



## **KELLY SERVICES REPORTS 1st QUARTER 2010 RESULTS**

TROY, MI (May 12, 2010) -- Kelly Services, Inc. (NASDAQ: KELYA) (NASDAQ: KELYB), a leader in providing workforce solutions, today announced results for the first quarter of 2010.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the first quarter of 2010 totaled \$1.1 billion, an 8% increase compared to the corresponding quarter in 2009. On a constant currency basis, revenue increased by 4%.

Losses from operations for the first quarter of 2010 totaled \$1.6 million, compared to losses from operations of \$30.6 million reported for the first quarter of 2009. Included in the results from operations for the first quarter of 2010 are restructuring charges of \$4.4 million. The loss from operations in the first quarter of 2009 included restructuring and litigation charges of \$8.1 million. Excluding the restructuring and litigation charges, earnings from operations were \$2.8 million in the first quarter of 2010 compared to a loss from operations of \$22.5 million in 2009.

Diluted losses per share from continuing operations in the first quarter of 2010 were \$0.06 compared to first quarter 2009 losses of \$0.46 per share. The restructuring and litigation charges totaled \$0.10 per share in the first quarter of 2010 and \$0.21 per share in the first quarter of 2009.

Commenting on the first quarter results, Camden was optimistic. "After many months, we were pleased to see the economy pick up and note positive trends in our business. Combined with our ongoing focus on cost control, those factors helped us return to profitability in what has typically been a weak quarter for our industry."

That said, Camden expects 2010 will continue to be a challenging year for Kelly, but also a year of opportunities. "It's important that we keep a careful eye on managing costs to gain the greatest leverage as this recovery strengthens. At the same time, as the workforce solutions market expands, Kelly is redefining itself in the marketplace. And our new strategic alliance with Temp Holdings enhances our ability to execute our long-term strategy, and grow our business in two critical staffing markets."

Camden said while the Company will look to maximize profits across all operations, it will concentrate on accelerating growth of higher-margin Professional & Technical disciplines, as well as outsourcing and consulting services. “Our customers’ needs are changing, and Kelly is responding with a broad array of flexible, customized workforce solutions.”

In conjunction with its first quarter earnings release, Kelly Services, Inc. will host a conference call at 8:30 a.m. (ET) on May 12, to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Telephone:

U.S.                               1 800 288-9626  
International               1 651 291-5254

The pass code is Kelly Services

Via the Internet:

The call is also available via the internet through the Kelly Services website:  
[www.kellyservices.com](http://www.kellyservices.com)

This release contains statements that are forward looking in nature and accordingly, are subject to risks and uncertainties. These factors include: competition, changing market and economic conditions, currency fluctuations, changes in laws and regulations, including tax laws, and other factors discussed in this release and in the Company's filings with the Securities and Exchange Commission. Actual results may differ materially from any forward looking statements contained herein.

### **About Kelly Services**

Kelly Services, Inc. (NASDAQ: [KELYA](#)) (NASDAQ: [KELYB](#)) is a leader in providing workforce solutions. Kelly offers a comprehensive array of outsourcing and consulting services as well as world-class staffing on a temporary, temp-to-hire and direct-hire basis. Serving clients around the globe, Kelly provides employment to 480,000 employees annually. Revenue in 2009 was \$4.3 billion. Visit [www.kellyservices.com](http://www.kellyservices.com).

