



KELLY SERVICES® REPORTS 3rd QUARTER 2010 RESULTS

TROY, MI (November 10, 2010) -- Kelly Services, Inc. (NASDAQ: [KELYA](#)) (NASDAQ: [KELYB](#)), a leader in providing workforce solutions, today announced results for the third quarter of 2010.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the third quarter of 2010 totaled \$1.3 billion, a 22% increase compared to the corresponding quarter in 2009. On a constant currency basis, revenue increased by 23%.

Earnings from operations for the third quarter of 2010 totaled \$14.3 million, compared to losses from operations of \$28.0 million reported for the third quarter of 2009. Included in the results from operations for the third quarter of 2010 are restructuring charges of \$2.8 million. The loss from operations in the third quarter of 2009 included restructuring charges of \$4.6 million and impairment charges of \$0.5 million. Excluding the restructuring and impairment charges, earnings from operations were \$17.1 million in the third quarter of 2010 compared to a loss from operations of \$22.9 million in 2009.

Diluted earnings per share from continuing operations in the third quarter of 2010 were \$0.26 compared to third quarter 2009 losses of \$0.43 per share. The restructuring charges were \$0.05 per share in the third quarter of 2010 and the restructuring and impairment charges totaled \$0.12 per share in the third quarter of 2009.

Commenting on the third quarter results, Camden stated, "We're very pleased that demand for temporary staffing accelerated as global economic expansion persisted and labor markets continued to slowly strengthen. These trends, along with our ability to maintain a leaner cost structure, translated into solid third quarter earnings.

"Our efforts and discipline are clearly yielding results. We're confident that our realigned strategy enables us to take advantage of growth areas in our industry, particularly professional/technical staffing and supply chain management. We will continue to focus on improving profitability through client-focused solutions that connect the world's top companies with the world's best talent."

In conjunction with its third quarter earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on November 10, 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, changing market and economic conditions, material changes in demand from large corporate customers, availability of temporary workers with appropriate skills required by customers, increases in wages paid to temporary workers, liabilities for client and employee actions, foreign currency fluctuations, changes in laws and regulations (including federal, state and international tax laws), continued availability of financing for funding working capital and acquisitions and for general corporate purposes, the Company's ability to effectively implement and manage its information technology programs, the ability of the Company to successfully expand into new markets and service lines, and other risks, uncertainties and factors discussed in this release and in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2010 and Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2010 filed 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, 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, temporary-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 and connect with us on [facebook.com/kellyservices](https://www.facebook.com/kellyservices), [linkedin.com/companies/kelly-services](https://www.linkedin.com/companies/kelly-services) and twitter.com/kellyservices.

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KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE 13 WEEKS ENDED OCTOBER 3, 2010 AND SEPTEMBER 27, 2009
(UNAUDITED)

(In millions of dollars except per share data)

| | <u>2010</u> | <u>2009</u> | <u>Change</u> | <u>% Change</u> |
|--|----------------|------------------|----------------|-----------------|
| Revenue from services | \$ 1,284.7 | \$ 1,049.2 | \$ 235.5 | 22.4 % |
| Cost of services | <u>1,077.5</u> | <u>883.0</u> | <u>194.5</u> | <u>22.0</u> |
| Gross profit | 207.2 | 166.2 | 41.0 | 24.7 |
| Selling, general and administrative expenses | 192.9 | 193.7 | (0.8) | (0.4) |
| Asset impairments | <u>-</u> | <u>0.5</u> | <u>(0.5)</u> | <u>(100.0)</u> |
| Earnings (loss) from operations | 14.3 | (28.0) | 42.3 | NM |
| Other expense, net | <u>(1.5)</u> | <u>(1.6)</u> | <u>0.1</u> | <u>8.1</u> |
| Earnings (loss) from continuing operations before taxes | 12.8 | (29.6) | 42.4 | NM |
| Income taxes | <u>3.2</u> | <u>(14.8)</u> | <u>18.0</u> | <u>121.7</u> |
| Earnings (loss) from continuing operations | 9.6 | (14.8) | 24.4 | NM |
| Earnings from discontinued operations, net of tax | <u>-</u> | <u>-</u> | <u>-</u> | <u>NM</u> |
| Net earnings (loss) | <u>\$ 9.6</u> | <u>\$ (14.8)</u> | <u>\$ 24.4</u> | <u>NM %</u> |
| Basic earnings (loss) per share on common stock | | | | |
| Earnings (loss) from continuing operations | \$ 0.26 | \$ (0.43) | \$ 0.69 | NM % |
| Earnings from discontinued operations | - | - | - | NM |
| Net earnings (loss) | 0.26 | (0.43) | 0.69 | NM |
| Diluted earnings (loss) per share on common stock | | | | |
| Earnings (loss) from continuing operations | \$ 0.26 | \$ (0.43) | \$ 0.69 | NM % |
| Earnings from discontinued operations | - | - | - | NM |
| Net earnings (loss) | 0.26 | (0.43) | 0.69 | NM |

