

MANPOWERGROUP INC.

FORM 10-Q (Quarterly Report)

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Address	100 MANPOWER PLACE MILWAUKEE, WI 53212
Telephone	414 961-1000
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Sector	Industrials
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United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended:
March 31, 2017
or
 Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from: _____ to _____

Commission file number: 1-10686

MANPOWERGROUP INC.

(Exact name of registrant as specified in its charter)

Wisconsin **39-1672779**
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

100 Manpower Place
Milwaukee, Wisconsin **53212**
(Address of principal executive offices) (Zip Code)

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

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Class	Shares Outstanding at May 3, 2017
Common Stock, \$.01 par value	67,078,946

ManpowerGroup Inc.

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PART I - FINANCIAL INFORMATION

Item 1 – Financial Statements (unaudited)

ManpowerGroup Inc.

**Consolidated Balance Sheets (Unaudited)
(in millions)**

ASSETS

	March 31, 2017	December 31, 2016
CURRENT ASSETS:		
Cash and cash equivalents	\$ 724.4	\$ 598.5
Accounts receivable, less allowance for doubtful accounts of \$101.5 and \$98.2, respectively	4,430.6	4,413.1
Prepaid expenses and other assets	145.8	121.3
Total current assets	5,300.8	5,132.9
OTHER ASSETS:		
Goodwill	1,256.3	1,239.9
Intangible assets, less accumulated amortization of \$309.2 and \$299.8, respectively	287.3	294.4
Other assets	687.3	759.7
Total other assets	2,230.9	2,294.0
PROPERTY AND EQUIPMENT:		
Land, buildings, leasehold improvements and equipment	572.0	567.0
Less: accumulated depreciation and amortization	424.8	419.7
Net property and equipment	147.2	147.3
Total assets	\$ 7,678.9	\$ 7,574.2

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

ManpowerGroup Inc.

Consolidated Balance Sheets (Unaudited)
(in millions, except share and per share data)

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31,	December 31,
	2017	2016
CURRENT LIABILITIES:		
Accounts payable	\$ 2,025.6	\$ 1,914.4
Employee compensation payable	175.0	208.1
Accrued liabilities	406.5	398.6
Accrued payroll taxes and insurance	567.5	649.2
Value added taxes payable	435.0	448.7
Short-term borrowings and current maturities of long-term debt	37.6	39.8
Total current liabilities	<u>3,647.2</u>	<u>3,658.8</u>
OTHER LIABILITIES:		
Long-term debt	796.0	785.6
Other long-term liabilities	703.6	683.4
Total other liabilities	<u>1,499.6</u>	<u>1,469.0</u>
SHAREHOLDERS' EQUITY:		
ManpowerGroup shareholders' equity		
Preferred stock, \$.01 par value, authorized 25,000,000 shares, none issued	—	—
Common stock, \$.01 par value, authorized 125,000,000 shares, issued 116,093,899 and 115,115,748 shares, respectively	1.2	1.2
Capital in excess of par value	3,268.3	3,227.2
Retained earnings	2,365.7	2,291.3
Accumulated other comprehensive loss	(385.4)	(426.1)
Treasury stock at cost, 48,867,826 and 48,146,658 shares, respectively	(2,804.4)	(2,731.7)
Total ManpowerGroup shareholders' equity	<u>2,445.4</u>	<u>2,361.9</u>
Noncontrolling interests	86.7	84.5
Total shareholders' equity	<u>2,532.1</u>	<u>2,446.4</u>
Total liabilities and shareholders' equity	<u>\$ 7,678.9</u>	<u>\$ 7,574.2</u>

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

ManpowerGroup Inc.

Consolidated Statements of Operations (Unaudited)
(in millions, except per share data)

	3 Months Ended	
	March 31,	
	2017	2016
Revenues from services	\$ 4,757.2	\$ 4,587.7
Cost of services	3,969.4	3,813.9
Gross profit	787.8	773.8
Selling and administrative expenses	660.8	642.1
Operating profit	127.0	131.7
Interest and other expenses	14.9	12.7
Earnings before income taxes	112.1	119.0
Provision for income taxes	37.7	47.3
Net earnings	\$ 74.4	\$ 71.7
Net earnings per share – basic	\$ 1.10	\$ 0.98
Net earnings per share – diluted	\$ 1.09	\$ 0.98
Weighted average shares – basic	67.7	72.8
Weighted average shares – diluted	68.4	73.5

ManpowerGroup Inc.

Consolidated Statements of Comprehensive Income (Unaudited)
(in millions)

	3 Months Ended	
	March 31,	
	2017	2016
Net earnings	\$ 74.4	\$ 71.7
Other comprehensive income:		
Foreign currency translation adjustments	40.3	62.1
Translation adjustments on net investment hedge, net of income taxes of \$(3.3) and \$(12.0), respectively	(5.7)	(21.4)
Translation adjustments of long-term intercompany loans	3.5	(19.6)
Unrealized gain (loss) on investments, net of income taxes of \$0.5 and \$(0.1), respectively	2.4	(0.3)
Defined benefit pension plans and retiree health care plan, net of income taxes of \$0.0 and \$(0.3), respectively	0.2	(0.5)
Total other comprehensive income	40.7	20.3
Comprehensive income	\$ 115.1	\$ 92.0

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

ManpowerGroup Inc.

Consolidated Statements of Cash Flows (Unaudited)
(in millions)

	3 Months Ended	
	March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 74.4	\$ 71.7
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	20.3	21.3
Deferred income taxes	13.6	14.4
Provision for doubtful accounts	5.9	4.1
Share-based compensation	7.2	7.2
Excess tax benefit on exercise of share-based awards	—	(0.1)
Changes in operating assets and liabilities, excluding the impact of acquisitions:		
Accounts receivable	50.3	44.2
Other assets	65.1	90.0
Other liabilities	(45.8)	(88.2)
Cash provided by operating activities	<u>191.0</u>	<u>164.6</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(10.8)	(16.6)
Acquisitions of businesses, net of cash acquired	(11.7)	(13.8)
Proceeds from the sale of investments, property and equipment	0.7	0.4
Cash used in investing activities	<u>(21.8)</u>	<u>(30.0)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in short-term borrowings	(3.6)	(9.9)
Repayments of long-term debt	(0.1)	(5.9)
Payments of contingent consideration for acquisitions	(12.9)	—
Proceeds from share-based awards and other equity transactions	33.8	2.4
Other share-based award transactions, net	(15.8)	(3.2)
Repurchases of common stock	(57.0)	(117.7)
Cash used in financing activities	<u>(55.6)</u>	<u>(134.3)</u>
Effect of exchange rate changes on cash	12.3	16.8
Change in cash and cash equivalents	125.9	17.1
Cash and cash equivalents, beginning of year	598.5	730.5
Cash and cash equivalents, end of period	<u>\$ 724.4</u>	<u>\$ 747.6</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ 2.8	\$ 2.5
Income taxes paid, net	<u>\$ 15.1</u>	<u>\$ 5.4</u>

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

Notes to Consolidated Financial Statements (Unaudited)
For the Three Months Ended March 31, 2017 and 2016
(in millions, except share and per share data)

1) Basis of Presentation and Accounting Policies

Basis of Presentation

Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although we believe that the disclosures are adequate to make the information presented not misleading. These Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements included in our 2016 Annual Report to Shareholders.

The information furnished reflects all adjustments that, in the opinion of management, were necessary for a fair statement of the Consolidated Financial Statements for the periods presented. Such adjustments were of a normal recurring nature, unless otherwise disclosed.

Payroll Tax Credit

In March 2017 and March 2016, we entered into agreements to sell a portion of our French payroll tax credits earned in 2016 and 2015, respectively, for net proceeds of \$143.5 (€133.0) and \$143.1 (€129.9), respectively. We derecognized these receivables upon the sale date as the terms of the agreement are such that the transaction qualifies for sale treatment according to the accounting guidance on the transfer and servicing of assets. The discount on the sale of these receivables was recorded in cost of services as a reduction of the payroll tax credits earned in the respective year.

Subsequent Events

On April 26, 2017, the sellers of 7S Group GmbH ("7S"), a company we acquired in 2015, initiated a process under the acquisition agreement to dispute the contingent consideration related to the acquisition and are claiming an additional \$22.7 (€20.8), plus interest. We believe no further amounts are due and intend to vigorously dispute their claims through this process. We are currently not able to predict the outcome of this process or the timing of any resolution and consequently no amounts have been recorded in the Consolidated Financial Statements.

We have evaluated all other events and transactions occurring after the balance sheet date through our filing date and have accrued or disclosed, if appropriate.

(2) Recently Issued Accounting Standards

In May 2014, the FASB issued new accounting guidance on revenue from contracts with customers. The core principle of this amendment is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As amended, the new guidance is effective for us in 2018 and can be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption. We are currently working through an adoption plan and completed a preliminary analysis of how we currently recognize revenue compared to the accounting treatment required under the new guidance. We will complete our adoption plan in the second half of 2017. This plan includes a review of client contracts and revenue transactions to determine the impact of the accounting treatment under the new guidance, evaluation of the adoption method, and completing a rollout plan for the new guidance. Based on our preliminary analysis, we currently do not believe the adoption of this guidance will have a material impact on our Consolidated Financial Statements. We will continue to evaluate the impact of this guidance on our Consolidated Financial Statements and our preliminary assessments are subject to change. We plan to adopt the new guidance beginning January 1, 2018 and presently expect to use the modified retrospective approach.

In January 2016, the FASB issued new accounting guidance on financial instruments. The new guidance changes the accounting for equity investments, financial liability under the fair value option and the presentation and disclosure requirements for financial instruments. The guidance is effective for us in 2018. We are currently assessing the impact of the adoption of this guidance on our Consolidated Financial Statements.

In February 2016, the FASB issued new accounting guidance on leases. The new guidance requires that a lessee recognize assets and liabilities on the balance sheet for leases with lease terms longer than 12 months. The recognition, measurement and presentation of lease expenses and cash flows by a lessee will depend on its classification as a finance or operating lease. The guidance also includes new disclosure requirements providing information on the amounts recorded in the financial statements.

The new guidance is effective for us in 2019. We are currently assessing the impact of the adoption of this guidance on our Consolidated Financial Statements.

In June 2016, the FASB issued new accounting guidance on financial instruments. The new guidance requires an application of an impairment model known as the current expected credit loss ("CECL") model to certain financial instruments. Using the CECL model, an entity recognizes an allowance for expected credit losses based on historical experience, current conditions, and forecasted information rather than the current methodology of delaying recognition of credit losses until it is probable a loss has been incurred. The new guidance is effective for us in 2020. We do not expect the adoption of this guidance to have a material impact on our Consolidated Financial Statements.

In August 2016, the FASB issued new accounting guidance on the cash flow statement. The new guidance is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The new guidance is effective for us in 2018. We do not expect the adoption of this guidance to have a material impact on our Consolidated Financial Statements.

In October 2016, the FASB issued new accounting guidance on tax accounting for intra-entity asset transfers. Under current GAAP, the tax effects of intra-entity asset transfers are deferred until the transferred asset is sold to a third party or otherwise recovered through use, which is an exception to the principle that generally requires comprehensive recognition of current and deferred income taxes. The new guidance eliminates the exception for all intra-entity sales of assets other than inventory. As a result, an entity would recognize the tax expense from the sale of the asset in the seller's tax jurisdiction when the transfer occurs, and any deferred tax asset that arises in the buyer's jurisdiction would also be recognized even though the pre-tax effects of that transaction are eliminated in consolidation. The guidance is effective for us in 2018. We are currently assessing the impact of the adoption of this guidance on our Consolidated Financial Statements.

In January 2017, the FASB issued new guidance that simplifies the accounting for goodwill impairment. The new guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. The guidance is effective for us in 2020; however an early adoption is permitted for any impairment tests performed after January 1, 2017. We do not expect the adoption of this guidance to have a material impact on our Consolidated Financial Statements.

In March 2017, the FASB issued new guidance on the presentation of net periodic pension and postretirement benefit cost ("net benefit cost"). Under current GAAP, net benefit cost is reported as an employee cost within operating income. The amendment requires bifurcation of net benefit cost. The service cost component will be presented with other employee compensation cost in operating income, or capitalized in assets. The other components will be reported separately outside of operations, and will not be eligible for capitalization. The guidance is effective for us in 2018, and should be applied retrospectively. We are currently assessing the impact of the adoption of this guidance on our Consolidated Financial Statements.

(3) Share-Based Compensation Plans

We recognized share-based compensation expense of \$7.2 during the first quarter in both 2017 and 2016. The expense relates to stock options, deferred stock, restricted stock and performance share units. We recognize share-based compensation expense in selling and administrative expenses on a straight-line basis over the service period of each award. Consideration received from share-based awards was \$34.4 and \$2.4 for the three months ended March 31, 2017 and 2016, respectively.

