Manpower Europe Holdings ApS

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

CVR-no. 27 42 98 15

Annual Report for the year 2017

14 th financial year

Chairman ____________________
CASPER MÜNTER

The annual report has been presented and approved at the Company's ordinary general meeting, Copenhagen, 25 June 2018

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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 2017.

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 2017 and of its financial performance for the financial year 1 January to 31 December 2017.

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, 19 June 2018

Management

Lars Bertil Forseth

Board of Directors

Anders Bergqvist

Lars Bertil Forseth

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 01.01.2017 – 31.12.2017, 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, and the consolidated cash flow statement. 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 31.12.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2017 – 31.12.2017 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, 19 June 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 96 35 56

Kim Mücke

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	14
Management	Lars Bertil Forseth
Board of Directors	Anders Bergqvist Lars Bertil Forseth
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S
Annual General Meeting	25 June 2018
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%
Elan I.T. Resource 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 Antilles Eurl	Martinique	100%
Manpower Monaco SAM	Monaco	99,99%
Societe Marocaine De Travail Temporiare	Morocco	100%
Manpower 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%
Ovialis 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%
Damilo Information Technology SAS	France	100%

GROUP COMPANIES

Experis Executive Lyon	France	70%
Futurskill IT SAS	France	100%
Experis Management de Transition SAS	France	100%
Merci l'Ordi	France	70%

FINANCIAL HIGHLIGHTS

Financial highlights

	Group				
Key figures	2017	2016	2015	2014	2013
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Income statement					
Revenue	5 248 190	4 748 786	4 571 702	4 384 620	4 323 543
Profit/loss from operating activity	144 786	130 846	138 010	115 062	115 992
Net financial income/(loss)	(1 872)	263	48 163	399	(2 088)
Profit/(loss) for the year	146 966	126 990	168 251	114 150	97 091
Balance sheet					
Balance sheet total	2 485 486	2 195 728	2 018 876	1 950 100	1 801 863
Investment in tangible assets	14 866	13 944	10 975	7 335	8 919
Shareholder's equity	947 515	801 505	678 469	904 275	796 868
Key figures in %					
Gross margin	13%	13%	14%	13%	12%
Profit margin	3%	3%	3%	3%	3%
Return on assets	6%	6%	7%	6%	6%
Solvency ratio	38%	37%	34%	46%	44%
Return on equity	16%	17%	21%	13%	13%

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

Explanation of key ratios

Gross margin	Gross profit * 100 / Revenue
Profit margin	Profit from operating activity*100 / Revenue
Return on assets	Profit from operating activity*100 / Total assets
Solvency ratio	Equity at year-end *100 / Total assets
Return on equity	Profit/loss for the year*100 / *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 4 offices in Denmark delivered permanent and temporary Staffing Solutions as well as HR Consulting services under the brands and offerings Manpower, 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 21,0 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 2,700 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.

It is the company's 14th financial year. The annual report is presented in EUR 1,000.

Development in activities and financial position

The Company's financial position and the performance of the year is shown in the following income statement for the accounting year 1 January – 31 December 2017 and the balance sheet as at 31 December 2017.

The Group has realized a profit of EUR'000 146 966. Management notes that this result is an improvement compared to prior years and reflects actions taken to strengthen the business. Management expects this positive trend to continue into the following year balanced against potential continued weaknesses in the economy. Furthermore, the introduction of the CICE payroll tax credit in France effective in 2013 has had a positive impact on net income again during 2017.

MANAGEMENT'S COMMENTARY

In March 2017 and 2016, we entered into an agreement to sell a portion of the credits earned in 2016 and 2015, respectively, for net proceeds of EUR'000 133.9 and EUR'000 129.9, respectively. We derecognized these receivables upon the sale 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 as a reduction of the payroll tax credits earned in the respective years in cost of services.

Uncertainties or unusual circumstances that have affected the recognition
It is the 14th year where the consolidated financial statements have been prepared and 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.

Corporate Sustainability
Reference is made, to the ManpowerGroup Inc. website concerning the subject,
https://www.manpowergroup.com/2017yearinreview/sustainability.html

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.

The Company's Board of Directors currently consists of two people. The board's current male 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

MANAGEMENT'S COMMENTARY

representing the underrepresented sex, that is, currently women. Before the end of the calender year 2019, it is also the goal that the board composition comprises at least 20% women. Theses goals are considered to be ambitious but realistic. The goals have not been reached during the calender year 2017 as there have been no replacements or appointments of new members.

As the Company employs less than 50 employees, no policies regarding underrepresented sex in other levels of management have been prepared.

Future prospects
We expect profit for the year 2018 to be between EUR'000 100,000 to EUR'000 200,000.

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 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.

ACCOUNTING PRINCIPLES APPLIED

Direct costs
Direct costs include direct costs in order to achieve revenue.