STATISTICS:

| | | | |
|---|--------|--------|-------------|
| Gross profit rate | 16.1 % | 15.8 % | 0.3 pts. |
| Selling, general and administrative expenses: | | | |
| % of revenue | 15.0 | 18.5 | (3.5) |
| % of gross profit | 93.1 | 116.5 | (23.4) |
| % Return - Earnings (loss) from operations | 1.1 | (2.7) | 3.8 |
| Earnings (loss) from continuing operations before taxes | 1.0 | (2.8) | 3.8 |
| Earnings (loss) from continuing operations | 0.7 | (1.4) | 2.1 |
| Net earnings (loss) | 0.7 | (1.4) | 2.1 |
| Effective income tax rate | 25.1 % | 49.9 % | (24.8) pts. |
| Average number of shares outstanding (millions): | | | |
| Basic | 36.7 | 34.9 | |
| Diluted | 36.7 | 34.9 | |

KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE 39 WEEKS ENDED OCTOBER 3, 2010 AND SEPTEMBER 27, 2009
(UNAUDITED)

(In millions of dollars except per share data)

| | <u>2010</u> | <u>2009</u> | <u>Change</u> | <u>% Change</u> |
|--|----------------|------------------|-----------------|-----------------|
| Revenue from services | \$ 3,624.5 | \$ 3,120.7 | \$ 503.8 | 16.1 % |
| Cost of services | <u>3,046.4</u> | <u>2,607.3</u> | <u>439.1</u> | <u>16.8</u> |
| Gross profit | 578.1 | 513.4 | 64.7 | 12.6 |
| Selling, general and administrative expenses | 555.4 | 593.4 | (38.0) | (6.4) |
| Asset impairments | <u>1.5</u> | <u>53.1</u> | <u>(51.6)</u> | <u>(97.1)</u> |
| Earnings (loss) from operations | 21.2 | (133.1) | 154.3 | NM |
| Other expense, net | <u>(4.7)</u> | <u>(1.3)</u> | <u>(3.4)</u> | <u>(253.3)</u> |
| Earnings (loss) from continuing operations before taxes | 16.5 | (134.4) | 150.9 | NM |
| Income taxes | <u>5.0</u> | <u>(37.5)</u> | <u>42.5</u> | <u>113.5</u> |
| Earnings (loss) from continuing operations | 11.5 | (96.9) | 108.4 | NM |
| Earnings from discontinued operations, net of tax | <u>-</u> | <u>0.6</u> | <u>(0.6)</u> | <u>(100.0)</u> |
| Net earnings (loss) | <u>\$ 11.5</u> | <u>\$ (96.3)</u> | <u>\$ 107.8</u> | <u>NM %</u> |
| Basic earnings (loss) per share on common stock | | | | |
| Earnings (loss) from continuing operations | \$ 0.32 | \$ (2.78) | \$ 3.10 | NM % |
| Earnings from discontinued operations | - | 0.02 | (0.02) | (100.0) |
| Net earnings (loss) | 0.32 | (2.76) | 3.08 | NM |
| Diluted earnings (loss) per share on common stock | | | | |
| Earnings (loss) from continuing operations | \$ 0.32 | \$ (2.78) | \$ 3.10 | NM % |
| Earnings from discontinued operations | - | 0.02 | (0.02) | (100.0) |
| Net earnings (loss) | 0.32 | (2.76) | 3.08 | NM |

STATISTICS:

| | | | |
|---|--------|--------|------------|
| Gross profit rate | 16.0 % | 16.5 % | (0.5) pts. |
| Selling, general and administrative expenses: | | | |
| % of revenue | 15.3 | 19.0 | (3.7) |
| % of gross profit | 96.1 | 115.6 | (19.5) |
| % Return - Earnings (loss) from operations | 0.6 | (4.3) | 4.9 |
| Earnings (loss) from continuing operations before taxes | 0.5 | (4.3) | 4.8 |
| Earnings (loss) from continuing operations | 0.3 | (3.1) | 3.4 |
| Net earnings (loss) | 0.3 | (3.1) | 3.4 |
| Effective income tax rate | 30.6 % | 27.9 % | 2.7 pts. |
| Average number of shares outstanding (millions): | | | |
| Basic | 35.9 | 34.9 | |
| Diluted | 35.9 | 34.9 | |