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**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED APRIL 4, 2010 AND MARCH 29, 2009**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|   | <u>2010</u>     | <u>2009</u>      | <u>Change</u>  | <u>% Change</u> |
|---|-----------------|------------------|----------------|-----------------|
| <b>Revenue from services</b>                        | \$ 1,130.4      | \$ 1,042.6       | \$ 87.8        | 8.4 %           |
| Cost of services                                    | <u>950.4</u>    | <u>867.1</u>     | <u>83.3</u>    | <u>9.6</u>      |
| <b>Gross profit</b>                                 | 180.0           | 175.5            | 4.5            | 2.6             |
| Selling, general and administrative expenses        | <u>181.6</u>    | <u>206.1</u>     | <u>(24.5)</u>  | <u>(11.9)</u>   |
| <b>Loss from operations</b>                         | (1.6)           | (30.6)           | 29.0           | 94.9            |
| Other (expense) income, net                         | <u>(1.1)</u>    | <u>1.3</u>       | <u>(2.4)</u>   | <u>(184.6)</u>  |
| <b>Loss from continuing operations before taxes</b> | (2.7)           | (29.3)           | 26.6           | 90.9            |
| Income taxes  | <u>(0.7)</u>    | <u>(13.2)</u>    | <u>12.5</u>    | <u>94.7</u>     |
| <b>Loss from continuing operations</b>              | (2.0)           | (16.1)           | 14.1           | 87.9            |
| Earnings from discontinued operations, net of tax   | <u>-</u>        | <u>0.6</u>       | <u>(0.6)</u>   | <u>(100.0)</u>  |
| <b>Net loss</b>                                     | <u>\$ (2.0)</u> | <u>\$ (15.5)</u> | <u>\$ 13.5</u> | <u>87.4 %</u>   |
| <b>Basic loss per share on common stock</b>         |                 |                  |                |                 |
| Loss from continuing operations                     | \$ (0.06)       | \$ (0.46)        | \$ 0.40        | 87.0 %          |
| Earnings from discontinued operations               | 0.00            | 0.02             | (0.02)         | (100.0)         |
| Net loss  | (0.06)          | (0.45)           | 0.39           | 86.7            |
| <b>Diluted loss per share on common stock</b>       |                 |                  |                |                 |
| Loss from continuing operations                     | \$ (0.06)       | \$ (0.46)        | \$ 0.40        | 87.0 %          |
| Earnings from discontinued operations               | 0.00            | 0.02             | (0.02)         | (100.0)         |
| Net loss  | (0.06)          | (0.45)           | 0.39           | 86.7            |

**STATISTICS:**

|   |        |        |             |
|---|--------|--------|-------------|
| Gross profit rate                             | 15.9 % | 16.8 % | (0.9) pts.  |
| Selling, general and administrative expenses: |        |        |             |
| % of revenue                                  | 16.1   | 19.8   | (3.7)       |
| % of gross profit                             | 100.9  | 117.5  | (16.6)      |
| % Return - Loss from operations               | (0.1)  | (2.9)  | 2.8         |
| Loss from continuing operations before taxes  | (0.2)  | (2.8)  | 2.6         |
| Loss from continuing operations               | (0.2)  | (1.5)  | 1.3         |
| Net loss                                      | (0.2)  | (1.5)  | 1.3         |
| Effective income tax rate                     | 26.4 % | 45.1 % | (18.7) pts. |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT**  
**(UNAUDITED)**  
(In millions of dollars)