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.

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.

ACCOUNTING PRINCIPLES APPLIED

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.

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.

ACCOUNTING PRINCIPLES APPLIED

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
Prepaid expenses are recorded as 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.

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.

ACCOUNTING PRINCIPLES APPLIED

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.

INCOME STATEMENT 1. JANUARY – 31. DECEMBER

	Note	Group 2017	Group 2016
		000'EUR	000'EUR
Revenue	1	5 248 190	4 748 786
Direct costs	11	(4 583 775)	(4 117 595)
Gross profit		**664 415**	**631 191**
Selling and administrative costs	11	(519 629)	(500 345)
Profit/loss from operating activity		**144 786**	**130 846**
Interest income and similar income	2	2 951	4 581
Interest expenses and similar expenses	3	(4 823)	(4 318)
Profit before tax		**142 914**	**131 109**
Tax benefit/(expense) on profit for the year	4	5 220	(3 089)
Profit/loss for the year Group		**148 134**	**128 019**
The profit/loss for the Group is distributed as follows:			
To the shareholder of Manpower Europe Holdings ApS		146 966	126 990
Minority interests		1 168	1 029
Profit/loss for the year		**148 134**	**128 019**

INCOME STATEMENT 1. JANUARY – 31. DECEMBER

		Parent company	
	Note	**2017**	**2016**
		000'EUR	000'EUR
Revenue		16 599	20 501
Direct costs	15	(11 785)	(16 768)
Gross profit		**4 814**	**3 733**
Selling and administrative costs	15	(4 794)	(3 774)
Profit/(Loss) from operating activity		**20**	**(41)**
Profit for the year, subsidiaries	16	149 262	129 335
Interest income and similar income	17	20	30
Interest expenses and similar expenses	18	(2 336)	(2 334)
Profit before tax		**146.966**	**126 990**
Tax on profit for the year	19	0	0
Profit for the year		**146.966**	**126 990**

BALANCE 31 DECEMBER

	Note	Group 2017 000'EUR	Group 2016 000'EUR
ASSETS			
Goodwill		138 580	156 540
Concessions, patents, licenses, etc.		8 408	11 865
Intangible assets total	5	**146 988**	**168 405**
Land and buildings		1 375	1 770
Other fixtures and fittings, tools and equipment		9 585	8 692
Leasehold improvements		33 276	31 696
Tangible fixed assets total	6	**44 236**	**42 158**
Deferred tax asset		40 448	31 282
Deposits		2 655	2 451
Other receivables	7	286 151	236 765
Financial fixed assets total		**329 254**	**270 498**
Fixed assets total		**520 478**	**481 061**
Trade receivables		1 160 238	1 061 142
Receivables from group enterprises		226	2 622
Other receivables		33 418	24 674
Income tax		19 970	18 152
Prepayments	8	5 261	5 320
Total receivables		**1 219 113**	**1 111 910**
Securities and investments		**0**	**183**
Cash and bank		**745 895**	**602 574**
Total current assets		**1 965 008**	**1 714 667**
Total assets		**2 485 486**	**2 195 728**

BALANCE 31 DECEMBER

	Note	Group 2017	Group 2016
		000'EUR	000'EUR
EQUITY AND LIABILITIES			
Share capital		456 894	456 894
Exchange rate adjustment		(4 071)	(843)
Retained earnings		494 692	345 454
Shareholder of Manpower Europe Holdings ApS' share of total equity		**947 515**	**801 505**
Minority interest		9 348	8 191
Total shareholder's equity		**956 863**	**809 696**
Misc. provisions	9	70 784	63 203
Total provisions		**70 784**	**63 203**
Credit institutions		7 794	8 814
Prepayments received	10	4 162	4 411
Trade payables		48 828	39 261
Debt to group enterprises		262 221	261 027
Accrued payroll		436 135	383 765
Accrued payroll tax and other taxes		524 752	475 065
Accrued expenses		173 947	150 486
Total current liabilities		**1 457 839**	**1 322 829**
Total liabilities		**1 457 839**	**1 322 829**
Total liabilities and shareholder's equity		**2 485 486**	**2 195 728**
Subsequent events	12		
Rent and lease commitments	13		
Contingent liabilities	14		
Related parties	25		

BALANCE 31 DECEMBER

	Note	Parent Company 2017	Parent Company 2016
		000'EUR	000'EUR
ASSETS			
Other fixtures and fittings, tools and equipment		0	2
Leasehold improvements		7	15
Tangible fixed assets total	20	**7**	**17**
Investment in subsidiaries	21	1 411 122	1 263 289
Financial assets total		**1 411 122**	**1 263 289**
Fixed assets total		**1 411 129**	**1 263 306**
Trade receivables		4 684	3 619
Receivables from group enterprises		0	947
Other receivables		378	365
Prepayments		33	65
Total receivables		**5 095**	**4 996**
Total current assets		**5 095**	**4 996**
Total assets		**1 416 224**	**1 268 302**

