Manpower Europe Holdings ApS

Oldenburg Alle 3, 2. tv.
DK-2630 Høje Taastrup

CVR-no. 27 42 98 15

Annual Report for the year 2018

15 th financial year

Chairman ____________________

The annual report has been presented and approved at the Company's ordinary general meeting,
Copenhagen, 14 / 6 2019

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of Manpower Europe Holdings ApS for the financial year 1 January to 31 December 2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2018 and of its financial performance for the financial year 1 January to 31 December 2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14 June 2019

Management

T Herrmann

Tina Herrmann

Board of Directors

Stefano Scabbio

Donald Olvis Mondano

Søren Boserup

T Herrmann

Tina Herrmann

INDEPENDENT AUDITOR'S REPORTS

To the shareholder of Manpower Europe Holdings ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Manpower Europe Holdings ApS for the financial year 01.01.2018 – 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations for the financial year 01.01.2018 – 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORTS

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORTS

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 14 June 2019

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 96 35 56

Kim Takata Mücke
State Authorised Public Accountant
MNE no. mne10944

COMPANY INFORMATION

Company name	Manpower Europe Holdings ApS
CVR no.	27 42 98 15
Address	Oldenburg Alle 3, 2. tv., 2630 Høje Taastrup
Date of incorporation	5 November 2003
Number of financial years	15
Management	Tina Herrmann
Board of Directors	Stefano Scabbio Donald Olvis Mondano Søren Boserup Tina Herrmann
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S
Annual General Meeting	14 June 2019
Ownership control	ManpowerGroup Inc. 100 Manpower Place Milwaukee, WI 53212 USA

GROUP COMPANIES

Company		
Manpower France Holding SAS	France	99,31%
Tapfin SARL	France	100%
Right Management SAS	France	100%
Supplay SAS	France	100%
ManpowerGroup s.r.o.	Czech Republique	100%
Manpower Munkaero Szervezesi KFT	Hungary	100%
Manpower Business Solutions Kft	Hungary	100%
Manpower Monaco SAM	Monaco	99,99%
Societe Marocaine De Travail Temporiare	Morocco	100%
Management Business Services Maroc Sarl	Morocco	99,98%
Manpower Recruitment Sarl	New Caladonia	100%
ManpowerGroup Polska SP. ZO. O.	Poland	100%
Manpower Ocean Indien SAS	Reunion	100%
Manpower Tunisie Sarl	Tunisia	99,59%
S.C. Manpower Romania SRL	Romania	100%
Manpower HR S.R.L.	Romania	100%
ManpowerGroup Slovensko s.r.o.	Slovakia	100%
Manpower Nouvelles Compentences SAS	France	100%
Manpower France SAS	France	100%
ManpowerGroup Solutions SAS	France	100%
Experis Executive France SAS	France	100%
ManpowerGroup France SAS	France	100%
Manpower Nouvelle Caledonia Sarl	New Caledonia	100%
Manpower Tunisie International Sarl	Tunisia	99,98%
MP Services SP.Z.O.O.	Poland	100%
Manpower Business Services Tunisie Sarl	Tunisia	99,99%
Syfadis SAS	France	100%
Proservia SAS	France	100%
Manpower Transactions SP. Z.O.O.	Poland	100%
ManpowerGroup Solutions SP. Z.O.O.	Poland	100%
MP Management SP. Z.O.O.	Poland	100%
Damilo SAS	France	100%
Damilo Consulting SAS	France	100%
Futurskill IT SAS	France	100%
Experis Management de Transition SAS	France	100%
ManpowerGroup Solutions Enterprise	France	100%
Eurilogic Polska Sp.z.o.o.	France	100%

FINANCIAL HIGHLIGHTS

Financial highlights

	Group				
Key figures	2018	2017	2016	2015	2014
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Income statement					
Revenue	5 375 603	5 248 190	4 748 786	4 571 702	4 384 620
Profit/loss from operating activity	149 110	144 786	130 846	138 010	115 062
Net financial income/(loss)	(3 246)	(1 872)	263	48 163	399
Profit/(loss) for the year	110 500	146 966	126 990	168 251	114 150
Balance sheet					
Balance sheet total	2 558 175	2 485 486	2 195 728	2 018 876	1 950 100
Investment in tangible assets	16 975	14 866	13 944	10 975	7 335
Shareholder's equity	1 038 121	947 515	801 505	678 469	904 275
Key figures in %					
Gross margin	13%	13%	13%	14%	13%
Profit margin	3%	3%	3%	3%	3%
Return on assets	6%	6%	6%	7%	6%
Solvency ratio	41%	38%	37%	34%	46%
Return on equity	11%	16%	17%	21%	13%

Financial highlights are defined and calculated in accordance to Danish Society of Financial Analysts.

Explanation of key ratios

Gross margin $\frac{\text{Gross profit * 100}}{\text{Revenue}}$

Profit margin $\frac{\text{Profit from operating activity*100}}{\text{Revenue}}$

Return on assets $\frac{\text{Profit from operating activity*100}}{\text{Total assets}}$

Solvency ratio $\frac{\text{Equity at year-end *100}}{\text{Total assets}}$

Return on equity $\frac{\text{Profit/loss for the year*100}}{\text{Average equity}}$

MANAGEMENT'S COMMENTARY

Primary activities

The objective of the Company is to act as the owner of the Manpower France group and its subsidiaries, to oversee the management of its various operating subsidiaries and to plan, develop and coordinate the overall strategic initiatives and financing agreements for these entities and other business opportunities that may arise, including, without limitation, acquisitions or joint ventures in France and the countries in which its subsidiaries reside and in areas/districts covered by France and its European subsidiaries, that in the opinion of the Board of Directors should be pursued by the Company.

As from 1 January 2010 the Company has through its office in Denmark delivered permanent and temporary Staffing Solutions as well as HR Consulting services under the brands and offerings Experis, ManpowerGroup Solutions and Right Management.

