



ManpowerGroup™

April 19, 2013

## ManpowerGroup Reports 1st Quarter 2013 Results

MILWAUKEE, April 19, 2013 /PRNewswire/ -- ManpowerGroup (NYSE: MAN) today reported that net earnings for the three months ended March 31, 2013 were \$23.9 million, or 31 cents per diluted share, compared to net earnings of \$40.2 million, or 50 cents per diluted share, a year earlier. Revenues for the first quarter were \$4.8 billion, a decrease of 6% from the prior year period.

(Logo: <http://photos.prnewswire.com/prnh/20110330/CG73938LOGO-a>)

Included in the first quarter results is a restructuring charge, primarily related to office consolidations and severance costs of \$34.8 million (\$25.3 million after tax or 32 cents per diluted share). Net earnings in the first quarter were negatively impacted by 1 cent per diluted share, as foreign currencies were slightly weaker compared to the prior year period.

Jeffrey A. Joerres, ManpowerGroup Chairman and CEO, said, "The first quarter performance was largely attributed to slightly stronger than anticipated revenues and tax credits. Additionally, our recalibration of our cost base is advancing ahead of schedule. Those efforts, which are focused on simplifying our business, were initially rolled out in the fourth quarter of 2012 and continued into the first quarter, resulting in the restructuring charge in the quarter. Our team has done an outstanding job dealing with the high levels of uncertainty in Europe and has continued to address client and prospect needs with our unique suite of solutions.

"We anticipate second quarter earnings per share will range between 84 cents to 92 cents before restructuring charges. We do not expect changes in currency rates to have a significant impact in the quarter based on current exchange rates."

In conjunction with its first quarter earnings release, ManpowerGroup will broadcast its conference call live over the Internet on April 19, 2013 at 7:30 a.m. CDT (8:30 a.m. EDT). Interested parties are invited to listen to the webcast and view the presentation by logging on to <http://www.manpowergroup.com/investors>.

Supplemental financial information referenced in the conference call can be found at <http://www.manpowergroup.com/investors>.

### About ManpowerGroup

ManpowerGroup™ (NYSE: MAN) is the world leader in innovative workforce solutions that ensure the talent sustainability of the world's workforce for the good of companies, communities, countries, and individuals themselves. Specializing in solutions that help organizations achieve business agility and workforce flexibility, ManpowerGroup leverages its 65 years of world of work expertise to create the work models, design the people practices and access the talent sources its clients need for the future. From staffing, recruitment, workforce consulting, outsourcing and career management to assessment, training and development, ManpowerGroup delivers the talent to drive the innovation and productivity of organizations in a world where talentism is the dominant economic system. Every day, ManpowerGroup connects more than 630,000 people to work and builds their experience and employability through its relationships with 400,000 clients across 80 countries and territories. ManpowerGroup's suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. ManpowerGroup was named one of the World's Most Ethical Companies for the third consecutive year in 2013, confirming our position as the most trusted brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible at [www.manpowergroup.com](http://www.manpowergroup.com). Follow ManpowerGroup Chairman and CEO Jeff Joerres on Twitter: [Twitter.com/manpowergroupj](https://twitter.com/manpowergroupj)

### Forward-Looking Statements

This news release contains statements, including earnings projections, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause the Company's actual results to differ materially from those contained in the forward-looking statements can be found in the Company's reports filed with the SEC, including the information under the heading 'Risk Factors' in its Annual Report on Form 10-K for the year ended December 31, 2012, which information is incorporated herein by reference.

ManpowerGroup  
Results of Operations  
(In millions, except per share data)

|                                     | Three Months Ended March 31 |                |                    |                      |
|-------------------------------------|-----------------------------|----------------|--------------------|----------------------|
|                                     | 2013                        | 2012           | % Variance         |                      |
|                                     |                             |                | Amount<br>Reported | Constant<br>Currency |
|                                     | (Unaudited)                 |                |                    |                      |
| Revenues from services (a)          | \$4,768.9                   | \$5,096.4      | -6.4%              | -5.8%                |
| Cost of services                    | 3,978.8                     | 4,249.0        | -6.4%              | -5.7%                |
| Gross profit                        | 790.1                       | 847.4          | -6.8%              | -6.2%                |
| Selling and administrative expenses | 735.7                       | 753.6          | -2.4%              | -1.9%                |
| Operating profit                    | 54.4                        | 93.8           | -42.0%             | -40.5%               |
| Interest and other expenses         | 11.5                        | 11.8           | -2.3%              |                      |
| Earnings before income taxes        | 42.9                        | 82.0           | -47.7%             | -46.0%               |
| Provision for income taxes          | 19.0                        | 41.8           | -54.5%             |                      |
| Net earnings                        | <u>\$ 23.9</u>              | <u>\$ 40.2</u> | -40.6%             | -38.7%               |
| Net earnings per share - basic      | <u>\$ 0.31</u>              | <u>\$ 0.50</u> | -38.0%             |                      |
| Net earnings per share - diluted    | <u>\$ 0.31</u>              | <u>\$ 0.50</u> | -38.0%             | -36.0%               |
| Weighted average shares - basic     | <u>77.1</u>                 | <u>80.2</u>    | -3.9%              |                      |
| Weighted average shares - diluted   | <u>78.2</u>                 | <u>80.9</u>    | -3.3%              |                      |

- (a) Revenues from services include fees received from our franchise offices of \$5.3 million and \$5.4 million for the three months ended March 31, 2013 and 2012, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$234.7 million and \$253.9 million for the three months ended March 31, 2013 and 2012, respectively.