|  | <u>First Quarter</u> |             |               | <u>Constant<br/>Currency<br/>Change</u> |
|--|----------------------|-------------|---------------|---|
|  | <u>2010</u>          | <u>2009</u> | <u>Change</u> |   |
| <b>Americas Commercial</b>                               |                      |             |               |   |
| Revenue from services (including fee-based income)       | \$ 547.7             | \$ 482.4    | 13.5 %        | 11.5 %                                  |
| Fee-based income   | 2.1                  | 1.8         | 15.6          | 10.7                                    |
| Gross profit   | 78.5                 | 73.1        | 7.4           | 5.6                                     |
| SG&A expenses excluding restructuring charges            | 65.1                 | 71.8        | (9.5)         |   |
| Restructuring charges                                    | 0.3                  | 0.8         | (54.7)        |   |
| Total SG&A expenses                                      | 65.4                 | 72.6        | (10.0)        | (11.5)                                  |
| Earnings from operations                                 | 13.1                 | 0.5         | NM            |   |
| Earnings from operations excluding restructuring charges | 13.4                 | 1.3         | NM            |   |
| Gross profit rate  | 14.3 %               | 15.2 %      | (0.9) pts.    |   |
| Expense rates (excluding restructuring charges):         |                      |             |               |   |
| % of revenue   | 11.9                 | 14.9        | (3.0)         |   |
| % of gross profit  | 82.8                 | 98.2        | (15.4)        |   |
| Operating margin (excluding restructuring charges)       | 2.5                  | 0.3         | 2.2           |   |
| <b>Americas PT</b>                                       |                      |             |               |   |
| Revenue from services (including fee-based income)       | \$ 205.6             | \$ 197.4    | 4.1 %         | 3.8 %                                   |
| Fee-based income   | 2.3                  | 2.8         | (18.3)        | (19.0)                                  |
| Gross profit   | 31.5                 | 31.5        | 0.3           | (0.1)                                   |
| SG&A expenses excluding restructuring charges            | 23.0                 | 26.2        | (12.1)        |   |
| Restructuring charges                                    | -                    | -           | (100.0)       |   |
| Total SG&A expenses                                      | 23.0                 | 26.2        | (12.1)        | (12.4)                                  |
| Earnings from operations                                 | 8.5                  | 5.3         | 62.3          |   |
| Earnings from operations excluding restructuring charges | 8.5                  | 5.3         | 61.9          |   |
| Gross profit rate  | 15.3 %               | 15.9 %      | (0.6) pts.    |   |
| Expense rates (excluding restructuring charges):         |                      |             |               |   |
| % of revenue   | 11.2                 | 13.3        | (2.1)         |   |
| % of gross profit  | 73.0                 | 83.3        | (10.3)        |   |
| Operating margin (excluding restructuring charges)       | 4.1                  | 2.7         | 1.4           |   |
| <b>EMEA Commercial</b>                                   |                      |             |               |   |
| Revenue from services (including fee-based income)       | \$ 204.9             | \$ 216.6    | (5.4) %       | (12.4) %                                |
| Fee-based income   | 4.8                  | 4.7         | 1.2           | (7.6)                                   |
| Gross profit   | 32.8                 | 34.5        | (5.1)         | (12.2)                                  |
| SG&A expenses excluding restructuring charges            | 32.4                 | 40.8        | (20.8)        |   |
| Restructuring charges                                    | 2.7                  | 5.8         | (53.6)        |   |
| Total SG&A expenses                                      | 35.1                 | 46.6        | (24.8)        | (30.4)                                  |
| Earnings from operations                                 | (2.3)                | (12.1)      | 81.3          |   |
| Earnings from operations excluding restructuring charges | 0.4                  | (6.3)       | NM            |   |
| Gross profit rate  | 16.0 %               | 15.9 %      | 0.1 pts.      |   |
| Expense rates (excluding restructuring charges):         |                      |             |               |   |
| % of revenue   | 15.8                 | 18.8        | (3.0)         |   |
| % of gross profit  | 98.7                 | 118.3       | (19.6)        |   |
| Operating margin (excluding restructuring charges)       | 0.2                  | (2.9)       | 3.1           |   |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT (continued)**  
**(UNAUDITED)**  
(In millions of dollars)