ManpowerGroup Inc. is the world leader in innovative workforce solutions and services; creating and delivering solutions that enable its clients to win in the changing world of work. Founded in 1948, the USD 22,0 billion company offers employers a comprehensive package of high-impact solutions and training and services for the entire business cycle including recruitment and assessment, training and development, career management, outsourcing and workforce consulting.
ManpowerGroup's worldwide network of 2,600 offices in 80 countries and territories enables the company to meet the needs of its clients, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of ManpowerGroup's work is on raising productivity through improved quality, efficiency and cost reduction across their total workforce, enabling clients to concentrate on their core business activities.

During the financial year, the Company has acted in a dual role as a holding company for ManpowerGroup's French business operations and also as an operating legal entity related to ManpowerGroup's Danish staffing business operations.

The annual report is presented in EUR 1,000.

Development in activities and financial position

The Group has realized a profit of EUR 110,500,062. Management notes that this result is a decline compared to prior years and reflects the impact of incremental tax expense from an unfavorable settlement of tax litigation in France. This negative impact was partially offset be a positive impact from actions taken to strengthen and invest in the business, even during an economic slowdown in the second half of 2018 in Europe. Management expects the European economic slowdown to continue into as least the first quarter of 2019 and our results to reflect the negative impact of this slowdown. Furthermore, the CICE payroll tax credit in France will be replaced by new subsidies starting in January 2019 that management believes will have a negative impact on our profit, but management will seek to offset this negative impact with ongoing initiatives.

Uncertainties or unusual circumstances that have affected the recognition

It is the management's opinion that there are/have been no uncertainties in connection with the preparation of the annual report.

Price risk

The primary cost is salary, and it is the management's opinion that there is no price risk related to this cost since it follows the development in wages and salaries in all of the countries where the Group operates.

Currency risks

Currency risks related to investments in subsidiaries abroad are as a main rule not hedged, as it is the opinion of the management that an ongoing currency hedging of such long-term investments will not be the best solution from a risk and cost analysis point of view.

Statutory report on corporate social responsibility

Business Model
For a description of our business model, please see above under Primary Activities.

Environment and Climate

Risks
As an office-based company providing professional services and solutions, our primary environmental and climate-related risks relate to inefficient use of energy and to our carbon footprint. If we fail to manage them responsibly, they could negatively impact the environment around us. However, as an office-based company providing professional services and solutions, our environmental impact is relatively small.

Policy and Implementation

Our Environmental Management Policy emphasizes that, as a good corporate citizen, we must be conscious of the effects of our operations on the environment. Our environmental policy focuses on:
• energy used to power our offices and office equipment
• business travel to sell and deliver our services
• office waste, including paper and electronics.

We continually evaluate and assess our operations and business processes in order to reduce adverse environmental impact. In line with the Group policy, we continue to work on reducing our energy consumption and resulting carbon footprint by gradually relocating our corporate offices into environmentally certified buildings; by swapping out older electronics, lighting and cars for more efficient models; by consolidating our data centers; and by traveling less and using virtual collaboration more.

MANAGEMENT'S COMMENTARY

To read our policy and more on our implementation, go to https://www.manpowergroup.com/wps/wcm/connect/6bce5b80-d215-401e-8c8c-979d5d90bf51/mpg_environmental_mgnt_policy_2016-lo_res+%282%29.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=6bce5b80-d215-401e-8c8c-979d5d90bf51

Results

We report annual data to our Group for the Group Sustainability Report / UN Global Compact Report and for the Group reporting to the Carbon Disclosure Project. Overall, we believe our efforts in 2018 have served to reduce our environmental impact.

Social and Employee Conditions

Risks
We consider the greatest risks relating social and employee conditions arise from our employees safety, working conditions, and diversity. Failure to protect and manage these responsibly could negatively impact our ability to attract and retain employees and damage our reputation with clients.

Policy and Implementation

ManpowerGroup is committed to the highest standards of health and safety. In adopting these standards, we seek to create a workplace and work systems that enable all employees to feel safe and secure.

We endeavor to provide a safe working environment for all of our employees, associates, contractors and consultants. We focus on compliance with health and safety legislation within our own business operations and also apply this same standard as a matter of priority when reviewing whether to place associates, contractors and consultants in a client's work environment. We will not knowingly allow our people to work in an unsafe work environment. We expect our employees, associates, contractors and consultants to comply with all health and safety regulations, policies and procedures. We will provide appropriate training to employees and associates, as befits the needs of each role.

We recognize the importance of work-life balance, and aim to foster a culture of wellbeing by providing a variety of tools, education and resources that reinforce healthy lifestyle choices.
In Denmark, we ensure the overall success of our health, safety and wellness programs by:

- Communicating clear policies and guidelines on workplace health, safety and wellness
- Visibly and actively supporting employee involvement in our health, safety and wellness programs
- Providing adequate resources to the programs

MANAGEMENT'S COMMENTARY

To read on our employee policies and our implementation, go to
Health, Safety and Wellness: https://www.manpowergroup.com/sustainability/our-foundation/libraries/health-safety-wellness
Diversity: https://www.manpowergroup.com/sustainability/our-foundation/libraries/diversity
Learning and Development: https://www.manpowergroup.com/sustainability/our-foundation/libraries/learning-development

Results
We report annual data to our Group for the Group Sustainability Report / UN Global Compact Report. Overall, we believe our efforts in 2018 have served to strengthen our employees' safety, well-being and inclusivity.

Human Rights

Risks
We consider the greatest risks relating to human rights arise from our employees' rights to freedom from discrimination, freedom of association and collective bargaining, as well as freedom from forced labor and the use of child labor. Failure to ensure these rights could negatively impact our ability to attract and retain employees and damage our reputation with clients.

