

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 4, 2015

KELLY SERVICES, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other
jurisdiction of
incorporation)

0-1088
(Commission
File Number)

38-1510762
(IRS Employer
Identification
Number)

999 WEST BIG BEAVER ROAD, TROY, MICHIGAN 48084

(Address of principal executive offices)
(Zip Code)

(248) 362-4444

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

Kelly Services, Inc. (the “Company”) today released financial information containing highlighted financial data for the three and nine months ended September 27, 2015. A copy of the press release is attached as exhibit 99.1 herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated November 4, 2015.

99.2 Presentation materials for November 4, 2015 conference call.

SIGNATURES

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

November 4, 2015

KELLY SERVICES, INC.

/s/ Olivier G. Thiot
Olivier G. Thiot

Senior Vice President and Acting Chief
Financial Officer
(Principal Financial Officer)

November 4, 2015

/s/ Laura S. Lockhart
Laura S. Lockhart

Vice President, Corporate Controller and
Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 4, 2015
99.2	Presentation materials for November 4, 2015 conference call



**KELLY SERVICES[®] REPORTS STRONG THIRD QUARTER 2015
EARNINGS AND EPS GROWTH**

Quarterly Highlights

- Earnings from operations up 51%, excluding restructuring (up 72% in constant currency)
- Earnings per share of \$0.23 versus \$0.10, excluding restructuring, a 130% increase year-over-year
- OCG segment revenue up 15% year-over-year (up 17% in constant currency)
- Total Company revenue down 3% year-over-year (up 3% in constant currency)

TROY, MI (November 4, 2015) -- Kelly Services (Nasdaq: [KELYA](#)) (Nasdaq: [KELYB](#)), a global leader in providing workforce solutions, today announced results for the third quarter of 2015.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the third quarter of 2015 totaled \$1.4 billion, a 3% decrease (a 3% increase on a constant currency basis) compared to the corresponding quarter of 2014.

Earnings from operations for the third quarter of 2015 totaled \$16.6 million, compared to \$7.1 million reported for the third quarter of 2014. Included in the results of operations in the third quarter of 2014 are restructuring charges of \$4.0 million. Excluding the restructuring charges, earnings from operations were \$11.1 million in the third quarter of 2014.

Diluted earnings per share in the third quarter of 2015 were \$0.23 compared to \$0.03 per share in the third quarter of 2014. Adjusted earnings per share were \$0.10 in the third quarter of 2014. Included in the third quarter of 2015 was a foreign exchange impact of \$0.06 per share.

Commenting on the third quarter, Camden stated, “Our third quarter results confirm that Kelly is operating as a more efficient organization, delivering both top-line growth and operating leverage. Excluding the 2014 restructuring charges, we dropped nearly 50% of our constant currency GP growth to the bottom line during the quarter; our 2014 investments in PT and OCG are continuing to yield results; and we’re expanding Kelly’s role as a trusted talent advisor to many of the world’s top companies.”

Kelly also reported that on November 3, its board of directors declared a dividend of \$0.05 per share. The dividend is payable December 4 to shareholders of record as of the close of business on November 16.

In conjunction with its third quarter earnings release, Kelly Services has published a financial presentation regarding the third quarter results on the Investor Relations page of our public website and will host a conference call at 9:00 a.m. (ET) on November 4, 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

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These factors include, but are not limited to, competitive market pressures including pricing and technology introductions, changing market and economic conditions, our ability to achieve our business strategy, the risk of damage to our brand, our ability to successfully develop new service offerings, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, our increasing dependency on third parties for the execution of critical functions, the risks associated with past and future acquisitions, exposure to risks associated with investments in equity affiliates, material changes in demand from or loss of large corporate customers, risks associated with conducting business in foreign countries, including foreign currency fluctuations, availability of full-time employees to lead complex talent supply chain sales and operations, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, the risk of cyber attacks or other breaches of network or information technology security as well as risks associated with compliance on data privacy, our ability to sustain critical business applications through our key data centers, our ability to effectively implement and manage our information technology programs, our ability to maintain adequate financial and management processes and controls, impairment charges triggered by adverse industry or market developments, unexpected changes in claim trends on workers' compensation, disability and medical benefit plans, the impact of the Patient Protection and Affordable Care Act on our business, the impact of changes in laws and regulations (including federal, state and international tax laws and the expiration and/or reinstatement of the U.S. work opportunity credit program), the risk of additional tax or unclaimed property liabilities in excess of our estimates, our ability to maintain specified financial covenants in our bank facilities to continue to access credit markets, and other risks, uncertainties and 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, and we have no intention to update these statements.

About Kelly Services®

As a global leader in providing workforce solutions, Kelly Services, Inc. (Nasdaq: KELYA, KELYB) and its subsidiaries, offer a comprehensive array of outsourcing and consulting services as well as world-class staffing on a temporary, temporary-to-hire, and direct-hire basis. Kelly® has a role in managing employment opportunities for more than one million workers around the globe by employing 550,000 of these individuals directly with the remaining workers engaged through its talent supply chain network of supplier partners. Revenue in 2014 was \$5.6 billion. Visit kellyservices.com and connect with us on [Facebook](#), [LinkedIn](#), & [Twitter](#).