|  | First Quarter |         |            | Constant<br>Currency<br>Change |
|--|---------------|---------|------------|--------------------------------|
|  | 2010          | 2009    | Change     |                                |
| <b>EMEA PT</b>   |               |         |            |                                |
| Revenue from services (including fee-based income)       | \$ 34.9       | \$ 32.8 | 6.3 %      | (0.9) %                        |
| Fee-based income   | 3.7           | 4.4     | (14.7)     | (22.2)                         |
| Gross profit   | 9.4           | 9.4     | 0.5        | (7.0)                          |
| Total SG&A expenses                                      | 9.5           | 10.0    | (4.3)      | (11.4)                         |
| Earnings from operations                                 | (0.1)         | (0.6)   | 83.3       |                                |
| Gross profit rate  | 27.1 %        | 28.6 %  | (1.5) pts. |                                |
| Expense rates:   |               |         |            |                                |
| % of revenue   | 27.3          | 30.4    | (3.1)      |                                |
| % of gross profit  | 101.0         | 106.1   | (5.1)      |                                |
| Operating margin   | (0.3)         | (1.7)   | 1.4        |                                |
| <b>APAC Commercial</b>                                   |               |         |            |                                |
| Revenue from services (including fee-based income)       | \$ 80.9       | \$ 64.4 | 25.6 %     | 6.8 %                          |
| Fee-based income   | 2.8           | 2.2     | 25.7       | 7.9                            |
| Gross profit   | 11.4          | 9.5     | 20.4       | 1.1                            |
| SG&A expenses excluding restructuring charges            | 9.9           | 10.8    | (8.5)      |                                |
| Restructuring charges                                    | 0.5           | -       | NM         |                                |
| Total SG&A expenses                                      | 10.4          | 10.8    | (3.6)      | (19.3)                         |
| Earnings from operations                                 | 1.0           | (1.3)   | NM         |                                |
| Earnings from operations excluding restructuring charges | 1.5           | (1.3)   | NM         |                                |
| Gross profit rate  | 14.1 %        | 14.7 %  | (0.6) pts. |                                |
| Expense rates (excluding restructuring charges):         |               |         |            |                                |
| % of revenue   | 12.2          | 16.7    | (4.5)      |                                |
| % of gross profit  | 86.8          | 114.1   | (27.3)     |                                |
| Operating margin (excluding restructuring charges)       | 1.9           | (2.1)   | 4.0        |                                |
| <b>APAC PT</b>   |               |         |            |                                |
| Revenue from services (including fee-based income)       | \$ 7.6        | \$ 6.2  | 22.7 %     | 4.9 %                          |
| Fee-based income   | 1.9           | 1.0     | 96.4       | 81.1                           |
| Gross profit   | 2.8           | 1.9     | 46.1       | 29.4                           |
| Total SG&A expenses                                      | 3.8           | 2.2     | 73.2       | 54.3                           |
| Earnings from operations                                 | (1.0)         | (0.3)   | (284.1)    |                                |
| Gross profit rate  | 36.7 %        | 30.8 %  | 5.9 pts.   |                                |
| Expense rates:   |               |         |            |                                |
| % of revenue   | 49.1          | 34.7    | 14.4       |                                |
| % of gross profit  | 133.8         | 112.9   | 20.9       |                                |
| Operating margin   | (12.4)        | (4.0)   | (8.4)      |                                |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT (continued)**  
**(UNAUDITED)**  
(In millions of dollars)

|  | First Quarter |            |            | Constant<br>Currency<br>Change |
|--|---------------|------------|------------|--------------------------------|
|  | 2010          | 2009       | Change     |                                |
| <b>OCG</b>   |               |            |            |                                |
| Revenue from services (including fee-based income)       | \$ 55.3       | \$ 48.7    | 13.5 %     | 12.1 %                         |
| Fee-based income   | 6.1           | 6.6        | (7.9)      | (11.4)                         |
| Gross profit   | 14.0          | 15.9       | (12.3)     | (14.5)                         |
| SG&A expenses excluding restructuring charges            | 18.4          | 17.0       | 8.5        |                                |
| Restructuring charges                                    | 0.1           | 0.1        | (36.2)     |                                |
| Total SG&A expenses                                      | 18.5          | 17.1       | 8.2        | 5.3                            |
| Earnings from operations                                 | (4.5)         | (1.2)      | (280.6)    |                                |
| Earnings from operations excluding restructuring charges | (4.4)         | (1.1)      | (314.6)    |                                |
| Gross profit rate  | 25.3 %        | 32.7 %     | (7.4) pts. |                                |
| Expense rates (excluding restructuring charges):         |               |            |            |                                |
| % of revenue   | 33.4          | 34.9       | (1.5)      |                                |
| % of gross profit  | 132.1         | 106.8      | 25.3       |                                |
| Operating margin (excluding restructuring charges)       | (8.1)         | (2.2)      | (5.9)      |                                |
| <b>Corporate Expense</b>                                 |               |            |            |                                |
| SG&A expenses excluding restructuring charges            | \$ 15.5       | \$ 20.4    | (23.8) %   |                                |
| Restructuring charges                                    | 0.8           | 0.5        | 56.8       |                                |
| Total SG&A expenses                                      | 16.3          | 20.9       | (22.0)     |                                |
| <b>Asset Impairments</b>                                 |               |            |            |                                |
|  | \$ -          | \$ -       | NM         | %                              |
| <b>Consolidated Total (net of intersegment activity)</b> |               |            |            |                                |
| Revenue from services (including fee-based income)       | \$ 1,130.4    | \$ 1,042.6 | 8.4 %      | 4.4 %                          |
| Fee-based income   | 23.7          | 23.5       | 0.7        | (6.2)                          |
| Gross profit   | 180.0         | 175.5      | 2.6        | (1.5)                          |
| SG&A expenses excluding restructuring charges            | 177.2         | 198.9      | (11.0)     |                                |
| Restructuring charges                                    | 4.4           | 7.2        | (38.6)     |                                |
| Total SG&A expenses                                      | 181.6         | 206.1      | (11.9)     | (15.3)                         |
| Earnings from operations                                 | (1.6)         | (30.6)     | 94.9       |                                |
| Earnings from operations excluding restructuring charges | 2.8           | (23.4)     | NM         |                                |
| Gross profit rate  | 15.9 %        | 16.8 %     | (0.9) pts. |                                |
| Expense rates (excluding restructuring charges):         |               |            |            |                                |
| % of revenue   | 15.7          | 19.1       | (3.4)      |                                |
| % of gross profit  | 98.4          | 113.4      | (15.0)     |                                |
| Operating margin (excluding restructuring charges)       | 0.3           | (2.2)      | 2.5        |                                |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**  
(In millions of dollars)

