



MPS Group®

**Presentation at
Banc of America Securities Conference
June 1, 2004**

Forward-Looking Statements

All of the information presented that is not historical in nature should be considered to be forward-looking statements that are subject to certain risks, uncertainties or assumptions and may be affected by certain other factors, including but not limited to the specific factors discussed in the Company's periodic filings with the SEC. Should one or more of these risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements expressed or implied by such forward-looking statements may vary materially from any future results, performance or achievements expressed or implied in this presentation. Forward-looking statements are not guarantees of performance and the Company undertakes no obligation to update publicly any of the information presented in light of new information or future events.

Today's Topics

- **MPS Group Overview**
- **Financial Performance**
- **Growth Strategy**
- **Discussion**



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MPS Group Overview

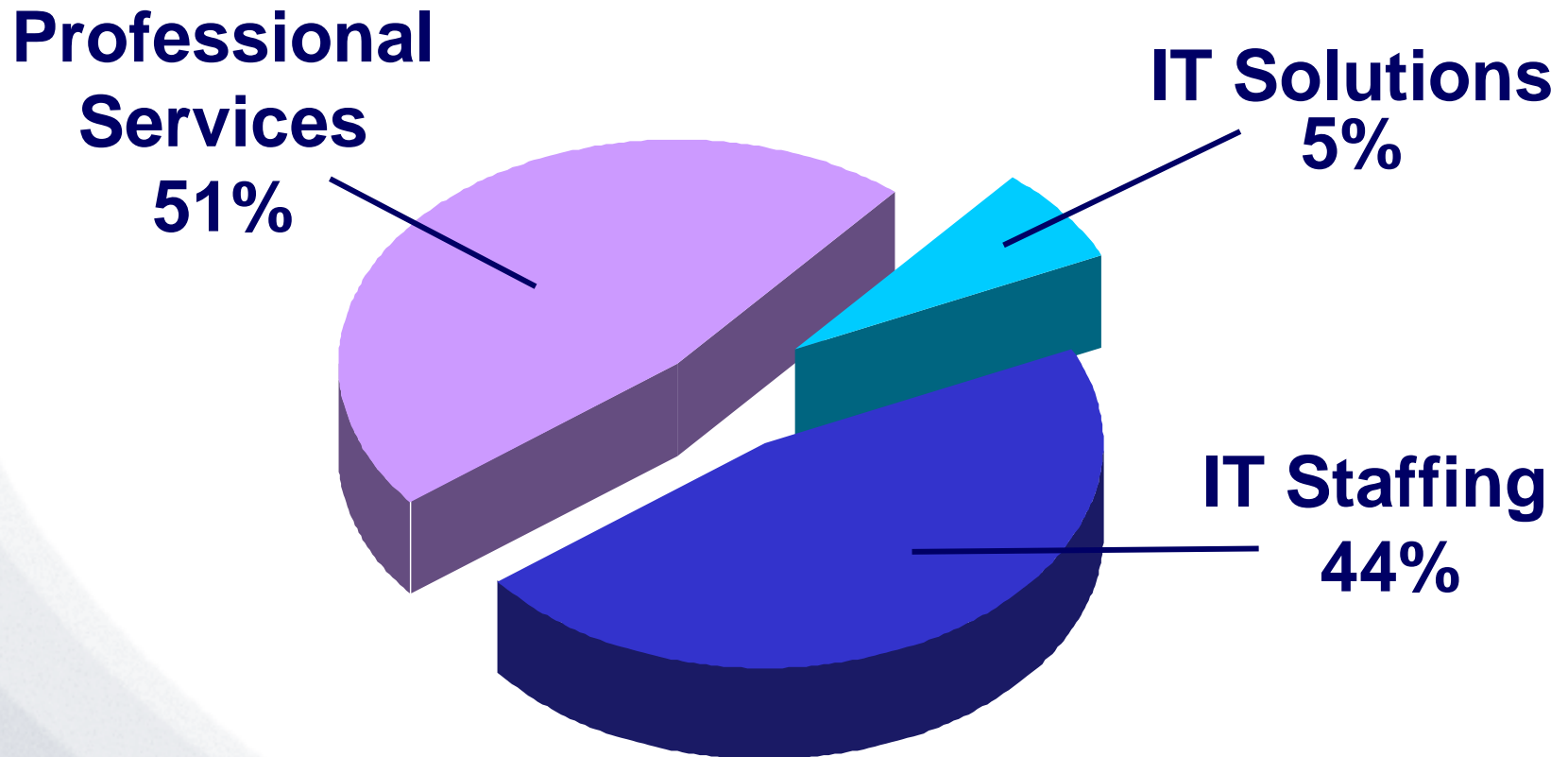
Timothy Payne
Chief Executive Officer

MPS Group

- **NYSE:MPS**
- **\$1.1 billion in 2003 revenue**
- **Business mix:**
 - **Professional Staffing**
 - **IT Staffing and Solutions**
- **Specialized operating brands**