BALANCE 31 DECEMBER

	Note	Parent Company 2017	Parent Company 2016
		000'EUR	000'EUR
EQUITY AND LIABILITIES			
Share capital		456 894	456 894
Exchange rate adjustment		(4 071)	(843)
Net revaluations reserve according to equity method		43.073	0
Retained earnings		451 619	345 454
Total shareholder's equity		**947 515**	**801 505**
Trade payables		859	634
Debt to group enterprises		464 162	461 851
Other payables		3 688	4 312
Total current liabilities		**468 709**	**466 797**
Total liabilities and shareholder's equity		**1 416 224**	**1 268 302**
Subsequent events	12		
Audit fees	22		
Rent and lease commitments	23		
Contingent liabilities	24		
Related parties	25		

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 2016	456 894	20	221 555	7 250	685 719
	Misc. equity adjustments, subsidiaries/minority interest	0	0	(3 091)	(87)	(3 178)
	Exchange rate adjustment	0	(863)	0	(1)	(864)
26	Result for the year	0	0	126 990	1 029	128 019
	Shareholders´ equity total 2016	**456 894**	**(843)**	**345 454**	**8 191**	**809 696**
	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)
26	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**

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 2016	456 894	20	221 555	0	678 469
	Misc. equity adjustments, subsidiaries	0	0	(3 091)	0	(3 091)
	Exchange rate adjustment	0	(863)	0	0	(863)
26	Result for the year	0	0	126 990	0	126 990
	Shareholders´ equity total 2016	**456 894**	**(843)**	**345 454**	**0**	**801 505**
	Balance 1 January 2017	456 894	(843)	345 454	0	801 505
	Misc. equity adjustments, subsidiaries	0	0	(895)	0	(896)
	Exchange rate adjustment	0	(3 228)	3 167	0	(60)
26	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**

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

NOTES

Group

1	Revenues	2017 000'EUR	2016 000'EUR
	Denmark	16 599	20 501
	Other parts of the world	5 231 591	4 728 285
	Revenue total	**5 248 190**	**4 748 786**

2	Interest income and similar income	2017 000'EUR	2016 000'EUR
	Bank	1 693	1 483
	Group enterprises	245	422
	Other financial income	1 013	2 676
	Interest income and similar income total	**2 951**	**4 581**

3	Interest expenses and similar expenses	2017 000'EUR	2016 000'EUR
	Bank	2 719	2 859
	Group enterprises	3	0
	Exchange rate loss	349	30
	Other financial expenses	1 752	1 429
	Interest expenses and similar expenses total	**4 823**	**4 318**

4	Tax on net profit/(loss) for the year	2017 000'EUR	2016 000'EUR
	Tax benefit/(expense) of the year result	5 220	(3 089)
	Tax on net profit/(loss) for the year total	**5 220**	**(3 089)**

NOTES

		2017		
5	**Intangible assets**	Group goodwill 000'EUR	Other intagible assets 000'EUR	Total 000'EUR
	Cost as at 1 January	360 975	30 066	391 041
	Exchange rate adjustments	60	9	69
	Cost as at 31 December	361 035	30 075	391 110
	Amortisation as at 1 January	204 435	18 201	222 636
	Amortisation for the year	18 021	3.792	21 813
	Adjustments	0	(312)	(312)
	Exchange rate adjustments	(1)	(14)	(15)
	Amortisation at 31 December	222 455	21 667	244 122
	Carrying amount as at 31 December	**138 580**	**8 408**	**146 988**

		2017			
6	**Tangible assets**	Land and buildings 000'EUR	Other tangible assets 000'EUR	Leasehold improve-ments 000'EUR	Total 000'EUR
	Cost as at 1 January	5 791	50 068	96 543	152 402
	Additions during the year	0	5 695	9 171	14 866
	Disposals during the year	(1 005)	(1 997)	(3 106)	(6 108)
	Exchange rate adjustments	0	241	33	274
	Cost as at 31 December	4 786	54 007	102 641	161 434
	Adjustments as at 1 January	4 021	41 376	64 847	110 244
	Depreciation for the year	154	4 852	7 393	12 398
	Depreciation assets sold	(764)	(1 972)	(2 898)	(5 634)
	Exchange rate adjustments	0	166	23	189
	Depreciation as at 31 December	3 411	44 422	69 365	117 198
	Carrying amount as at 31 December	**1 375**	**9 585**	**33 276**	**44 236**

NOTES

7	Other receivables	2017 000'EUR	2016 000'EUR
	Prepaid salary and etc.	550	643
	Receivable regarding tax case	38 370	38 915
	French tax credit (CICE LT)	244 824	194 860
	Deferred income	371	1 604
	Other receivables	2 036	743
	Other receivables total	**286 151**	**236 765**