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KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE 13 WEEKS ENDED SEPTEMBER 27, 2015 AND SEPTEMBER 28, 2014
(UNAUDITED)

(In millions of dollars except per share data)

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>	<u>CC % Change</u>
Revenue from services	\$ 1,351.0	\$ 1,396.4	\$ (45.4)	(3.2) %	3.0 %
Cost of services	1,122.8	1,171.0	(48.2)	(4.1)	
Gross profit	228.2	225.4	2.8	1.3	7.2
Selling, general and administrative expenses	211.6	218.3	(6.7)	(3.0)	2.0
Earnings from operations	16.6	7.1	9.5	134.9	
Other expense, net	—	2.2	(2.2)	(97.7)	
Earnings before taxes	16.6	4.9	11.7	242.2	
Income tax expense	7.5	3.5	4.0	112.6	
Net earnings	<u>\$ 9.1</u>	<u>\$ 1.4</u>	<u>\$ 7.7</u>	NM %	
Basic earnings per share	\$ 0.23	\$ 0.03	\$ 0.20	NM %	
Diluted earnings per share	\$ 0.23	\$ 0.03	\$ 0.20	NM %	

STATISTICS:

Gross profit rate	16.9 %	16.1 %	0.8 pts.
Selling, general and administrative expenses:			
% of revenue	15.7	15.6	0.1
% of gross profit	92.7	96.9	(4.2)
% Return:			
Earnings from operations	1.2	0.5	0.7
Earnings before taxes	1.2	0.3	0.9
Net earnings	0.7	0.1	0.6
Effective income tax rate	45.2 %	72.7 %	(27.5) pts.
Average number of shares outstanding (millions):			
Basic	37.9	37.6	
Diluted	37.9	37.6	
Shares adjusted for nonvested restricted awards (millions):			
Basic	38.8	38.5	
Diluted	38.8	38.5	

KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE 39 WEEKS ENDED SEPTEMBER 27, 2015 AND SEPTEMBER 28, 2014
(UNAUDITED)

(In millions of dollars except per share data)

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>	<u>CC % Change</u>
Revenue from services	\$ 4,056.6	\$ 4,137.7	\$ (81.1)	(2.0) %	3.7 %
Cost of services	3,385.8	3,461.9	(76.1)	(2.2)	
Gross profit	670.8	675.8	(5.0)	(0.7)	4.6
Selling, general and administrative expenses	630.6	656.5	(25.9)	(4.0)	0.9
Earnings from operations	40.2	19.3	20.9	110.9	
Other expense, net	3.5	4.2	(0.7)	(14.5)	
Earnings before taxes	36.7	15.1	21.6	145.7	
Income tax expense	17.1	8.4	8.7	104.4	
Net earnings	<u>\$ 19.6</u>	<u>\$ 6.7</u>	<u>\$ 12.9</u>	198.2 %	
Basic earnings per share	\$ 0.51	\$ 0.17	\$ 0.34	200.0 %	
Diluted earnings per share	\$ 0.51	\$ 0.17	\$ 0.34	200.0 %	

STATISTICS:

Gross profit rate	16.5 %	16.3 %	0.2 pts.
Selling, general and administrative expenses:			
% of revenue	15.5	15.9	(0.4)
% of gross profit	94.0	97.2	(3.2)
% Return:			
Earnings from operations	1.0	0.5	0.5
Earnings before taxes	0.9	0.4	0.5
Net earnings	0.5	0.2	0.3
Effective income tax rate	46.5 %	55.9 %	(9.4) pts.
Average number of shares outstanding (millions):			
Basic	37.8	37.5	
Diluted	37.8	37.5	
Shares adjusted for nonvested restricted awards (millions):			
Basic	38.8	38.5	
Diluted	38.8	38.5	

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

	Third Quarter			Constant Currency Change
	2015	2014	Change	
AMERICAS				
Commercial				
Revenue from services	\$ 615.5	\$ 640.8	(4.0) %	(1.1) %
Staffing fee-based income included in revenue from services	3.8	3.8	(0.1)	2.8
Gross profit	96.6	91.7	5.4	7.9
Gross profit rate	15.7 %	14.3 %	1.4 pts.	
PT				
Revenue from services	\$ 242.8	\$ 242.5	0.1 %	0.6 %
Staffing fee-based income included in revenue from services	4.7	4.4	8.6	9.7
Gross profit	41.0	39.6	3.6	4.1
Gross profit rate	16.9 %	16.3 %	0.6 pts.	
Total Americas				
Revenue from services	\$ 858.3	\$ 883.3	(2.8) %	(0.6) %
Staffing fee-based income included in revenue from services	8.5	8.2	4.6	6.5
Gross profit	137.6	131.3	4.8	6.7
Total SG&A expenses	113.7	110.8	2.6	4.5
Earnings from operations	23.9	20.5	16.9	
Gross profit rate	16.0 %	14.9 %	1.1 pts.	
Expense rates:				
% of revenue	13.2	12.5	0.7	
% of gross profit	82.7	84.5	(1.8)	
Return on sales	2.8	2.3	0.5	
EMEA				
Commercial				
Revenue from services	\$ 199.0	\$ 231.3	(13.9) %	2.6 %
Staffing fee-based income included in revenue from services	3.2	4.2	(23.6)	(4.5)
Gross profit	27.7	33.6	(17.4)	(1.4)
Gross profit rate	13.9 %	14.5 %	(0.6) pts.	
PT				
Revenue from services	\$ 43.6	\$ 48.1	(9.3) %	7.5 %
Staffing fee-based income included in revenue from services	2.6	3.5	(24.1)	(6.2)
Gross profit	9.4	10.9	(13.3)	4.6
Gross profit rate	21.6 %	22.6 %	(1.0) pts.	
Total EMEA				
Revenue from services	\$ 242.6	\$ 279.4	(13.1) %	3.5 %
Staffing fee-based income included in revenue from services	5.8	7.7	(23.8)	(5.3)
Gross profit	37.1	44.5	(16.4)	0.1
Total SG&A expenses	31.8	40.0	(20.7)	(6.2)
Earnings from operations	5.3	4.5	22.4	
Gross profit rate	15.3 %	15.9 %	(0.6) pts.	
Expense rates:				
% of revenue	13.1	14.3	(1.2)	
% of gross profit	85.4	90.0	(4.6)	
Return on sales	2.2	1.6	0.6	