Policy and Implementation
Our policy and approach is guided by the principle that everyone deserves the opportunity to have meaningful work rewarded in a fair manner. As an active participant in the United Nations Global Compact, Manpower has publicly declared our respect and support for internationally proclaimed human rights. We are committed to making the Global Compact and its Principles part of our culture, strategy and day-to-day operations.

Our standard practices are designed to protect and promote these fundamental principles:

Freedom from forced labor and the abolition of child labor

- ManpowerGroup was the first company to sign the Athens Ethical Principles, which declare a "zero tolerance" policy for human trafficking. This includes our clients, vendors and business partners. We will not work with any entity that benefits in any way from human trafficking or forced labor of any kind.
- We never charge, directly or indirectly, any fees or costs to jobseekers and workers for the services related to temporary assignments or direct placements.
- We adhere to all local, national and international employment and immigration laws and regulations wherever we operate.
- We do not employ anyone under 18 years of age, and have standard processes to verify age and eligibility to work.

MANAGEMENT'S COMMENTARY

Freedom from discrimination

- We are committed to ensuring fairness in the hiring and advancement of all people without discrimination on the basis of race, ethnicity, national origin, religion, cultural background, gender, age, disability, caste, marital status, union membership, political affiliation, pregnancy, health, sexual orientation, gender identity or any other protected status.
- We embrace individual differences in a spirit of inclusiveness that welcomes all people and seeks to provide them with the opportunity to unleash their potential.
- We expect our employees to treat all people with respect, dignity, courtesy and fairness. We all share responsibility for maintaining a safe and respectful work environment free of unprofessional or abusive conduct or harassment of any type. Our Code of Business Conduct and Ethics outlines these expectations in detail, and they are reinforced through annual training and certification.

Freedom of association and the right to collective bargaining

- We are committed to cooperating with employee representative organizations and to having meaningful and constructive relationships with trade unions at the local and national level.
- Through our participation in the WEC, we engage in social dialogue at the regional and global level, and have entered into bi- and tri-partite agreements that advance the rights of workers.

We operate under the Group's human rights due diligence framework, which ensures that responsibility for human rights due diligence is embedded throughout our organization. It covers a range of prevention and mitigation activities which we have implemented, including: Training recruiters & hiring managers on nondiscrimination & diversity; Training of all employees on privacy policy and guidelines; Accommodation for disabilities; Layoff impact analysis, and many other areas. We also provide public access to the ManpowerGroup Ethics Hotline for reporting concerns or suspected violations of our policies or the law.

To read more about our human rights due diligence framework and risk assessment, go to https://www.manpowergroup.com/wps/wcm/connect/c6633623-e1c8-4854-a426-39e088225acd/Human%2BRights%2BDue%2BDiligence%2BFramework.pdf?MOD=AJPERES

To read our policy and more on our implementation, go to https://www.manpowergroup.com/sustainability/our-foundation/libraries/human-rights-fair-labor

Results
We report annual data to our Group for the Group Sustainability Report / UN Global Compact Report. In Denmark, we are not aware of any breaches in 2018 of our human rights policy, and we believe our efforts in 2018 have served to promote and maintain respect for human rights in our operations.

MANAGEMENT'S COMMENTARY

Corruption and Bribery

Risks
We consider the greatest risks relating to corruption arise if employees are tempted to offer or receive corrupt payments of any form to gain a personal or commercial advantage. Failure to ensure these rights could negatively impact our ability to attract and retain clients and incur legal fines.

Policy and Implementation

In accordance with our long-standing policy on corruption, updated in 2015, we prohibit the offering or receiving of bribes or corrupt payments in any form. This policy applies equally to all our employees, regardless of location or role, and also applies to agents or representatives, vendors, clients, business partners or other service providers. The policy is implemented through distribution of the policy to all employees and training.

We expect our suppliers to operate in a responsible and ethical manner while managing their impact on the environment. We seek assurance that our suppliers understand and commit to the principles outlined in our Supplier Code of Conduct, which is based on the United Nations Global Compact. The Code clearly states our expectations, including that no offer or attempt at improper advantage, including the payment or acceptance of bribes, to secure delivery of goods or services is acceptable.

Our anti-corruption policy is available on our website in multiple languages. We also provide a mechanism to report unethical conduct via the ManpowerGroup Ethics Hotline to help preserve the culture of honesty and accountability throughout the company.

To read more about our Anti-corruption policy and efforts, go to
https://www.manpowergroup.com/ethics/anti-corruption-policy

Results
We report annual data to our Group for the Group Sustainability Report / UN Global Compact Report. In Denmark, we are not aware of any breaches in 2018 of our anti-corruption policy, and we believe our efforts in 2018 have served to promote and maintain business ethics and integrity in our operations.

The underrepresented gender

The Group uses performance assessments and employee surveys to identify leadership potential among the employees for the purpose of staff development and to support talented employees from seeking a management position in the group. A key element of the Group's work with employees is to ensure that both male and female candidates are considered and identified in connection with internal and external recruitment of leaders and that women and men are part of the group's talent pool for management positions. In addition, the Group uses performance assessments and employee surveys systematically to identify any barriers that prevent equal opportunities for women and men to pursue the objective of a management career.

Among other initiatives we have a focus on equal pay for men and women and designing job advertisements, which speaks to women leaders.

MANAGEMENT'S COMMENTARY

The Company's Board of Directors currently consists of 4 people, 1 female and 3 males. The board's current members are carefully selected on the basis of their skills and opportunities that the Group is working with.

When it, at any given time, is assessed that the board should add new competencies, or a board member does not want to continue as a member of the Company's board and a new member is to be appointed, the objective is that at least 25% of the candidates for the vacant board position (-s) are representing the underrepresented sex.

The company has achieved its goal that the board composition comprises at least 25% women before end of fiscal year 2019.