Our annual grant of share-based compensation generally takes place during the first quarter of each fiscal year. The number of shares underlying grants to employees and members of our Board of Directors, and the weighted-average fair value per share for shares granted during the first quarter of 2017 and 2016 are presented in the table below:

	3 Months Ended March 31,			
	2017		2016	
	Shares Granted (thousands)	Wtd.-Avg. Per Share Fair Value	Shares Granted (thousands)	Wtd.-Avg. Per Share Fair Value
Stock Options	145	\$ 25.58	166	\$ 19.68
Deferred Stock Units	10	88.87	8	84.29
Restricted Stock Units	149	92.67	231	73.02
Performance Share Units	115	91.41	130	70.35
Total Shares Granted	419	\$ 68.99	535	\$ 56.04

In March 2016, the FASB issued new accounting guidance on share-based payments. The new guidance requires all excess tax benefits and tax deficiencies from share-based compensation to be recognized as income tax expense or benefit in the income statement rather than capital in excess of par value. The requirement to record the benefit or deficiency within provision of income taxes is effective on a prospective basis. The guidance also requires the excess tax benefit or deficiency to be classified as an operating activity rather than a financing activity on our Consolidated Statements of Cash Flows. To eliminate diversity in practice, the guidance also requires that cash payments to tax authorities in connection with shares withheld to meet employees' statutory tax withholding requirements are to be included retrospectively, for all periods presented, as financing activities on our Consolidated Statements of Cash Flows, consistent with our methodology. We adopted the new guidance effective January 1, 2017, and the impact of the adoption of this guidance resulted in a \$4.3 favorable impact on net earnings, or \$0.06 per share, in the first quarter of 2017.

(4) Acquisitions

From time to time, we acquire and invest in companies throughout the world, including franchises. The total cash consideration for acquisitions, net of cash acquired, was \$11.7 and \$13.8 for the three months ended March 31, 2017 and 2016, respectively. In addition, during the three months ended March 31, 2017, we made payments of \$12.9 for contingent consideration related to previous acquisitions, \$10.3 of which related to our 2015 acquisition of 7S in Germany.

(5) Restructuring Costs

We recorded net restructuring costs of \$24.0 during the three months ended March 31, 2017 in selling and administrative expenses, primarily related to severances and office closures and consolidations in multiple countries and territories. During the three months ended March 31, 2017, we made payments of \$6.6 out of our restructuring reserve. We expect a majority of the remaining \$21.9 reserve will be paid by the end of 2017.

Changes in the restructuring reserve by reportable segment and Corporate are shown below.

	Americas ⁽¹⁾	Southern Europe ⁽²⁾	Northern Europe	APME	Right Management	Corporate	Total
Balance, January 1, 2017	\$ 0.4	\$ 1.3	\$ 2.6	\$ 0.1	\$ 0.1	\$ —	\$ 4.5
Severance costs	—	—	14.1	0.9	—	—	15.0
Office closure costs and other	—	—	8.5	0.5	—	—	9.0
Costs paid or utilized	(0.1)	—	(5.9)	(0.5)	(0.1)	—	(6.6)
Balance, March 31, 2017	\$ 0.3	\$ 1.3	\$ 19.3	\$ 1.0	\$ —	\$ —	\$ 21.9

(1) Balances related to the United States were \$0.4 and \$0.3 as of January 1, 2017 and March 31, 2017, respectively.

(2) Balances related to France were \$1.3 as of both January 1, 2017 and March 31, 2017. Italy had no restructuring reserves recorded as of either January 1, 2017 or March 31, 2017.

(6) Income Taxes

We recorded income tax expense at an effective rate of 33.6% for the three months ended March 31, 2017, as compared to an effective rate of 39.8% for the three months ended March 31, 2016. The 2017 rate was favorably impacted by the adoption of the new accounting guidance for share-based payments effective January 1, 2017 (see Note 3 to the Consolidated Financial Statements for further information) and the tax benefit related to the favorable settlement of an audit. The 33.6% effective tax rate in the quarter was lower than the United States Federal statutory rate of 35% due to these items, and we currently expect an annual effective tax rate of approximately 36% to 37% due primarily to the French business tax, expected repatriations, valuation allowances and other permanent items.

As of March 31, 2017, we had gross unrecognized tax benefits related to various tax jurisdictions, including interest and penalties, of \$36.7 that would favorably affect the effective tax rate if recognized. As of December 31, 2016, we had gross unrecognized tax benefits related to various tax jurisdictions, including interest and penalties, of \$44.0. The reduction in this amount is the result of the settlement of the audit noted above resulting in the recognition of tax benefits claimed in the years subject to examination. We do not expect our unrecognized tax benefits to change significantly over the next 12 months.

We conduct business globally in various countries and territories. We are routinely audited by the tax authorities of the various tax jurisdictions in which we operate. Generally, the tax years that could be subject to examination are 2009 through 2016 for our major operations in France, Germany, Japan, the United Kingdom and the United States. As of March 31, 2017, we are subject to tax audits in Austria, Canada, Denmark, Germany, Italy, Portugal and the United States. We believe that the resolution of these audits will not have a material impact on earnings.

(7) Net Earnings Per Share

The calculations of net earnings per share – basic and net earnings per share – diluted were as follows:

	3 Months Ended	
	March 31,	
	2017	2016
Net earnings available to common shareholders	\$ 74.4	\$ 71.7
Weighted-average common shares outstanding (in millions)		
Weighted-average common shares outstanding - basic	67.7	72.8
Effect of dilutive securities - stock options	0.2	0.3
Effect of other share-based awards	0.5	0.4
Weighted-average common shares outstanding - diluted	68.4	73.5
Net earnings per share - basic	\$ 1.10	\$ 0.98
Net earnings per share - diluted	\$ 1.09	\$ 0.98

There were 0.1 million and 0.4 million share-based awards excluded from the calculation of net earnings per share – diluted for the three months ended March 31, 2017 and 2016, respectively, as the exercise prices for these awards was greater than the average market price of the common shares during the period.

(8) Goodwill and Other Intangible Assets

We have goodwill, finite-lived intangible assets and indefinite-lived intangible assets as follows:

	March 31, 2017			December 31, 2016		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Goodwill ⁽¹⁾	\$ 1,256.3	\$ —	\$ 1,256.3	\$ 1,239.9	\$ —	\$ 1,239.9
Intangible assets:						
Finite-lived:						
Customer relationships	\$ 428.0	\$ 296.8	\$ 131.2	\$ 426.2	\$ 287.2	\$ 139.0
Other	17.7	12.4	5.3	17.2	12.6	4.6
	445.7	309.2	136.5	443.4	299.8	143.6
Indefinite-lived:						
Tradenames ⁽²⁾	52.0	—	52.0	52.0	—	52.0
Reacquired franchise rights	98.8	—	98.8	98.8	—	98.8
	150.8	—	150.8	150.8	—	150.8
Total intangible assets	\$ 596.5	\$ 309.2	\$ 287.3	\$ 594.2	\$ 299.8	\$ 294.4

(1) Balances were net of accumulated impairment loss of \$513.4 as of both March 31, 2017 and December 31, 2016 .

(2) Balances were net of accumulated impairment loss of \$139.5 as of both March 31, 2017 and December 31, 2016 .

Total consolidated amortization expense related to intangible assets for the remainder of 2017 is expected to be \$24.6 and in each of the next five years is expected to be as follows: 2018 - \$30.0 , 2019 - \$26.0 , 2020 - \$21.0 , 2021 - \$10.6 and 2022 - \$7.5 .

Changes in the carrying value of goodwill by reportable segment and Corporate were as follows:

	Americas ⁽¹⁾	Southern Europe ⁽²⁾	Northern Europe	APME	Right Management	Corporate ⁽³⁾	Total
Balance, January 1, 2017	\$ 516.4	\$ 97.0	\$ 421.9	\$ 77.0	\$ 62.1	\$ 65.5	\$ 1,239.9
Goodwill acquired	—	7.2	0.1	—	—	—	7.3
Currency and other impacts	0.4	1.8	3.5	3.4	—	—	9.1
Balance, March 31, 2017	\$ 516.8	\$ 106.0	\$ 425.5	\$ 80.4	\$ 62.1	\$ 65.5	\$ 1,256.3

(1) Balances related to the United States were \$476.5 as of both January 1, 2017 and March 31, 2017 .

(2) Balances related to France were \$66.8 and \$67.7 as of January 1, 2017 and March 31, 2017 , respectively. Balances related to Italy were \$4.4 as of both January 1, 2017 and March 31, 2017 .

(3) The majority of the Corporate balance relates to goodwill attributable to our acquisition of Jefferson Wells (\$55.5) which is now part of the United States reporting unit. For purposes of monitoring our total assets by segment, we do not allocate the Corporate balance to the respective reportable segments as this is commensurate with how we operate our business. We do, however, include these balances within the appropriate reporting units for our goodwill impairment testing. See table below for the breakout of goodwill balances by reporting unit.

Goodwill balances by reporting unit were as follows:

	March 31, 2017	January 1, 2017
United States	\$ 532.0	\$ 532.0
Germany	120.6	121.4
Netherlands	112.3	110.9
United Kingdom	82.8	81.4
France	67.7	66.8
Right Management	62.1	62.1
Other reporting units	278.8	265.3
Total goodwill	\$ 1,256.3	\$ 1,239.9

(9) Retirement Plans

The components of the net periodic benefit cost for our plans were as follows:

	3 Months Ended March 31,			
	Defined Benefit Pension Plans		Retiree Health Care Plan	
	2017	2016	2017	2016
Service cost	\$ 2.4	\$ 1.6	\$ —	\$ —
Interest cost	2.7	3.0	0.1	0.2
Expected return on assets	(2.6)	(2.9)	—	—
Other	0.6	0.3	(0.1)	(0.2)
Total benefit cost	\$ 3.1	\$ 2.0	\$ —	\$ —

During the three months ended March 31, 2017, contributions made to our pension plans were \$1.4 and contributions made to our retiree health care plan were \$0.3. During 2017, we expect to make total contributions of approximately \$4.2 to our pension plans and to fund our retiree health care payments as incurred.

(10) Shareholders' Equity

The components of accumulated other comprehensive loss, net of tax, were as follows:

	March 31,	December 31,
	2017	2016
Foreign currency translation	\$ (248.8)	\$ (289.1)
Translation gain on net investment hedge, net of income taxes of \$7.9 and \$11.2, respectively	19.1	24.8
Translation loss on long-term intercompany loans	(130.2)	(133.7)
Unrealized gain on investments, net of income taxes of \$4.7 and \$4.2, respectively	21.0	18.6
Defined benefit pension plans, net of income taxes of \$(27.7) and \$(27.8), respectively	(50.1)	(50.4)
Retiree health care plan, net of income taxes of \$2.0 and \$2.1, respectively	3.6	3.7
Accumulated other comprehensive loss	\$ (385.4)	\$ (426.1)

Noncontrolling Interests

Noncontrolling interests, included in total shareholders' equity in our Consolidated Balance Sheets, represent amounts related to majority-owned subsidiaries for which we have a controlling financial interest.

Net earnings attributable to these noncontrolling interests were \$2.2 and \$1.6 for the three months ended March 31, 2017 and 2016, respectively, which were recorded as expenses in interest and other expenses in our Consolidated Statements of Operations.

Dividends

On May 2, 2017 and May 3, 2016, the Board of Directors declared a semi-annual cash dividend of \$0.93 and \$0.86 per share, respectively. The 2017 dividends will be payable on June 15, 2017 to shareholders of record on June 1, 2017. The 2016 dividends were paid on June 15, 2016 to shareholders of record on June 1, 2016.

Share Repurchases

In both July 2016 and October 2015, the Board of Directors authorized the repurchase of 6.0 million shares of our common stock. Share repurchases may be made from time to time through a variety of methods, including open market purchases, block transactions, privately negotiated transactions or similar facilities. During the first quarter of 2017, we repurchased 0.6 million shares at a cost of \$ 57.0 under the 2016 authorization. During the first quarter of 2016, we repurchased 1.5 million shares at a cost of \$117.7 under the 2015 authorization. As of March 31, 2017, there were 4.2 million shares remaining authorized for repurchase under the 2016 authorization and no shares remaining under the 2015 authorization.

(11) Interest and Other Expenses

Interest and other expenses consisted of the following:

	3 Months Ended	
	March 31,	
	2017	2016
Interest expense	\$ 9.3	\$ 9.5
Interest income	(1.0)	(0.7)
Foreign exchange losses	0.1	0.9
Miscellaneous expenses, net	6.5	3.0
Interest and other expenses	\$ 14.9	\$ 12.7

(12) Derivative Financial Instruments and Fair Value Measurements

We are exposed to various risks relating to our ongoing business operations. Among these risks are foreign currency exchange rate risk and interest rate risk, which can be managed through the use of derivative instruments. In certain circumstances, we enter into foreign currency forward exchange contracts (“forward contracts”) to reduce the effects of fluctuating foreign currency exchange rates on our cash flows denominated in foreign currencies. Our exposure to market risk for changes in interest rates relates primarily to our long-term debt obligations. We have historically managed interest rate risk through the use of a combination of fixed and variable rate borrowings. In accordance with the current accounting guidance on derivative instruments and hedging activities, we record all of our derivative instruments as either an asset or liability measured at their fair value.

