SunTrust
2015 Financial Technology, Business & Government Services Conference

New York

November 12, 2015

KELLY® SERVICES

Safe Harbor Statement

The information provided in this presentation (both written and oral) 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.

SNAPSHOT 2015

Nasdaq: KELYA, KELYB

SERVING **97%** of the *Fortune* 100™

4,600 supplier partners across the globe

Global network

- Life Sciences
- Natural Resources
- High Tech
- Consumer Goods and Premier Brands
- Finance and Insurance

Industry focus

$7 BILLION 2014 spend under management

2014 revenue: **$5.6 BILLION**

1 MILLION+ workers in our global talent supply chain

FREE AGENT ADVOCATE

STAFFING

Kelly Girl®

William Russell Kelly pioneers the modern staffing industry by founding the Russell Kelly Office Service in 1946

GLOBAL WORKFORCE SOLUTIONS

Strategic Customer Partnerships

KellyOCG® pioneers applying supply chain strategies to talent

Talent Supply Chain Management

TOP 100 WORKPLACES 2014 — Detroit Free Press, A GANNETT COMPANY

Named one of Michigan's top workplaces **two years in a row** based on employee surveys conducted by WorkplaceDynamics

Kelly Educational Staffing®

2.1 MILLION+ classrooms filled each year

2014 record-setting revenue: **$200 MILLION+**

The world's leading scientific workforce solutions provider—

11,000+ professionals placed each year

IAOP 2015 THE GLOBAL OUTSOURCING 100

4 years in a row on the Global Outsourcing 100® list! 2015 honors include recognition for delivery excellence and programs for innovation, and being listed as a leader in revenue growth.

BEST of Staffing® CLIENT SATISFACTION 2015

Recognized by Inavero for delivering service to clients that is well above industry benchmarks

KELLY® SERVICES

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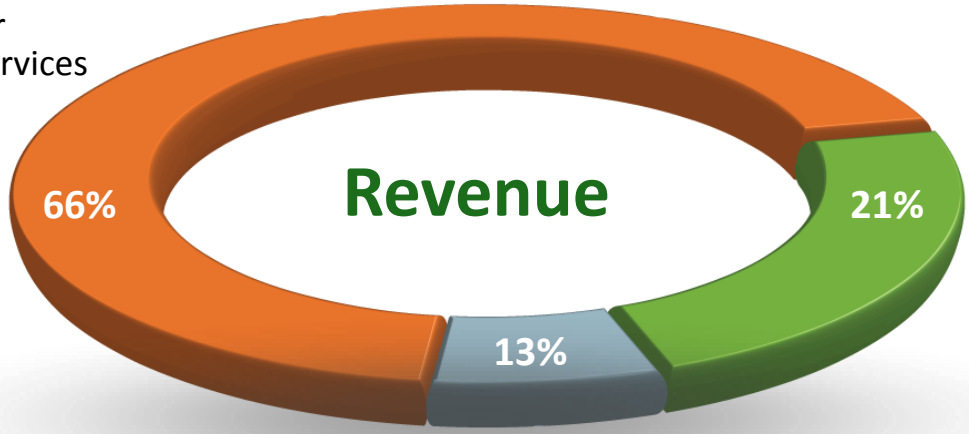
Portfolio of Solutions

Commercial Staffing

- Office Services
- Light Industrial
- Electronic Assembly
- Marketing
- Contact Center
- Educational Services