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

	Third Quarter			Constant Currency Change
	2015	2014	Change	
APAC				
Commercial				
Revenue from services	\$ 83.2	\$ 91.0	(8.5) %	9.2 %
Staffing fee-based income included in revenue from services	1.4	2.0	(28.5)	(16.7)
Gross profit	10.7	11.7	(8.5)	9.1
Gross profit rate	12.8 %	12.8 %	— pts.	
PT				
Revenue from services	\$ 9.9	\$ 10.6	(6.4) %	11.8 %
Staffing fee-based income included in revenue from services	1.3	2.0	(34.3)	(22.6)
Gross profit	2.5	3.3	(24.6)	(10.8)
Gross profit rate	25.4 %	31.5 %	(6.1) pts.	
Total APAC				
Revenue from services	\$ 93.1	\$ 101.6	(8.3) %	9.5 %
Staffing fee-based income included in revenue from services	2.7	4.0	(31.4)	(19.7)
Gross profit	13.2	15.0	(12.1)	4.7
SG&A expenses excluding restructuring charges	11.1	14.2	(21.6)	
Restructuring charges	—	0.3	(100.0)	
Total SG&A expenses	11.1	14.5	(23.2)	(8.8)
Earnings from operations	2.1	0.5	297.9	
Earnings from operations excluding restructuring charges	2.1	0.8	154.9	
Gross profit rate	14.2 %	14.8 %	(0.6) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	11.9	14.0	(2.1)	
% of gross profit	84.3	94.6	(10.3)	
Return on sales (excluding restructuring charges)	2.2	0.8	1.4	
OCC				
Revenue from services	\$ 171.8	\$ 149.8	14.7 %	16.8 %
Gross profit	41.4	35.8	15.5	18.4
Total SG&A expenses	33.2	32.2	3.2	6.3
Earnings from operations	8.2	3.6	123.7	
Gross profit rate	24.1 %	23.9 %	0.2 pts.	
Expense rates:				
% of revenue	19.3	21.5	(2.2)	
% of gross profit	80.2	89.8	(9.6)	
Return on sales	4.8	2.4	2.4	

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

	September Year to Date			Constant Currency Change
	2015	2014	Change	
AMERICAS				
Commercial				
Revenue from services	\$ 1,908.2	\$ 1,915.1	(0.4) %	1.8 %
Staffing fee-based income included in revenue from services	10.8	10.4	3.4	6.0
Gross profit	290.3	280.0	3.7	5.6
Gross profit rate	15.2 %	14.6 %	0.6 pts.	
PT				
Revenue from services	\$ 721.8	\$ 723.1	(0.2) %	0.2 %
Staffing fee-based income included in revenue from services	13.1	11.7	11.7	12.6
Gross profit	122.0	118.4	3.1	3.6
Gross profit rate	16.9 %	16.4 %	0.5 pts.	
Total Americas				
Revenue from services	\$ 2,630.0	\$ 2,638.2	(0.3) %	1.4 %
Staffing fee-based income included in revenue from services	23.9	22.1	7.7	9.5
Gross profit	412.3	398.4	3.5	5.0
Total SG&A expenses	339.8	332.9	2.0	3.5
Earnings from operations	72.5	65.5	11.0	
Gross profit rate	15.7 %	15.1 %	0.6 pts.	
Expense rates:				
% of revenue	12.9	12.6	0.3	
% of gross profit	82.4	83.6	(1.2)	
Return on sales	2.8	2.5	0.3	
EMEA				
Commercial				
Revenue from services	\$ 573.0	\$ 690.2	(17.0) %	0.3 %
Staffing fee-based income included in revenue from services	9.9	14.0	(29.2)	(11.0)
Gross profit	79.1	101.0	(21.7)	(5.4)
Gross profit rate	13.8 %	14.6 %	(0.8) pts.	
PT				
Revenue from services	\$ 126.8	\$ 145.5	(12.8) %	4.7 %
Staffing fee-based income included in revenue from services	7.7	10.7	(27.7)	(10.2)
Gross profit	27.2	33.3	(18.1)	(0.4)
Gross profit rate	21.5 %	22.8 %	(1.3) pts.	
Total EMEA				
Revenue from services	\$ 699.8	\$ 835.7	(16.3) %	1.1 %
Staffing fee-based income included in revenue from services	17.6	24.7	(28.5)	(10.7)
Gross profit	106.3	134.3	(20.8)	(4.1)
SG&A expenses excluding restructuring charges	99.5	124.2	(19.9)	
Restructuring charges	—	0.8	(100.0)	
Total SG&A expenses	99.5	125.0	(20.4)	(4.7)
Earnings from operations	6.8	9.3	(25.5)	
Earnings from operations excluding restructuring charges	6.8	10.1	(31.5)	
Gross profit rate	15.2 %	16.1 %	(0.9) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	14.2	14.9	(0.7)	
% of gross profit	93.5	92.5	1.0	
Return on sales (excluding restructuring charges)	1.0	1.2	(0.2)	