ManpowerGroup  
Operating Unit Results  
(In millions)

|                         | Three Months Ended March 31 |                |                    |                      |
|-------------------------|-----------------------------|----------------|--------------------|----------------------|
|                         | 2013                        | 2012           | % Variance         |                      |
|                         |                             |                | Amount<br>Reported | Constant<br>Currency |
|                         | (Unaudited)                 |                |                    |                      |
| Revenues from Services: |                             |                |                    |                      |
| Americas:               |                             |                |                    |                      |
| United States (a)       | \$ 706.1                    | \$ 735.8       | -4.0%              | -4.0%                |
| Other Americas          | 386.9                       | 402.5          | -3.9%              | -1.4%                |
|                         | <u>1,093.0</u>              | <u>1,138.3</u> | -4.0%              | -3.1%                |
| Southern Europe:        |                             |                |                    |                      |
| France                  | 1,145.2                     | 1,291.8        | -11.3%             | -11.8%               |
| Italy                   | 257.9                       | 267.5          | -3.6%              | -4.1%                |
| Other Southern Europe   | 193.4                       | 195.2          | -0.9%              | -1.9%                |
|                         | <u>1,596.5</u>              | <u>1,754.5</u> | -9.0%              | -9.6%                |

|   |                  |                  |        |        |
|---|------------------|------------------|--------|--------|
| Northern Europe                         | 1,370.3          | 1,444.0          | -5.1%  | -5.6%  |
| APME                                    | 632.5            | 680.0            | -7.0%  | -1.4%  |
| Right Management                        | 76.6             | 79.6             | -3.8%  | -2.5%  |
|   | <u>\$4,768.9</u> | <u>\$5,096.4</u> | -6.4%  | -5.8%  |
| Operating Unit Profit:                  |                  |                  |        |        |
| Americas:                               |                  |                  |        |        |
| United States                           | \$ 7.4           | \$ 6.9           | 7.9%   | 7.9%   |
| Other Americas                          | 8.7              | 15.3             | -43.1% | -43.6% |
|   | <u>16.1</u>      | <u>22.2</u>      | -27.4% | -27.7% |
| Southern Europe:                        |                  |                  |        |        |
| France                                  | 14.3             | 5.5              | 161.9% | 165.4% |
| Italy                                   | 11.7             | 14.5             | -19.5% | -19.9% |
| Other Southern Europe                   | 2.3              | 3.5              | -33.8% | -35.4% |
|   | <u>28.3</u>      | <u>23.5</u>      | 20.7%  | 21.1%  |
| Northern Europe                         | 10.6             | 43.9             | -75.8% | -75.6% |
| APME                                    | 14.8             | 19.6             | -25.2% | -19.4% |
| Right Management                        | 2.0              | 2.5              | -18.4% | -7.5%  |
|   | <u>71.8</u>      | <u>111.7</u>     |        |        |
| Corporate expenses                      | (24.4)           | (26.3)           |        |        |
| Intangible asset amortization expense   | (8.4)            | (9.0)            |        |        |
| Reclassification of French business tax | 15.4             | 17.4             |        |        |
| Operating profit                        | <u>54.4</u>      | <u>93.8</u>      | -42.0% | -40.5% |
| Interest and other expenses (b)         | (11.5)           | (11.8)           |        |        |
| Earnings before income taxes            | <u>\$ 42.9</u>   | <u>\$ 82.0</u>   |        |        |

(a) In the United States, revenues from services include fees received from our franchise offices of \$3.2 million for both the three months ended March 31, 2013 and 2012. These fees are primarily based on revenues generated by the franchise offices, which were \$155.1 million and \$164.4 million for the three months ended March 31, 2013 and 2012, respectively.

(b) The components of interest and other expenses were:

|                              | <u>2013</u>    | <u>2012</u>    |
|------------------------------|----------------|----------------|
| Interest expense             | \$ 10.7        | \$ 10.6        |
| Interest income              | (0.9)          | (1.8)          |
| Foreign exchange loss (gain) | 0.4            | (0.2)          |
| Miscellaneous expense, net   | 1.3            | 3.2            |
|                              | <u>\$ 11.5</u> | <u>\$ 11.8</u> |