8	Prepayments	2017 000'EUR	2016 000'EUR
	Advertising	511	255
	General insurance	293	312
	Rent	273	472
	Taxes and lincenses	578	356
	Communication network	346	371
	Other prepayments	3 260	3 554
	Prepayments total	**5 261**	**5 320**

9	Misc. provisions	2017 000'EUR	2016 000'EUR
	Pension	66 048	56 913
	Health insurance	331	335
	Deferred compensation	149	149
	Other	4 256	5 806
	Misc. provisions total	**70 784**	**63 203**

NOTES

10 Prepayments received

Prepayments received as liabilities at EUR'000 4,162 (2016: EUR'000 4,411) consist of received payments from clients, which cannot be booked as income until the coming accounting year.

11 Personnel expenses

	Group 2017 000'EUR	Group 2016 000'EUR
Salaries	3 022 837	2 727 501
Other costs related to social security	315 803	290 043
Personnel expenses total	**3 338 640**	**3 017 544**
Staff costs are included in:		
Direct payroll costs	3 012 648	2 707 391
Sales and administrative expenses	325 992	310 153
Total	3 338 640	3 017 544

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

	2017	2016
Average number of full-time employees (excl. temporary staff)	12 971	9 909

12 Subsequent events

No significant events have occurred after the balance sheet date which could have influence on the evaluation of the annual report.

NOTES

13 Rent and lease commitments

The Group has office lease commitments at EUR'000 111,585 and other lease commitments at EUR'000 8,027 which is not included in the balance sheet as per 31st December 2017.

14 Contingent liabilities

The Group has not assumed any liabilities, in excess of the liabilities resulting from its primary business.

15 Personnel expenses

	Parent company	
	2017 000'EUR	2016 000'EUR
Salaries	13 401	16 584
Pensions	2 173	1 235
Other costs related to social security	572	796
Personnel expenses total	**16 146**	**18 615**
Staff costs are included in:		
Direct payroll costs	12 854	16 308
Sales and administrative expenses	3 292	2 307
Total	16 146	18 615

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	38	38

NOTES

16 Profit for the year, subsidiaries

	2017 000'EUR	2016 000'EUR
Share of profit for the year, subsidiaries	167 287	147 356
Goodwill amortization	(18 025)	(18 021)
Profit for the year, subsidiaries total	**149 262**	**129 335**

17 Interest income and similar income

	2017 000'EUR	2016 000'EUR
Group enterprises	20	24
Bank	0	1
Foreign exchange gains	0	5
Interest income and similar income total	**20**	**30**

18 Interest expenses and similar expenses

	2017 000'EUR	2016 000'EUR
Group enterprises	116	116
Bank	2 219	2 216
Foreign exchange losses	0	0
Other financial expenses	1	2
Interest expenses and similar expenses total	**2 336**	**2 334**

NOTES

19	Tax on net profit/(loss) for the year	2017 000'EUR	2016 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 000'EUR 2 564 (2016: 000'EUR 5 410), 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

	2017		
20 Tangible assets	Other tangible assets 000'EUR	Leasehold improvements 000'EUR	Total 000'EUR
Cost as at 1 January	24	63	87
Addition during the year	0	0	0
Disposals during the year	0	0	0
Cost as at 31 December	24	63	87
Amortisation as at 1 January	22	48	70
Adjustment beginning balance	0	0	0
Depreciation for the year	2	8	10
Depreciation assets sold	0	0	0
Depreciation as at 31 December	24	56	80
Carrying amount at 31 December	**0**	**7**	**7**

NOTES

21 Investments in subsidiaries

	2017	2016
	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	(104 759)	(230 807)
Profit for the year	170 455	147 356
Amortization goodwill	(18 021)	(18 021)
Exchange rate adjustments	1 292	(196)
Other adjustments	(5 894)	(3 091)
Net evaluations as at 31 December	43 073	(104 759)
Carrying amount as at 31 December	**1 411 122**	**1 263 290**
Hereof comprises goodwill	58 551	76 571

Subsidiary	Registered In	Corporate form	Equity interest %
Manpower France Holding	France	SAS	99,31%

NOTES

22 Audit fees

	2017 000'EUR	2016 000'EUR
Audit fees	48	34
Audit fees re tax advice	0	8
Audit fees total	**48**	**42**

23 Rent and lease commitments

	2017 000'EUR	2016 000'EUR
Lease commitments	18	86
Rent commitments	242	378
Rent and lease commitments total	**260**	**464**

24 Contingent liabilities

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

25 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.

26 Proposed distribution of profit/loss

	2017 000'EUR	2016 000'EUR
Net revaluation according to equity method	43 073	0
Retained earnings	103 923	126 990
Proposed distribution of profit/loss total	**146 996**	**126 990**