Professional & Technical Staffing

- Science
- Engineering
- IT
- Finance
- Law
- Healthcare
- Creative Services



59% of GP

23% of GP

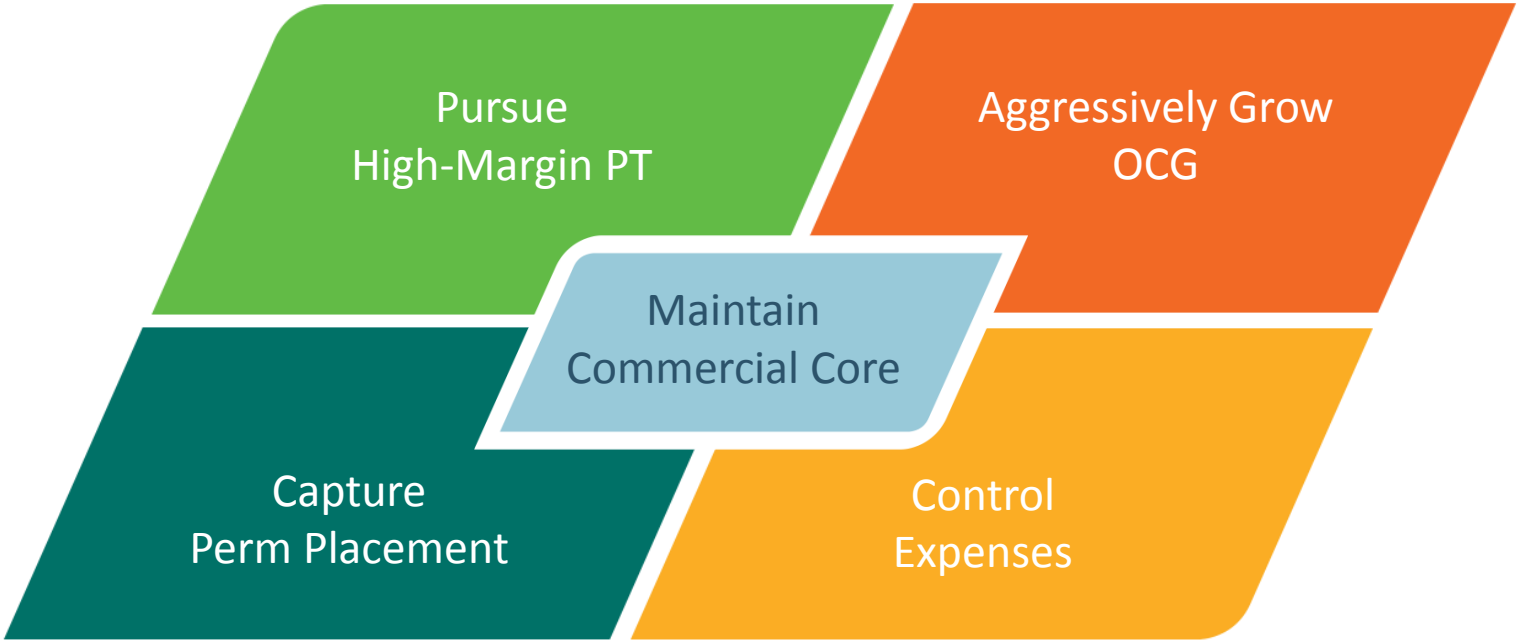
18% of GP

Outsourcing & Consulting

- **Recruitment Solutions**
  - Recruitment Process Outsourcing (RPO)
- **Project Solutions**
  - Business Process Outsourcing (BPO)
- **Managed Solutions**
  - Contingent Workforce Outsourcing (CWO)
- **Executive Coaching and Development**
- **Global Consulting**

Based on Q3 2015 Actuals

Kelly's Strategy



2014 Strategic Investments

U.S. Branch Network

- Created national PT recruiting centers led by specialty recruiters (rather than ops leaders)
- Realigned PT recruiters by niche (rather than geography)
- Hired additional niche PT sales resources
- Implemented customized training and new performance standards for all PT recruiters/sales staff

Centralized Accounts

- Completed transition of targeted large accounts into centralized model
- Increased number of specialty recruiters; additional resources added in 2015
- Implemented aggressive performance requirements for recruiters
- Aligned recruiting and sales verticals to drive PT growth in large accounts

Talent Supply Chain

- Expanded IC/Statement of Work solution to meet increased demand for project-based work
- Developed supply chain analytics to provide market insight to customers
- Closed the gap in our ability to design truly global solutions across 50+ countries

GROWTH

Total investment was $21M - ($6M Capital & $15M Expense)

2014 Restructuring Plan

Americas $19.9M

- Streamlined U.S. Operations by closing 52 U.S. branches
- Simplified management structure at all levels
- Optimized large account delivery structure

Corporate $12.0M

- Simplified world headquarters operations

OCG $3.4M

- Continued to align OCG more efficiently against ROI

= $35M taken out of 2015 cost base

2015: Branch Network PT Growth Strategy

- Focus on markets where we're most likely to succeed
- Use niche-specific sales teams to win higher-margin local PT business
- Use national network of specialty recruiters to create higher-skilled talent pipelines in IT, Engineering, Science, Finance