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

	September Year to Date			Constant Currency Change
	2015	2014	Change	
APAC				
Commercial				
Revenue from services	\$ 259.1	\$ 260.5	(0.5) %	13.1 %
Staffing fee-based income included in revenue from services	4.7	5.9	(20.3)	(10.8)
Gross profit	34.9	35.7	(2.2)	10.8
Gross profit rate	13.5 %	13.7 %	(0.2) pts.	
PT				
Revenue from services	\$ 30.7	\$ 29.2	5.4 %	20.5 %
Staffing fee-based income included in revenue from services	4.4	5.8	(23.7)	(14.6)
Gross profit	8.1	9.4	(13.6)	(2.4)
Gross profit rate	26.4 %	32.2 %	(5.8) pts.	
Total APAC				
Revenue from services	\$ 289.8	\$ 289.7	0.1 %	13.8 %
Staffing fee-based income included in revenue from services	9.1	11.7	(22.0)	(12.7)
Gross profit	43.0	45.1	(4.6)	8.0
SG&A expenses excluding restructuring charges	35.5	43.3	(18.0)	
Restructuring charges	—	1.3	(100.0)	
Total SG&A expenses	35.5	44.6	(20.5)	(10.1)
Earnings from operations	7.5	0.5	NM	
Earnings from operations excluding restructuring charges	7.5	1.8	338.5	
Gross profit rate	14.8 %	15.6 %	(0.8) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	12.3	15.0	(2.7)	
% of gross profit	82.7	96.2	(13.5)	
Return on sales (excluding restructuring charges)	2.6	0.6	2.0	
OCCG				
Revenue from services	\$ 486.3	\$ 422.1	15.2 %	17.0 %
Gross profit	112.6	101.3	11.1	13.4
Total SG&A expenses	98.1	94.7	3.6	6.4
Earnings from operations	14.5	6.6	116.7	
Gross profit rate	23.1 %	24.0 %	(0.9) pts.	
Expense rates:				
% of revenue	20.2	22.4	(2.2)	
% of gross profit	87.1	93.4	(6.3)	
Return on sales	3.0	1.6	1.4	

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

	September 27, 2015	December 28, 2014	September 28, 2014
Current Assets			
Cash and equivalents	\$ 44.9	\$ 83.1	\$ 51.6
Trade accounts receivable, less allowances of \$9.7, \$10.7 and \$9.2, respectively	1,160.3	1,122.8	1,158.1
Prepaid expenses and other current assets	49.0	47.9	56.8
Deferred taxes	35.0	34.4	28.9
Total current assets	1,289.2	1,288.2	1,295.4
Property and Equipment, Net	88.3	93.0	91.1
Noncurrent Deferred Taxes	140.8	146.3	132.7
Goodwill, Net	90.3	90.3	90.3
Other Assets	341.3	300.1	291.5
Total Assets	\$ 1,949.9	\$ 1,917.9	\$ 1,901.0
Current Liabilities			
Short-term borrowings	\$ 76.8	\$ 91.9	\$ 88.7
Accounts payable and accrued liabilities	385.2	364.0	339.0
Accrued payroll and related taxes	312.8	308.5	318.6
Accrued insurance	25.9	26.9	24.4
Income and other taxes	59.5	68.8	74.0
Total current liabilities	860.2	860.1	844.7
Noncurrent Liabilities			
Accrued insurance	42.2	43.9	43.4
Accrued retirement benefits	139.5	140.8	146.6
Other long-term liabilities	48.4	39.4	40.7
Total noncurrent liabilities	230.1	224.1	230.7
Stockholders' Equity			
Common stock	40.1	40.1	40.1
Treasury stock	(46.9)	(49.8)	(52.5)
Paid-in capital	26.7	24.9	26.7
Earnings invested in the business	781.3	767.4	752.3
Accumulated other comprehensive income	58.4	51.1	59.0
Total stockholders' equity	859.6	833.7	825.6
Total Liabilities and Stockholders' Equity	\$ 1,949.9	\$ 1,917.9	\$ 1,901.0
STATISTICS:			
Working Capital	\$ 429.0	\$ 428.1	\$ 450.7
Current Ratio	1.5	1.5	1.5
Debt-to-capital %	8.2 %	9.9 %	9.7 %
Global Days Sales Outstanding	57	54	58

KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 39 WEEKS ENDED SEPTEMBER 27, 2015 AND SEPTEMBER 28, 2014
(UNAUDITED)
(In millions of dollars)

	2015	2014
Cash flows from operating activities:		
Net earnings	\$ 19.6	\$ 6.7
Noncash adjustments:		
Depreciation and amortization	16.6	16.2
Provision for bad debts	3.3	3.6
Stock-based compensation	4.6	4.1
Other, net	(0.7)	1.3
Changes in operating assets and liabilities	(44.9)	(140.9)
Net cash used in operating activities	(1.5)	(109.0)
Cash flows from investing activities:		
Capital expenditures	(12.3)	(15.0)
Investment in equity affiliate	(0.5)	(5.4)
Other investing activities	(0.4)	0.2
Net cash used in investing activities	(13.2)	(20.2)
Cash flows from financing activities:		
Net change in short-term borrowings	(13.8)	60.4
Dividend payments	(5.7)	(5.7)
Other financing activities	0.2	0.4
Net cash (used in) from financing activities	(19.3)	55.1
Effect of exchange rates on cash and equivalents	(4.2)	—
Net change in cash and equivalents	(38.2)	(74.1)
Cash and equivalents at beginning of period	83.1	125.7
Cash and equivalents at end of period	\$ 44.9	\$ 51.6

