Lumpur

TAIWAN
Formosa Plastics Bldg., B, 11F
201-30 Tun Hua North Road
Taipei

THAILAND
Unit 9/1, 9th F1
Bangkok Union Insurance Building
Suriyawongse, Bangrak
Bangkok 10500

OTHER LOCATIONS

SWITZERLAND
6, Rue Winkelried
1201 Geneva

Maria Mumenthaler
Presidente et Delegee
du Conseil d'Administration

BELGIUM
Avenue Louise, 523
1050 Brussels

Michel Bodart
General Manager

RUSSIA
1 Telegraphnyi Pereulok, #341
101934 Moscow

CZECH REPUBLIC
7 Valentinska
11000 Praha - 1

HUNGARY
Hungaria Krt 140-144
Munkaero Szervezesi
1146 Budapest

LUXEMBOURG
19, rue Glesener
1631 Luxembourg

MONACO
9 rue Princesse Florestine
98000 Monaco

MOROCCO
4, rue des Hirondelles
Casablanca

BROOK STREET BUREAU PLC
ANTHONY J. HOWARD
MANAGING DIRECTOR

Clarence House
134 Hatfield Rd.
St Albans, Herts AL1 4 JB
United Kingdom

CORPORATE ADMINISTRATION
EUROPE, ASIA, AFRICA AND THE
MIDDLE EAST

Avenue Louise, 523
1050 Brussels, Belgium

Vince Butterworth
Director
European Accounts

Ken Davidson
Director
International Operations Support

Pan Salvaridis
Director
Business Development

Graham Steven
Director
International IT

Ned Wiley
Director
International Marketing

CORPORATE ADMINISTRATION

Joel W. Biller
Senior Vice President
International Corporate Affairs
General Counsel - U.S.

James A. Fromstein
Senior Vice President
International Marketing

Michael J. Lynch

Vice President

Michael J. Van Handel
Vice President
Chief Accounting Officer

GLOBAL MARKETING

Jeffrey A. Joerres
Senior Vice President

David Arkless
Vice President

MANPOWER INC.

WORLD HEADQUARTERS
5301 North Ironwood Road
P.O. Box 2053
Milwaukee, Wisconsin 53201 USA

EUROPEAN HEADQUARTERS
Avenue Louise, 523
1050 Brussels, Belgium

New York Stock Exchange Symbol: MAN

www.manpower.com

SUBSIDIARIES OF MANPOWER INC.

Corporate Name -----	Incorporated in State/Country of -----
Alabama Services Contractors, Inc.	Alabama
Manpower de Servicios S.A.	Argentina
Benefits S.A.	Argentina
Cotecsud S.A.S.E. (Compania Tecnica Sudamericana S.A.S.E.)	Argentina
Manpower Services (Australia) Pty Ltd.	Australia
Manpower Holding GmbH	Austria
Manpower/Jade Personnel Services GmbH	Austria
Manpower Temporaerpersonal Gesellschaft m.b.H.	Austria
Manpower Unternehmens und- Personalberatung Gesellschaft m.b.H.	Austria
S.A. Manpower (Belgium) N.V.	Belgium
S.A. Multiskill N.V.	Belgium
Skillscape Skills Management Services Ltd.	British Columbia
Manpower Participacoes Ltda. (Inactive)	Brazil
Manpower Ltda. S/C (Inactive)	Brazil
Servicios Uno A Ltda.	Colombia
Uno A. Servicios Especiales Ltda.	Colombia
Snyder Services, Inc.	Colorado
Manpower Costa Rica	Costa Rica

Corporate Name -----	Incorporated in State/Country of -----
Manpower Czech Republic	Czech Republic
Manpower International Inc.	Delaware
Manpower CIS Inc.	Delaware
Manpower Eastern Europe Inc.	Delaware
Manpower Employment Inc.	Delaware
Manpower Franchises, L.L.C.	Delaware
Positions, Inc.	Delaware
Staffing Trends Inc.	Delaware
U.S. Caden Corporation	Delaware
Manpower A/S	Denmark
Manpower OY	Finland
Manpower France S.A.R.L.	France
Fortec SARL	France
Supplay S.A.	France
Manpower Planen & Leisten GmbH. Unternehmen Fur Zeitpersonal	Germany
Adservice GmbH.	Germany
Manpower Guatemala S.A.	Guatemala
Manpower Services (Hong Kong) Limited	Hong Kong
Swift Recruitment Limited	Hong Kong
Manpower Munkaero Szervezesi KFT	Hungary
Transpersonnel, Inc.	Illinois