Q3 Highlights

- **Proven traction from our 2014 investments and new PT recruiting model**
- **Q3 PT revenue up 17% in constant currency YOY in U.S. branch network**
- **Sustained performance and healthy Q4 pipeline**

2015: Centralized Account PT Growth Strategy

- Optimize our centralized model
- Rebalance headcount toward GP-generating roles
- Diversify PT portfolio across centralized accounts
- Increase PT fill rates in competitive sourcing models

Q3 Highlights

- **PT revenue down 4% in constant currency YOY**
- **Customers purchasing more PT business through competitive sourcing models (vs. single-source)**
- **Adjusting our centralized recruiting to maximize efficiency**

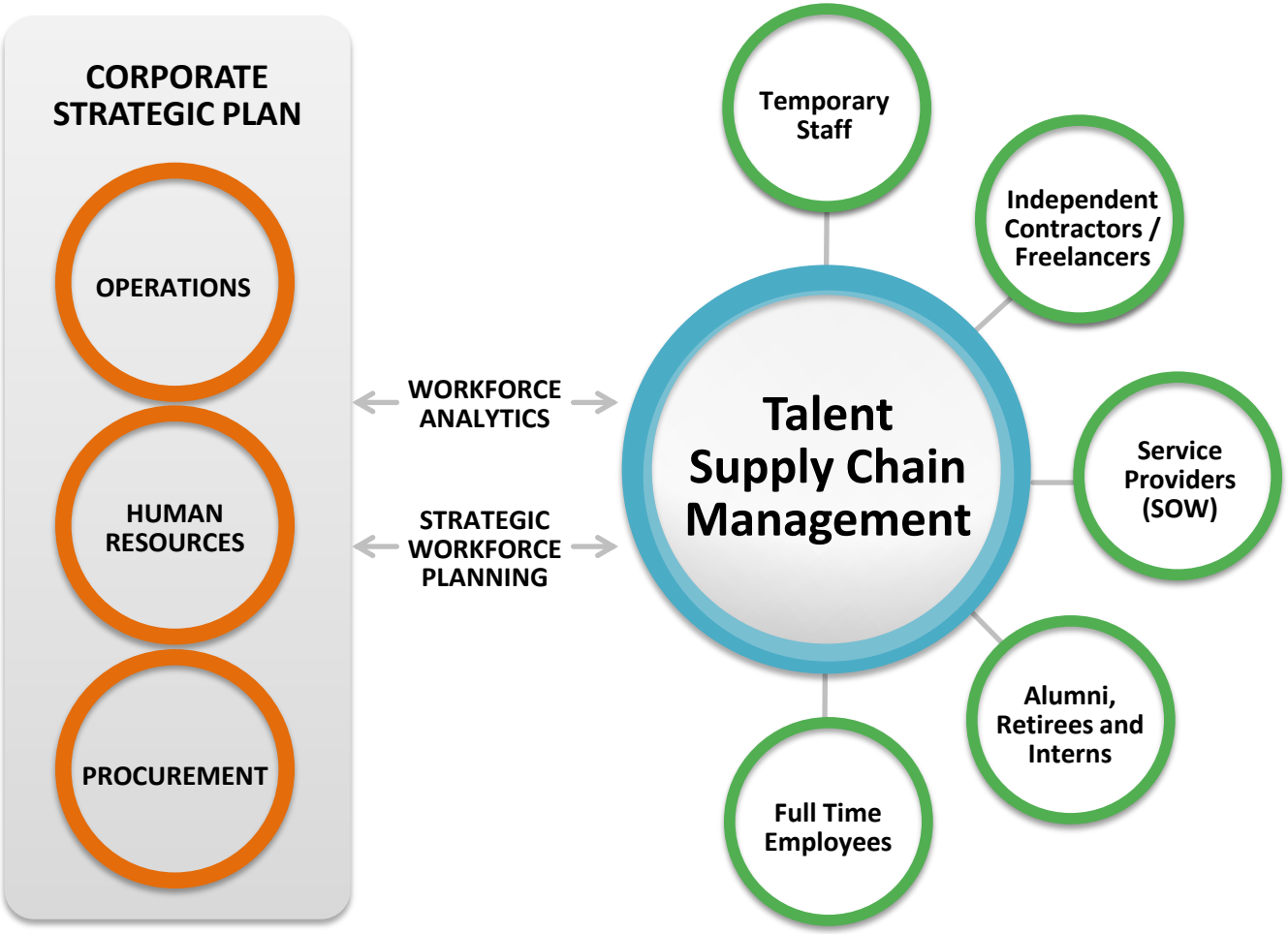
2015: OCG Growth Strategy

- Expand talent supply chain solutions
  - Meet increased demand for project-based work
  - Provide customers market insights into labor supply & demand
  - Customize solutions across regulatory requirements of 50+ countries
- Leverage opportunities within existing centralized accounts
- Invest in areas that will deliver rapid ROI

Q3 Highlights

- **OCG operating profit up more than 100% over last year (up almost 90% in Q2)**