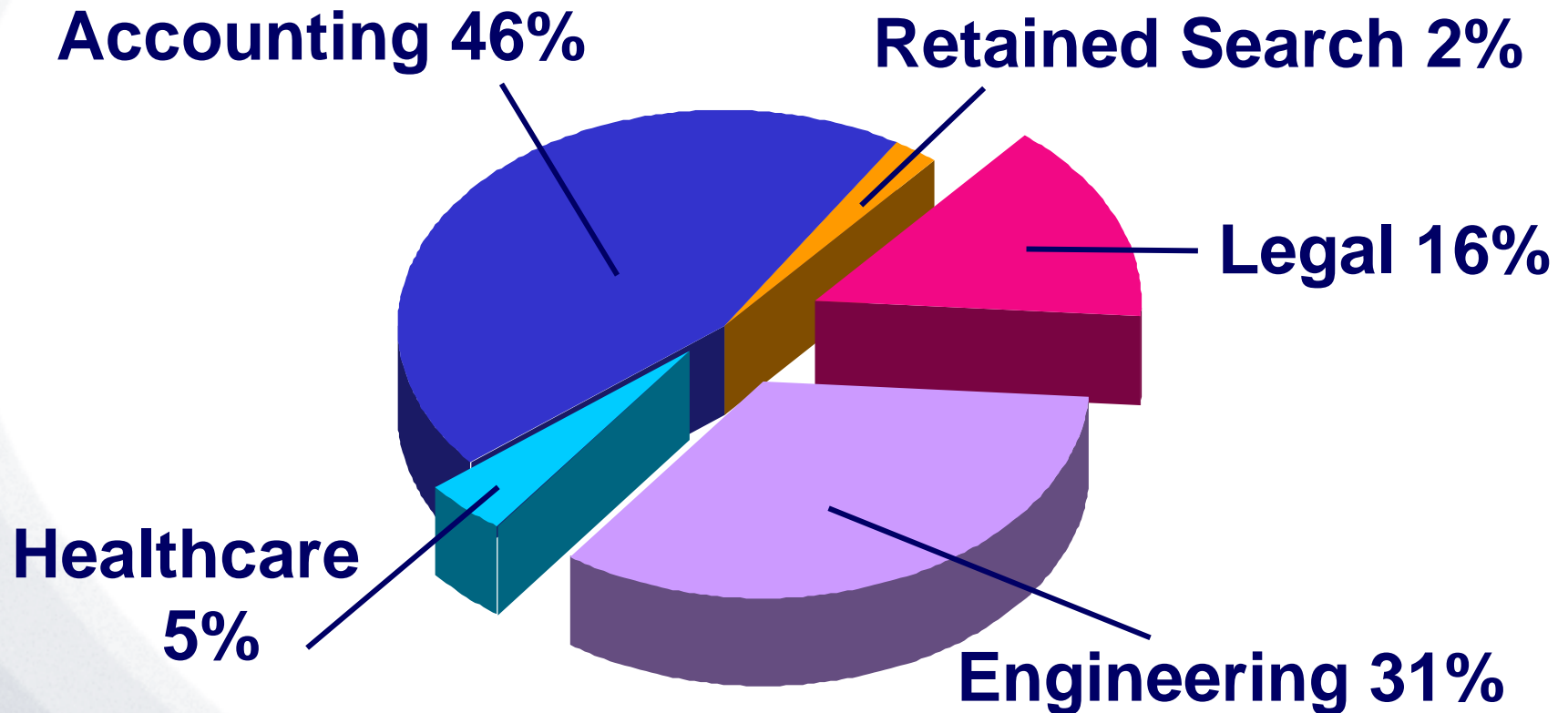
Business Divisions

1Q2004 Revenue Mix