The gender distribution among our other layers of management are today 93 % men and 7 % female. The Group works actively to promote the underrepresented gender in the other management. The Group will ensure that the underrepresented gender as far as possible is represented in connection with recruitment for positions in other management.

Future prospects

We expect profit for the year 2019 to be between EUR 100,000,000 to EUR 200,000,000.

Subsequent events

The company has subsequent to the balance sheet date approved and distributed a dividend of EUR 35 million. The dividend distributed consisted of a Promissory Note with the ultimate parent Company.

On April 11, 2019, a portion of the French payroll tax credits earned in 2018 for net proceeds of EUR 92 million was sold. The Company derecognized these receivables and the additional interest 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.

ACCOUNTING PRINCIPLES APPLIED

The annual report of the company has been presented in accordance with the Danish Financial Statements Act for large class C companies.

The most significant elements of the accounting principles applied are described below. The accounting principles were applied consistently with the principles of last year's financial reporting.

General information on recognition and measurement
Income is recognized in the income statement as earned. Furthermore, all costs, including amortisation/depreciation and write-downs, are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

Certain financial assets and liabilities are measured at amortized cost, thus recognizing a constant effective interest over the term. Amortized cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortization of the difference between cost and nominal value.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

The financial statements are presented in EUR. All other currencies are considered as foreign currency.

Consolidation principles
The consolidated financial statements include the Parent Company, Manpower Europe Holdings ApS, and subsidiaries in which the Parent Company directly or indirectly holds the majority of the voting power or otherwise exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and intercompany balances as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of establishing the group relationship.

ACCOUNTING PRINCIPLES APPLIED

At the time of acquiring a group enterprise, the Company calculates the difference between cost and the equity value stated at the acquisition date of the investment. Any positive difference related hereto (goodwill) is recognised in the balance sheet as intangible assets that are amortized over their expected useful lives.

Translation of amounts in foreign currencies
Transactions denominated in foreign currencies are translated at the exchange rates ruling at the transaction date. Exchange rate differences arising between the exchange rates ruling at the transaction date and the exchange rates ruling at the payment date are recognized in the income statement as a financial item.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Differences between the exchange rates ruling at the balance sheet date and the exchange rate ruling at the time of the receivables/payables occurrence are recognized in the income statement under interest and other similar income and expenses.

The income statement of the foreign subsidiaries is translated by applying the exchange rate of the transaction date or a calculated average exchange rate. The balance sheet items are translated by applying the exchange rate of the date of the balance sheet. Exchange rate adjustments resulting from the translation of the subsidiaries' equities stated at the beginning of the year and exchange rate adjustments resulting from translation of the income statements at the exchange rate in effect at the balance sheet date are recorded directly in equity.

Income statement

Revenue
All forms of revenue are recorded on an accrual basis when it has been realized or is realizable and can be made up reliably.

The Company records revenue in compliance with the Securities and Exchange Commission's Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements." This bulletin sets forth the following requirements for revenue recognition:

- Persuasive evidence of an arrangement must exist
- Services are rendered pursuant to the terms of an agreement
- The price charged to the customer is fixed or determinable
- Collectibility of the revenue recorded is reasonably assured

The above mentioned requirements for revenue recognition is considered in compliance with the Danish Financial Statements Act.

ACCOUNTING PRINCIPLES APPLIED

The Company records revenues from sales of services and the related direct costs in accordance with the accounting guidance on reporting revenue gross as a principal versus net as an agent. In situations where the Company acts as a principal in the transaction, the Company reports gross revenues and cost of services. When the Company acts as an agent, the Company reports the revenues on a net basis. Amounts billed to clients for out-of-pocket or other cost reimbursements are included in revenues from services, and the related costs are included in cost of services.

Direct costs
Direct costs include direct costs in order to achieve revenue, primarily personnel and training costs.

Selling and administrative costs
Selling and administrative costs include costs incurred during the year in connection with management, marketing and administration, including costs relating to the administrative staff, management and offices along with office expenditure, etc. and depreciation and amortisation of tangible and intangible assets.

Net profit/loss in subsidiaries
Profit/loss after tax of the subsidiaries less goodwill amortisation is presented in the income statement as “Profit/loss for the year, subsidiaries”.

Financial items
Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expenses, realized and unrealized exchange rate gains and losses resulting from transactions in foreign currencies.

Corporate and deferred tax
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year’s taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

The Parent is jointly taxed with all of its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is expected to be realised as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

ACCOUNTING PRINCIPLES APPLIED

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Goodwill
Goodwill is amortized straight-line over its expected economical life which is calculated based on the management's experience in the various business areas. The period of amortization is 20 years, and is used for the strategically acquired companies which have a strong market position and a long earnings profile.

Goodwill is written down to its recoverable amount if this is lower than the carrying value.

Other intangible assets
Other intangible assets represent the value of software and customer relationships.

Software is amortized over 3 years and customer relationships are amortised over 5-10 years. The basis of depreciation is cost less residual value after the end of useful life.

Other intangible assets are written down to its recoverable amount if this is lower than the carrying value.

Tangible fixed assets
Land and buildings, other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost price less accumulated depreciation and write-down. Land is not subject to depreciation.

Depreciation is based on cost price less expected residual value after end of useful life.

The cost price includes acquisition price and costs directly linked to the acquisition until the time when the asset is ready for commencement of use.

Straight-line depreciation is based on the following assessment of the assets' expected useful lives:

Buildings	40 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	According to lease contracts

Tangible assets are written down to its recoverable amount if this is lower than the carrying value.

ACCOUNTING PRINCIPLES APPLIED

Impairment of fixed assets
The carrying amounts of intangible assets and tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Financial fixed assets
Investments in subsidiaries are valued at their equity values in the Parent Company's annual report.