- **Revenue up 17% in constant currency YOY**
- **Gross profit increased 18% in constant currency YOY**
- **Q2 investments yielded Q3 results in KellyConnect (revenue up 79%, GP up more than 100%)**
- **RPO continues to be impacted by natural resources industry**
- **15-20% OCG growth expected for FY 2015**

Talent Supply Chain Management



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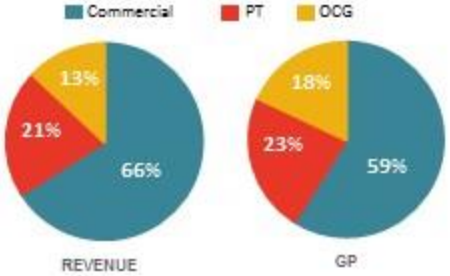
Q3/2015 FINANCIAL REVIEW

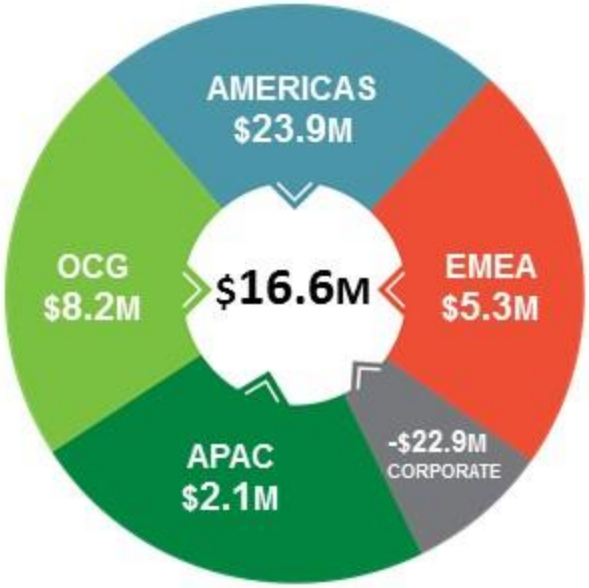
PROGRESS REPORT ON KELLY'S THIRD QUARTER*

Kelly's strong third quarter performance confirms that the company is operating as a more efficient organization, committed to delivering both top-line growth and operating leverage. 2014 investments in PT and OCG continue to yield results, as Kelly dropped nearly 50% of its GP growth to the bottom line during Q3.

GLOBAL REVENUE & GP MIX



Q3 OPERATING EARNINGS



EXPENSE UPDATE

Q3 RESULT:
92.7% OF GP

YOY expenses were up slightly in Q3. While this was mainly due to higher salaries and incentive expenses in U.S. branch-based business, the increase was partially offset by cost management efforts in EMEA and APAC and 2014's Management Simplification Plan.