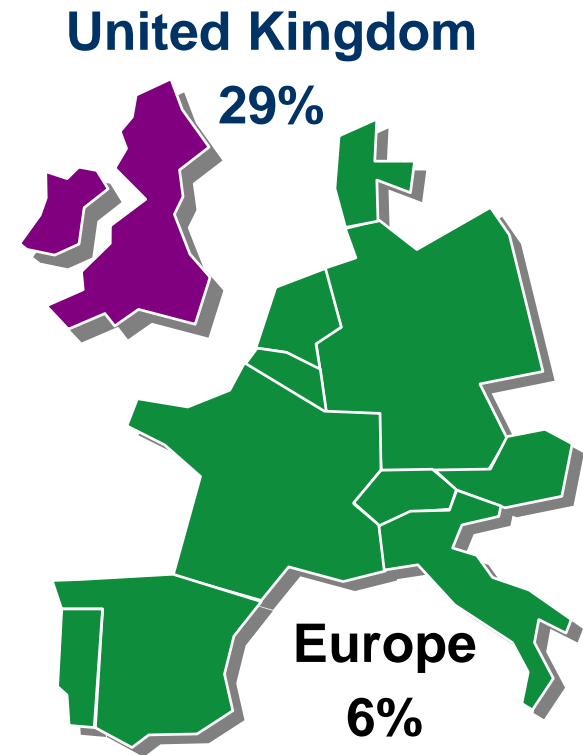
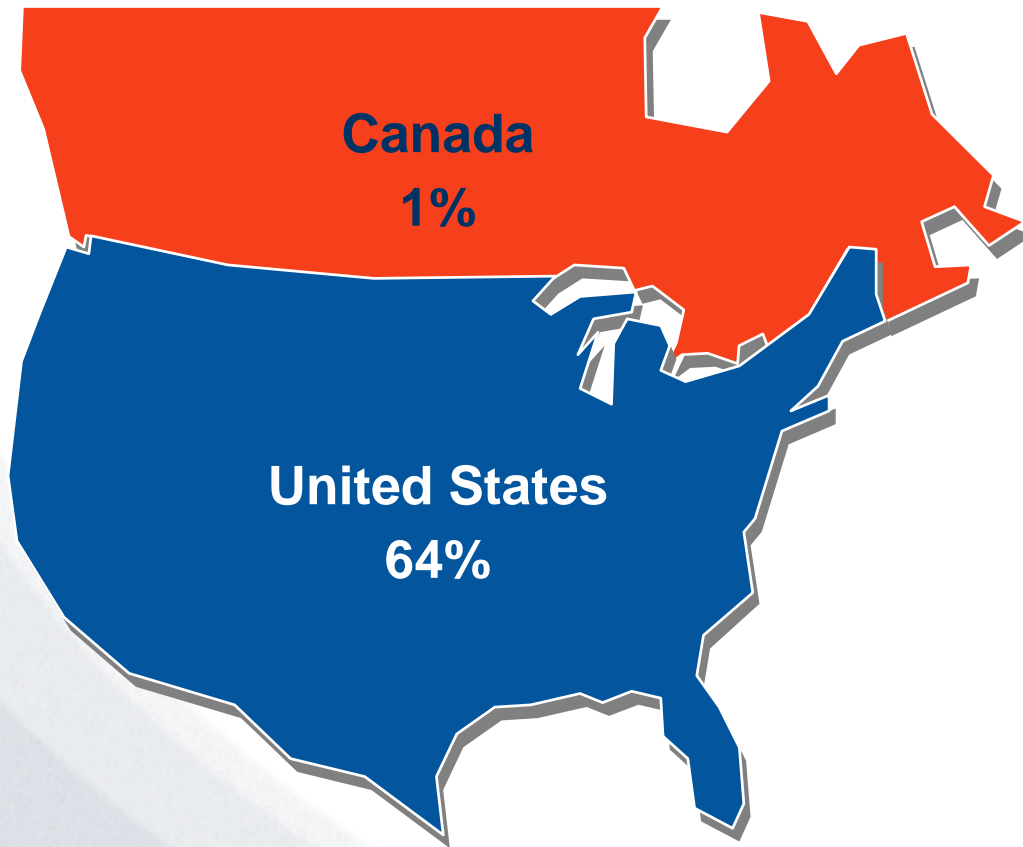
Professional Division