The pro rata ownership share of the companies' equity value is recorded as "Investments in subsidiaries" in the balance sheet according to the Parent Company's accounting principles with addition of the value of goodwill.

Subsidiaries with a negative equity are valued at EUR 0. If the Parent Company has any obligations to cover the debt in the subsidiaries, provisions will be recognized in the Parent Company's annual report.

The total net revaluation of investments in group enterprises is recorded under the equity of the Parent Company as "Reserve for net revaluation according to the equity method".

Accounts receivable
Accounts receivable are stated at amortised cost price which usually corresponds to the nominal value. Write-down is made at the net realisable value to provide for expected losses.

Prepaid expenses
Expenses paid regarding coming financial years are recorded as prepaid expenses under assets.

Equity
Dividend to be distributed for the year is listed as a separate item under equity. Dividend is recognised as an liability when proposal hereof is adopted at the general meeting.

Provisions
Provisions are calculated when the Company, as a consequence of an event occurring no later than on the balance sheet date, has a legal or constructive obligation, and it is probable that future economic benefits will flow out of the company to meet the obligation.

The provisions for the year cover pensions and health insurance obligations and other provisions.

ACCOUNTING PRINCIPLES APPLIED

For defined benefit plans, the actuarial present value (projected unit credit method) of future benefits under the defined benefit plan less the fair value of any plan asset is recoqnised in the balance sheet as defined benefit obligations. Pension cost for the year is recoqnised in the income statement based on actuarial estimates at the beginning of the year. Actuarial gains or losses are recoqnised in equity.

Financial liabilities
Financial liabilities are recorded upon initial recognition at the value of proceeds received less transaction costs paid. During the following periods, the financial liabilities are recorded at amortised cost price corresponding to the capitalised value using the yield to maturity rate. Consequently, the difference between the proceeds and the nominal value is recorded in the income statement during the loan period.

Other debt or liabilities covering trade payables, group enterprises and associates and other payables are measured at amortised cost which is usually the equivalent of the nominal value.

Deferred income
Deferred income represents received payments regarding income related to subsequent years.

Cash flow statement
According to section 86 (4) of the Danish Financial Statements Act, a separate cash flow statement for neither the group nor the Parent Company has been prepared. Reference is made to the cash flow statement for the ultimate parent company, ManpowerGroup Inc.

INCOME STATEMENT 1. JANUARY – 31. DECEMBER

	Note	Group 2018	Group 2017
		000'EUR	000'EUR
Revenue	1	5 375 603	5 248 190
Direct costs	2	(4 690 732)	(4 583 775)
Gross profit		**684 871**	**664 415**
Selling and administrative costs	2	(535 761)	(519 629)
Profit/loss from operating activity		**149 110**	**144 786**
Interest income and similar income	3	3 774	2 951
Interest expenses and similar expenses	4	(7 020)	(4 823)
Profit before tax		**145 864**	**142 914**
Tax benefit/(expense) on profit for the year	5	(34 447)	5 220
Profit for the year Group		**111 417**	**148 134**

Proposed distribution of profit 30

INCOME STATEMENT 1. JANUARY – 31. DECEMBER

	Note	Parent company 2018	2017
		000'EUR	000'EUR
Revenue	17	22 332	16 599
Direct costs	18	(16 895)	(11 785)
Gross profit		**5 437**	**4 814**
Selling and administrative costs	18	(5 780)	(4 794)
Profit/(Loss) from operating activity		**(343)**	**20**
Profit for the year, subsidiaries	19	113 388	149 262
Interest income and similar income	20	8	20
Interest expenses and similar expenses	21	(2 553)	(2 336)
Profit before tax		**110 500**	**146.966**
Tax on profit for the year	22	0	0
Profit for the year		**110 500**	**146.966**
Proposed distribution of profit	31		

BALANCE 31 DECEMBER

		Group	
	Note	2018	2017
		000'EUR	000'EUR
ASSETS			
Goodwill		117 119	138 580
Concessions, patents, licenses, etc.		4 980	8 408
Intangible assets total	6	**122 099**	**146 988**
Land and buildings		1 003	1 375
Other fixtures and fittings, tools and equipment		11 143	9 585
Leasehold improvements		35 201	33 276
Tangible fixed assets total	7	**47 347**	**44 236**
Deferred tax asset	8	42 657	40 448
Deposits		2 323	2 655
Other receivables	9	203 881	286 151
Financial fixed assets total		**248 861**	**329 254**
Fixed assets total		**418 307**	**520 478**
Trade receivables		1 101 555	1 160 238
Receivables from group enterprises		2 904	226
Other receivables		36 515	33 418
Income tax receivable		5 577	19 970
Prepayments	10	23 108	5 261
Total receivables		**1 169 659**	**1 219 113**
Cash and bank		**970 209**	**745 895**
Total current assets		**2 139 868**	**1 965 008**
Total assets		**2 558 175**	**2 485 486**

BALANCE 31 DECEMBER

	Note	Group 2018	Group 2017
		000'EUR	000'EUR
EQUITY AND LIABILITIES			
Share capital		456 894	456 894
Exchange rate adjustment		(21 341)	(4 071)
Retained earnings		602 568	494 692
Shareholder of Manpower Europe Holdings ApS' share of total equity		**1 038 121**	**947 515**
Minority interest		10 257	9 348
Total shareholder's equity		**1 048 378**	**956 863**
Pension provisions	11	70 802	66 048
Misc. provisions		5 153	4 736
Total provisions		**75 955**	**70 784**
Credit institutions		5 231	7 794
Prepayments received	12	3 979	4 162
Trade payables		50 731	48 828
Debt to group enterprises		286 318	262 221
Accrued payroll		447 937	436 135
Accrued payroll tax and other taxes		517 311	524 752
Accrued expenses		122 335	173 947
Total current liabilities		**1 433 842**	**1 457 839**
Total liabilities		**1 433 842**	**1 457 839**
Total liabilities and shareholder's equity		**2 558 175**	**2 485 486**
Subsequent events	13		
Rent and lease commitments	14		
Contingent liabilities	15		
Audit fees	16		
Related parties	29		