A portion of the €400.0 (\$423.2) notes due September 2022 and the €350.0 (\$372.4) notes due June 2018 was designated as a hedge of our net investment in our foreign subsidiaries with a Euro-functional currency as of March 31, 2017 . For this portion of the Euro-denominated notes, the gain or loss associated with foreign currency translation is recorded as a component of accumulated other comprehensive loss, net of taxes. As of March 31, 2017 and December 31, 2016 , we had an unrealized gain of \$23.3 and \$29.0 , respectively, included in accumulated other comprehensive loss, net of taxes, as the net investment hedge was deemed effective.

On occasion, forward contracts are designated as a hedge of our net investment in our foreign subsidiaries. We had a translation loss of \$4.2 as of both March 31, 2017 and December 31, 2016 , included in accumulated other comprehensive loss, net of taxes, as the net investment hedge was deemed effective.

For our forward contracts that are not designated as hedges, any gain or loss resulting from the change in fair value is recognized in the current period earnings. These gains or losses are offset by the exposure related to receivables and payables with our foreign subsidiaries and to interest due on our Euro-denominated notes, which is paid annually in June and September. For the three months ended March 31, 2017 and 2016 , we recorded a gain of \$0.1 and a loss of \$0.6 , respectively, in interest and other expenses associated with those forward contracts, which offset the loss and gain recorded for the items noted above.

The fair value measurements of those items recorded in our Consolidated Balance Sheets as of March 31, 2017 and December 31, 2016 were as follows:

	Fair Value Measurements Using			
	March 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Deferred compensation plan assets	\$ 91.5	\$ 91.5	\$ —	\$ —
Foreign currency forward contracts	0.1	—	0.1	—
	\$ 91.6	\$ 91.5	\$ 0.1	\$ —

	Fair Value Measurements Using			
	December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Deferred compensation plan assets	\$ 86.8	\$ 86.8	\$ —	\$ —
	<u>\$ 86.8</u>	<u>\$ 86.8</u>	<u>\$ —</u>	<u>\$ —</u>
Liabilities				
Foreign currency forward contracts	\$ 0.2	\$ —	\$ 0.2	\$ —
	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ 0.2</u>	<u>\$ —</u>

We determine the fair value of our deferred compensation plan assets, comprised of publicly traded securities, by using market quotes as of the last day of the period. The fair value of the foreign currency forward contracts is measured at the value from either directly or indirectly observable inputs from third parties.

The carrying value of long-term debt approximates fair value, except for the Euro-denominated notes. The fair value of the Euro-denominated notes, as observable at commonly quoted intervals (level 2 inputs), was \$840.9 and \$831.6 as of March 31, 2017 and December 31, 2016, respectively, compared to a carrying value of \$795.6 and \$785.2, respectively.

(13) Segment Data

We are organized and managed primarily on a geographic basis, with Right Management currently operating as a separate global business unit. Each country and business unit generally has its own distinct operations and management team, providing services under our global brands, and maintains its own financial reports. We have an executive sponsor for each global brand who is responsible for ensuring the integrity and consistency of delivery locally. Each operation reports directly or indirectly through a regional manager, to a member of executive management. Given this reporting structure, all of our operations have been segregated into the following reporting segments: Americas, which includes United States and Other Americas; Southern Europe, which includes France, Italy and Other Southern Europe; Northern Europe; APME; and Right Management.

The Americas, Southern Europe, Northern Europe and APME segments derive a significant majority of their revenues from the placement of contingent workers. The remaining revenues within these segments are derived from other workforce solutions and services, including ManpowerGroup Solutions (Recruitment Process Outsourcing (RPO), TAPFIN - Managed Service Provider (MSP), Proservia and Talent Based Outsourcing (TBO)), recruitment and assessment, and training and development. The Right Management segment revenues are derived from career management and talent management services. Segment revenues represent sales to external clients. We provide services to a wide variety of clients, none of which individually comprise a significant portion of revenues for us as a whole. Due to the nature of our business, we generally do not have export sales.

	3 Months Ended	
	March 31,	
	2017	2016
Revenues from services:		
Americas:		
United States (a)	\$ 661.5	\$ 703.1
Other Americas	364.7	342.8
	<u>1,026.2</u>	<u>1,045.9</u>
Southern Europe:		
France	1,137.5	1,078.8
Italy	294.4	263.1
Other Southern Europe	372.0	345.8
	<u>1,803.9</u>	<u>1,687.7</u>
Northern Europe	1,238.7	1,213.9
APME	632.4	576.2
Right Management	56.0	64.0
Consolidated (b)	<u>\$ 4,757.2</u>	<u>\$ 4,587.7</u>
Operating unit profit: (c)		
Americas:		
United States	\$ 26.4	\$ 22.8
Other Americas	12.4	11.6
	<u>38.8</u>	<u>34.4</u>
Southern Europe:		
France	50.1	47.2
Italy	18.2	16.1
Other Southern Europe	12.7	8.4
	<u>81.0</u>	<u>71.7</u>
Northern Europe	11.3	32.5
APME	20.1	19.3
Right Management	8.8	9.5
	<u>160.0</u>	<u>167.4</u>
Corporate expenses	(24.6)	(26.7)
Intangible asset amortization expense	(8.4)	(9.0)
Operating profit	127.0	131.7
Interest and other expenses	(14.9)	(12.7)
Earnings before income taxes	<u>\$ 112.1</u>	<u>\$ 119.0</u>

- (a) In the United States, where a majority of our franchises operate, revenues from services included fees received from the related franchise offices of \$3.5 and \$3.4 for the three months ended March 31, 2017 and 2016, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$167.7 and \$160.8 for the three months ended March 31, 2017 and 2016, respectively.
- (b) Our consolidated revenues from services include fees received from our franchise offices of \$5.3 and \$5.2 for the three months ended March 31, 2017 and 2016, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$239.1 and \$227.8 for the three months ended March 31, 2017 and 2016, respectively.
- (c) We evaluate segment performance based on operating unit profit (“OUP”), which is equal to segment revenues less cost of services and branch and national headquarters operating costs. This profit measure does not include goodwill and intangible asset impairment charges or amortization of intangibles related to acquisitions, corporate expenses, interest and other income and expense amounts or income taxes.

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

See the financial measures section on pages 21 and 22 for further information on constant currency and organic constant currency.

Business Overview

Client demand for workforce solutions and services is dependent on the overall strength of the labor market and secular trends toward greater workforce flexibility within each of the countries and territories in which we operate. Improving economic growth typically results in increasing demand for labor, resulting in greater demand for our staffing services. During these periods of increasing demand, we are generally able to improve our profitability and operating leverage as our cost base can support some increase in business without a similar increase in selling and administrative expenses.

During the first quarter of 2017, the United States dollar was stronger relative to the currencies in most of our major markets, specifically in Europe, having an unfavorable impact on our reported results. While our reported revenues from services increased 3.7% over the first quarter of 2016 and our reported operating profit decreased 3.6%, these results were impacted by the changes in foreign currency exchange rates and may not reflect the performance of our underlying business. The changes in the foreign currency exchange rates had a 3.0% unfavorable impact on revenues from services, a 2.5% unfavorable impact on operating profit and an approximately \$0.03 per share unfavorable impact on net earnings per share – diluted. Substantially all of our subsidiaries derive revenues from services and incur expenses within the same currency and generally do not have cross-currency transactions, and, therefore, changes in foreign currency exchange rates primarily impact reported earnings and not our actual cash flow unless earnings are repatriated. To understand the performance of our underlying business, we utilize constant currency or organic constant currency variances for our consolidated and segment results.

In the first quarter of 2017, we experienced constant currency revenue growth in most of our markets. Our consolidated revenues were up 6.7% in constant currency in the quarter, up from the 3.2% constant currency growth in the fourth quarter of 2016 due primarily to the favorable impact of the number of billing days between quarters. After adjusting for billing days, our revenue growth was approximately 4% in both quarters. We experienced improving economic conditions in Europe and most of our major markets, but this growth environment is still somewhat slow. Our staffing/interim business had solid growth in the quarter, along with a 7.1% constant currency increase (4.5% as reported) in our permanent recruitment business and strong growth in all of our ManpowerGroup Solutions offerings. At Right Management, we have experienced decreased demand for both our outplacement and talent management services.

Our gross profit margin in the first quarter of 2017 compared to 2016 decreased primarily due to the organic constant currency decline in our staffing/interim gross profit margin due to changes in business mix particularly in France, Italy and the United Kingdom, decreased demand for our higher-margin Right Management services, and reduced margins in our Proservia business mainly driven by France. These declines were partially offset by a favorable mix impact due to the changes in currency exchange rates.

We recorded \$24.0 million of restructuring costs in the first quarter of 2017, comprised of \$22.6 million in Northern Europe and \$1.4 million in APME, primarily related to the integration of certain acquisitions and other office and back-office optimization. We expect further restructuring costs of approximately \$11.0 million to be recorded in the second quarter of 2017 related to back-office and delivery-model optimization in the United States and at Right Management.

Our profitability declined in the quarter with operating profit decreasing 1.1% in constant currency (-3.6% as reported; -0.3% in organic constant currency) and operating profit margin down 20 basis points compared to the first quarter of 2016. Excluding the restructuring costs, our operating profit was up 18.5% in constant currency and operating profit margin up 30 basis points compared to the first quarter of 2016. We continue to monitor expenses closely to ensure we maintain the benefit of our efforts to optimize our organizational and costs structures, technology and delivery of services, while investing appropriately to support the growth in the business. During the first quarter of 2017, we added recruiters and certain other staff to support the increased demand for our services particularly in Northern Europe, Southern Europe and APME. Even with these investments, we experienced improved operational leverage in the quarter as we were able to support the higher revenue level without a similar increase in expenses.

Operating Results - Three Months Ended March 31, 2017 and 2016

The following table presents selected consolidated financial data for the three months ended March 31, 2017 as compared to 2016 .

(in millions, except per share data)	2017	2016	Variance	Constant Currency Variance
Revenues from services	\$ 4,757.2	\$ 4,587.7	3.7 %	6.7 %
Cost of services	3,969.4	3,813.9	4.1	7.2
Gross profit	787.8	773.8	1.8	4.6
<i>Gross profit margin</i>	<i>16.6%</i>	<i>16.9%</i>		
Selling and administrative expenses	660.8	642.1	2.9	5.7
Operating profit	127.0	131.7	(3.6)	(1.1)
<i>Operating profit margin</i>	<i>2.7%</i>	<i>2.9%</i>		
Interest and other expenses	14.9	12.7	17.0	
Earnings before income taxes	112.1	119.0	(5.8)	(3.2)
Provision for income taxes	37.7	47.3	(20.3)	
<i>Effective income tax rate</i>	<i>33.6%</i>	<i>39.8%</i>		
Net earnings	\$ 74.4	\$ 71.7	3.8	6.5
Net earnings per share – diluted	\$ 1.09	\$ 0.98	11.2	14.3
Weighted average shares – diluted	68.4	73.5	(6.9)%	

The year-over-year increase in revenues from services of 3.7% (6.7% in constant currency and 6.2% in organic constant currency) was attributed to:

- increased demand for services in several of our markets within Southern Europe and Northern Europe, where in constant currency revenues increased 10.4% (6.9% as reported) and 8.8% (2.0% as reported; 7.1% in organic constant currency), respectively. This included a constant currency revenue increase in France of 9.3% (5.4% as reported) primarily due to solid growth in the staffing market and a constant currency revenue increase in Italy of 16.0% (11.9% as reported) due to increased demand for our Manpower staffing services. We also experienced constant currency revenue growth in Germany, the Netherlands, the Nordics, Spain and Belgium of 16.7% , 34.6% , 12.4% , 6.2% and 13.1% , respectively (12.6% , 29.9% , 9.7% , 2.5% and 9.2% , respectively, as reported; 23.7% , 9.6% and 4.2% in organic constant currency in the Netherlands, the Nordics and Spain, respectively);
- revenue increase in APME of 7.8% in constant currency (9.7% as reported) primarily due to an increase in our staffing/interim revenues, an increase in our ManpowerGroup Solutions business and 10.7% constant currency increase (13.0% as reported) in our permanent recruitment business;
- our acquisitions in Southern Europe and Northern Europe, which added approximately 0.5% revenue growth to our consolidated results; and
- the favorable impact of 2.0% due to one additional billing day in the quarter; partially offset by
- revenue decrease in the United States of 5.9% primarily driven by a decline in demand for our Manpower staffing services, mainly due to the weak manufacturing sector of the economy, and a decrease in our Experis interim services, specifically within the IT sector due to decreased demand at several large clients;
- decreased demand for services at Right Management, where revenues decreased 10.5% in constant currency (-12.5% as reported), including a 9.7% constant currency decrease (-11.8% as reported) in our outplacement services as well as a 14.1% constant currency decline (-15.8% as reported) in our talent management business; and
- a 3.0% decrease due to the impact of changes in the currency exchange rates.