1Q2004 Professional Revenue Mix



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2003 Revenue By Geography

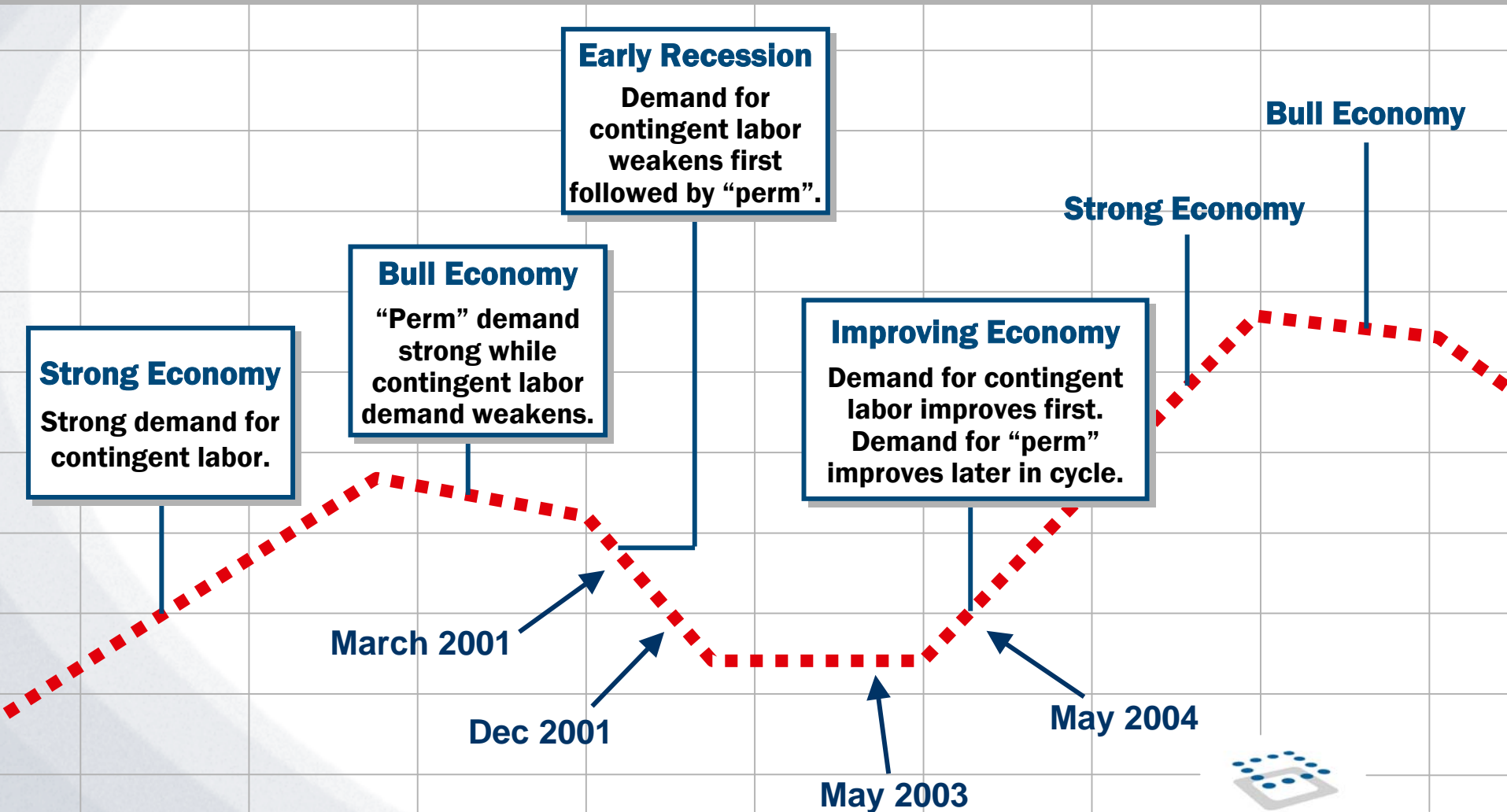


What Sets MPS Group Apart?