ManpowerGroup  
Consolidated Balance Sheets  
(In millions)

|   | <u>Mar. 31</u> | <u>Dec. 31</u> |
|---|----------------|----------------|
|   | <u>2013</u>    | <u>2012</u>    |
|   | (Unaudited)    |                |
| <b>ASSETS</b>                             |                |                |
| <b>Current assets:</b>                    |                |                |
| Cash and cash equivalents                 | \$ 583.4       | \$ 648.1       |
| Accounts receivable, net                  | 4,042.0        | 4,179.0        |
| Prepaid expenses and other assets         | 180.4          | 172.9          |
| Future income tax benefits                | 80.0           | 60.6           |
| Total current assets                      | <u>4,885.8</u> | <u>5,060.6</u> |
| <b>Other assets:</b>                      |                |                |
| Goodwill and other intangible assets, net | 1,352.8        | 1,371.9        |
| Other assets                              | <u>386.9</u>   | <u>395.3</u>   |

|  |                  |                  |
|--|------------------|------------------|
| Total other assets   | 1,739.7          | 1,767.2          |
| <b>Property and equipment:</b>                                 |                  |                  |
| Land, buildings, leasehold improvements and equipment          | 690.9            | 704.1            |
| Less: accumulated depreciation and amortization                | 513.1            | 519.3            |
| Net property and equipment                                     | 177.8            | 184.8            |
| Total assets   | <u>\$6,803.3</u> | <u>\$7,012.6</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                    |                  |                  |
| <b>Current liabilities:</b>                                    |                  |                  |
| Accounts payable   | \$1,470.0        | \$1,466.5        |
| Employee compensation payable                                  | 174.2            | 210.7            |
| Accrued liabilities  | 493.9            | 533.8            |
| Accrued payroll taxes and insurance                            | 597.3            | 685.7            |
| Value added taxes payable                                      | 437.5            | 472.5            |
| Short-term borrowings and current maturities of long-term debt | 302.2            | 308.0            |
| Total current liabilities                                      | 3,475.1          | 3,677.2          |
| <b>Other liabilities:</b>                                      |                  |                  |
| Long-term debt   | 448.9            | 462.1            |
| Other long-term liabilities                                    | 378.2            | 372.5            |
| Total other liabilities  | 827.1            | 834.6            |
| <b>Shareholders' equity:</b>                                   |                  |                  |
| Common stock   | 1.1              | 1.1              |
| Capital in excess of par value                                 | 2,890.1          | 2,873.2          |
| Retained earnings  | 1,125.4          | 1,101.5          |
| Accumulated other comprehensive (loss) income                  | (6.9)            | 34.4             |
| Treasury stock, at cost  | (1,508.6)        | (1,509.4)        |
| Total shareholders' equity                                     | 2,501.1          | 2,500.8          |
| Total liabilities and shareholders' equity                     | <u>\$6,803.3</u> | <u>\$7,012.6</u> |

ManpowerGroup  
Consolidated Statements of Cash Flows  
(In millions)

|  | <b>Three Months Ended</b> |               |
|--|---------------------------|---------------|
|  | <b>March 31</b>           |               |
|  | <b>2013</b>               | <b>2012</b>   |
|  | (Unaudited)               |               |
| <b>Cash Flows from Operating Activities:</b>                                       |                           |               |
| Net earnings   | \$ 23.9                   | \$ 40.2       |
| Adjustments to reconcile net earnings to net cash used in operating activities:    |                           |               |
| Depreciation and amortization  | 24.2                      | 24.3          |
| Deferred income taxes  | 2.7                       | (0.8)         |
| Provision for doubtful accounts  | 5.9                       | 5.0           |
| Share-based compensation   | 6.5                       | 6.9           |
| Excess tax benefit on exercise of share-based awards                               | (0.3)                     | -             |
| Changes in operating assets and liabilities, excluding the impact of acquisitions: |                           |               |
| Accounts receivable  | 20.2                      | 34.4          |
| Other assets   | (17.1)                    | (16.7)        |
| Other liabilities  | (128.3)                   | (114.0)       |
| Cash used in operating activities  | <u>(62.3)</u>             | <u>(20.7)</u> |
| <b>Cash Flows from Investing Activities:</b>                                       |                           |               |
| Capital expenditures   | (12.8)                    | (19.7)        |
| Acquisitions of businesses, net of cash acquired                                   | -                         | (1.5)         |
| Proceeds from sales of property and equipment                                      | 0.6                       | 0.1           |
| Cash used in investing activities  | <u>(12.2)</u>             | <u>(21.1)</u> |
| <b>Cash Flows from Financing Activities:</b>                                       |                           |               |
| Net change in short-term borrowings  | 2.2                       | 9.5           |
| Proceeds from long-term debt   | -                         | 0.1           |

|  |                       |                       |
|--|-----------------------|-----------------------|
| Repayments of long-term debt                   | (0.3)                 | (8.4)                 |
| Proceeds from share-based awards               | 10.2                  | 3.5                   |
| Other share-based award transactions, net      | 1.0                   | (4.5)                 |
| Cash provided by financing activities          | <u>13.1</u>           | <u>0.2</u>            |
| Effect of exchange rate changes on cash        | <u>(3.3)</u>          | <u>14.6</u>           |
| Change in cash and cash equivalents            | <u>(64.7)</u>         | <u>(27.0)</u>         |
| Cash and cash equivalents, beginning of period | <u>648.1</u>          | <u>580.5</u>          |
| Cash and cash equivalents, end of period       | <u><u>\$583.4</u></u> | <u><u>\$553.5</u></u> |

SOURCE ManpowerGroup

News Provided by Acquire Media