|  | <b>April 4,<br/>2010</b> | <b>January 3,<br/>2010</b> | <b>March 29,<br/>2009</b> |
|--|--------------------------|----------------------------|---------------------------|
| <b>Current Assets</b>  |                          |                            |                           |
| Cash and equivalents   | \$ 55.7                  | \$ 88.9                    | \$ 115.4                  |
| Trade accounts receivable, less allowances of<br>\$14.4, \$15.0 and \$17.2, respectively | 727.3                    | 717.9                      | 706.3                     |
| Prepaid expenses and other current assets  | 79.7                     | 70.6                       | 55.8                      |
| Deferred taxes   | 18.4                     | 21.0                       | 29.2                      |
| Total current assets   | 881.1                    | 898.4                      | 906.7                     |
| <b>Property and Equipment, Net</b>   | 120.0                    | 127.1                      | 143.1                     |
| <b>Noncurrent Deferred Taxes</b>   | 76.9                     | 77.5                       | 39.8                      |
| <b>Goodwill, Net</b>   | 67.3                     | 67.3                       | 117.8                     |
| <b>Other Assets</b>  | 133.6                    | 131.4                      | 107.5                     |
| <b>Total Assets</b>  | \$ 1,278.9               | \$ 1,301.7                 | \$ 1,314.9                |
| <b>Current Liabilities</b>   |                          |                            |                           |
| Short-term borrowings and current portion of<br>long-term debt                           | \$ 68.2                  | \$ 79.6                    | \$ 16.9                   |
| Accounts payable and accrued liabilities   | 165.8                    | 182.6                      | 220.7                     |
| Accrued payroll and related taxes  | 218.2                    | 208.3                      | 209.5                     |
| Accrued insurance  | 19.2                     | 19.7                       | 25.5                      |
| Income and other taxes   | 46.5                     | 47.4                       | 26.3                      |
| Total current liabilities  | 517.9                    | 537.6                      | 498.9                     |
| <b>Noncurrent Liabilities</b>  |                          |                            |                           |
| Long-term debt   | 56.1                     | 57.5                       | 67.6                      |
| Accrued insurance  | 45.9                     | 47.3                       | 45.4                      |
| Accrued retirement benefits  | 77.7                     | 76.9                       | 59.2                      |
| Other long-term liabilities  | 15.5                     | 16.0                       | 15.2                      |
| Total noncurrent liabilities   | 195.2                    | 197.7                      | 187.4                     |
| <b>Stockholders' Equity</b>  |                          |                            |                           |
| Common stock   | 40.1                     | 40.1                       | 40.1                      |
| Treasury stock   | (106.7)                  | (107.2)                    | (110.5)                   |
| Paid-in capital  | 37.4                     | 36.9                       | 36.3                      |
| Earnings invested in the business  | 569.5                    | 571.5                      | 660.5                     |
| Accumulated other comprehensive income   | 25.5                     | 25.1                       | 2.2                       |
| Total stockholders' equity   | 565.8                    | 566.4                      | 628.6                     |
| <b>Total Liabilities and Stockholders' Equity</b>  | \$ 1,278.9               | \$ 1,301.7                 | \$ 1,314.9                |
| <b>STATISTICS:</b>   |                          |                            |                           |
| Working Capital  | \$ 363.2                 | \$ 360.8                   | \$ 407.8                  |
| Current Ratio  | 1.7                      | 1.7                        | 1.8                       |
| Debt-to-capital %  | 18.0 %                   | 19.5 %                     | 11.9 %                    |
| Global Days Sales Outstanding  | 51                       | 51                         | 51                        |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE 13 WEEKS ENDED APRIL 4, 2010 AND MARCH 29, 2009**  
**(UNAUDITED)**  
(In millions of dollars)