- **Professional disciplines only—no commercial / industrial staffing**
- **One of the few consistently profitable public staffing companies during the 2000-2003 downturn**
 - **Financial discipline**
 - **Over \$100 million in cash reserves and untapped \$150 million credit facility**
- **Innovator in using technology to improve service and gain market share**



The Contingent Labor Cycle





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Financial Performance

Robert Crouch
Chief Financial Officer

Income Statement *(Continuing Operations)*

\$ in thousands, except per share amounts

	<u>2003</u>	<u>2002</u>
Revenue	\$1,096,030	\$1,119,156
GM %	26.2%	25.5%
SG&A	\$234,614	\$235,673
Restructuring and impairment charges (recapture)	\$(284)	\$25,132
EBITDA*	\$52,810	\$24,033
EBITDA %	4.8%	2.1%
Depreciation and amortization	\$17,009	\$20,256
Net income (loss) from continuing operations (charges, net of tax, decreased 2002 results by \$29 million)	\$21,835	\$(14,002)
Net loss	\$(1,235)	\$(566,304)
Diluted net income (loss) per common share from continuing operations before cumulative effect of accounting change (charges, net of tax, decreased 2002 results by \$0.29)	\$0.21	\$(0.14)

*A reconciliation of EBITDA to net loss is available in the fourth quarter 2003 earnings press release located at www.MPSGroup.com

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Balance Sheet and Cash Flow Highlights

\$ in thousands	<u>2003</u>	<u>2002</u>
Cash provided by operating activities	\$65,328	\$115,881
Cash used in investing activities	\$(14,186)	\$(13,226)
Cash provided by (used in) financing activities	\$2,689	\$(86,470)
Net increase in cash	\$57,873	\$17,726
Cash, end of year	\$124,807	\$66,934
Working Capital	\$217,748	\$171,154
Long Term Debt	\$500	\$0
Total Stockholders' Equity	\$792,790	\$781,559
Days Sales Outstanding	53 days	61 days

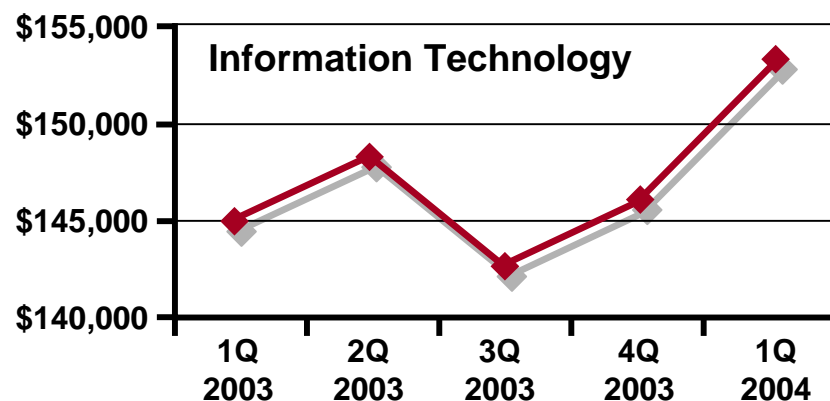
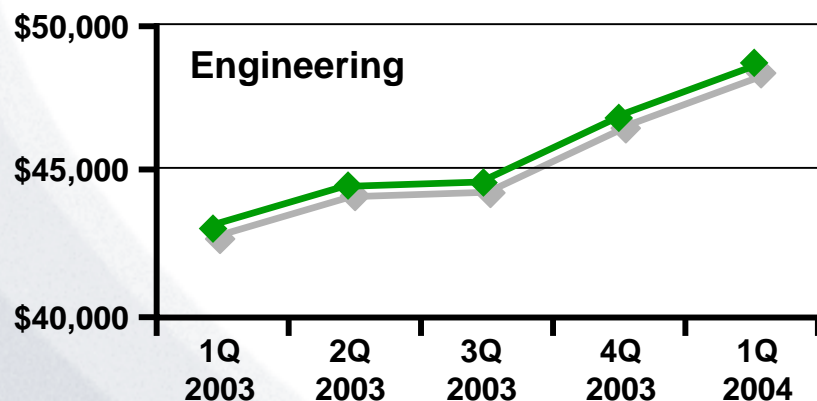
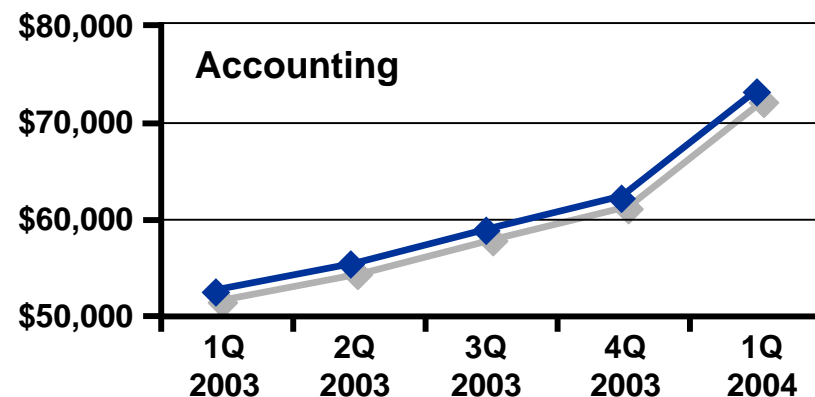
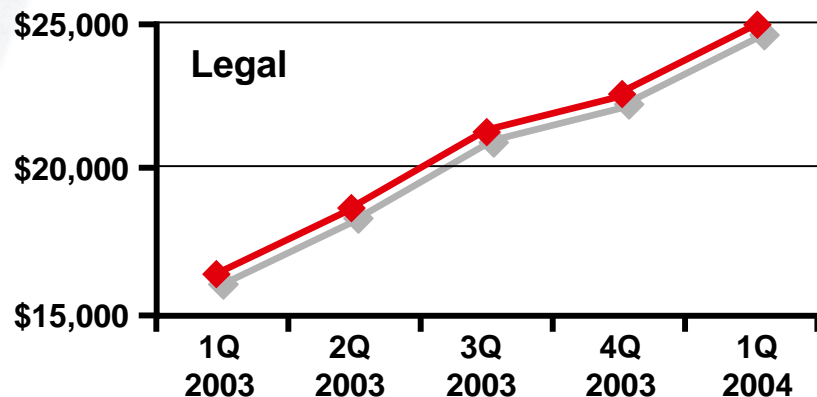
Quarterly Trends