BALANCE 31 DECEMBER

		Parent Company	
	Note	2018	2017
		000'EUR	000'EUR
ASSETS			
Leasehold improvements		0	7
Tangible fixed assets total	23	**0**	**7**
Investment in subsidiaries	24	1 523 214	1 411 122
Financial assets total		**1 523 214**	**1 411 122**
Fixed assets total		**1 523 214**	**1 411 129**
Trade receivables		8 033	4 684
Receivables from group enterprises		451	0
Other receivables		145	378
Prepayments	25	59	33
Total receivables		**8 688**	**5 095**
Total current assets		**8 688**	**5 095**
Total assets		**1 531 902**	**1 416 224**

BALANCE 31 DECEMBER

	Note	Parent Company 2018	Parent Company 2017
		000'EUR	000'EUR
EQUITY AND LIABILITIES			
Share capital		456 894	456 894
Exchange rate adjustment		(21 341)	(4 071)
Net revaluations reserve according to equity method		155 165	43.073
Retained earnings		447 403	451 619
Total shareholder's equity		**1 038 121**	**947 515**
Trade payables		2 712	859
Debt to group enterprises		487 374	464 162
Other payables		3 695	3 688
Total current liabilities		**493 781**	**468 709**
Total liabilities and shareholder's equity		**1 531 902**	**1 416 224**
Subsequent events	13		
Audit fees	26		
Rent and lease commitments	27		
Contingent liabilities	28		
Related parties	29		

STATEMENT OF EQUITY

Note	Shareholders' equity – Group	Share capital	Exch. rate adjust-ment	Retained earnings	Minority interest	Total
		EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
	Balance 1 January 2017	456 894	(843)	345 454	8 191	809 696
	Misc. equity adjustments, subsidiaries/minority interest	0	0	(895)	(10)	(906)
	Exchange rate adjustment	0	(3 228)	3 167	(1)	(62)
30	Result for the year	0	0	146 966	1 168	148 134
	Shareholders' equity total 2017	**456 894**	**(4 071)**	**494 692**	**9 348**	**956 862**
	Balance 1 January 2018	456 894	(4 071)	494 692	9 348	956 862
	Misc. equity adjustments, subsidiaries/minority interest	0	0	(749)	(4)	(753)
	Exchange rate adjustment	0	(17 270)	(1 875)	(4)	(19 149)
30	Result for the year	0	0	110 500	917	111 417
	Shareholders' equity total 2018	**456 894**	**(21 341)**	**602 568**	**10.257**	**1 048 378**

The share capital comprises of 3,393,482 shares of DKK 1,000 each.

STATEMENT OF EQUITY

Note	Shareholders' equity – Parent Company	Share capital	Exch. rate adjust-ment	Retained earnings	Net revaluation reserve according to equity method	Total
		EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
	Balance 1 January 2017	456 894	(843)	345 454	0	801 505
	Misc. equity adjustments, subsidiaries	0	0	(895)	0	(895)
	Exchange rate adjustment	0	(3 228)	3 167	0	(61)
31	Result for the year	0	0	103 893	43 073	146 966
	Shareholders' equity total 2017	**456 894**	**(4 071)**	**451 619**	**43 073**	**947 515**
	Balance 1 January 2018	456 894	(4 071)	451 619	43 073	947 515
	Misc. equity adjustments, subsidiaries	0	0	(749)	0	(749)
	Exchange rate adjustment	0	(17 270)	(1 875)	0	(19 145)
31	Result for the year	0	0	(1 592)	112 092	110 500
	Shareholders' equity total 2018	**456 894**	**(21 341)**	**447 403**	**155 165**	**1 038 121**

The share capital comprises of 3,393,482 shares of DKK 1,000 each.

NOTES

		Group	
1	**Revenue**	2018 000'EUR	2017 000'EUR
	Revenue segmented by geography:		
	Denmark	22 332	16 599
	France	4 931 631	4 826 546
	Other parts of the world	421 640	405 045
	Revenue total	**5 375 603**	**5 248 190**
	Revenue segmented by service types:		
	Contingent staffing	5 065 801	4 947 101
	Outcome-based solutions and consulting	206 564	200 162
	Permanent recruitment fees	64 509	58 713
	Other	38 729	42 214
	Revenue total	**5 375 603**	**5 248 190**

NOTES

		Group	
2	**Personnel expenses**	2018 000'EUR	2017 000'EUR
	Salaries	3 104 516	3 015 881
	Pensions	7 255	6 956
	Other costs related to social security	317 094	315 803
	Personnel expenses total	**3 428 865**	**3 338 640**
	Staff costs are included in:		
	Direct costs	3 093 273	3 012 648
	Selling and administrative costs	335 592	325 992
	Total	**3 428 865**	**3 338 640**

According to the Danish Financial Statements Act, §98 b, subsection 3, number 2 there has not been given information about remuneration to the management.

	Average number of full-time employees (excl. temporary staff)	16 439	12 971

		Group	
3	**Interest income and similar income**	2018 000'EUR	2017 000'EUR
	Bank	2 175	1 693
	Group enterprises	127	245
	Other financial income	1 472	1 013
	Interest income and similar income total	**3 773**	**2 951**

NOTES

		Group	
4	**Interest expenses and similar expenses**	2018 000'EUR	2017 000'EUR
	Bank	3 711	2 719
	Group enterprises	0	3
	Exchange rate loss	158	349
	Other financial expenses	3 151	1 752
	Interest expenses and similar expenses total	**7 020**	**4 823**

		Group	
5	**Tax on net profit/(loss) for the year**	2018 000'EUR	2017 000'EUR
	Tax benefit/(expense) of the year result	(36 656)	(3 946)
	Changes in deferred tax asset	2 209	9 166
	Tax on net profit/(loss) for the year total	**(34 447)**	**5 220**

As of December 31, 2018, the Group is subject to tax audit in France. We believe that the resolution of the audit will not have a material impact on earnings.