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

	Third Quarter (Commercial, PT and OCG)			
	2015	2014	US\$	Constant Currency
Americas				
United States	\$ 899.8	\$ 873.7	3.0 %	3.0 %
Canada	37.9	51.9	(27.0)	(12.6)
Mexico	31.3	37.0	(15.2)	6.1
Puerto Rico	23.8	25.7	(7.5)	(7.5)
Brazil	10.4	13.6	(23.5)	11.4
Total Americas	<u>1,003.2</u>	<u>1,001.9</u>	0.1	2.1
EMEA				
France	63.1	70.1	(10.0)	7.4
Switzerland	58.0	66.7	(13.0)	(8.2)
Portugal	33.5	33.3	0.8	20.2
United Kingdom	27.7	26.2	5.7	14.0
Russia	17.0	28.7	(40.6)	2.9
Germany	15.4	17.5	(12.1)	4.8
Italy	14.0	14.8	(5.5)	12.6
Norway	10.1	14.8	(31.8)	(10.5)
Other	11.5	15.8	(27.1)	(13.2)
Total EMEA	<u>250.3</u>	<u>287.9</u>	(13.1)	3.5
APAC				
Singapore	32.6	33.4	(2.3)	8.5
Australia	28.8	32.3	(10.7)	13.8
Malaysia	14.0	16.7	(16.1)	6.0
New Zealand	9.4	12.7	(26.4)	(4.7)
Other	12.7	11.5	10.4	20.9
Total APAC	<u>97.5</u>	<u>106.6</u>	(8.5)	9.5
Total Kelly Services, Inc.	<u>\$ 1,351.0</u>	<u>\$ 1,396.4</u>	(3.2) %	3.0 %

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

	September Year to Date (Commercial, PT and OCG)			
	2015	2014	US\$	Constant Currency
Americas				
United States	\$ 2,706.4	\$ 2,601.9	4.0 %	4.0 %
Canada	122.2	148.2	(17.5)	(5.5)
Mexico	95.2	102.3	(6.9)	10.4
Puerto Rico	75.2	78.4	(4.0)	(4.0)
Brazil	34.2	43.2	(20.8)	2.8
Total Americas	<u>3,033.2</u>	<u>2,974.0</u>	2.0	3.5
EMEA				
France	180.4	202.2	(10.8)	8.4
Switzerland	160.7	195.7	(17.9)	(12.9)
Portugal	98.7	92.4	6.9	29.9
United Kingdom	78.4	82.4	(4.8)	3.7
Russia	57.4	96.4	(40.4)	(0.9)
Germany	43.1	50.7	(15.0)	3.1
Italy	39.5	46.3	(14.6)	3.6
Norway	29.5	43.6	(32.5)	(12.8)
Other	32.8	50.9	(35.6)	(21.8)
Total EMEA	<u>720.5</u>	<u>860.6</u>	(16.3)	0.9
APAC				
Singapore	96.9	94.8	2.3	10.9
Australia	92.1	88.8	3.8	24.8
Malaysia	45.4	50.0	(9.3)	5.2
New Zealand	30.2	38.2	(21.1)	(6.1)
Other	38.3	31.3	22.4	29.7
Total APAC	<u>302.9</u>	<u>303.1</u>	(0.1)	13.8
Total Kelly Services, Inc.	<u>\$ 4,056.6</u>	<u>\$ 4,137.7</u>	(2.0) %	3.7 %

KELLY SERVICES, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
FOR THE 13 WEEKS ENDED SEPTEMBER 27, 2015 AND SEPTEMBER 28, 2014
(UNAUDITED)

(In millions of dollars except per share data)

	2015			2014	
	As reported	Restructuring Charges (Note 1)	Adjusted Earnings	Adjusted Earnings	% Change
Revenue from services	\$ 1,351.0	\$ —	\$ 1,351.0	\$ 1,396.4	(3.2) %
Cost of services	1,122.8	—	1,122.8	1,171.0	(4.1)
Gross profit	228.2	—	228.2	225.4	1.3
SG&A expenses	211.6	—	211.6	214.3	(1.2)
Earnings from operations	16.6	—	16.6	11.1	50.7
Other expense, net	—	—	—	2.2	(97.7)
Earnings before taxes	16.6	—	16.6	8.9	88.3
Inc. tax expense (benefit)	7.5	—	7.5	5.0	48.8
Net earnings	<u>\$ 9.1</u>	<u>\$ —</u>	<u>\$ 9.1</u>	<u>\$ 3.9</u>	<u>141.1 %</u>
Earnings per share:					
Basic	\$ 0.23	\$ —	\$ 0.23	\$ 0.10	130.0 %
Diluted	\$ 0.23	\$ —	\$ 0.23	\$ 0.10	130.0 %

	2014		
	As reported	Restructuring Charges (Note 1)	Adjusted Earnings
Revenue from services	\$ 1,396.4	\$ —	\$ 1,396.4
Cost of services	1,171.0	—	1,171.0
Gross profit	225.4	—	225.4
SG&A expenses	218.3	(4.0)	214.3
Earnings from operations	7.1	4.0	11.1
Other expense, net	2.2	—	2.2
Earnings before taxes	4.9	4.0	8.9
Inc. tax expense (benefit)	3.5	1.5	5.0
Net earnings	<u>\$ 1.4</u>	<u>\$ 2.5</u>	<u>\$ 3.9</u>
Earnings per share:			
Basic	\$ 0.03	\$ 0.06	\$ 0.10
Diluted	\$ 0.03	\$ 0.06	\$ 0.10

Note: Earnings per share amounts for each quarter are required to be computed independently and may not equal the amounts computed for the total year.