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

| | Third Quarter | | | Constant Currency Change |
|--|---------------|----------|----------|--------------------------------|
| | 2010 | 2009 | Change | |
| Americas Commercial | | | | |
| Revenue from services (including fee-based income) | \$ 633.3 | \$ 467.5 | 35.5 % | 34.7 % |
| Fee-based income | 2.2 | 1.7 | 23.8 | 22.5 |
| Gross profit | 92.3 | 67.2 | 37.4 | 36.7 |
| SG&A expenses excluding restructuring charges | 69.1 | 66.0 | 4.7 | |
| Restructuring charges | - | 1.8 | (100.0) | |
| Total SG&A expenses | 69.1 | 67.8 | 2.0 | 1.4 |
| Earnings from operations | 23.2 | (0.6) | NM | |
| Earnings from operations excluding restructuring charges | 23.2 | 1.2 | NM | |
| Gross profit rate | 14.6 % | 14.4 % | 0.2 pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 10.9 | 14.1 | (3.2) | |
| % of gross profit | 74.8 | 98.2 | (23.4) | |
| Operating margin (excluding restructuring charges) | 3.7 | 0.3 | 3.4 | |
| Americas PT | | | | |
| Revenue from services (including fee-based income) | \$ 233.6 | \$ 192.1 | 21.6 % | 21.5 % |
| Fee-based income | 2.2 | 2.1 | 1.9 | 1.8 |
| Gross profit | 37.2 | 29.5 | 26.2 | 26.0 |
| SG&A expenses excluding restructuring charges | 23.5 | 24.5 | (4.4) | |
| Restructuring charges | - | 0.1 | (100.0) | |
| Total SG&A expenses | 23.5 | 24.6 | (4.8) | (5.0) |
| Earnings from operations | 13.7 | 4.9 | 185.1 | |
| Earnings from operations excluding restructuring charges | 13.7 | 5.0 | 178.3 | |
| Gross profit rate | 15.9 % | 15.4 % | 0.5 pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 10.1 | 12.8 | (2.7) | |
| % of gross profit | 63.1 | 83.3 | (20.2) | |
| Operating margin (excluding restructuring charges) | 5.9 | 2.6 | 3.3 | |
| EMEA Commercial | | | | |
| Revenue from services (including fee-based income) | \$ 228.1 | \$ 228.0 | 0.0 % | 5.2 % |
| Fee-based income | 4.5 | 3.7 | 23.9 | 27.8 |
| Gross profit | 37.2 | 33.9 | 9.7 | 15.3 |
| SG&A expenses excluding restructuring charges | 32.4 | 37.7 | (13.7) | |
| Restructuring charges | - | 1.8 | (100.0) | |
| Total SG&A expenses | 32.4 | 39.5 | (17.7) | (13.8) |
| Earnings from operations | 4.8 | (5.6) | NM | |
| Earnings from operations excluding restructuring charges | 4.8 | (3.8) | NM | |
| Gross profit rate | 16.3 % | 14.9 % | 1.4 pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 14.2 | 16.5 | (2.3) | |
| % of gross profit | 87.2 | 110.9 | (23.7) | |
| Operating margin (excluding restructuring charges) | 2.1 | (1.6) | 3.7 | |

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

| | Third Quarter | | | Constant Currency Change |
|--|---------------|---------|------------|--------------------------------|
| | 2010 | 2009 | Change | |
| EMEA PT | | | | |
| Revenue from services (including fee-based income) | \$ 37.1 | \$ 36.4 | 1.9 % | 8.5 % |
| Fee-based income | 3.6 | 3.9 | (8.9) | (5.7) |
| Gross profit | 9.6 | 9.8 | (1.8) | 3.7 |
| Total SG&A expenses | 9.3 | 9.9 | (6.9) | (2.5) |
| Earnings from operations | 0.3 | (0.1) | NM | |
| Gross profit rate | 26.0 % | 27.0 % | (1.0) pts. | |
| Expense rates: | | | | |
| % of revenue | 25.0 | 27.3 | (2.3) | |
| % of gross profit | 96.1 | 101.3 | (5.2) | |
| Operating margin | 1.0 | (0.4) | 1.4 | |
| APAC Commercial | | | | |
| Revenue from services (including fee-based income) | \$ 88.7 | \$ 71.2 | 24.6 % | 15.4 % |
| Fee-based income | 3.0 | 2.3 | 29.0 | 19.7 |
| Gross profit | 12.4 | 10.3 | 19.9 | 10.9 |
| SG&A expenses excluding restructuring charges | 11.4 | 11.4 | 0.1 | |
| Restructuring charges | - | 0.1 | (100.0) | |
| Total SG&A expenses | 11.4 | 11.5 | (0.7) | (7.8) |
| Earnings from operations | 1.0 | (1.2) | NM | |
| Earnings from operations excluding restructuring charges | 1.0 | (1.1) | NM | |
| Gross profit rate | 14.0 % | 14.5 % | (0.5) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 12.8 | 16.0 | (3.2) | |
| % of gross profit | 92.0 | 110.3 | (18.3) | |
| Operating margin (excluding restructuring charges) | 1.1 | (1.5) | 2.6 | |
| APAC PT | | | | |
| Revenue from services (including fee-based income) | \$ 8.2 | \$ 6.5 | 27.3 % | 18.8 % |
| Fee-based income | 2.9 | 1.0 | 179.5 | 164.0 |
| Gross profit | 3.8 | 2.0 | 89.9 | 78.6 |
| Total SG&A expenses | 4.3 | 2.3 | 87.9 | 77.6 |
| Earnings from operations | (0.5) | (0.3) | (77.2) | |
| Gross profit rate | 45.2 % | 30.3 % | 14.9 pts. | |
| Expense rates: | | | | |
| % of revenue | 53.0 | 35.9 | 17.1 | |
| % of gross profit | 117.1 | 118.4 | (1.3) | |
| Operating margin | (7.7) | (5.6) | (2.1) | |