Corporate Name -----	Incorporated in State/Country of -----
Manpower (Ireland) Limited (Inactive)	Ireland
Manpower (Israel) Limited	Israel
Adam Ltd. (Inactive)	Israel
Career Ltd.	Israel
MIT	Israel
MNAM Ltd.	Israel
M.P.H. Holdings Limited	Israel
Nativ 2 Ltd.	Israel
T. Market (M.A.)	Israel
Telepower	Israel
Tirgumey Eichut	Israel
Unison Engineering Projects Ltd.	Israel
Jobing (Inactive)	Israel
S.T.M. Technologies (Inactive)	Israel
Manpower Italia S.r.l.	Italy
Manpower S.p.A.	Italy
Manpower Seleform S.p.A.	Italy
Manpower Japan Co., Ltd.	Japan
Support Services Specialists of Topeka	Kansas
Aide Temporaire Luxembourg S.A.R.L.	Luxembourg
Manpower Staffing Services (Malaysia) Limited	Malaysia

Corporate Name -----	Incorporated in State/Country of -----
Agensi Perkerjaan Manpower Recruitment Sdn Bhd	Malaysia
Manpower S.A. de C.V.	Mexico
Servicio de Personal Industrial S.A. de C.V.	Mexico
Tecnología Y Manufactura S.A. de C.V.	Mexico
Manpower Monaco S.A.M.	Monaco
Manpower Morocco	Morocco
Manpower B.V.	Netherlands
Manpower Consultancy B.V.	Netherlands
Manpower Kantoor-en Paramodisch B.V.	Netherlands
Manpower Industrie B.V.	Netherlands
Manpower Management B.V.	Netherlands
Manpower Project Support B.V.	Netherlands
Manpower Uitzendorganisatie B.V.	Netherlands
Manpower Incorporated of New York	New York
Manpower Services (New Zealand) Limited	New Zealand
Manpower A/S	Norway
Bankpower A/S	Norway
Bedtiftsassistanse A/S	Norway
Manpower Kantineservice A/S	Norway
Techpower A/S	Norway
Techpower Telemark A/S	Norway
Tri County Business Services, Inc.	Ohio

Corporate Name -----	Incorporated in State/Country of -----
Manpower Services (Ontario) Limited	Ontario
Manpower Services (Toronto) Limited	Ontario
Manjoven Services Limited	Ontario
Services de Personel du Quebec Ltee.	Quebec
Manpower Incorporated of Providence	Rhode Island
Manpower Personnel Southeast Asia Pte Ltd	Singapore
Goodmen Personnel Services Pte. Ltd.	Singapore
Manpower Team Empresa de Trabajo Temporal, S.A.	Spain
Other Activities S.L.	Spain
Progreso De La Gestion Empresarial E.T.T., S.L.	Spain
Sag De Galicia, S.L.	Spain
STT Consultoria En Recurses Humanos, S.L.	Spain
Manpower Aktiebolag	Sweden
A Teamwork Sverige Aktiebolag	Sweden
Manpower Teamwork Kommanditbolag	Sweden
Manpower Holding S.A.	Switzerland
Manpower S.A.	Switzerland
Allegra Finanz AG	Switzerland
Manpower HR Management S.A.	Switzerland
Caden Corporation S.A.	Switzerland
Manpower Services S.A.	Switzerland

Corporate Name -----	Incorporated in State/Country of -----
Manpower Services (Taiwan) Co., Ltd.	Taiwan
Skillpower Services (Thailand) Co., Ltd.	Thailand
Bafin Holdings	United Kingdom
Manpower Public Limited Company	United Kingdom
LPNS Limited	United Kingdom
Manpower Services Limited	United Kingdom
Brook Street Bureau PLC	United Kingdom
Brook Street (UK) Limited	United Kingdom
BS Project Services Limited	United Kingdom
Bafin Services Limited (Inactive)	United Kingdom
Bafin (UK) Limited (Inactive)	United Kingdom
Challoners Limited (Inactive)	United Kingdom
Crewcorp Limited (Inactive)	United Kingdom
DP Support Services Limited (Inactive)	United Kingdom
Extrastaff Limited (Inactive)	United Kingdom
Ferrisbush Limited (Inactive)	United Kingdom
Girlpower Limited (Inactive)	United Kingdom
Manpower Contract Services Limited (Inactive)	United Kingdom
Manpower (Hemel) Limited (Inactive)	United Kingdom
Manpower IT Services Limited (Inactive)	United Kingdom
Manpower Nominees Limited (Inactive)	United Kingdom

Corporate Name -----	Incorporated in State/Country of -----
Overdrive Limited (Inactive)	United Kingdom
Psyconsult International Limited (Inactive)	United Kingdom
Roco Limited (Inactive)	United Kingdom
Salespower Limited (Inactive)	United Kingdom
Tamar Limited (Inactive)	United Kingdom
Temp Finance & Accounting Services Limited (Inactive)	United Kingdom
Total Staff Recruitment Limited (Inactive)	United Kingdom
Aris S.A.	Uruguay
Manpower de Venezuela C.A.	Venezuela
Manpower of Indiana Limited Partnership	Wisconsin
Manpower Nominees Inc.	Wisconsin
Manpower Professional Staffing Services Inc.	Wisconsin
Manpower Texas Holdings L.L.C.	Wisconsin
Manpower of Texas Limited Partnership	Wisconsin
Signature Graphics of Milwaukee, Inc.	Wisconsin