KELLY SERVICES, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
FOR THE 39 WEEKS ENDED SEPTEMBER 27, 2015 AND SEPTEMBER 28, 2014
(UNAUDITED)

(In millions of dollars except per share data)

	2015			2014	
	As reported	Restructuring Charges (Note 1)	Adjusted Earnings	Adjusted Earnings	% Change
Revenue from services	\$ 4,056.6	\$ —	\$ 4,056.6	\$ 4,137.7	(2.0) %
Cost of services	3,385.8	—	3,385.8	3,461.9	(2.2)
Gross profit	670.8	—	670.8	675.8	(0.7)
SG&A expenses	630.6	—	630.6	650.7	(3.1)
Earnings from operations	40.2	—	40.2	25.1	61.6
Other expense, net	3.5	—	3.5	4.2	(14.5)
Earnings before taxes	36.7	—	36.7	20.9	76.7
Inc. tax expense (benefit)	17.1	—	17.1	10.5	62.4
Net earnings	<u>\$ 19.6</u>	<u>\$ —</u>	<u>\$ 19.6</u>	<u>\$ 10.4</u>	<u>91.4 %</u>
Earnings per share:					
Basic	\$ 0.51	\$ —	\$ 0.51	\$ 0.27	88.9 %
Diluted	\$ 0.51	\$ —	\$ 0.51	\$ 0.27	88.9 %

	2014		
	As reported	Restructuring Charges (Note 1)	Adjusted Earnings
Revenue from services	\$ 4,137.7	\$ —	\$ 4,137.7
Cost of services	3,461.9	—	3,461.9
Gross profit	675.8	—	675.8
SG&A expenses	656.5	(5.8)	650.7
Earnings from operations	19.3	5.8	25.1
Other expense, net	4.2	—	4.2
Earnings before taxes	15.1	5.8	20.9
Inc. tax expense (benefit)	8.4	2.1	10.5
Net earnings	<u>\$ 6.7</u>	<u>\$ 3.7</u>	<u>\$ 10.4</u>
Earnings per share:			
Basic	\$ 0.17	\$ 0.10	\$ 0.27
Diluted	\$ 0.17	\$ 0.10	\$ 0.27

Note: Earnings per share amounts for each quarter are required to be computed independently and may not equal the amounts computed for the total year.

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 charges is useful to understand the Company's fiscal 2015 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 in 2014 include costs related to the U.S. management simplification restructuring plan, costs incurred for exiting the staffing business in Sweden, and costs related to closing branches in Australia and consolidating back office functions in Australia and New Zealand.



Kelly Services, Inc.
Third Quarter 2015 Results

November 4, 2015



Safe Harbor Statement

The information provided in this presentation relating to future events are subject to risks and uncertainties, such as competition; changing market and economic conditions; currency fluctuations; changes in laws and regulations, including tax laws, and other factors discussed in the company's SEC filings. These documents contain and identify important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements and we have no intention to update these statements.

Third Quarter 2015 Highlights

- Earnings from Operations up 51% YOY* (up 72% in constant currency)
 - Dropped nearly 50% of constant currency GP growth to the bottom line *
 - Continued positive momentum into the fourth quarter
- OCG revenue growth of 15% YOY (17% in constant currency)
- Achieved earnings per share of \$0.23 versus \$0.10 * in 2014

*excluding 2014 restructuring charges

Third Quarter 2015 Financial Summary

	<u>Actual Results</u>	<u>Change⁽¹⁾</u>	<u>Constant Currency Change⁽²⁾</u>
Revenue	\$1.4B	(3.2)%	3.0%
GP %	16.9%	0.8%	
Earnings from Operations	\$16.6M	50.7%	72.2%
ROS %	1.2%	0.4%	
EPS	\$0.23	\$0.13	

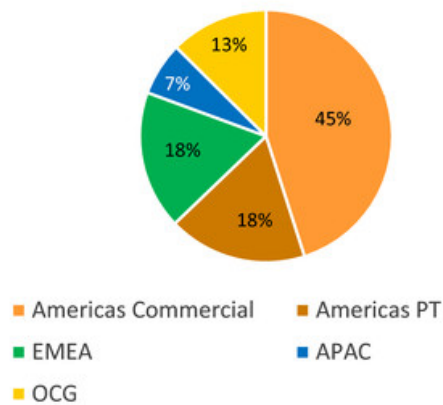
Third quarter results represent solid revenue performance and continued operating leverage

 (1) Change from 2014 Actual results, excluding 2014 restructuring charges. EPS as adjusted was \$0.10

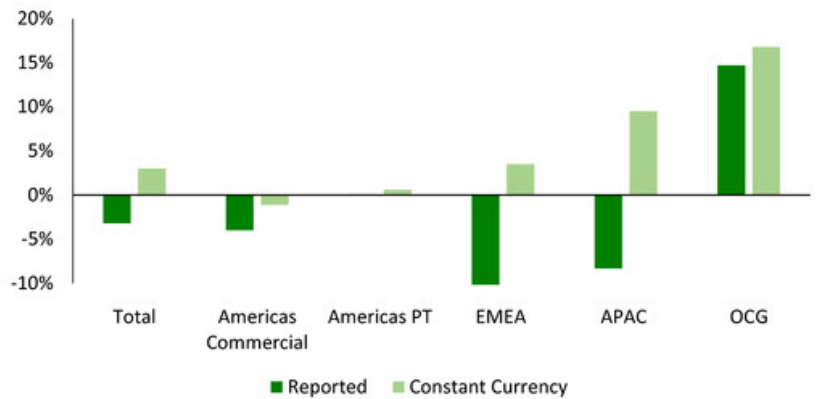
(2) Constant Currency represents year-over-year changes resulting from translating 2015 financial data into USD using 2014 exchange rates