\$ in thousands, except per share amounts

	1Q03	2Q03	3Q03	4Q03	1Q04
Revenue	\$264,263	\$273,167	\$274,669	\$283,931	\$310,481
GM%	25.4%	26.9%	26.8%	25.7%	25.2%
SG&A%	21.8%	21.4%	21.1%	21.3%	21.4%
Operating income	\$5,003	\$10,861	\$11,605	\$8,332	\$8,019
Diluted Net Income per common share from cont. ops.	\$0.03	\$0.06	\$0.07	\$0.05	\$0.05

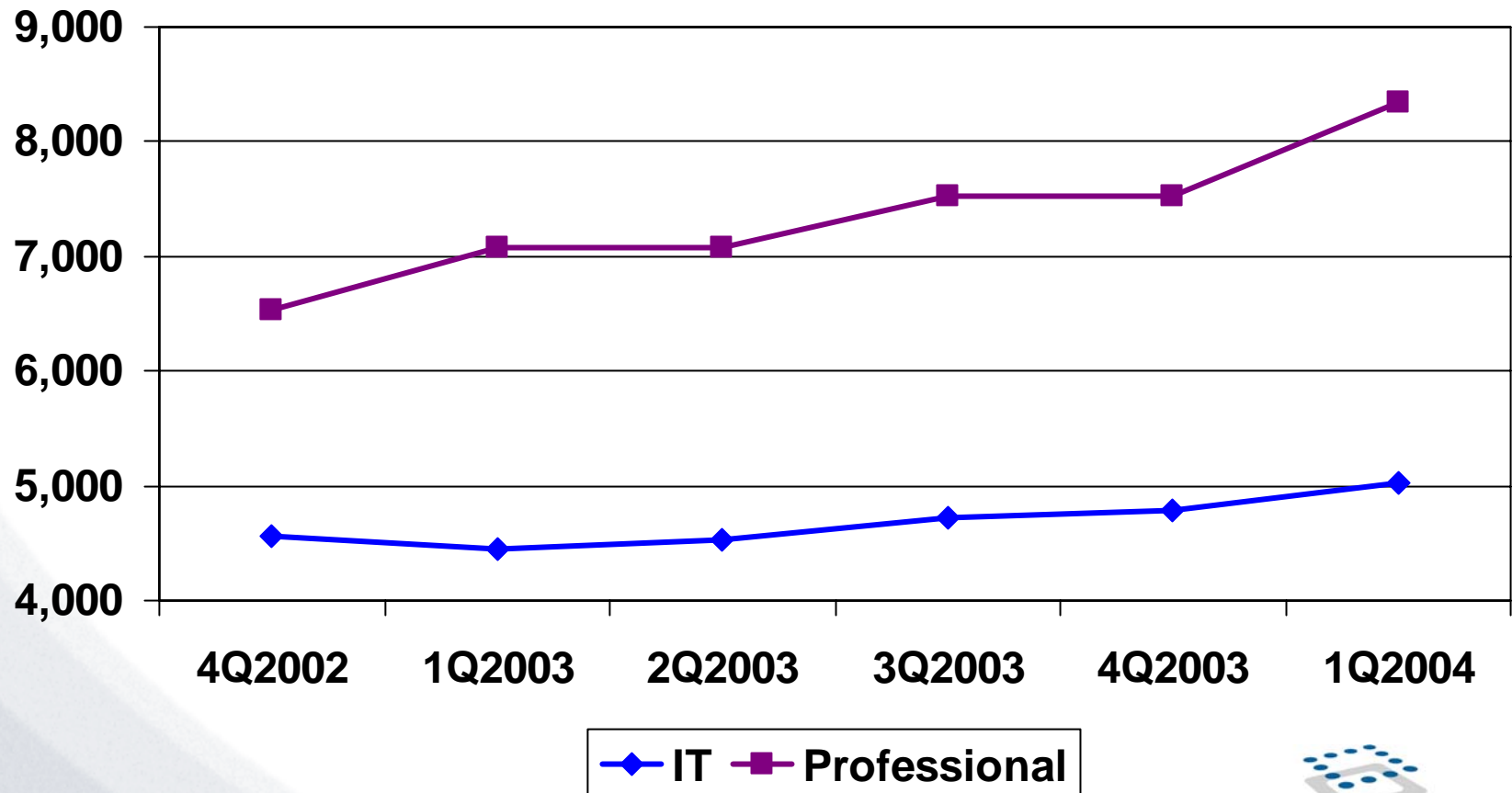
Recent Revenue per Day Trends

\$ in thousands



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Billable Headcount Trends



Revenue Trends in Staffing Units and Consolidated

	<u>Revenue</u> <u>without currency benefits</u> <u>4Q03 to 1Q04</u>	<u>GAAP</u> <u>Revenue growth</u> <u>4Q03 to 1Q04</u>
Information Technology	2.3%	5.2%
Accounting	9.0%	16.4%
Legal	12.5%	12.5%
Engineering	3.7%	3.7%
Healthcare	70.5%*	70.5%*
Consolidated	6.4%**	9.4%**

* Acquisitions contributed 61.3% of the increase in revenue.

** Acquisitions contributed 1.2% of the increase in revenue.

Financial Summary

- **Revenue Trends are positive – best in 5 years**
- **Strong financial position**
 - Over \$100 million in cash
 - \$150 million credit facility
- **Use of Capital**
 - Strategic acquisitions
 - Internal growth initiatives
 - Board continues to review stock buy back alternatives

2Q04 Guidance Given 4/21/04

- Continued to see average daily revenue increase throughout first quarter
- Revenue \$315 to \$330 million
 - Up 15% - 20% year-over-year from \$273 million in 2Q2003
 - Up sequentially from \$310 million in 1Q2004
- Diluted net income per common share of \$0.07 to \$0.09
 - Up 16% - 50% year-over-year versus \$0.06 in 2Q2003
 - Up sequentially from \$0.05 in 1Q2004





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Growth and Diversification Strategy