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

| | Third Quarter | | | Constant Currency Change |
|--|---------------|------------|------------|--------------------------------|
| | 2010 | 2009 | Change | |
| OCG | | | | |
| Revenue from services (including fee-based income) | \$ 64.1 | \$ 52.9 | 21.2 % | 21.3 % |
| Fee-based income | 6.6 | 5.8 | 13.6 | 13.5 |
| Gross profit | 15.4 | 13.7 | 11.7 | 12.0 |
| SG&A expenses excluding restructuring charges | 19.6 | 17.3 | 12.9 | |
| Restructuring charges | - | 0.1 | (100.0) | |
| Total SG&A expenses | 19.6 | 17.4 | 12.2 | 13.0 |
| Earnings from operations | (4.2) | (3.7) | (14.4) | |
| Earnings from operations excluding restructuring charges | (4.2) | (3.6) | (17.8) | |
| Gross profit rate | 24.0 % | 26.1 % | (2.1) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 30.5 | 32.8 | (2.3) | |
| % of gross profit | 127.2 | 125.8 | 1.4 | |
| Operating margin (excluding restructuring charges) | (6.5) | (6.7) | 0.2 | |
| Corporate Expense | | | | |
| SG&A expenses excluding restructuring charges | \$ 21.2 | \$ 20.2 | 4.4 % | |
| Restructuring charges | 2.8 | 0.7 | 301.3 | |
| Total SG&A expenses | 24.0 | 20.9 | 14.4 | |
| Asset impairments | - | 0.5 | (100.0) | |
| Consolidated Total (net of intersegment activity) | | | | |
| Revenue from services (including fee-based income) | \$ 1,284.7 | \$ 1,049.2 | 22.4 % | 22.7 % |
| Fee-based income | 24.9 | 20.5 | 20.6 | 19.9 |
| Gross profit | 207.2 | 166.2 | 24.7 | 25.1 |
| SG&A expenses excluding restructuring charges | 190.1 | 189.1 | 0.5 | |
| Restructuring charges | 2.8 | 4.6 | (38.2) | |
| Total SG&A expenses | 192.9 | 193.7 | (0.4) | (0.1) |
| Asset impairments | - | 0.5 | (100.0) | |
| Earnings from operations | 14.3 | (28.0) | NM | |
| Earnings from operations excluding restructuring charges | 17.1 | (23.4) | NM | |
| Gross profit rate | 16.1 % | 15.8 % | 0.3 pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 14.8 | 18.0 | (3.2) | |
| % of gross profit | 91.7 | 113.8 | (22.1) | |
| Operating margin (excluding restructuring charges) | 1.3 | (2.2) | 3.5 | |