REVENUE	$1.4B ▲3%
GROSS PROFIT	16.9% ▲80 BASIS PTS
EXPENSES	$212M ▲4%†
EARNINGS FROM OPS	$16.6M ▲$5.5M†
EPS	$0.23 ▲130%†
ROS (FROM OPERATIONS)	1.2% ▲70 BASIS PTS

GLOBAL COMMERCIAL GP

Q3 GP $ TOTALED $135M

- AMER GP $ UP 8%
- EMEA GP $ DOWN 1%
- APAC GP $ UP 9%

GLOBAL PT GP

Q3 PT GP $ TOTALED $53M

- AMER GP $ UP 4%
- EMEA GP $ UP 5%
- APAC GP $ DOWN 11%

GLOBAL OCG GP

Q3 OCG GP $ TOTALED $41M

OCG's YOY earnings increased $4.6M (125%) in Q3. The quarter's strong performance was driven by growth in BPO (revenue up 30% and GP up 40% YOY) and CWO (revenue up 13% and GP up 21% YOY).

REVENUE UP 17%

GLOBAL PERM STAFFING FEES

Q3 FEES TOTALED $17M

The Americas region was in the spotlight for Q3 perm fee performance. The region's PT fees were up 10% and Commercial fees were up 3% YOY.

*All comparisons are year over year, and percentages are in constant currency with the exception of EPS and ROS, which are represented in nominal currency.
†Comparison excludes 2014 restructuring charges.

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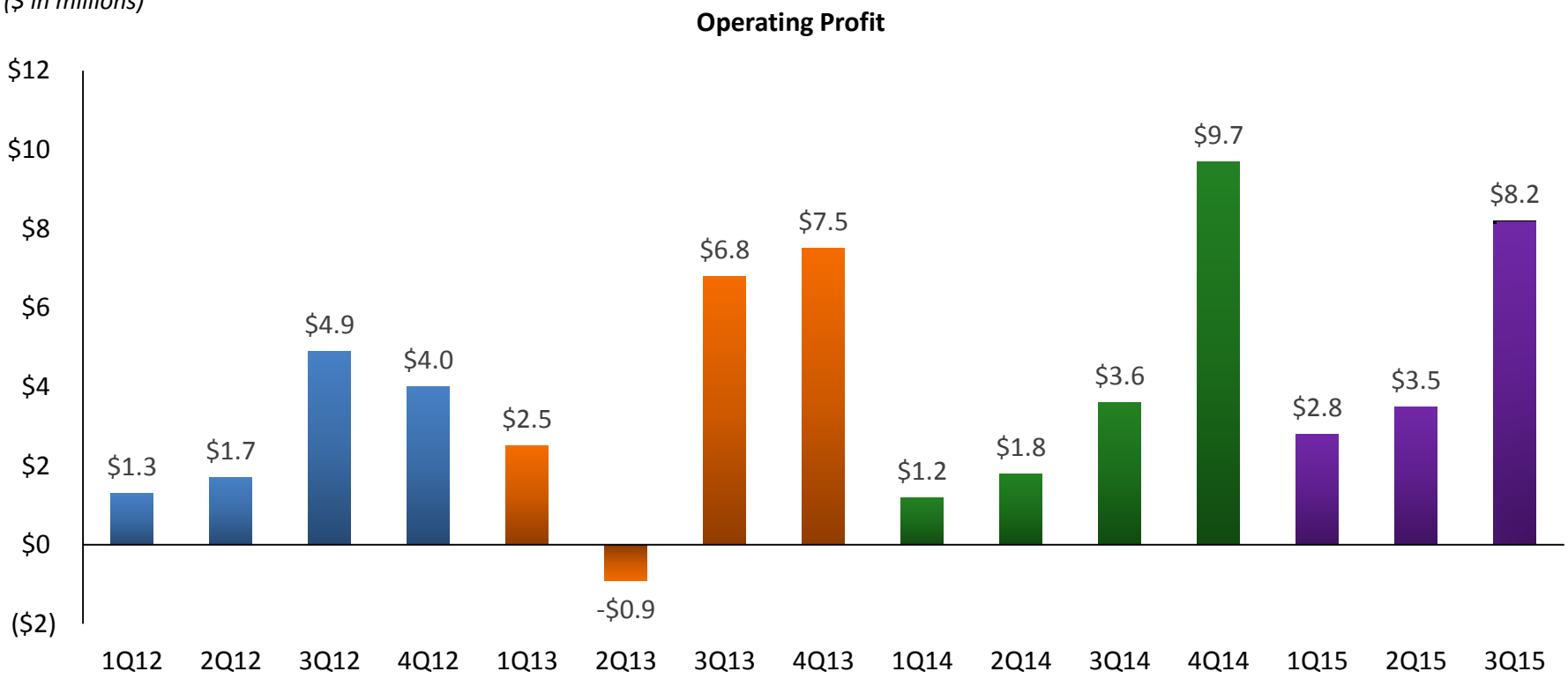
KELLY