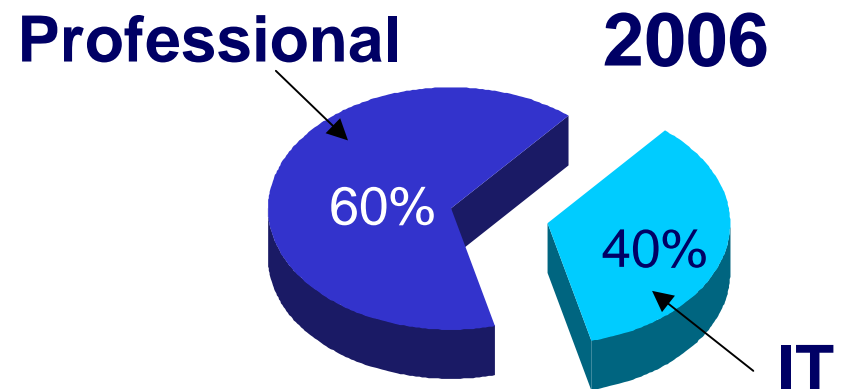
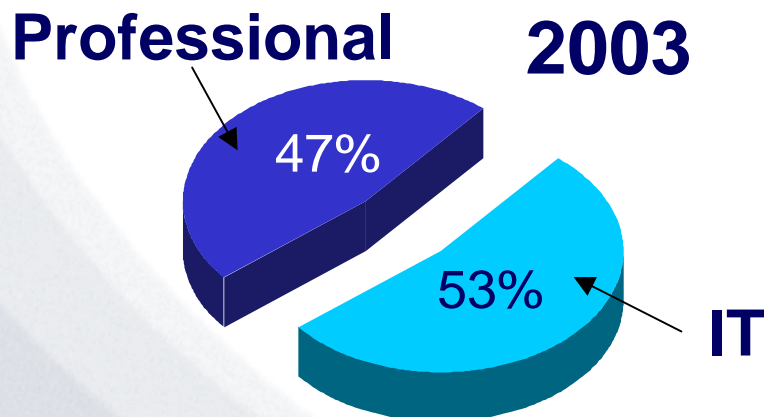
Timothy Payne
Chief Executive Officer

Contingent Labor Outlook

- **White collar contingent labor use is increasing:**
 - Runaway hiring of permanent staff during “bubble”
 - Desire for variable cost workforce
 - High cost of health insurance / benefits
 - Flexible staffing is 1.9% of total employment up from 1.6% a year ago, and approaching 2% prior peak
- **Bureau of Labor Statistics expects a 68% increase in the use of white collar contingent labor over next ten years**

Growth and Diversification

- **Growth Strategy:**
 - IT Staffing and Solutions – organic growth
 - Professional Staffing – organic & acquisition growth
- **Three year plan to diversify business mix:**



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Organic IT Growth

mōdis®

idea[®] integration[®]

- **Corporate IT spending improving**
 - Better earnings
 - Backlog of projects
- **Fewer competitors**
 - Dramatic cutback in provider lists
- **Offshore wave is cresting**



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Fewer IT Competitors - Examples

Company	1999 Estimated “Spend”	1999 # of Vendors	2003 Estimated “Spend”	2003 # of Vendors
Financial Services Company	\$427 million	260	\$150 million	25
Telecommunications Company	\$500 million	75	\$75 million	8
Insurance Company	\$38 million	32	\$22 million	14
Commercial Bank	\$30 million	33	\$18 million	10
Pharmaceutical Company	\$94 million	62	\$52 million	13

Dwindling Cost Savings

THE NEW YORK TIMES, SUNDAY, MAY 9, 2004

As a Center for Outsourcing, India Could Be Losing Its Edge Amid a Scramble for Workers, Wages are Rising Sharply

By NOAM SCHEIBER

IN early April, Infosys Technologies, an Indian outsourcing firm, had a party to celebrate reaching \$1 billion in annual revenue. It gathered nearly 10,000 employees under a tent on its Bangalore campus.



- Indian Rupee has strengthened against the dollar
- Rising wages and rapid turnover among Indian IT workers
- “Overhead” costs

Organic Plus Acquisition Growth



- **Growing markets**
- **Shortages of professional labor**
- **Favorable demographics**
- **“Strategic” acquisitions can help grow market share**
 - **\$10 - \$25 million revenue targets**
 - **Immediate cost synergies**



Summary

- **Organic growth in IT units**
 - Fewer competitive pressures
 - Improving demand
- **Organic growth plus strategic acquisitions in healthcare, accounting and legal units**
- **Three year growth and diversification plan:**
 - Larger company with greater leverage
 - 60% of revenues in professional services units



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Discussion