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

| | September Year to Date | | | Constant Currency Change |
|--|------------------------|------------|------------|--------------------------------|
| | 2010 | 2009 | Change | |
| Americas Commercial | | | | |
| Revenue from services (including fee-based income) | \$ 1,781.9 | \$ 1,422.9 | 25.2 % | 23.8 % |
| Fee-based income | 6.5 | 5.1 | 26.4 | 23.2 |
| Gross profit | 256.5 | 210.9 | 21.6 | 20.3 |
| SG&A expenses excluding restructuring charges | 201.9 | 205.3 | (1.7) | |
| Restructuring charges | 0.3 | 3.7 | (90.3) | |
| Total SG&A expenses | 202.2 | 209.0 | (3.3) | (4.3) |
| Earnings from operations | 54.3 | 1.9 | NM | |
| Earnings from operations excluding restructuring charges | 54.6 | 5.6 | NM | |
| Gross profit rate | 14.4 % | 14.8 % | (0.4) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 11.3 | 14.4 | (3.1) | |
| % of gross profit | 78.7 | 97.3 | (18.6) | |
| Operating margin (excluding restructuring charges) | 3.1 | 0.4 | 2.7 | |
| Americas PT | | | | |
| Revenue from services (including fee-based income) | \$ 659.1 | \$ 584.3 | 12.8 % | 12.6 % |
| Fee-based income | 6.7 | 7.2 | (7.3) | (7.7) |
| Gross profit | 103.2 | 93.2 | 10.9 | 10.6 |
| SG&A expenses excluding restructuring charges | 69.2 | 76.2 | (9.1) | |
| Restructuring charges | - | 0.2 | (100.0) | |
| Total SG&A expenses | 69.2 | 76.4 | (9.4) | (9.6) |
| Earnings from operations | 34.0 | 16.8 | 103.2 | |
| Earnings from operations excluding restructuring charges | 34.0 | 17.0 | 100.3 | |
| Gross profit rate | 15.7 % | 15.9 % | (0.2) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 10.5 | 13.0 | (2.5) | |
| % of gross profit | 67.0 | 81.7 | (14.7) | |
| Operating margin (excluding restructuring charges) | 5.2 | 2.9 | 2.3 | |
| EMEA Commercial | | | | |
| Revenue from services (including fee-based income) | \$ 642.8 | \$ 656.3 | (2.1) % | (1.5) % |
| Fee-based income | 14.4 | 12.3 | 18.0 | 16.4 |
| Gross profit | 103.8 | 102.8 | 1.0 | 1.6 |
| SG&A expenses excluding restructuring charges | 95.7 | 115.1 | (16.8) | |
| Restructuring charges | 2.7 | 10.7 | (75.1) | |
| Total SG&A expenses | 98.4 | 125.8 | (21.8) | (21.8) |
| Asset impairments | 1.5 | - | NM | |
| Earnings from operations | 3.9 | (23.0) | NM | |
| Earnings from operations excluding restructuring charges | 6.6 | (12.3) | NM | |
| Gross profit rate | 16.1 % | 15.7 % | 0.4 pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 14.9 | 17.5 | (2.6) | |
| % of gross profit | 92.2 | 111.9 | (19.7) | |
| Operating margin (excluding restructuring charges) | 1.0 | (1.9) | 2.9 | |

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

| | September Year to Date | | | Constant Currency Change |
|--|------------------------|----------|------------|--------------------------------|
| | 2010 | 2009 | Change | |
| EMEA PT | | | | |
| Revenue from services (including fee-based income) | \$ 106.4 | \$ 102.3 | 4.0 % | 5.5 % |
| Fee-based income | 11.2 | 12.1 | (7.1) | (8.3) |
| Gross profit | 28.3 | 28.0 | 1.5 | 2.0 |
| Total SG&A expenses | 27.6 | 30.0 | (8.1) | (8.0) |
| Earnings from operations | 0.7 | (2.0) | NM | |
| Gross profit rate | 26.7 % | 27.4 % | (0.7) pts. | |
| Expense rates: | | | | |
| % of revenue | 25.9 | 29.4 | (3.5) | |
| % of gross profit | 97.1 | 107.2 | (10.1) | |
| Operating margin | 0.8 | (2.0) | 2.8 | |
| APAC Commercial | | | | |
| Revenue from services (including fee-based income) | \$ 253.3 | \$ 201.9 | 25.4 % | 12.1 % |
| Fee-based income | 8.5 | 6.8 | 23.2 | 10.4 |
| Gross profit | 35.5 | 29.5 | 20.4 | 7.0 |
| SG&A expenses excluding restructuring charges | 32.0 | 33.0 | (3.0) | |
| Restructuring charges | 0.5 | 0.2 | 283.6 | |
| Total SG&A expenses | 32.5 | 33.2 | (1.8) | (12.7) |
| Earnings from operations | 3.0 | (3.7) | NM | |
| Earnings from operations excluding restructuring charges | 3.5 | (3.5) | NM | |
| Gross profit rate | 14.0 % | 14.6 % | (0.6) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 12.6 | 16.3 | (3.7) | |
| % of gross profit | 90.3 | 112.0 | (21.7) | |
| Operating margin (excluding restructuring charges) | 1.4 | (1.8) | 3.2 | |
| APAC PT | | | | |
| Revenue from services (including fee-based income) | \$ 23.6 | \$ 18.2 | 29.9 % | 17.1 % |
| Fee-based income | 7.6 | 2.8 | 166.0 | 150.1 |
| Gross profit | 10.1 | 5.6 | 79.3 | 65.5 |
| Total SG&A expenses | 12.0 | 6.6 | 81.9 | 67.7 |
| Earnings from operations | (1.9) | (1.0) | (96.8) | |
| Gross profit rate | 42.5 % | 30.8 % | 11.7 pts. | |
| Expense rates: | | | | |
| % of revenue | 50.8 | 36.3 | 14.5 | |
| % of gross profit | 119.6 | 117.8 | 1.8 | |
| Operating margin | (8.3) | (5.5) | (2.8) | |