The year-over-year 30 basis point (-0.30%) decrease in gross profit margin was primarily attributed to:

- a 20 basis point (-0.20%) unfavorable impact from the decline in our staffing/interim margin in organic constant currency due primarily to changes in business mix, particularly in France, Italy and the United Kingdom; and
- a 20 basis point (-0.20%) unfavorable impact from decreased demand in both our outplacement and talent management businesses at Right Management, and decreased margins in our Proservia business, primarily in France; partially offset by
- a 10 basis point (0.10%) increase due to the impact on business mix of the changes in currency exchange rates.

The 2.9% increase in selling and administrative expenses in the first quarter of 2017 (5.7% in constant currency; 5.0% in organic constant currency) was primarily attributed to:

- restructuring costs of \$24.0 million incurred in the first quarter of 2017;
- a 0.6% increase in constant currency (-1.9% as reported) in organic salary-related costs primarily because of additional headcount to support the increased demand for our services specifically in Southern Europe, Northern Europe and APME; and
- the additional recurring selling and administrative costs incurred as a result of the acquisitions in Southern Europe and Northern Europe; partially offset by
- a 2.8% decrease due to the impact of changes in the currency exchange rates.

Selling and administrative expenses as a percent of revenues decreased 10 basis points (0.10%) in the first quarter of 2017 compared to the first quarter of 2016 due to a 70 basis point (-0.70%) favorable impact from better expense leverage as a result of our strong focus on productivity and efficiency, partially offset by a 50 basis point (0.50%) unfavorable impact due to the restructuring costs of \$24.0 million incurred in the first quarter of 2017 and a 10 basis point (0.10%) unfavorable impact from business mix changes due to the changes in currency exchange rates.

Interest and other expenses are comprised of interest, foreign exchange gains and losses and other miscellaneous non-operating income and expenses. Interest and other expenses were \$14.9 million in the first quarter of 2017 compared to \$12.7 million in the first quarter of 2016 . Net interest expense decreased \$0.5 million in the first quarter of 2017 to \$8.3 million from \$8.8 million in the first quarter of 2016 due to slightly lower debt levels and higher interest income due to the higher interest rates on investments. Foreign exchange losses in the first quarter of 2017 were \$0.1 million compared to \$0.9 million in the first quarter of 2016 . Miscellaneous expenses were \$6.5 million in the first quarter of 2017 compared to \$3.0 million in the first quarter of 2016 due primarily to a loss on an investment and to an increase in expenses related to net earnings attributable to noncontrolling interests.

We recorded income tax expense at an effective rate of 33.6% for the three months ended March 31, 2017 , as compared to an effective rate of 39.8% for the three months ended March 31, 2016 . The 2017 rate was favorably impacted by the adoption of the new accounting guidance for share-based payments effective January 1, 2017 (see Note 3 to the Consolidated Financial Statements for further information) and the tax benefit related to the favorable settlement of an audit. The 33.6% effective tax rate in the quarter was lower than the United States Federal statutory rate of 35% due to these items, and we currently expect an annual effective tax rate of approximately 36% to 37% due primarily to the French business tax, expected repatriations, valuation allowances and other permanent items.

Net earnings per share - diluted was \$1.09 and \$0.98 for the three months ended March 31, 2017 and 2016 , respectively. Foreign currency exchange rates negatively impacted net earnings per share - diluted by approximately \$0.03 per share for the three months ended March 31, 2017 . Restructuring costs recorded in the first quarter of 2017 negatively impacted net earnings per share - diluted by approximately \$0.30 per share, net of tax, for the three months ended March 31, 2017 . The tax benefit related to the favorable settlement of an audit and the adoption of the new accounting guidance for share-based payments (see Note 3 to the Consolidated Financial Statements for further information) positively impacted net earnings per share - diluted by approximately \$0.13 and \$0.06 , respectively, for the three months ended March 31, 2017 . We do not expect the tax benefit related to the adoption of the new accounting guidance to have a material impact on net earnings for the remaining quarters of 2017.

Weighted average shares - diluted decreased 6.9% to 68.4 million for the three months ended March 31, 2017 from 73.5 million for the three months ended March 31, 2016 . This decrease was due to the impact of share repurchases completed since the first quarter of 2016 , partially offset by shares issued as a result of exercises and vesting of share-based awards since the first quarter of 2016 .

Segment Operating Results

Americas

In the Americas, revenues from services decreased 1.9% (-1.2% in constant currency) in the first quarter of 2017 compared to 2016. In the United States, revenues from services decreased 5.9% in the first quarter of 2017 compared to 2016, driven by a decline in demand for our Manpower staffing services, mainly due to the weak manufacturing sector of the economy, and a decrease in our Experis interim services, specifically within the IT sector, due to decreased demand at several large clients, partially offset by the favorable impact of an additional billing day. In Other Americas, revenues from services increased 6.4% (8.5% in constant currency) in the first quarter of 2017 compared to 2016. We experienced constant currency revenue growth in Mexico, Canada, Argentina, Colombia and Peru of 8.7%, 9.4%, 19.4%, 4.9% and 9.8%, respectively (-3.3%, 13.1%, 9.7%, 16.9% and 15.1%, respectively, as reported). The increase in Argentina was primarily due to inflation. There has been a steady devaluation of the Argentine peso relative to the United States dollar in the last few years. As of March 31, 2017, the Argentina economy has not been designated as highly-inflationary for accounting purposes. We are closely monitoring any developments in Argentina and currently do not expect any material impact on our Consolidated Financial Statements if this economy is deemed hyper-inflationary.

Gross profit margin increased in the first quarter of 2017 compared to 2016 as a result of improved staffing/interim margins in the United States due to continued focus on strong pricing discipline.

In the first quarter of 2017, selling and administrative expenses decreased 4.2% (-3.8% in constant currency) primarily due to strong cost management and a decline in salary-related expenses as a result of lower headcount.

Operating Unit Profit ("OUP") margin in the Americas was 3.8% and 3.3% for the first quarter of 2017 and 2016, respectively, due to the expansion of the United States margin. In the United States, OUP margin increased to 4.0% in the first quarter of 2017 from 3.2% in 2016 due to the improvement in the gross profit margin and strong cost management. Other Americas OUP margin was 3.4% in both the first quarter of 2017 and 2016.

Southern Europe

In Southern Europe, which includes operations in France and Italy, revenues from services increased 6.9% (10.4% in constant currency) in the first quarter of 2017 compared to 2016. In the quarter, revenues from services increased 5.4% (9.3% in constant currency) in France (which represents 63.1% of Southern Europe's revenues) and increased 11.9% (16.0% in constant currency) in Italy (which represents 16.3% of Southern Europe's revenues). The increase in France was primarily due to the strong growth in our large client accounts within the staffing market. The increase in Italy was mostly due to increased demand for our Manpower staffing services, the favorable impact of two additional billing days and an 18.7% increase (23.1% in constant currency) in the permanent recruitment business. In Other Southern Europe, revenues from services increased 7.6% (9.8% in constant currency; 9.0% in organic constant currency) during the first quarter of 2017 compared to 2016, primarily due to increased demand for our Manpower staffing services, the 2.5% increase (6.2% in constant currency; 4.2% in organic constant currency) in Spain due to the favorable impact of three additional billing days, increase in our permanent recruitment business and increase in our ManpowerGroup Solutions business.

Gross profit margin decreased in the first quarter of 2017 compared to 2016 primarily due to a decrease in France's Manpower staffing margin, as a result of business mix changes partially offset by the increase in the CICE subsidy effective January 1, 2017, a decrease in France's Proservia gross profit margin, and a decrease in Italy's Manpower staffing margin primarily due to business mix changes. These decreases were partially offset by an increase of 8.4% (11.9% in constant currency) in our permanent recruitment business in the region.

Selling and administrative expenses decreased 0.1% (increase of 3.2% in constant currency; 2.9% in organic constant currency) during the first quarter of 2017 compared to 2016. The constant currency increase is due to the increase in organic salary-related expenses as result of higher headcount to support the increase in revenues, and the additional recurring selling and administrative costs incurred as a result of the acquisition in Spain.

OUP margin in Southern Europe was 4.5% for the first quarter of 2017 compared to 4.3% for 2016. In France, the OUP margin was flat at 4.4% for both the first quarter of 2017 and 2016, as improved operating leverage on increased revenues offset the decline in our gross profit margin. In Italy, the OUP margin increased to 6.2% for the first quarter of 2017 from 6.1% for 2016, due to improved operating leverage partially offset by the decrease in our gross profit margin. Other Southern Europe's OUP margin increased to 3.4% for the first quarter of 2017 from 2.4% for 2016, due to an increase in the gross profit margin and better expense leveraging as we were able to increase revenues without a similar increase in expenses.

Northern Europe

In Northern Europe, which includes operations in the United Kingdom, Germany, the Nordics, the Netherlands and Belgium (representing 31.3% , 20.9% , 20.1% , 13.4% and 7.6% , respectively, of Northern Europe's revenues), revenues from services increased 2.0% (8.8% in constant currency; 7.1% in organic constant currency) in the first quarter of 2017 compared to 2016 . We experienced revenue growth in Germany, the Nordics, the Netherlands and Belgium of 12.6% , 9.7% , 29.9% and 9.2% (16.7% , 12.4% , 34.6% , and 13.1% , respectively, in constant currency; 9.6% and 23.7% in organic constant currency in the Nordics and the Netherlands, respectively) and a revenue decline in the United Kingdom of 17.1% (-4.3% constant currency).

The Northern Europe organic constant currency revenue increase of 7.1% is due to increased demand for our staffing/interim services primarily as a result of the favorable impact of two additional billing days, partially offset by reduced demand within our largest client accounts in the United Kingdom. We also experienced growth in our ManpowerGroup Solutions business and a 5.9% constant currency increase (-2.5% as reported) in our permanent recruitment business.

Gross profit margin increased in the first quarter of 2017 compared to 2016 due primarily to the increase in our staffing/interim margin, a constant currency increase in our permanent recruitment business and an increase in our higher-margin ManpowerGroup Solutions business.

Selling and administrative expenses increased 16.1% (23.2% in constant currency; 20.8% in organic constant currency) in the first quarter of 2017 compared to 2016 due primarily to \$22.6 million of restructuring costs incurred in the first quarter of 2017 primarily related to severance costs incurred in connection with the further integration of the 7S Group GmbH ("7S") acquisition in Germany, branch and back-office optimization in the United Kingdom and management and back-office optimization along with the integration of the Experis acquisition in the Netherlands. Excluding the restructuring costs, selling and administrative expenses increased 2.6% (8.6% in constant currency; 6.2% in organic constant currency), primarily due to an increase in organic salary-related expenses as result of higher headcount to support the increase in revenues, and the additional recurring selling and administrative costs incurred as a result of the acquisitions.

OUP margin for Northern Europe was 0.9% and 2.7% for the first quarter of 2017 and 2016 , respectively. The decrease in the OUP margin was primarily due to the restructuring costs incurred in the first quarter of 2017 partially offset by the improvement in our gross profit margin.

APME

In APME, revenues from services increased 9.7% (7.8% in constant currency) in the first quarter of 2017 compared to 2016 . In Japan and Australia (which represent 33.6% and 22.3% of APME's revenues, respectively), revenues from services increased 4.5% and 8.9% , respectively (3.1% and 4.0% , respectively, in constant currency). The increase in Japan was due to the increase in our staffing/interim business and a 16.0% increase (14.5% in constant currency) in our permanent recruitment business. The increase in Australia was due to the increase in our ManpowerGroup Solutions business, a 14.8% increase (9.2% in constant currency) in our permanent recruitment business and the favorable impact of an additional billing day. The constant currency revenue increase in the remaining markets in APME is due to an increase in our Manpower staffing service revenues, mostly in Korea, India, Thailand and Singapore, and growth in our ManpowerGroup Solutions and permanent recruitment businesses.

Gross profit margin decreased in the first quarter of 2017 compared to 2016 primarily due to a decrease in our staffing/interim margin as a result of direct cost increases in certain markets and changes in business mix, partially offset by an increase of 13.0% in our permanent recruitment business (10.7% constant currency) and growth in our higher-margin ManpowerGroup Solutions business.