|   | <u>2010</u>    | <u>2009</u>     |
|---|----------------|-----------------|
| <b>Cash flows from operating activities</b>             |                |                 |
| Net loss  | \$ (2.0)       | \$ (15.5)       |
| Noncash adjustments:                                    |                |                 |
| Depreciation and amortization                           | 9.1            | 10.6            |
| Provision for bad debts                                 | 0.1            | 1.5             |
| Stock-based compensation                                | 1.1            | 1.3             |
| Other, net  | 0.2            | (1.9)           |
| Changes in operating assets and liabilities             | <u>(27.4)</u>  | <u>29.1</u>     |
| <b>Net cash from operating activities</b>               | <u>(18.9)</u>  | <u>25.1</u>     |
| <b>Cash flows from investing activities</b>             |                |                 |
| Capital expenditures                                    | (1.4)          | (2.0)           |
| Acquisition of companies, net of cash received          | -              | (0.2)           |
| Other investing activities                              | <u>0.1</u>     | <u>-</u>        |
| <b>Net cash from investing activities</b>               | <u>(1.3)</u>   | <u>(2.2)</u>    |
| <b>Cash flows from financing activities</b>             |                |                 |
| Net change in revolving line of credit                  | (11.2)         | (1.0)           |
| Repayment of debt                                       | <u>-</u>       | <u>(22.9)</u>   |
| <b>Net cash from financing activities</b>               | <u>(11.2)</u>  | <u>(23.9)</u>   |
| <b>Effect of exchange rates on cash and equivalents</b> | <u>(1.8)</u>   | <u>(1.9)</u>    |
| <b>Net change in cash and equivalents</b>               | (33.2)         | (2.9)           |
| <b>Cash and equivalents at beginning of period</b>      | <u>88.9</u>    | <u>118.3</u>    |
| <b>Cash and equivalents at end of period</b>            | <u>\$ 55.7</u> | <u>\$ 115.4</u> |