For further description on ongong Danish tax cases reference is made to Note 22.

NOTES

		Group 2018		
6	**Intangible assets**	Goodwill	Concessions. Patents, licenses, etc.	Total
		000'EUR	000'EUR	000'EUR
	Cost as at 1 January	361 035	30 075	391 110
	Additions during the year	0	138	138
	Disposals during the year	(3 440)	(1 210)	(4 650)
	Cost as at 31 December	357 595	29 003	386 598
	Amortisation as at 1 January	222 455	21 667	244 122
	Amortisation for the year	18 021	3 260	21 281
	Adjustments	0	(904)	(904)
	Amortisation at 31 December	240 476	24 023	264 499
	Carrying amount as at 31 December	**117 119**	**4 980**	**122 099**

		Group 2018			
7	**Tangible assets**	Land and buildings	Other tangible assets	Leasehold improve-ments	Total
		000'EUR	000'EUR	000'EUR	000'EUR
	Cost as at 1 January	4 786	54 007	102 641	161 434
	Additions during the year	0	6 653	10 322	16 975
	Disposals during the year	(542)	(3 934)	(2 595)	(7 071)
	Cost as at 31 December	4 244	56 726	110 368	171 338
	Depreciations as at 1 January	3 411	44 422	69 365	117 198
	Depreciation for the year	113	5 072	8 223	13 408
	Depreciation assets sold	(283)	(3 901)	(2 427)	(6 611)
	Exchange rate adjustments	0	(10)	6	(4)
	Depreciation as at 31 December	3 241	45 583	75 167	123 991
	Carrying amount as at 31 December	**1 003**	**11 143**	**35 201**	**47.347**

NOTES

		Group	
8	**Deferred tax asset**	2018 000'EUR	2017 000'EUR
	Deferred tax asset as at 1 January	40 448	31 282
	Changes in deferred tax during the year	2 209	9 166
	Deferred tax asset as at 31 December	**42 657**	**40 448**

The deferred tax asset primarily relates to timely differences in intangible and tangible assets.

		Group	
9	**Other receivables**	2018 000'EUR	2017 000'EUR
	Prepaid salary and etc.	292	550
	Receivable regarding tax case	2 982	38 370
	French tax credit (CICE LT)	198 399	244 824
	Other receivables	2 208	2 407
	Other receivables total	**203 881**	**286 151**

The reduction in receivables regarding tax case relates to refund claims in France that were rejected by the French Supreme Court during December 2018.

In France, the government passed Crédit d'Impôt pour la Compétitivité et l'Emploi ("CICE") legislation effective January 1, 2013 to improve the competitiveness and reduce employment costs by offering payroll tax credits to most French and foreign enterprises subject to corporate tax in France. In France, the government passed Crédit d'Impôt pour la Compétitivité et l'Emploi ("CICE") legislation effective January 1, 2013 to improve the competitiveness and reduce employment costs by offering payroll tax credits to most French and foreign enterprises subject to corporate tax in France.

NOTES

		Group	
10	**Prepayments**	2018 000'EUR	2017 000'EUR
	Advertising	195	511
	General insurance	233	293
	Rent	336	273
	Taxes and licenses	670	578
	Communication network	372	346
	French tax credit (CICE LT)	16 900	0
	Other prepayments	4 402	3 260
	Prepayments total	**23 108**	**5 261**

11 Pensions provisions (Group)

Provision for pensions consist of defined benefit plans of EUR 70.8 million (2017: EUR 66.0 million) to foreign employees withing the group.

12 Prepayments received (Group)

Prepayments received as liabilities at EUR 3,978,801 (2017: EUR 4,162,060) consist of received payments from clients, which cannot be booked as income until the coming accounting year.

NOTES

13 Subsequent events (Group)

The company has subsequent to the balance sheet date approved and distributed a dividend of EUR 35 million. The dividend distributed consisted of a Promissory Note with the ultimate parent Company.

On April 11, 2019, a portion of the French payroll tax credits earned in 2018 for net proceeds of EUR 92 million was sold. The Company derecognized these receivables and the additional interest 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.

	Group	
14 Rent and lease commitments	2018 000'EUR	2017 000'EUR
Lease commitments	9 620	8 027
Rent commitments	109 591	111 585
Rent and lease commitments total	**119 211**	**119 612**

15 Contingent liabilities (Group)

Reference is made to the ongoing tax cases, described in note 22. Apart from that potential liability, the Group has not assumed any liabilities, in excess of the liabilities resulting from its primary business.

NOTES

		Group	
16	**Audit fees**	2018 000'EUR	2017 000'EUR
	Audit fees	825	745
	Audit fees re tax advice	8	0
	Audit fees total	**833**	**745**

		Parent company	
17	**Revenue**	2018 000'EUR	2017 000'EUR
	Revenue segmented by geography:		
	Denmark	22 332	16 599
	Revenue total	**22 332**	**16 599**
	Revenue segmented by service types:		
	Contingent staffing	18 769	13 635
	Outcome-based solutions and consulting	618	739
	Permanent recruitment fees	2 490	2 074
	Other	455	151
	Revenue total	**22 332**	**16 599**

NOTES

		Parent company	
18	**Personnel expenses**	2018 000'EUR	2017 000'EUR
	Salaries	18 216	13 401
	Pensions	1 386	1 693
	Other costs related to social security	437	572
	Personnel expenses total	**20 039**	**15 666**
	Staff costs are included in:		
	Direct costs	15 498	12 374
	Selling and administrative costs	4 541	3 292
	Total	20 039	15 666

According to the Danish Financial Statements Act, §98 b, subsection 3, number 2 there has not been given information about remuneration to the management.