Selling and administrative expenses increased 9.3% (7.6% in constant currency) in the first quarter of 2017 compared to 2016 . The increase is due to the increase in salary-related costs because of higher headcount to support the increase in revenues and \$1.4 million of restructuring costs incurred in Australia in the first quarter of 2017 related to office optimization.

OUP margin for APME was 3.2% in the first quarter of 2017 compared to 3.3% in 2016 . The decrease in OUP margin was due to the decrease in our gross profit margin as well as the restructuring costs incurred in the first quarter of 2017.

Right Management

Revenues from services decreased 12.5% (-10.5% in constant currency) in the first quarter of 2017 compared to 2016. The decrease is primarily due to the decrease of 11.8% (-9.7% in constant currency) in our outplacement services, mostly from the non-recurrence of certain client activity within the United States. Our talent management business decreased 15.8% (-14.1% in constant currency) in the first quarter of 2017 compared to 2016 due mostly to softening demand in our European and Asian markets.

Gross profit margin decreased in the first quarter of 2017 compared to 2016 due to the decrease in our outplacement business gross profit margin partially offset by an increase in our talent management business gross profit margin.

Selling and administrative expenses decreased 15.4% (-13.5% in constant currency) in the first quarter of 2017 compared to 2016 primarily due to reduced compensation-related expenses such as salaries and variable-incentive costs due to lower headcount.

OUP margin for Right Management was 15.8% in the first quarter of 2017 compared to 14.9% in 2016. The increase was due to improved operational leverage partially offset by the decline in our gross profit margin.

Financial Measures

Constant Currency and Organic Constant Currency Reconciliation

Changes in our financial results include the impact of changes in foreign currency exchange rates and acquisitions. We provide “constant currency” and “organic constant currency” calculations in our quarterly report to remove the impact of these items. We express year-over-year variances that were calculated in constant currency and organic constant currency as a percentage.

When we use the term “constant currency,” it means that we have translated financial data for a period into United States Dollars using the same foreign currency exchange rates that we used to translate financial data for the previous period. We believe that this calculation is a useful measure, indicating the actual growth of our operations. We use constant currency results in our analysis of subsidiary or segment performance. We also use constant currency when analyzing our performance against that of our competitors. Substantially all of our subsidiaries derive revenues and incur expenses within a single country and, consequently, do not generally incur currency risks in connection with the conduct of their normal business operations. Changes in foreign currency exchange rates primarily impact reported earnings and not our actual cash flow unless earnings are repatriated.

When we use the term “organic constant currency,” it means that we have further removed the impact of acquisitions in the current period and dispositions from the prior period from our constant currency calculation. We believe that this calculation is useful because it allows us to show the actual growth of our pre-existing business.

The constant currency and organic constant currency financial measures are used to supplement those measures that are in accordance with United States Generally Accepted Accounting Principles (“GAAP”). These Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies may calculate such financial results differently. These Non-GAAP financial measures are not measurements of financial performance under GAAP, and should not be considered as alternatives to measures presented in accordance with GAAP.

A reconciliation of these Non-GAAP percentage variances to those calculated based on our GAAP financial results is provided below:

3 Months Ended March 31, 2017 Compared to 2016						
	Reported Amount ^(a)	Reported Variance	Impact of Currency	Variance in Constant Currency	Impact of Acquisition (In Constant Currency)	Organic Constant Currency Variance
Revenues from services:						
Americas:						
United States	\$ 661.5	(5.9)%	— %	(5.9)%	— %	(5.9)%
Other Americas	364.7	6.4	(2.1)	8.5	—	8.5
	<u>1,026.2</u>	<u>(1.9)</u>	<u>(0.7)</u>	<u>(1.2)</u>	<u>—</u>	<u>(1.2)</u>
Southern Europe:						
France	1,137.5	5.4	(3.9)	9.3	—	9.3
Italy	294.4	11.9	(4.1)	16.0	—	16.0
Other Southern Europe	372.0	7.6	(2.2)	9.8	0.8	9.0
	<u>1,803.9</u>	<u>6.9</u>	<u>(3.5)</u>	<u>10.4</u>	<u>0.1</u>	<u>10.3</u>
Northern Europe	1,238.7	2.0	(6.8)	8.8	1.7	7.1
APME	632.4	9.7	1.9	7.8	—	7.8
Right Management	56.0	(12.5)	(2.0)	(10.5)	—	(10.5)
Consolidated	<u>\$ 4,757.2</u>	<u>3.7</u>	<u>(3.0)</u>	<u>6.7</u>	<u>0.5</u>	<u>6.2</u>
Gross Profit	\$ 787.8	1.8	(2.8)	4.6	0.5	4.1
Selling and Administrative Expense	\$ 660.8	2.9	(2.8)	5.7	0.7	5.0
Operating Profit	\$ 127.0	(3.6)	(2.5)	(1.1)	(0.8)	(0.3)

(a) In millions for the three months ended March 31, 2017 .

Liquidity and Capital Resources

Cash used to fund our operations is primarily generated through operating activities and provided by our existing credit facilities. We believe our available cash and existing credit facilities are sufficient to cover our cash needs for the foreseeable future. We assess and monitor our liquidity and capital resources globally. We use a global cash pooling arrangement, intercompany lending, and some local credit lines to meet funding needs and allocate our capital resources among our various entities. As of March 31, 2017, we had \$395.7 million of cash held by foreign subsidiaries that was not available to fund domestic operations unless repatriated. We anticipate cash repatriations to the United States from certain foreign subsidiaries and have provided for deferred taxes related to those foreign earnings not considered to be permanently invested.

Cash provided by operating activities was \$191.0 million during the three months ended March 31, 2017 compared to \$164.6 million during the three months ended March 31, 2016. Changes in operating assets and liabilities provided \$69.6 million of cash during the three months ended March 31, 2017 compared to \$46.0 million during the three months ended March 31, 2016. These changes are primarily attributable to timing of collections and payments. In March 2017 and March 2016, we sold a portion of our French payroll tax credits earned in 2016 and 2015, respectively, for net proceeds of \$143.5 million (€133.0 million) and \$143.1 million (€129.9 million), respectively.

Net accounts receivable increased to \$4,430.6 million as of March 31, 2017 from \$4,413.1 million as of December 31, 2016. This increase is due to changes in currency exchange rates. At constant exchange rates, the March 31, 2017 balance would have been approximately \$68.7 million lower than reported.

Capital expenditures were \$10.8 million in the three months ended March 31, 2017 compared to \$16.6 million in the three months ended March 31, 2016. These expenditures were primarily comprised of purchases of computer equipment, office furniture and other costs related to office openings and refurbishments, as well as capitalized software costs. The decrease in 2017 compared to 2016 was primarily due to our investment in recruiting centers in 2016 and the timing of capital expenditures in 2017 as we expect higher levels of capital expenditures later in the year.

From time to time, we acquire and invest in companies throughout the world, including franchises. The total cash consideration paid for acquisitions, net of cash acquired, was \$11.7 million and \$13.8 million for the three months ended March 31, 2017 and 2016, respectively. In addition, during the three months ended March 31, 2017, we made payments of \$12.9 million for contingent consideration related to previous acquisitions, \$10.3 million of which related to our 2015 acquisition of 7S in Germany.

Net debt repayments were \$3.7 million in the three months ended March 31, 2017 compared to \$15.8 million in the three months ended March 31, 2016.

Our €400.0 million notes and €350.0 million notes are due September 2022 and June 2018, respectively. When these notes mature, we plan to repay the amounts with available cash, borrowings under our \$600.0 million revolving credit facility or a new borrowing. The credit terms, including interest rate and facility fees, of any replacement borrowings will be dependent upon the condition of the credit markets at that time. We currently do not anticipate any problems accessing the credit markets should we decide to replace either of the notes.

As of March 31, 2017, we had letters of credit totaling \$0.8 million issued under our \$600.0 million revolving credit facility. Additional borrowings of \$599.2 million were available to us under the facility as of March 31, 2017.

The \$600.0 million revolving credit agreement requires that we comply with a leverage ratio (Net Debt-to-Net Earnings before interest and other expenses, provision for income taxes, intangible asset amortization expense, depreciation and amortization expense ("EBITDA")) of not greater than 3.5 to 1 and a fixed charge coverage ratio of not less than 1.5 to 1. As defined in the agreement, we had a Net Debt-to-EBITDA ratio of 0.60 to 1 and a fixed charge coverage ratio of 5.06 to 1 as of March 31, 2017. Based on our current forecast, we expect to be in compliance with our financial covenants for the next 12 months.

In addition to the previously mentioned facilities, we maintain separate bank credit lines with financial institutions to meet working capital needs of our subsidiary operations. As of March 31, 2017, such credit lines totaled \$289.7 million and additional borrowings of \$251.6 million could have been made under these lines. Under the revolving credit agreement, total subsidiary borrowings cannot exceed \$300.0 million in the first, second and fourth quarters, and \$600.0 million in the third quarter of each year.

On May 2, 2017 and May 3, 2016, the Board of Directors declared a semi-annual cash dividend of \$0.93 and \$0.86 per share, respectively. The 2017 dividends will be payable on June 15, 2017 to shareholders of record on June 1, 2017. The 2016 dividends were paid on June 15, 2016 to shareholders of record on June 1, 2016.

In both July 2016 and October 2015, the Board of Directors authorized the repurchase of 6.0 million shares of our common stock. Share repurchases may be made from time to time through a variety of methods, including open market purchases, block transactions, privately negotiated transactions or similar facilities. During the first quarter of 2017, we repurchased 0.6 million shares at a cost of \$57.0 million under the 2016 authorization. During the first quarter of 2016, we repurchased 1.5 million shares at a cost of \$117.7 million under the 2015 authorization. As of March 31, 2017, there were 4.2 million shares remaining authorized for repurchase under the 2016 authorization and no shares remaining under the 2015 authorization.

We had aggregate commitments related to debt repayments, operating leases, severances and office closure costs, and certain other commitments of \$1,760.6 million as of March 31, 2017 compared to \$1,741.3 million as of December 31, 2016.

We also have entered into guarantee contracts and stand-by letters of credit that total approximately \$183.1 million and \$177.6 million as of March 31, 2017 and December 31, 2016, respectively, consisting of \$136.2 million and \$130.7 million for guarantees, respectively, and \$46.9 million for stand-by letters of credit as of both March 31, 2017 and December 31, 2016. Guarantees primarily relate to bank accounts, operating leases and indebtedness. The letters of credit relate to workers' compensation, operating leases and indebtedness. If certain conditions were met under these arrangements, we would be required to satisfy our obligations in cash. Due to the nature of these arrangements and our historical experience, we do not expect any significant payments under these arrangements. Therefore, they have been excluded from our aggregate commitments. The cost of these guarantees and letters of credit was \$0.5 million and \$0.4 million for the three months ended March 31, 2017 and 2016, respectively.

During the three months ended March 31, 2017, we made payments of \$6.6 million out of our restructuring reserve that was created in 2013, 2015 and 2017. We expect a majority of the remaining \$21.9 million reserve will be paid by the end of 2017.

Recently Issued Accounting Standards

See Note 2 to the Consolidated Financial Statements.

Forward-Looking Statements

Statements made in this quarterly report that are not statements of historical fact are forward-looking statements. In addition, from time to time, we and our representatives may make statements that are forward-looking. All forward-looking statements involve risks and uncertainties. The information in Item 1A. Risk Factors in our annual report on Form 10-K for the year ended December 31, 2016, which information is incorporated herein by reference, provides cautionary statements identifying, for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, important factors that could cause our actual results to differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by words such as “expect,” “anticipate,” “intend,” “plan,” “may,” “believe,” “seek,” “estimate,” and similar expressions. Some or all of the factors identified in our annual report on Form 10-K may be beyond our control. We caution that any forward-looking statement reflects only our belief at the time the statement is made. We undertake no obligation to update any forward-looking statements to reflect subsequent events or circumstances.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

Our 2016 Annual Report on Form 10-K contains certain disclosures about market risks affecting us. There have been no material changes to the information provided which would require additional disclosures as of the date of this filing.

Item 4 – Controls and Procedures

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation discussed above that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

In July 2016, the Board of Directors authorized the repurchase of 6.0 million shares of our common stock. We conduct share repurchases from time to time through a variety of methods, including open market purchases, block transactions, privately negotiated transactions or similar facilities. As of March 31, 2017, there were 4.2 million shares remaining authorized for repurchase under the 2016 authorization. The following table shows the total amount of shares repurchased during the first quarter of 2017.