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

| | September Year to Date | | | Constant Currency Change |
|---|------------------------|------------|------------|--------------------------------|
| | 2010 | 2009 | Change | |
| OCG | | | | |
| Revenue from services (including fee-based income) | \$ 179.8 | \$ 151.7 | 18.5 % | 18.1 % |
| Fee-based income | 18.3 | 18.4 | (0.5) | (2.0) |
| Gross profit | 42.4 | 44.2 | (4.4) | (5.1) |
| SG&A expenses excluding restructuring charges | 56.8 | 51.7 | 9.8 | |
| Restructuring charges | 0.1 | 0.6 | (87.6) | |
| Total SG&A expenses | 56.9 | 52.3 | 8.7 | 8.0 |
| Earnings from operations | (14.5) | (8.1) | (80.3) | |
| Earnings from operations excluding restructuring charges | (14.4) | (7.5) | (93.7) | |
| Gross profit rate | 23.5 % | 29.2 % | (5.7) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 31.6 | 34.1 | (2.5) | |
| % of gross profit | 134.3 | 116.9 | 17.4 | |
| Operating margin (excluding restructuring charges) | (8.1) | (4.9) | (3.2) | |
| Corporate Expense | | | | |
| SG&A expenses excluding restructuring charges | \$ 54.7 | \$ 59.8 | (8.5) % | |
| Restructuring charges | 3.6 | 1.1 | 225.2 | |
| Total SG&A expenses | 58.3 | 60.9 | (4.3) | |
| Asset impairments | - | 53.1 | (100.0) | |
| Consolidated Total (excluding intersegment activity) | | | | |
| Revenue from services (including fee-based income) | \$ 3,624.5 | \$ 3,120.7 | 16.1 % | 14.6 % |
| Fee-based income | 73.0 | 64.6 | 12.8 | 9.5 |
| Gross profit | 578.1 | 513.4 | 12.6 | 11.2 |
| SG&A expenses excluding restructuring charges | 548.2 | 576.9 | (5.0) | |
| Restructuring charges | 7.2 | 16.5 | (56.1) | |
| Total SG&A expenses | 555.4 | 593.4 | (6.4) | (7.6) |
| Asset impairments | 1.5 | 53.1 | (97.1) | |
| Earnings from operations | 21.2 | (133.1) | NM | |
| Earnings from operations excluding restructuring charges | 28.4 | (116.6) | NM | |
| Gross profit rate | 16.0 % | 16.5 % | (0.5) pts. | |
| Expense rates (excluding restructuring charges): | | | | |
| % of revenue | 15.1 | 18.5 | (3.4) | |
| % of gross profit | 94.8 | 112.4 | (17.6) | |
| Operating margin (excluding restructuring charges) | 0.8 | (3.7) | 4.5 | |

KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 39 WEEKS ENDED OCTOBER 3, 2010 AND SEPTEMBER 27, 2009
(UNAUDITED)
(In millions of dollars)

| | <u>2010</u> | <u>2009</u> |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Net earnings (loss) | \$ 11.5 | \$ (96.3) |
| Noncash adjustments: | | |
| Impairment of assets | 1.5 | 53.1 |
| Depreciation and amortization | 26.5 | 30.9 |
| Provision for bad debts | 1.0 | 2.7 |
| Stock-based compensation | 2.2 | 3.6 |
| Other, net | 1.0 | (4.0) |
| Changes in operating assets and liabilities | <u>(43.6)</u> | <u>32.9</u> |
| Net cash from operating activities | <u>0.1</u> | <u>22.9</u> |
| Cash flows from investing activities | | |
| Capital expenditures | (5.9) | (7.9) |
| Acquisition of companies, net of cash received | - | (7.5) |
| Other investing activities | <u>0.5</u> | <u>(2.9)</u> |
| Net cash from investing activities | <u>(5.4)</u> | <u>(18.3)</u> |
| Cash flows from financing activities | | |
| Net change in revolving line of credit | (12.8) | (11.9) |
| Repayment of debt | (7.3) | (22.9) |
| Sale of stock and other financing activities | <u>24.3</u> | <u>(0.7)</u> |
| Net cash from financing activities | <u>4.2</u> | <u>(35.5)</u> |
| Effect of exchange rates on cash and equivalents | <u>(0.6)</u> | <u>3.6</u> |
| Net change in cash and equivalents | (1.7) | (27.3) |
| Cash and equivalents at beginning of period | <u>88.9</u> | <u>118.3</u> |
| Cash and equivalents at end of period | <u>\$ 87.2</u> | <u>\$ 91.0</u> |