Third Quarter 2015 Revenue Growth

Business Mix



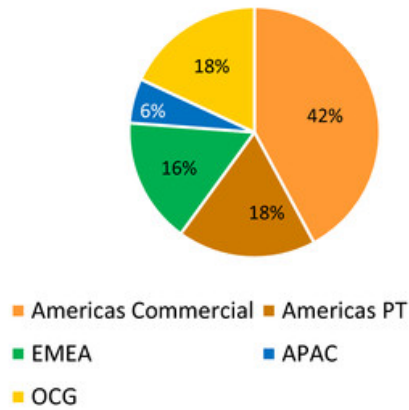
YOY Growth



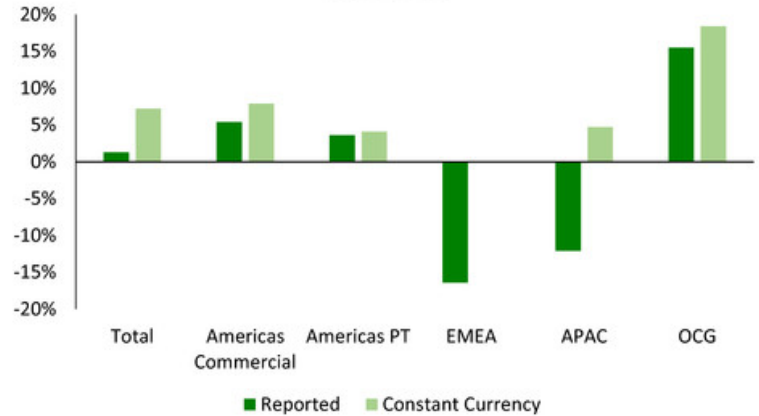
- OCG Revenue growth of 15%, as reported, and 17% in constant currency
- Americas PT growth continues to reflect double-digit growth in our branch delivered business, offset by headwinds in our centralized accounts
- APAC reflects strong growth in Australia, Singapore, Malaysia and India

Third Quarter 2015 Gross Profit

Business Mix

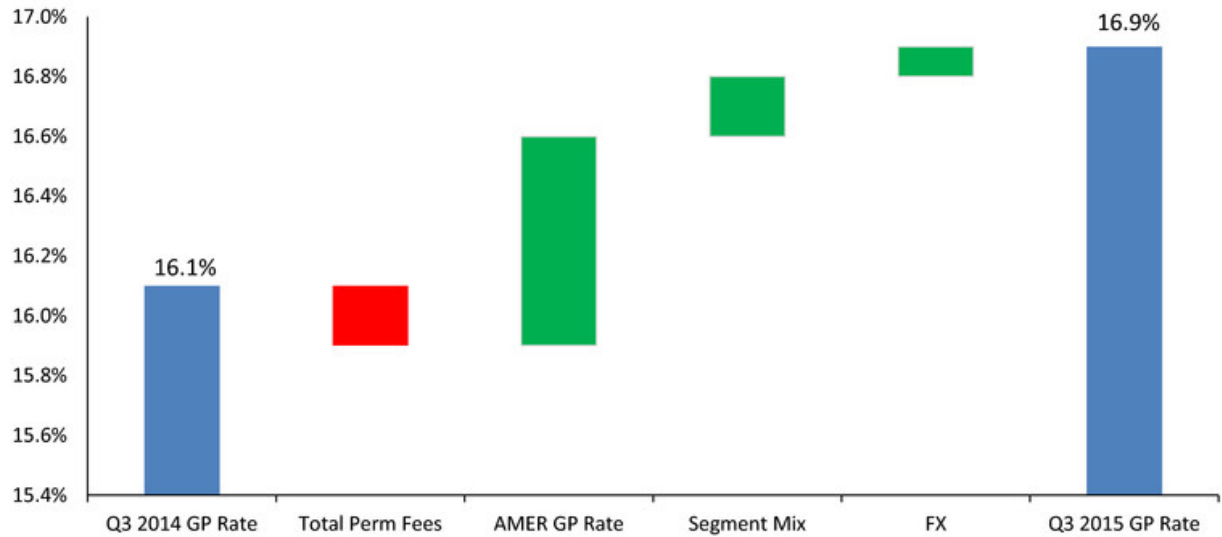


YOY Growth



- Americas Commercial and PT staffing, and OCG comprise 78% of total Company GP
- GP Growth in the Americas represents increasing GP rate on flat revenue growth
- OCG GP growth reflects continued CWO and BPO growth coupled with strong seasonal performance in our KellyConnect business
- EMEA GP reflects continued softness in Perm Fees, which is offsetting gains in the temporary staffing business