**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE FROM SERVICES**  
**(UNAUDITED)**  
(In millions of dollars)

|                                   | <b>First Quarter (Commercial, PT and OCG)</b> |                   | <b>% Change</b> |                              |
|-----------------------------------|---|-------------------|-----------------|------------------------------|
|                                   | <b>2010</b>                                   | <b>2009</b>       | <b>US\$</b>     | <b>Constant<br/>Currency</b> |
| <b>Americas</b>                   |   |                   |                 |                              |
| United States                     | \$ 710.2                                      | \$ 644.8          | 10.1 %          | 10.1 %                       |
| Canada                            | 51.6  | 40.9              | 26.1            | 5.5                          |
| Mexico                            | 19.0  | 14.7              | 28.9            | 14.3                         |
| Puerto Rico                       | 14.7  | 15.7              | (5.9)           | (5.9)                        |
| <b>Total Americas</b>             | <b>795.5</b>                                  | <b>716.1</b>      | <b>11.1</b>     | <b>9.6</b>                   |
| <b>EMEA</b>                       |   |                   |                 |                              |
| France                            | 67.3  | 61.7              | 9.1             | 3.4                          |
| United Kingdom                    | 37.6  | 62.6              | (39.8)          | (44.5)                       |
| Switzerland                       | 31.4  | 28.5              | 10.0            | 1.7                          |
| Russia                            | 23.3  | 13.9              | 67.7            | 47.9                         |
| Portugal                          | 18.4  | 11.7              | 57.6            | 49.5                         |
| Italy                             | 16.7  | 18.9              | (11.7)          | (16.2)                       |
| Germany                           | 16.3  | 15.4              | 5.6             | 0.2                          |
| Norway                            | 13.9  | 13.1              | 6.3             | (9.4)                        |
| Other                             | 19.2  | 28.2              | (32.0)          | (37.2)                       |
| <b>Total EMEA</b>                 | <b>244.1</b>                                  | <b>254.0</b>      | <b>(3.9)</b>    | <b>(10.9)</b>                |
| <b>APAC</b>                       |   |                   |                 |                              |
| Australia                         | 27.6  | 20.4              | 35.6            | (0.2)                        |
| Singapore                         | 18.9  | 14.9              | 26.4            | 17.4                         |
| Malaysia                          | 14.6  | 12.1              | 20.4            | 11.7                         |
| India                             | 13.7  | 7.0               | 96.7            | 81.6                         |
| Other                             | 16.0  | 18.1              | (11.5)          | (27.2)                       |
| <b>Total APAC</b>                 | <b>90.8</b>                                   | <b>72.5</b>       | <b>25.3</b>     | <b>6.5</b>                   |
| <b>Total Kelly Services, Inc.</b> | <b>\$ 1,130.4</b>                             | <b>\$ 1,042.6</b> | <b>8.4 %</b>    | <b>4.4 %</b>                 |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|  | First Quarter |                  |
|--|---------------|------------------|
|  | 2010          | 2009             |
| Pretax loss from operations  | \$ (1.6)      | \$ (30.6)        |
| Restructuring charges (Note 1)   | 4.4           | 7.2              |
| Litigation charges   | <u>-</u>      | <u>0.9</u>       |
| Earnings (loss) from operations excluding restructuring and litigation charges | <u>\$ 2.8</u> | <u>\$ (22.5)</u> |

|   | First Quarter |                |                 |                  |
|---|---------------|----------------|-----------------|------------------|
|   | 2010          |                | 2009            |                  |
|   | Amount        | Per Share      | Amount          | Per Share        |
| Loss from continuing operations, net of taxes   | \$ (2.0)      | \$ (0.06)      | \$ (16.1)       | \$ (0.46)        |
| Restructuring charges, net of taxes (Note 1)  | 3.6           | 0.10           | 6.4             | 0.19             |
| Litigation charges, net of taxes  | <u>-</u>      | <u>-</u>       | <u>0.6</u>      | <u>0.02</u>      |
| Earnings (loss) from continuing operations excluding restructuring and litigation charges, net of taxes | <u>\$ 1.6</u> | <u>\$ 0.05</u> | <u>\$ (9.1)</u> | <u>\$ (0.26)</u> |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the restructuring and litigation charges is useful to understand the Company's first quarter financial performance and increases comparability. Specifically, Management believes that excluding these items allows for a more meaningful comparison of current period operating performance with the operating results of prior periods. These non-GAAP measures may have limitations as analytical tools because they exclude items which can have a material impact on cash flow and earnings per share. As a result, Management considers these measures, along with reported results, when it reviews and evaluates the Company's financial performance. Management believes that these measures provide greater transparency to investors and provide insight into how Management is evaluating the Company's financial performance. Non-GAAP measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

(1) Restructuring charges represent global costs incurred in connection with the reduction in the number of permanent employees and the consolidation, sale or closure of branch locations. These costs include severance, lease terminations, asset write-offs and other miscellaneous costs.