OCG Growth

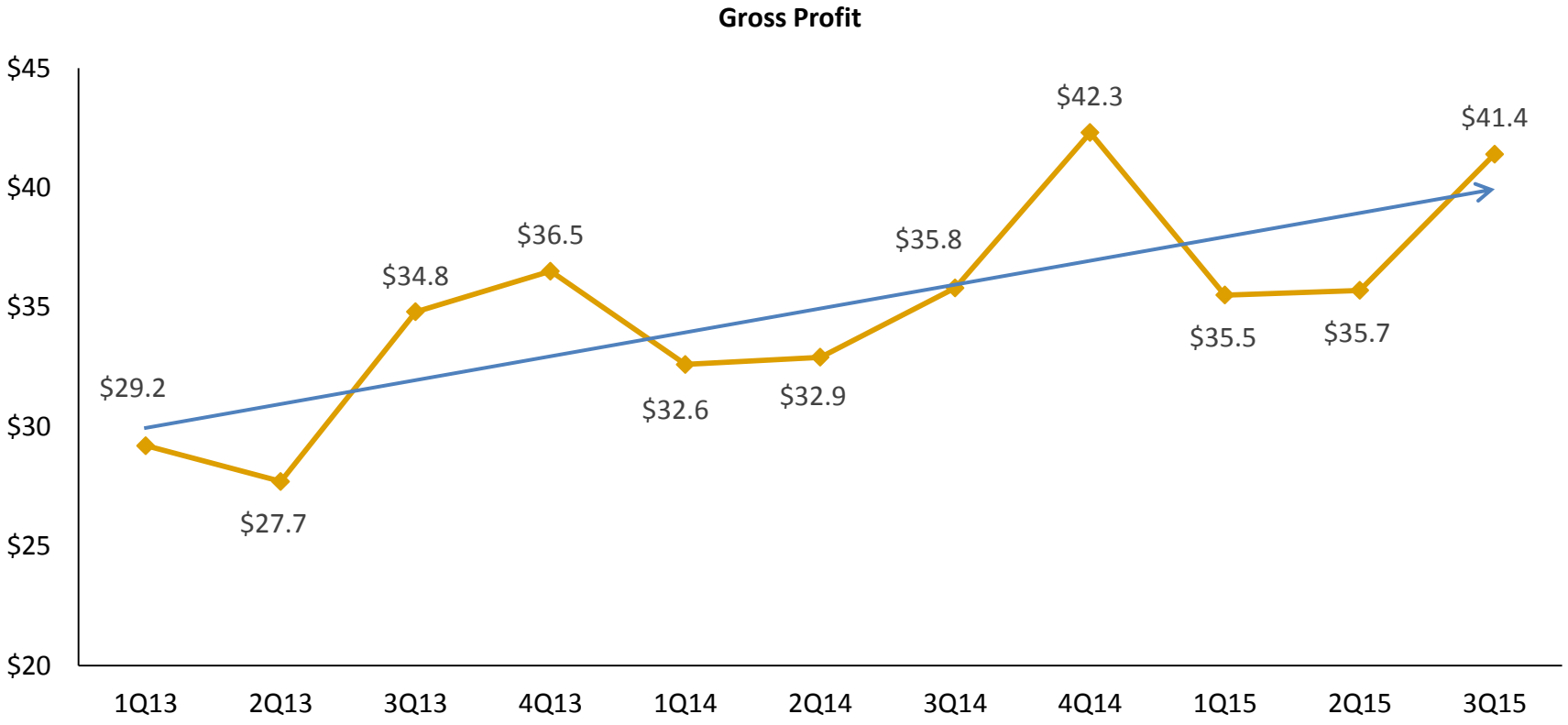
($ in millions)



Excluding Restructuring & Impairment Charges

OCG Growth

($ in millions)



($ in millions)