Average number of full-time employees	31	38

		Parent company	
19	**Profit for the year, subsidiaries**	2018 000'EUR	2017 000'EUR
	Share of profit for the year, subsidiaries	128 334	167 287
	Goodwill amortization	(14 946)	(18 025)
	Profit for the year, subsidiaries total	**113 388**	**149 262**

		Parent company	
20	**Interest income and similar income**	2018 000'EUR	2017 000'EUR
	Group enterprises	0	20
	Foreign exchange gains	8	0
	Interest income and similar income total	**8**	**20**

NOTES

		Parent company	
21	**Interest expenses and similar expenses**	2018 000'EUR	2017 000'EUR
	Group enterprises	270	116
	Bank	2 283	2 219
	Other financial expenses	0	1
	Interest expenses and similar expenses total	**2 553**	**2 336**

		Parent company	
22	**Tax on net profit/(loss) for the year**	2018 000'EUR	2017 000'EUR
	Tax on profit/loss for the year	0	0
	Adjustment tax previous years	0	0
	Tax on net profit/(loss) for the year total	**0**	**0**

No income tax has been paid during the year.

The Company has a potential deferred tax asset in the amount of EUR 3,800,000 (2017: EUR 2,564,000), primarily related tax loss carry-forwards. The Company has decided not to recognise the tax asset.

The Danish tax authorities ("SKAT") have challenged transfer pricing and other issues, which they claim contributed to losses incurred by the former Manpower A/S during 2006-2009 whose operations are part of the Company as a result of the merger concluded in 2010. SKAT issued a decision on July 19, 2012 to increase the taxable income of Manpower A/S by EUR 14,738,484. The Company filed an Appeal to the National Tax Tribunal regarding SKAT's decision on October 17, 2012 consistent with its opinion that the transfer pricing is based on arm's length principle and losses incurred by Manpower A/S were based on operational conditions. SKAT filed a response to the Appeal on December 18, 2012 and the Company filed a reply on April 24, 2013. On June 13, 2016, SKAT also issued a formal assessment to increase the taxable income of the Company by EUR 2,427,597 for tax years 2010 and 2011. The decision by the Danish Tax Tribunal are still pending the conclusion to the Mutual Agreement Procedure with the parent company, ManpowerGroup Inc.

NOTES

	Parent 2018		
23 Tangible assets	Other tangible assets 000'EUR	Leasehold improvements 000'EUR	Total 000'EUR
Cost as at 1 January	24	63	87
Adjustment	0	41	41
Cost as at 31 December	24	104	128
Amortisation as at 1 January	24	56	80
Adjustment beginning balance	0	40	40
Depreciation for the year	0	8	8
Depreciation as at 31 December	24	104	128
Carrying amount at 31 December	**0**	**0**	**0**

NOTES

		Parent company	
24	**Investments in subsidiaries**	2018	2017
		000'EUR	000'EUR
	Cost as at 1 January	1 368 049	1 368 049
	Cost as at 31 December	1 368 049	1 368 049
	Net evaluations as at 1 January	43 073	(104 759)
	Profit for the year	128 334	167 373
	Amortization goodwill	(14 939)	(14 939)
	Exchange rate adjustments	(554)	1 292
	Other adjustments	(749)	(5 894)
	Net evaluations as at 31 December	155 165	43 073
	Carrying amount as at 31 December	**1 523 214**	**1 411 122**

Result for the year of EUR 128 million (2017: EUR 167 million) includes amortization of goodwill recoqnized in Manpower France Holding SAS of EUR 3 million (2017: EUR 3 million). Total goodwill recoqnized in Manpower France Holding SAS related to their activities amounts to EUR 20 million (2017: EUR 23 million).

As of 31 December 2018, investment in subsidiaries comprises EUR 97.1 million (2017: EUR 112.0 million) in goodwill from the 99,31 % equity interest of Manpower France Holding SAS.

		Parent company	
25	**Prepayments**	2018	2017
		000'EUR	000'EUR
	Advertising	6	0
	General insurance	1	0
	Rent	39	13
	Taxes and lincenses	0	2
	Other prepayments	13	18
	Prepayments total	**59**	**33**

NOTES

		Parent company	
26	**Audit fees**	2018 000'EUR	2017 000'EUR
	Audit fees	60	48
	Audit fees re tax advice	8	0
	Audit fees total	**68**	**48**

		Parent company	
27	**Rent and lease commitments**	2018 000'EUR	2017 000'EUR
	Lease commitments	155	18
	Rent commitments	42	242
	Rent and lease commitments total	**197**	**260**

28 Contingent liabilities (Parent)

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to withholding tax on interest, royalties and dividend for the jointly taxed companies and from 1 January 2013 for income taxes for the jointly taxed companies.

NOTES

29 Related Parties

Ownership control:
ManpowerGroup Inc., USA, owns the Company 100%.

Manpower Europe Holdings is included in the consolidated financial statements of ManpowerGroup Inc., USA.
The consolidated financial statements can be obtained at: ManpowerGroup Inc., 100 Manpower Place, Milwaukee, Wisconsin, 53212, USA, attn: Richard Buchband.
The annual report is available on www.manpowergroup.com.

Transactions with related parties:

All transactions with related parties have been carried out under arm's length terms.

30 Proposed distribution of profit (Group)

	2018 000'EUR	2017 000'EUR
Retained earnings	110 500	146 966
Minority interest	917	1 168
Proposed distribution of profit total	**111 417**	**148 134**

31 Proposed distribution of profit (Parent)

	2018 000'EUR	2017 000'EUR
Net revaluation according to equity method	112 092	43 073
Retained earnings	(1 592)	103 923
Proposed distribution of profit total	**110 500**	**146 996**