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

| | October 3, 2010 | January 3, 2010 | September 27, 2009 |
|--|----------------------------|----------------------------|-------------------------------|
| Current Assets | | | |
| Cash and equivalents | \$ 87.2 | \$ 88.9 | \$ 91.0 |
| Trade accounts receivable, less allowances of \$13.0, \$15.0 and \$15.7, respectively | 831.3 | 717.9 | 707.3 |
| Prepaid expenses and other current assets | 54.7 | 70.6 | 54.3 |
| Deferred taxes | 25.5 | 21.0 | 25.7 |
| Total current assets | 998.7 | 898.4 | 878.3 |
| Property and Equipment, Net | 107.2 | 127.1 | 132.5 |
| Noncurrent Deferred Taxes | 80.4 | 77.5 | 66.0 |
| Goodwill, Net | 67.3 | 67.3 | 67.3 |
| Other Assets | 135.7 | 131.4 | 134.6 |
| Total Assets | \$ 1,389.3 | \$ 1,301.7 | \$ 1,278.7 |
| Current Liabilities | | | |
| Short-term borrowings and current portion of long-term debt | \$ 68.3 | \$ 79.6 | \$ 15.3 |
| Accounts payable and accrued liabilities | 167.6 | 182.6 | 201.9 |
| Accrued payroll and related taxes | 273.0 | 208.3 | 229.6 |
| Accrued insurance | 20.3 | 19.7 | 25.0 |
| Income and other taxes | 56.6 | 47.4 | 29.8 |
| Total current liabilities | 585.8 | 537.6 | 501.6 |
| Noncurrent Liabilities | | | |
| Long-term debt | 52.7 | 57.5 | 66.0 |
| Accrued insurance | 48.2 | 47.3 | 43.9 |
| Accrued retirement benefits | 79.0 | 76.9 | 74.0 |
| Other long-term liabilities | 15.3 | 16.0 | 14.2 |
| Total noncurrent liabilities | 195.2 | 197.7 | 198.1 |
| Stockholders' Equity | | | |
| Common stock | 40.1 | 40.1 | 40.1 |
| Treasury stock | (71.2) | (107.2) | (107.6) |
| Paid-in capital | 27.5 | 36.9 | 35.9 |
| Earnings invested in the business | 583.0 | 571.5 | 579.7 |
| Accumulated other comprehensive income | 28.9 | 25.1 | 30.9 |
| Total stockholders' equity | 608.3 | 566.4 | 579.0 |
| Total Liabilities and Stockholders' Equity | \$ 1,389.3 | \$ 1,301.7 | \$ 1,278.7 |

STATISTICS:

| | | | | | |
|-------------------------------|----------|--|----------|--|----------|
| Working Capital | \$ 412.9 | | \$ 360.8 | | \$ 376.7 |
| Current Ratio | 1.7 | | 1.7 | | 1.8 |
| Debt-to-capital % | 16.6 % | | 19.5 % | | 12.3 % |
| Global Days Sales Outstanding | 52 | | 51 | | 52 |

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

| Third Quarter (Commercial, PT and OCG) | | | | | |
|---|----|-----------------|-------------|-------------|------------------------------|
| | | % Change | | | |
| | | 2010 | 2009 | US\$ | Constant Currency |
| Americas | | | | | |
| United States | \$ | 811.3 | \$ 623.1 | 30.2 % | 30.2 % |
| Canada | | 56.7 | 48.4 | 17.3 | 10.8 |
| Mexico | | 25.2 | 16.7 | 50.7 | 45.4 |
| Puerto Rico | | 21.7 | 12.6 | 71.1 | 71.1 |
| Total Americas | | 914.9 | 700.8 | 30.5 | 30.0 |
| EMEA | | | | | |
| France | | 71.3 | 69.4 | 2.8 | 13.3 |
| Switzerland | | 47.9 | 38.8 | 23.8 | 19.7 |
| United Kingdom | | 33.8 | 50.8 | (33.6) | (29.7) |
| Russia | | 26.8 | 16.5 | 61.8 | 58.0 |
| Portugal | | 21.3 | 15.8 | 34.5 | 48.4 |
| Germany | | 18.1 | 16.6 | 9.1 | 20.3 |
| Norway | | 15.1 | 16.2 | (6.8) | (6.9) |
| Italy | | 14.7 | 17.4 | (15.5) | (6.9) |
| Other | | 20.8 | 26.9 | (22.7) | (15.6) |
| Total EMEA | | 269.8 | 268.4 | 0.5 | 5.9 |
| APAC | | | | | |
| Australia | | 31.9 | 25.0 | 27.7 | 16.7 |
| Singapore | | 21.7 | 16.4 | 31.7 | 23.7 |
| Malaysia | | 16.5 | 12.3 | 34.5 | 20.3 |
| India | | 15.5 | 9.9 | 56.6 | 50.2 |
| Other | | 14.4 | 16.4 | (11.6) | (17.1) |
| Total APAC | | 100.0 | 80.0 | 25.1 | 15.9 |
| Total Kelly Services, Inc. | \$ | 1,284.7 | \$ 1,049.2 | 22.4 % | 22.7 % |