ISSUER PURCHASES OF EQUITY SECURITIES

	<u>Total number of shares purchased</u>	<u>Average price paid per share</u>	<u>Total number of shares purchased as part of publicly announced plan</u>	<u>Maximum number of shares that may yet be purchased</u>
January 1 - 31, 2017	—	\$ —	—	4,750,720
February 1 - 28, 2017	403,421 ⁽¹⁾	\$ 97.26	231,247	4,519,473
March 1 - 31, 2017	344,172 ⁽²⁾	\$ 100.05	344,652	4,174,821
Total	<u>747,593</u>	<u>\$ 98.93</u>	<u>575,899</u>	4,174,821

- (1) Includes 172,174 shares of common stock withheld by ManpowerGroup to satisfy tax withholding obligations on shares acquired by certain officers in settlement of restricted stock.
- (2) Includes an adjustment of 480 shares related to shares of common stock previously withheld by ManpowerGroup to satisfy tax withholding obligations on shares acquired by an officer in settlement of restricted stock.

Item 5 – Other Information

Audit Committee Approval of Audit-Related and Non-Audit Services

The Audit Committee of our Board of Directors has approved the following audit-related and non-audit services performed or to be performed for us by our independent registered public accounting firm, Deloitte & Touche LLP, to date in 2017:

- (a) preparation and/or review of tax returns, including sales and use tax, excise tax, income tax, local tax, property tax, and value-added tax;
- (b) advice and assistance with respect to transfer pricing matters, as well as communicating with various taxing authorities regarding the requirements associated with royalties and inter-company pricing, and tax audits; and
- (c) audit services with respect to certain procedures and certifications where required.

Compensatory Arrangements of Certain Officers

On May 2, 2017, ManpowerGroup Inc. (the “Company”) entered into a severance agreement with Jonas Prising. This severance agreement replaces a similar agreement that expired May 1, 2017. The new severance agreement expires on the first to occur of (1) the date two years after the occurrence of a change of control of the Company or (2) May 2, 2020, if no such change of control occurs before May 2, 2020. Aside from the new term, the severance agreement is in substantially the same form as the previous agreement.

The foregoing description is qualified in its entirety by reference to the severance agreement filed herewith as exhibit 10.1, which is incorporated by reference into this report.

Item 6 – Exhibits

- 10.1 Severance Agreement between Jonas Prising and the Company dated as of May 2, 2017.
- 12.1 Statement regarding Computation of Ratio of Earnings to Fixed Charges.
- 31.1 Certification of Jonas Prising, Chief Executive Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.
- 31.2 Certification of John T. McGinnis, Executive Vice President and Chief Financial Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.
- 32.1 Statement of Jonas Prising, Chief Executive Officer, pursuant to 18 U.S.C. ss. 1350.
- 32.2 Statement of John T. McGinnis, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. ss. 1350.
- 101 The following materials from the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ManpowerGroup Inc.

(Registrant)

Date: May 5, 2017

/s/ John T. McGinnis

John T. McGinnis

Executive Vice President and Chief Financial Officer
(Signing on behalf of the Registrant and as the Principal Financial Officer and Principal
Accounting Officer)

EXHIBIT INDEX

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ManpowerGroup Inc.
100 Manpower Place
Milwaukee, Wisconsin 53212

May 2, 2017

Mr. Jonas Prising:

ManpowerGroup Inc. (the “Corporation”) desires to retain experienced, well-qualified executives, like you, to assure the continued growth and success of the Corporation and its direct and indirect subsidiaries (collectively, the “Consolidated ManpowerGroup”). Accordingly, as an inducement for you to continue your employment in order to assure the continued availability of your services to the Consolidated ManpowerGroup, we have agreed as follows:

1. Definitions. For purposes of this letter:

- (a) Benefit Plans. “Benefit Plans” means all benefits of employment generally made available to executives of the Corporation from time to time.
 - (b) Cause. Termination by the Consolidated ManpowerGroup of your employment with the Consolidated ManpowerGroup for “Cause” will mean termination upon (i) your repeated failure to perform your duties with the Consolidated ManpowerGroup in a competent, diligent and satisfactory manner as determined by the Executive Compensation and Human Resources Committee of the Board of Directors, (ii) failure or refusal to follow the reasonable instructions or direction of the Board of Directors, which failure or refusal remains uncured, if subject to cure, to the reasonable satisfaction of the Board of Directors for five (5) business days after receiving notice thereof from the Executive Compensation and Human Resources Committee, or repeated failure or refusal to follow the reasonable instructions or directions of the Board of Directors, (iii) any act by you of fraud, material dishonesty or material disloyalty involving the Consolidated ManpowerGroup, (iv) any violation by you of a Consolidated ManpowerGroup policy of material import (including, but not limited to, the Code of Business Conduct and Ethics, the Statement of Policy on Securities Trading, the Anti-Corruption Policy, Policy on Gifts, Entertainment and Sponsorships and policies included in the Employee Handbook), (v) any act by you of moral turpitude which is likely to result in discredit to or loss of business, reputation or goodwill of the Consolidated ManpowerGroup, (vi) your chronic absence from work other than by reason of a serious health condition, (vii) your commission of a crime the circumstances of which substantially relate to your employment duties with the Consolidated ManpowerGroup, or (viii) the willful engaging by you in conduct which is demonstrably and materially injurious to the Consolidated ManpowerGroup. For purposes of this Subsection 1(b), 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.
 - (c) Change of Control. A “Change of Control” will mean the first to occur of the following:
 - (i) the acquisition (other than from the Corporation), by any Person (as defined in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended
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(the “Exchange Act”), directly or indirectly, of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of more than 50% of the then outstanding shares of common stock of the Corporation or voting securities representing more than 50% of the combined voting power of the Corporation’s then outstanding voting securities entitled to vote generally in the election of directors; provided, however, no Change of Control shall be deemed to have occurred as a result of an acquisition of shares of common stock or voting securities of the Corporation (A) by the Corporation, any of its subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any of its subsidiaries or (B) by any other corporation or other entity with respect to which, following such acquisition, more than 60% of the outstanding shares of the common stock, and voting securities representing more than 60% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of such other corporation or entity are then beneficially owned, directly or indirectly, by the persons who were the Corporation’s shareholders immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Corporation’s then outstanding common stock or then outstanding voting securities, as the case may be; or

- (ii) the consummation of any merger or consolidation of the Corporation with any other corporation, other than a merger or consolidation which results in more than 60% of the outstanding shares of the common stock, and voting securities representing more than 60% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the surviving or consolidated corporation being then beneficially owned, directly or indirectly, by the persons who were the Corporation’s shareholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of the Corporation’s then outstanding common stock or then outstanding voting securities, as the case may be; or
 - (iii) the consummation of any liquidation or dissolution of the Corporation or a sale or other disposition of all or substantially all of the assets of the Corporation; or
 - (iv) individuals who, as of the date of this letter, constitute the Board of Directors of the Corporation (as of such date, the “Incumbent Board”) cease for any reason to constitute at least a majority of such Board; provided, however, that any person becoming a director subsequent to the date of this letter whose election, or nomination for election by the shareholders of the Corporation, was approved by at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this letter, considered as though such person were a member of the Incumbent Board but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest which was (or, if threatened, would have been) subject to Exchange Act Rule 14a-12(c); or
 - (v) whether or not conditioned on shareholder approval, the issuance by the Corporation of common stock of the Corporation representing a majority of the outstanding common stock, or voting securities representing a majority of the
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combined voting power of the outstanding voting securities of the Corporation entitled to vote generally in the election of directors, after giving effect to such transaction.

Following the occurrence of an event which is not a Change of Control whereby there is a successor holding company to the Corporation, or, if there is no such successor, whereby the Corporation is not the surviving corporation in a merger or consolidation, the surviving corporation or successor holding company (as the case may be), for purposes of this letter, shall thereafter be referred to within this letter agreement as the Corporation.

- (d) Good Reason. “Good Reason” will mean, without your consent, the occurrence of any one or more of the following during the Term:
- (i) any material breach of any material obligation of any member of the Consolidated ManpowerGroup for the payment or provision of compensation or other benefits to you;
 - (ii) a material diminution in your base salary;
 - (iii) a material diminution in your authority, duties or responsibilities, accompanied by a material reduction in your target bonus opportunity for a given fiscal year (as compared to the prior fiscal year), except where all senior level executives have similar proportionate reductions in their target bonus percentages;
 - (iv) a material diminution in your authority, duties or responsibilities which is not accompanied by a material reduction in your target bonus opportunity but which diminution occurs within two years after the occurrence of a Change of Control;
 - (v) a material reduction in your annual target bonus opportunity for a given fiscal year (as compared to the prior fiscal year) which is not accompanied by a material diminution in your authority, duties or responsibilities, but which reduction occurs within two years after the occurrence of a Change of Control; or
 - (vi) your being required by the Corporation to materially change the location of your principal office; provided such new location is one in excess of fifty miles from the location of your principal office before such change.

Notwithstanding Subsections 1(d)(i) - (vi) above, Good Reason does not exist unless (i) you object to any material diminution or breach described above by written notice to the Corporation within twenty (20) business days after such diminution or breach occurs, (ii) the Corporation fails to cure such diminution or breach within thirty (30) days after such notice is given and (iii) your employment with the Consolidated ManpowerGroup is terminated by you within ninety (90) days after such diminution or breach occurs.

- (e) Notice of Termination. Any termination of your employment by the Corporation, or termination by you for Good Reason during the Term will be communicated by Notice of Termination to the other party hereto. A “Notice of Termination” will mean a written notice which specifies a Date of Termination (which date shall be on or after the date of the Notice of Termination) and, if applicable, indicates the provision in this letter applying to
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the termination and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

- (f) Date of Termination. “Date of Termination” will mean the date specified in the Notice of Termination where required (which date shall be on or after the date of the Notice of Termination) or in any other case upon your ceasing to perform services for the Consolidated ManpowerGroup.
- (g) Protected Period. The “Protected Period” shall be a period of time determined in accordance with the following:
 - (i) if a Change of Control is triggered by an acquisition of shares of common stock of the Corporation pursuant to a tender offer, the Protected Period shall commence on the date of the initial tender offer and shall continue through and including the date of the Change of Control, provided that in no case will the Protected Period commence earlier than the date that is six months prior to the Change of Control;
 - (ii) if a Change of Control is triggered by a merger or consolidation of the Corporation with any other corporation, the Protected Period shall commence on the date that serious and substantial discussions first take place to effect the merger or consolidation and shall continue through and including the date of the Change of Control, provided that in no case will the Protected Period commence earlier than the date that is six months prior to the Change of Control; and
 - (iii) in the case of any Change of Control not described in Subsections 1(g)(i) or (ii), above, the Protected Period shall commence on the date that is six months prior to the Change of Control and shall continue through and including the date of the Change of Control.
- (h) Term. The “Term” will be a period beginning on the date of this letter indicated above and ending on the first to occur of the following: (a) the date which is the two-year anniversary of the occurrence of a Change of Control; (b) the date which is the three-year anniversary of the date of this letter indicated above if no Change of Control occurs between the date of this letter indicated above and such three-year anniversary; or (c) the Date of Termination.

2. Compensation and Benefits on Termination.

- (a) Termination by the Corporation for Cause or by You Other Than for Good Reason. If your employment with the Consolidated ManpowerGroup is terminated by the Corporation for Cause or by you other than for Good Reason, the Corporation will pay or provide you with (i) your unpaid bonus, if any, attributable to any complete fiscal year of the Consolidated ManpowerGroup ended before the Date of Termination (but no incentive bonus will be payable for the fiscal year in which termination occurs) and (ii) all benefits to which you are entitled under any Benefit Plans in accordance with the terms of such plans. The Consolidated ManpowerGroup will have no further obligations to you.
 - (b) Termination by Reason of Disability or Death. If your employment with the Consolidated ManpowerGroup terminates during the Term by reason of your disability or death, the Corporation will pay or provide you with (i) your unpaid bonus, if any, attributable to any complete fiscal year of the Consolidated ManpowerGroup ended before the Date of Termination; (ii) a bonus for the fiscal year during which the Date of Termination occurs
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equal to your target annual bonus for the fiscal year in which the Date of Termination occurs, but prorated for the actual number of days you were employed during such fiscal year, payable within sixty days after the Date of Termination, and (iii) all benefits to which you are entitled under any Benefit Plans in accordance with the terms of such plans. For purposes of this letter, “disability” means that you are, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Corporation or the Consolidated ManpowerGroup. The Consolidated ManpowerGroup will have no further obligations to you.