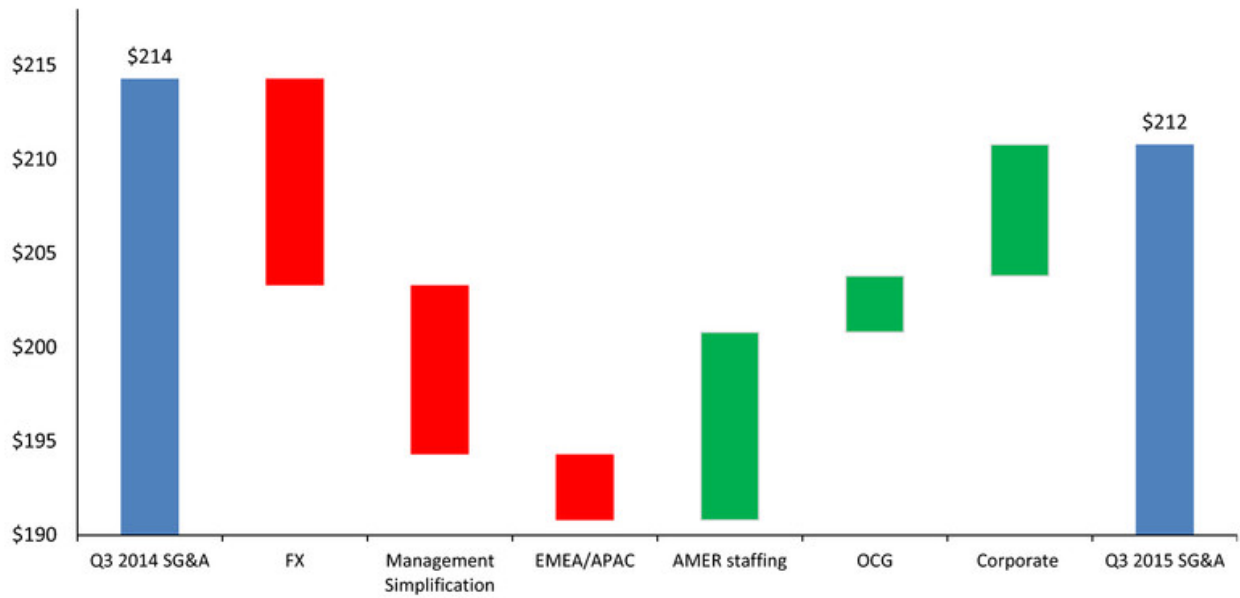
Third Quarter 2015 Gross Profit Rate



- Americas GP rate was favorably impacted by lower payroll taxes and workers' compensation costs
- Year-over-year double-digit OCG revenue growth favorably impacted segment mix in the third quarter

Third Quarter 2015 SG&A

\$ in millions



Corporate SG&A in the third quarter includes the impact of phasing of incentive and certain benefit expenses

excluding 2014 restructuring charges

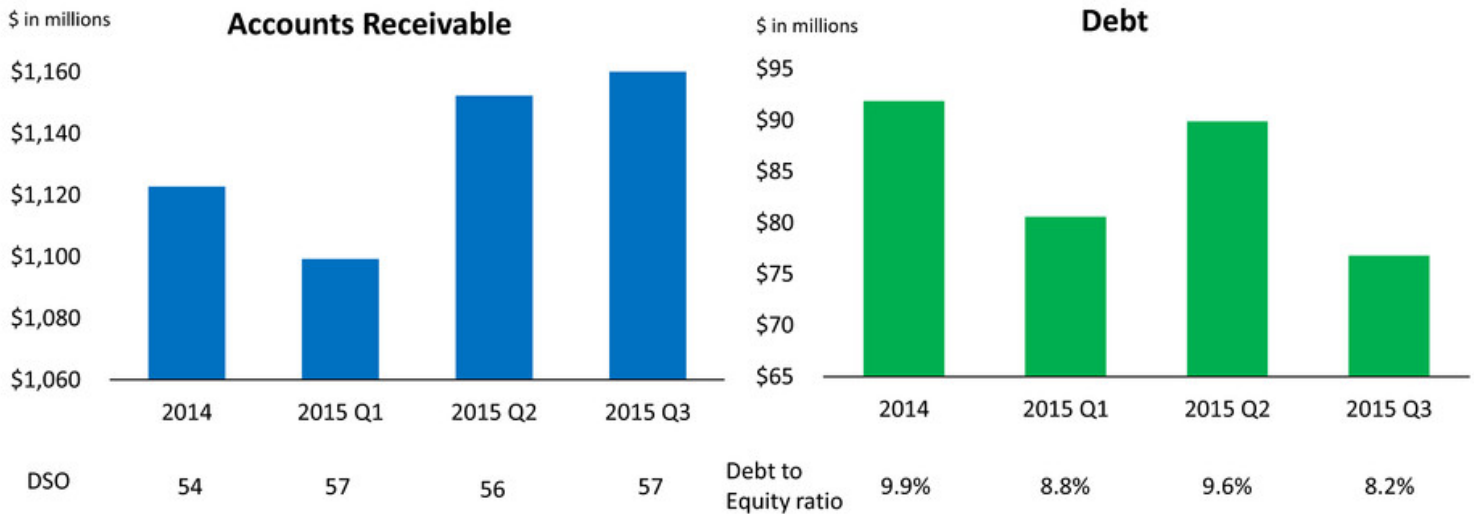
Third Quarter 2015 Operating Results

	Reported			Constant Currency		
	GP Growth	Expense Growth	Leverage	GP Growth	Expense Growth ⁽¹⁾	Leverage
Americas	4.8%	2.6%	54.4%	6.7%	4.5%	43.2%
EMEA	-16.4%	-20.7%	-13.6%	0.1%	-6.2%	NM
APAC	-12.1%	-23.2%	-85.2%	4.7%	-6.9%	240.7%
OCG	15.5%	3.2%	81.7%	18.4%	6.3%	69.4%
Total Company	1.3%	-3.0%	327.5%	7.2%	3.9%	48.8%

Third quarter constant currency results reflect good leverage performance across all operating segments

 (1) excluding 2014 restructuring charges

Third Quarter 2015 Balance Sheet Data



Third quarter DSO at 57, reflects a one-day year-over-year improvement

Fourth Quarter 2015 Outlook

- Revenue up 5.5% to 6.5% YOY in constant currency
 - Includes impact of 53rd week
- Gross Profit Rate up YOY
- SG&A up 2% to 2.5% YOY
- Annual tax rate at 20%, assuming Work Opportunity Credits are enacted in 2015