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

| | September Year to Date (Commercial, PT and OCG) | | % Change | |
|-----------------------------------|--|-------------------|-----------------|------------------------------|
| | 2010 | 2009 | US\$ | Constant Currency |
| Americas | | | | |
| United States | \$ 2,292.3 | \$ 1,901.2 | 20.6 % | 20.6 % |
| Canada | 162.8 | 131.9 | 23.5 | 9.8 |
| Mexico | 66.1 | 47.5 | 39.1 | 30.2 |
| Puerto Rico | 55.6 | 42.9 | 29.4 | 29.4 |
| Total Americas | 2,576.8 | 2,123.5 | 21.3 | 20.3 |
| EMEA | | | | |
| France | 206.2 | 194.0 | 6.3 | 10.7 |
| Switzerland | 120.0 | 99.8 | 20.4 | 16.3 |
| United Kingdom | 105.6 | 163.6 | (35.5) | (35.3) |
| Russia | 75.5 | 45.5 | 65.8 | 55.4 |
| Portugal | 58.8 | 40.1 | 46.7 | 53.5 |
| Germany | 50.6 | 47.5 | 6.7 | 11.3 |
| Italy | 46.1 | 53.9 | (14.5) | (11.2) |
| Norway | 43.1 | 44.4 | (3.0) | (8.8) |
| Other | 56.9 | 82.2 | (30.8) | (29.3) |
| Total EMEA | 762.8 | 771.0 | (1.1) | (0.3) |
| APAC | | | | |
| Australia | 88.2 | 67.9 | 29.9 | 9.2 |
| Singapore | 60.2 | 46.5 | 29.3 | 21.3 |
| Malaysia | 47.4 | 36.4 | 30.2 | 18.6 |
| India | 44.4 | 24.7 | 79.7 | 69.2 |
| Other | 44.7 | 50.7 | (11.7) | (22.4) |
| Total APAC | 284.9 | 226.2 | 25.9 | 12.7 |
| Total Kelly Services, Inc. | \$ 3,624.5 | \$ 3,120.7 | 16.1 % | 14.6 % |

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

(In millions of dollars except per share data)

| | Third Quarter | | September Year to Date | |
|--|---------------|-----------|------------------------|------------|
| | 2010 | 2009 | 2010 | 2009 |
| Pretax earnings (loss) from operations | \$ 14.3 | \$ (28.0) | \$ 21.2 | \$ (133.1) |
| Restructuring charges (Note 1) | 2.8 | 4.6 | 7.2 | 16.5 |
| Asset impairments (Note 2) | - | 0.5 | 1.5 | 53.1 |
| Earnings (loss) from operations excluding restructuring and asset impairment charges | \$ 17.1 | \$ (22.9) | \$ 29.9 | \$ (63.5) |

| | Third Quarter | | | |
|---|---------------|-----------|-----------|-----------|
| | 2010 | | 2009 | |
| | Amount | Per Share | Amount | Per Share |
| Earnings (loss) from continuing operations, net of taxes | \$ 9.6 | \$ 0.26 | \$ (14.8) | \$ (0.43) |
| Restructuring charges, net of taxes (Note 1) | 1.8 | 0.05 | 3.5 | 0.10 |
| Asset impairments, net of taxes (Note 2) | - | - | 0.8 | 0.02 |
| Earnings (loss) from continuing operations excluding restructuring and asset impairment charges, net of taxes | \$ 11.4 | \$ 0.31 | \$ (10.5) | \$ (0.30) |

| | September Year to Date | | | |
|---|------------------------|-----------|-----------|-----------|
| | 2010 | | 2009 | |
| | Amount | Per Share | Amount | Per Share |
| Earnings (loss) from continuing operations, net of taxes | \$ 11.5 | \$ 0.32 | \$ (96.9) | \$ (2.78) |
| Restructuring charges, net of taxes (Note 1) | 5.4 | 0.15 | 13.9 | 0.40 |
| Asset impairments, net of taxes (Note 2) | 1.2 | 0.03 | 50.0 | 1.43 |
| Earnings (loss) from continuing operations excluding restructuring and asset impairment charges, net of taxes | \$ 18.1 | \$ 0.50 | \$ (33.0) | \$ (0.95) |

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 impairment charges is useful to understand the Company's fiscal 2010 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) In 2010, restructuring costs relate primarily to severance and lease termination costs for branches in the EMEA and APAC Commercial segments that were in the process of closure at the end of 2009, as well as severance costs related to the corporate headquarters. In 2009, restructuring costs relate primarily to global severance, lease terminations, asset write-offs and other miscellaneous costs incurred in connection with the reduction in the number of permanent employees and the consolidation, sale or closure of branch locations.

(2) In 2010, the asset impairment charges relate to the write-off of incomplete software projects in Europe. In 2009, the asset impairment charges included adjustments to the value of goodwill for the Company's Americas Commercial, APAC Commercial and EMEA PT segments, as well as long-lived assets and intangibles related to operations in Japan and Europe.