- (c) Termination for Any Other Reason - Other than in a Change of Control. If your employment with the Consolidated ManpowerGroup is terminated during the Term for any reason not specified in Subsections 2(a) or (b), above, and Subsection 2(d), below, does not apply to the termination, you will be entitled to the following:
- (i) the Corporation will pay you, your unpaid bonus, if any, attributable to any complete fiscal year of the Consolidated ManpowerGroup ended before the Date of Termination;
 - (ii) the Corporation will pay you, a bonus for the fiscal year during which the Date of Termination occurs equal in amount to the bonus you would have received for the full fiscal year had your employment not terminated, determined by the actual financial results of the Corporation at year-end towards any non-discretionary financial goals and by basing any discretionary component at the target level of such component; provided, however, that such bonus will be prorated for the actual number of days you were employed during the fiscal year during which the Date of Termination occurs;
 - (iii) the Corporation will pay, as a severance benefit to you, a lump sum payment equal to (1) the amount of your annual base salary at the highest rate in effect during the Term plus (2) your target annual bonus for the fiscal year in which the Date of Termination occurs, provided, however, that such payment will not exceed two and one-half times the amount of your base salary as then in effect; and
 - (iv) for up to a twelve-month period after the Date of Termination, the Corporation will arrange to provide you and your eligible dependents with Health Insurance Continuation (defined below) or other substantially similar coverage based on the medical and dental plans in which you were participating in on the Date of Termination; provided, however, that benefits otherwise receivable by you pursuant to this Subsection 2(c)(iv) will be reduced to the extent other comparable benefits are actually received by you during the twelve-month period following your termination, and any such benefits actually received by you or your dependents will be reported to the Corporation; and provided, further that any insurance continuation coverage that you may be entitled to receive under COBRA or similar foreign or state
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laws will commence on the Date of Termination.

For purposes of this Subsection 2(c)(iv), "Health Insurance Continuation" means that, if, and to the extent, you or any of your eligible dependents, following the Date of Termination, elect to continue coverage under the Corporation's group medical and dental insurance plans, in accordance with the requirements of COBRA or similar foreign or state laws, the Consolidated ManpowerGroup will pay the total cost of such coverage under the Corporation's group medical and dental insurance plans for the first twelve months for which you and/or your eligible dependents are eligible for such coverage; provided, however, that if you, your spouse or any other eligible dependent commences new employment during such twelve-month period and becomes eligible for health insurance benefits from such new employer, the Corporation's obligation to provide such Corporation-subsidized COBRA coverage to you or such eligible dependent shall terminate as of the date you or such dependent becomes eligible to receive such health insurance benefits from such new employer. Immediately following this period of Corporation-subsidized COBRA coverage, you and/or your eligible dependents, as applicable, will be solely responsible for payment of the entire cost of COBRA coverage if such coverage remains available and you and/or your eligible dependents choose to continue such coverage. Within five calendar days of you or any of your eligible dependents becoming eligible to receive health insurance benefits from a new employer, you agree to inform the Corporation of such fact in writing. If the Consolidated ManpowerGroup determines that the Corporation-subsidized COBRA payments provided by this Subsection 2(c)(iv) are taxable, the payments will be grossed-up so that the net amount received by you, after subtraction of all taxes applicable to the payments plus the gross-up amount, will equal the cost of such COBRA coverage.

- (d) Termination for Any Other Reason - Change of Control. If, during the Term and either during a Protected Period or within two years after the occurrence of a Change of Control, your employment with the Consolidated ManpowerGroup is terminated for any reason not specified in Subsections 2(a) or (b), above, you will be entitled to the following:
- (i) the Corporation will pay you, your unpaid bonus, if any, attributable to any complete fiscal year of the Consolidated ManpowerGroup ended before the Date of Termination;
 - (ii) the Corporation will pay you, a bonus for the fiscal year during which the Date of Termination occurs equal in amount to your target annual bonus for the fiscal year in which the Change of Control occurs; provided, however, that the bonus payable hereunder will be prorated for the actual number of days you were employed during the fiscal year during which the Date of Termination occurs;
 - (iii) the Corporation will pay, as a severance benefit to you, a lump-sum payment equal to three times the sum of (1) your annual base salary at the
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highest rate in effect during the Term and (2) your target annual bonus for the fiscal year in which the Change of Control occurs; and

- (iv) for up to an eighteen-month period after the Date of Termination, the Corporation will arrange to provide you and your eligible dependents, at the Consolidated ManpowerGroup's expense, with Health Insurance Continuation (defined below), or other substantially similar coverage based on the medical and dental plans in which you were participating in on the Date of Termination; provided, however, that benefits otherwise receivable by you pursuant to this Subsection 2(d)(iv) will be reduced to the extent other comparable benefits are actually received by you during the eighteen-month period following your termination, and any such benefits actually received by you or your dependents will be reported to the Corporation; and provided, further that any insurance continuation coverage that you may be entitled to receive under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended ("COBRA"), or similar foreign or state laws will commence on the Date of Termination.

For purposes of this Subsection 2(d)(iv), "Health Insurance Continuation" means that, if, and to the extent, you or any of your eligible dependents, following the Date of Termination, elect to continue coverage under the Corporation's group medical and dental insurance plans, in accordance with the requirements of COBRA or similar foreign or state laws, the Consolidated ManpowerGroup will pay the total cost of such COBRA coverage for the first eighteen months for which you and/or your eligible dependents are eligible for such coverage; provided, however, that if you, your spouse or any other eligible dependent commences new employment during such eighteen-month period and becomes eligible for health insurance benefits from such new employer, the Corporation's obligation to provide such Corporation-subsidized COBRA coverage to you or such eligible dependent shall terminate as of the date you or such dependent becomes eligible to receive such health insurance benefits from such new employer. Immediately following this period of Corporation-subsidized COBRA coverage, you and/or your eligible dependents, as applicable, will be solely responsible for payment of the entire cost of COBRA coverage if such coverage remains available and you and/or your eligible dependents choose to continue such coverage. Within five calendar days of you or any of your eligible dependents becoming eligible to receive health insurance benefits from a new employer, you agree to inform the Corporation of such fact in writing. If the Consolidated ManpowerGroup determines that the Corporation-subsidized COBRA payments provided by this Subsection 2(d)(iv) are taxable, the payments will be grossed-up so that the net amount received by you, after subtraction of all taxes applicable to the payments plus the gross-up amount, will equal the cost of such COBRA coverage.

- (e) Limitation on Benefits. The amounts paid to you pursuant to Subsections 2(c)(iii) or 2(d)(iii), above, will not be included as compensation for purposes of any qualified or nonqualified pension or welfare benefit plan of the Consolidated ManpowerGroup.
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Notwithstanding anything contained herein to the contrary, the Corporation, based on the advice of its legal or tax counsel, shall compute whether there would be any “excess parachute payments” payable to you, within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), taking into account the total “parachute payments,” within the meaning of Section 280G of the Code, payable to you by the Corporation under this letter agreement and any other plan, agreement or otherwise. If there would be any excess parachute payments, the Corporation, based on the advice of its legal or tax counsel, shall compute the net after-tax proceeds to you, taking into account the excise tax imposed by Section 4999 of the Code, as if (i) the amount to be paid to you pursuant to Subsection 2(d)(iii) were reduced, but not below zero, such that the total parachute payments payable to you would not exceed three (3) times the “base amount” as defined in Section 280G of the Code, less One Dollar (\$1.00), or (ii) the full amount to be paid to you pursuant to Subsection 2(d)(iii) were not reduced. If reducing the amount otherwise payable to you pursuant to Subsection 2(d)(iii) hereof would result in a greater after-tax amount to you, such reduced amount shall be paid to you and the remainder shall be forfeited by you as of the Date of Termination. If not reducing the amount otherwise payable to you pursuant to Subsection 2(d)(iii) would result in a greater after-tax amount to you, the amount payable to you pursuant to Subsection 2(d)(iii) shall not be reduced.

- (f) Timing of Payments. The bonus payment provided for in Subsection 2(c)(i) or 2(d)(i) will be made pursuant to the terms of the applicable bonus plan. The bonus payment provided for in Subsection 2(c)(ii) will be paid between January 1 and March 15 of the calendar year following the Date of Termination. The bonus payment provided for in Subsection 2(d)(ii) will be paid on the thirtieth (30th) day after the Date of Termination. The severance benefit provided for in Subsections 2(c)(iii) or 2(d)(iii) will be paid in one lump sum on the thirtieth (30th) day after the Date of Termination. While the parties acknowledge that the payments in the previous three sentences are intended to be “short-term deferrals” and therefore are exempt from the application of Section 409A of the Code, to the extent (i) further guidance or interpretation is issued by the IRS after the date of this letter agreement which would indicate that the payments do not qualify as “short-term deferrals,” and (ii) you are a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code upon the Date of Termination, such payments shall be delayed and instead shall be paid in one lump sum on the date that is the first business day immediately following the six month anniversary of the Date of Termination. If any of such payment is not made when due (hereinafter a “Delinquent Payment”), in addition to such principal sum, the Corporation will pay you interest on any and all such Delinquent Payments from the date due computed at the prime rate, compounded monthly. Such prime rate shall be the prime rate (currently the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks) in effect from time to time as reported in *The Wall Street Journal*, Midwest edition (or, if not so reported, as reported in such other similar source(s) as the Corporation shall select).
- (g) Release of Claims. Notwithstanding the foregoing, you will have no right to receive any payment or benefit described in Subsections 2(c)(ii)-(v) or 2(d)(ii)-(v), above, unless and until you execute, and there shall be effective following any statutory period for revocation, a release, in a form reasonably acceptable to the Corporation, that irrevocably and unconditionally releases, waives, and fully and forever discharges the Consolidated ManpowerGroup and its past and current directors, officers, shareholders, members,
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partners, employees, and agents from and against any and all claims, liabilities, obligations, covenants, rights, demands and damages of any nature whatsoever, whether known or unknown, anticipated or unanticipated, relating to or arising out of your employment with the Consolidated ManpowerGroup, including without limitation claims arising under the Age Discrimination in Employment Act of 1967, as amended, Title VII of the Civil Rights Act of 1964, as amended, and the Civil Rights Act of 1991, but excluding any claims covered under any applicable workers' compensation act. The execution by you of the release and the statutory period for revocation must be completed prior to the thirtieth (30th) day after the Date of Termination.

- (h) Forfeiture. Notwithstanding the foregoing, your right to receive the payments and benefits to be provided to you under this Section 2 beyond those described in Subsection 2(a), above, is conditioned upon your performance of the obligations stated in Sections 3-6, below, and upon your breach of any such obligations, you will immediately return to the Corporation the amount of such payments and benefits and you will no longer have any right to receive any such payments or benefits.

3. Nondisclosure.

- (a) You will not, directly or indirectly, at any time during the term of your employment with the Consolidated ManpowerGroup, or during the two-year period following your termination, for whatever reason, of employment with the Consolidated ManpowerGroup, use or possess for yourself or others or disclose to others except in the good faith performance of your duties for the Consolidated ManpowerGroup any Confidential Information (as defined below), whether or not conceived, developed, or perfected by you and no matter how it became known to you, unless (i) you first secure written consent of the Corporation to such disclosure, possession or use, (ii) the same shall have lawfully become a matter of public knowledge other than by your act or omission, or (iii) you are ordered to disclose the same by a court of competent jurisdiction or are otherwise required to disclose the same by law, and you promptly notify the Corporation of such disclosure. "Confidential Information" shall mean all business information (whether or not in written form) which relates to the Consolidated ManpowerGroup and which is not known to the public generally (absent your disclosure), including, but not limited to, confidential knowledge, operating instructions, training materials and systems, customer lists, sales records and documents, marketing and sales strategies and plans, market surveys, cost and profitability analyses, pricing information, competitive strategies, personnel-related information, and supplier lists, but shall not include business information which constitutes trade secrets under applicable trade secrets law. This obligation will survive the termination of your employment for a period of two years.
 - (b) You will not, directly or indirectly, at any time during the term of your employment with the Consolidated Manpower Group, or any time thereafter use or disclose any Trade Secret of the Consolidated ManpowerGroup. The term "Trade Secret" shall have the meaning afforded under applicable law. Nothing in this Agreement shall limit or supersede any common law, statutory or other protections of trade secrets or privileged information where such protections provide the Consolidated ManpowerGroup with greater rights or protections for a longer duration than provided in this Agreement.
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- (c) With respect to the disclosure of a Trade Secret and in accordance with 18 U.S.C. §1833, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, provided that, the information is disclosed solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding filed under seal so that it is not disclosed to the public. You are further notified that if you file a lawsuit for retaliation by the Consolidated ManpowerGroup for reporting a suspected violation of law, you may disclose the Consolidated ManpowerGroup's Trade Secrets to your attorney and use the Trade Secret information in the court proceeding, provided that you file any document containing the Trade Secret under seal so that it is not disclosed to the public and does not disclose the Trade Secret, except pursuant to court order.
 - (d) Upon your termination, for whatever reason, of employment with the Consolidated ManpowerGroup, or at any other time upon request of the Corporation, you will promptly surrender to the Corporation, or with the permission of the Corporation destroy and certify such destruction to the Corporation, any documents, materials, or computer or electronic records containing any Confidential Information, Trade Secrets or privileged information which are in your possession or under your control.
4. Nonsolicitation of Employees. You agree that you will not, at any time during the term of your employment with the Consolidated ManpowerGroup or during the one-year period following your termination, for whatever reason, of employment with the Consolidated ManpowerGroup, either on your own account or in conjunction with or on behalf of any other person, company, business entity, or other organization whatsoever, directly or indirectly induce, solicit, entice or procure any person who is a managerial employee of any company in the Consolidated ManpowerGroup (but in the event of your termination, any such managerial employee that you have had contact with in the two years prior to your termination) to terminate his or her employment with the Consolidated ManpowerGroup so as to accept employment elsewhere or to diminish or curtail the services such person provides to the Consolidated ManpowerGroup.
5. Restrictions During Employment. During the term of your employment with the Consolidated ManpowerGroup, you will not directly or indirectly compete against the Consolidated ManpowerGroup, or directly or indirectly divert or attempt to divert customers' business from the Consolidated ManpowerGroup anywhere the Consolidated ManpowerGroup does or is taking steps to do business.
6. Noncompetition Agreement. During the one-year period which immediately follows the termination, for whatever reason, of your employment with the Consolidated ManpowerGroup:
- (a) You will not, directly or indirectly, contact any customer of the Consolidated ManpowerGroup with whom you have had contact on behalf of the Consolidated ManpowerGroup during the two-year period preceding the Date of Termination or any customer about whom you obtained confidential information in connection with your employment by the Consolidated ManpowerGroup during such two-year period so as to cause or attempt to cause such customer of the Consolidated ManpowerGroup not to do business or to reduce such customer's business with the Consolidated ManpowerGroup or divert any business from the Consolidated ManpowerGroup.
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- (b) You will not, directly or indirectly, provide services or assistance of a nature similar to the services you provided to the Consolidated ManpowerGroup during the two-year period immediately preceding the Date of Termination to any entity (i) engaged in the business of providing temporary staffing services anywhere in the United States or any other country in which the Consolidated ManpowerGroup conducts business as of the Date of Termination which has, together with its affiliated entities, annual revenues from such business in excess of US \$500,000,000 or (ii) engaged in the business of providing permanent placement, professional staffing, outplacement, online staffing or human resource services (including consulting, task-based services, recruitment or other talent solutions) anywhere in the United States or any other country in which the Consolidated ManpowerGroup conducts business as of the Date of Termination which has, together with its affiliated entities, annual revenues from such business in excess of US \$250,000,000. You acknowledge that the scope of this limitation is reasonable in that, among other things, providing any such services or assistance during such one-year period would permit you to use unfairly your close identification with the Consolidated ManpowerGroup and the customer contacts you developed while employed by the Consolidated ManpowerGroup and would involve the use or disclosure of confidential information pertaining to the Consolidated ManpowerGroup.