POWER OF ATTORNEY FOR ANNUAL REPORT ON FORM 10-K

Each of the undersigned directors of Manpower Inc. (the "Company") hereby constitutes and appoints Mitchell S. Fromstein and Jon F. Chait, and each of them, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign for the undersigned and in the undersigned's name in the capacity as a director of the Company the Annual Report on Form 10-K for the Company's fiscal year ended December 31, 1997, and to file the same, with all exhibits thereto, other documents in connection therewith, and any amendments to any of the foregoing, with the Securities and Exchange Commission and any other regulatory authority, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or the undersigned's substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have each executed this Power of Attorney for Annual Report on Form 10-K, on one or more counterparts, this 11th day of March, 1998.

/s/ Audrey Freedman

Audrey Freedman

/s/ Marvin B. Goodman

Marvin B. Goodman

/s/ Terry A. Hueneke

Terry A. Hueneke

/s/ Gilbert Palay

Gilbert Palay

/s/ Dudley J. Godfrey Jr.

Dudley J. Godfrey, Jr.

/s/ J. Ira Harris

J. Ira Harris

/s/ Newton N. Minow

Newton N. Minow

/s/ Dennis Stevenson

Dennis Stevenson

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE YEAR ENDED DECEMBER 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS		
	DEC-31-1997	
	DEC-31-1997	
		142,246
		0
	1,437,378	
	38,019	
		0
	1,686,901	
		324,770
	188,394	
	2,047,030	
1,004,677		
		189,785
	0	
		0
		828
2,047,030		616,735
		0
	7,258,504	
		0
	5,948,308	
	0	
	15,884	
	11,105	
	249,208	
	85,328	
163,880		
	0	
	0	
		0
	163,880	
	2.01	
	1.97	

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS		
	DEC-31-1997	
	SEP-30-1997	
		157,035
		0
	1,484,207	
	38,120	
		0
	1,759,426	
		311,291
	190,795	
	2,077,084	
1,047,616		
		171,399
	0	
		0
		828
		617,990
2,077,084		
		0
	5,286,238	
		0
	4,339,503	
	0	
	10,661	
	7,358	
	183,513	
	63,331	
120,182		
	0	
	0	
		0
	120,182	
	1.46	
	1.44	

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS	DEC-31-1997	
	JUN-30-1997	
		116,080
		0
		1,286,688
		35,289
		0
		1,510,890
		302,621
		184,629
		1,831,695
		866,054
		129,287
		0
		0
		827
		600,880
1,831,695		0
		0
		3,313,218
		2,717,413
		0
		6,702
		4,500
		100,720
		33,229
		67,491
		0
		0
		0
		67,491
		.82
		.81

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS		
	DEC-31-1997	
	MAR-31-1997	
		180,274
		0
	1,141,339	
	34,643	
		0
	1,417,344	
		297,731
	180,903	
	1,732,656	
	787,258	
		124,170
	0	
		0
		826
		580,942
1,732,656		0
	1,521,002	0
		0
	1,244,347	
	0	
	2,844	
	1,926	
	39,688	
		13,089
	26,599	
		0
		0
		0
	26,599	
	.32	
	.32	

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS		
	DEC-31-1996	
	DEC-31-1996	
		180,553
		0
	1,167,468	
	33,526	
		0
	1,439,085	
		302,547
	181,168	
	1,752,263	
811,256		
		100,848
0		
		0
		822
	599,884	
1,752,263		
		0
	6,079,905	
		0
	4,931,937	
	0	
	12,360	
	6,388	
	242,312	
	80,014	
162,298		
	0	
	0	
		0
	162,298	
	1.98	
	1.94	

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS		
	DEC-31-1996	
	SEP-30-1996	
		106,591
		0
	1,231,337	
	34,832	
		0
	1,425,304	
		289,997
	177,125	
	1,715,435	
	866,287	
		72,124
	0	
		0
		821
		559,677
1,715,435		0
	4,464,314	
		0
	3,635,091	
	0	
	9,777	
	4,675	
	171,613	
	57,400	
114,213		
	0	
	0	
		0
	114,213	
	1.39	
	1.37	

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE REGISTRANT FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS	
DEC-31-1996	JUN-30-1996
	97,386
	0
1,099,714	33,537
	0
1,287,892	281,364
169,787	
1,572,620	
775,894	80,814
0	0
	820
	504,941
1,572,620	0
2,769,791	0
2,255,892	
0	
5,862	
2,807	
95,110	
33,313	
61,797	
0	
0	0
61,797	
0.75	
0.74	