7. Injunctive and Other Interim Measures .

- (a) Injunction . You recognize that irreparable and incalculable injury will result to the Consolidated ManpowerGroup and its businesses and properties in the event of your breach of any of the restrictions imposed by Sections 3-6, above. You therefore agree that, in the event of any such actual, impending or threatened breach, the Corporation will be entitled, in addition to the remedies set forth in Subsection 2(h), above (which the parties agree would not be an adequate remedy), and any other remedies and damages, to, including, but not limited to provisional or interim measures, including temporary and permanent injunctive relief, without the necessity of posting a bond or other security, from a court of competent jurisdiction restraining the actual, impending or threatened violation, or further violation, of such restrictions by you and by any other person or entity for whom you may be acting or who is acting for you or in concert with you.
- (b) Equitable Extension . The duration of any restriction in Sections 3-6, above, will be extended by any period during which such restriction is violated by you.
- (c) Nonapplication . Notwithstanding the above, Sections 4 and 6, above, will not apply if your employment with the Corporation is terminated by you for Good Reason or by the Corporation without Cause either during a Protected Period or within two years after the occurrence of a Change of Control.

8. Unemployment Compensation . The severance benefits provided for in Subsection 2(c)(iii) will be assigned for unemployment compensation benefit purposes to the one-year period following the Date of Termination, and the severance benefits provided for in Subsection 2(d)(iii) will be assigned for unemployment compensation purposes to the three-year period following the Date of Termination, and you will be ineligible to receive, and you agree not to apply for, unemployment compensation during such periods.
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9. Nondisparagement. Upon your termination, for whatever reason, of employment with the Corporation, the Corporation agrees that its directors and officers, during their employment by or service to the Consolidated ManpowerGroup, will refrain from making any statements that disparage or otherwise impair your reputation or commercial interests. Upon your termination, for whatever reason, of employment with the Consolidated ManpowerGroup, you agree to refrain from making any statements that disparage or otherwise impair the reputation, goodwill, or commercial interests of the Consolidated ManpowerGroup, or its officers, directors, or employees. However, the foregoing will not preclude the Corporation from providing truthful information about you concerning your employment or termination of employment with the Consolidated ManpowerGroup in response to an inquiry from a prospective employer in connection with your possible employment, and will not preclude either party from providing truthful testimony pursuant to subpoena or other legal process or in the course of any proceeding that may be commenced for purposes of enforcing this letter agreement.
 10. Successors; Binding Agreement. This letter agreement will be binding on the Corporation and its successors and will inure to the benefit of and be enforceable by your personal or legal representatives, heirs and successors.
 11. Notice. Notices and all other communications provided for in this letter will be in writing and will be deemed to have been duly given when delivered in person, sent by telecopy, or two days after mailed by United States registered or certified mail, return receipt requested, postage prepaid, and properly addressed to the other party.
 12. No Right to Remain Employed. Nothing contained in this letter will be construed as conferring upon you any right to remain employed by the Corporation or any member of the Consolidated ManpowerGroup or affect the right of the Corporation or any member of the Consolidated ManpowerGroup to terminate your employment at any time for any reason or no reason, with or without cause, subject to the obligations of the Corporation as set forth herein.
 13. Modification. No provision of this letter may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by you and the Corporation.
 14. Withholding. The Corporation 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 under applicable law.
 15. Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, United States of America, without regard to its conflict of law provisions.
 16. Reduction of Amounts Due Under Law. You agree that any severance payment (*i.e.*, any payment other than a payment for salary through your Date of Termination or for a bonus earned in the prior fiscal year but not yet paid) to you pursuant to this agreement will be counted towards any severance type payments otherwise due you under law. By way of illustration, English law requires notice period of one (1) week for every year of service up to a maximum of twelve (12) weeks of notice. In the event you are terminated without notice and you would otherwise be entitled to a severance payment hereunder, such severance payment will be considered to be payment in lieu of such notice.
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17. Previous Agreement. This letter, upon acceptance by you, expressly supersedes that certain letter agreement between you and the Corporation dated May 1, 2014, which primarily concerns rights and obligations upon your termination of employment, and such agreement shall, as of the date of your acceptance, have no further force or effect.
18. Dispute Resolution. Section 7 to the contrary notwithstanding, the parties shall, to the extent feasible, attempt in good faith to resolve promptly by negotiation any dispute arising out of or relating to your employment by the Consolidated ManpowerGroup pursuant to this letter agreement. In the event any such dispute has not been resolved within 30 days after a party's request for negotiation, either party may initiate arbitration as hereinafter provided. For purposes of this Section 18, the party initiating arbitration shall be denominated the "Claimant" and the other party shall be denominated the "Respondent."
- (a) If your principal place of employment with the Consolidated ManpowerGroup is outside the United States, any dispute arising out of or relating to this letter agreement, including the breach, termination or validity thereof, shall be finally resolved by arbitration before a sole arbitrator in accordance with the International Institute for Conflict Prevention and Resolution International Rules for Non-Administered Arbitration (the "CPR International Rules") as then in effect. If the parties are unable to select the arbitrator within 30 days after Respondent's receipt of Claimant's Notice of Arbitration and the 30-day deadline has not been extended by the parties' agreement, the arbitrator shall be selected by CPR as provided in CPR International Rule 6. The seat of the arbitration shall be the Borough of Manhattan in the City, County and State of New York, United States of America. The arbitration shall be conducted in the English language. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Anything in the foregoing to the contrary notwithstanding, the parties expressly agree that at any time before the arbitrator has been selected and the initial pre-hearing conference provided for in International Rule 9.3 has been held, either of them shall have the right to apply to any court located in Milwaukee County, Wisconsin, United States of America, to whose jurisdiction they agree to submit, or to any other court that otherwise has jurisdiction over the parties, for provisional or interim measures including, but not limited to, temporary or permanent injunctive relief.
- (b) If your principal place of employment with the Consolidated ManpowerGroup is within the United States, any dispute arising out of or relating to this letter agreement, including the breach, termination or validity thereof, shall be finally resolved by arbitration before a sole arbitrator in accordance with the International Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration (the "CPR Rules") as then in effect. If the parties are unable to select the arbitrator within 30 days after Respondent's receipt of Claimant's Notice of Arbitration and the 30-day deadline has not been extended by the parties' agreement, the arbitrator shall be selected by CPR as provided in Rule 6 of the CPR Rules. The seat of the arbitration shall be Milwaukee, Wisconsin, United States of America. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq* . Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Anything in the foregoing to the contrary notwithstanding, the parties expressly agree that at any time before the arbitrator has been selected and the initial pre-hearing conference has been held as provided in Rule 9.3 of the CPR Rules, either of them shall have the right to apply to any court located in Milwaukee County,
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Wisconsin, United States of America to whose jurisdiction they agree to submit, or to any other court that otherwise has jurisdiction over the parties, for provisional or interim measures, including, but not limited to, temporary or permanent injunctive relief.

19. Severability. The obligations imposed by Paragraphs 3-6, above, of this agreement are severable and should be construed independently of each other. The invalidity of one such provision shall not affect the validity of any other such provision.

If you are in agreement with the foregoing, please sign and return one copy of this letter which will constitute our agreement with respect to the subject matter of this letter.

Sincerely,

MANPOWERGROUP INC.

By: /s/ Richard Buchband

Richard Buchband, SVP, General Counsel and
Secretary

Agreed as of the 2nd day of May, 2017.

/s/ Jonas Prising

Jonas Prising

**STATEMENT REGARDING COMPUTATION
OF RATIO OF EARNINGS TO FIXED CHARGES**

MANPOWERGROUP INC.

(in millions)

3 Months Ended	
March 31, 2017	
Earnings:	
Earnings before income taxes	\$ 112.1
Fixed charges	24.7
	<u>\$ 136.8</u>
Fixed charges:	
Interest (expensed or capitalized)	\$ 9.3
Estimated interest portion of rent expense	15.4
	<u>\$ 24.7</u>
Ratio of earnings to fixed charges	5.5

	2016	2015	2014	2013	2012
Earnings:					
Earnings before income taxes	\$ 701.3	\$ 660.7	\$ 681.6	\$ 475.5	\$ 368.4
Fixed charges	93.0	118.4	133.6	159.7	165.1
	<u>\$ 794.3</u>	<u>\$ 779.1</u>	<u>\$ 815.2</u>	<u>\$ 635.2</u>	<u>\$ 533.5</u>
Fixed charges:					
Interest (expensed or capitalized)	\$ 38.1	\$ 38.6	\$ 35.1	\$ 43.2	\$ 42.5
Estimated interest portion of rent expense	54.9	79.8	98.5	116.5	122.6
	<u>\$ 93.0</u>	<u>\$ 118.4</u>	<u>\$ 133.6</u>	<u>\$ 159.7</u>	<u>\$ 165.1</u>
Ratio of earnings to fixed charges	8.5	6.6	6.1	4.0	3.2

Note: The calculation of ratio of earnings to fixed charges set forth above is in accordance with Regulation S-K, Item 601(b)(12). This calculation is different than the fixed charge ratio that is required by our various borrowing facilities.

CERTIFICATION

I, Jonas Prising, Chief Executive Officer of ManpowerGroup Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of ManpowerGroup Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2017

/s/ Jonas Prising

Jonas Prising
Chief Executive Officer

CERTIFICATION

I, John T. McGinnis, Executive Vice President and Chief Financial Officer of ManpowerGroup Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of ManpowerGroup Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2017

/s/ John T. McGinnis

John T. McGinnis

Executive Vice President and Chief Financial Officer

STATEMENT

Pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. ss. 1350, the undersigned officer of ManpowerGroup Inc. (the “Company”), hereby certifies that to his knowledge:

1. the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
2. the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

ManpowerGroup Inc.

Dated: May 5, 2017

/s/ Jonas Prising

Jonas Prising
Chief Executive Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of the Securities Exchange Act of 1934.

STATEMENT

Pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. ss. 1350, the undersigned officer of ManpowerGroup Inc. (the “Company”), hereby certifies that to his knowledge:

1. the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
2. the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

ManpowerGroup Inc.

Dated: May 5, 2017

/s/ John T. McGinnis

John T. McGinnis
Executive Vice President and Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of the Securities Exchange Act of 1934.