2014 Total Expenses	$	875
<u>Change</u>		
Management Simplification Initiative	$	(35)
US PT Investments (2014 and 2015)		7
Revenue Related Cost:		27
$15M in Staffing		
$12M in OCG		
Other Expenses	$	16
2015 Total Forecasted Expenses	$	890
Total Year-over-Year Increase		2%

Excluding Restructuring
In Constant Currency

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 40%; 20% if Work Opportunity Credits are enacted in 2015
- Expect continued impact of negative currency fluctuations on Earnings from Operations

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

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*excluding 2014 restructuring charges

Third Quarter 2015 Financial Summary

	Actual Results	Change[1]	Constant Currency Change[2]
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

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(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 Operations Summary

($ in millions)

Kelly Services

Sales	$1,351
GP	$228
Expenses	$212
Profit	$17
ROS	1.2%

Americas

Sales	$858
GP	$138
Expenses	$114
Profit	$24
ROS	2.8%

EMEA

Sales	$243
GP	$37
Expenses	$32
Profit	$5
ROS	2.2%

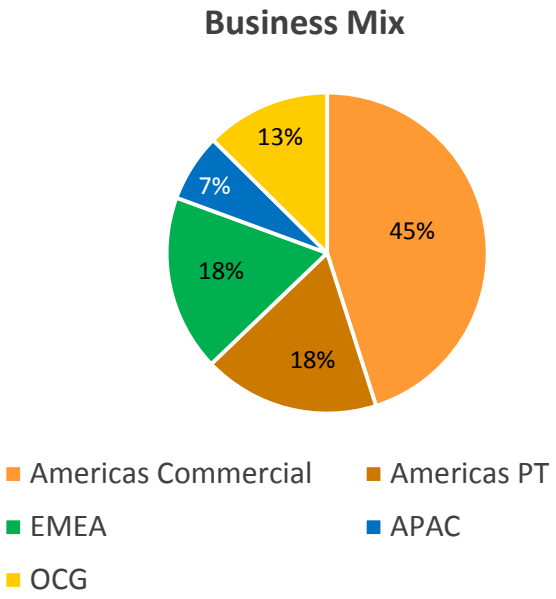
APAC

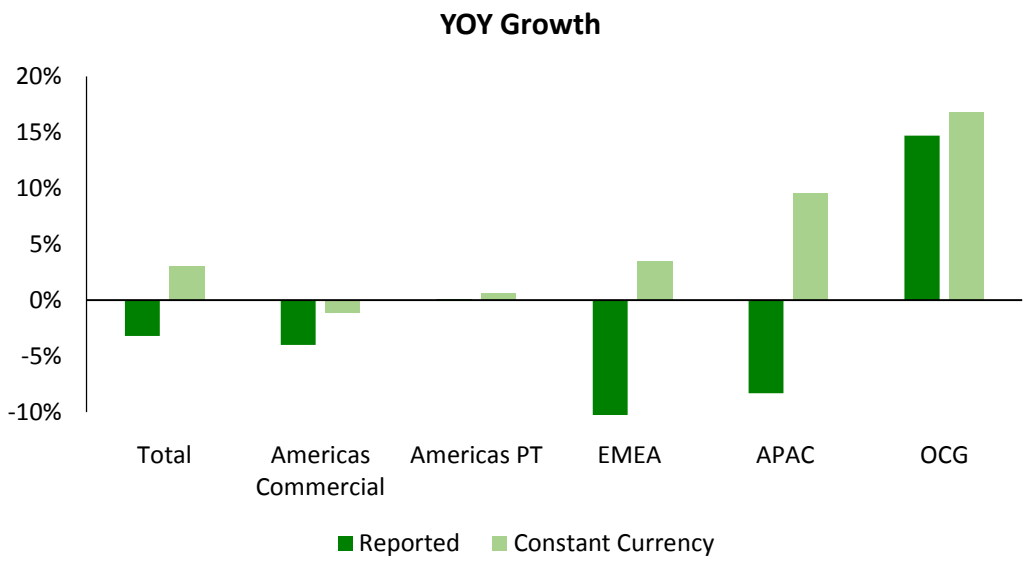
Sales	$93
GP	$13
Expenses	$11
Profit	$2
ROS	2.2%

OCG

Sales	$172
GP	$41
Expenses	$33
Profit	$8
ROS	4.8%

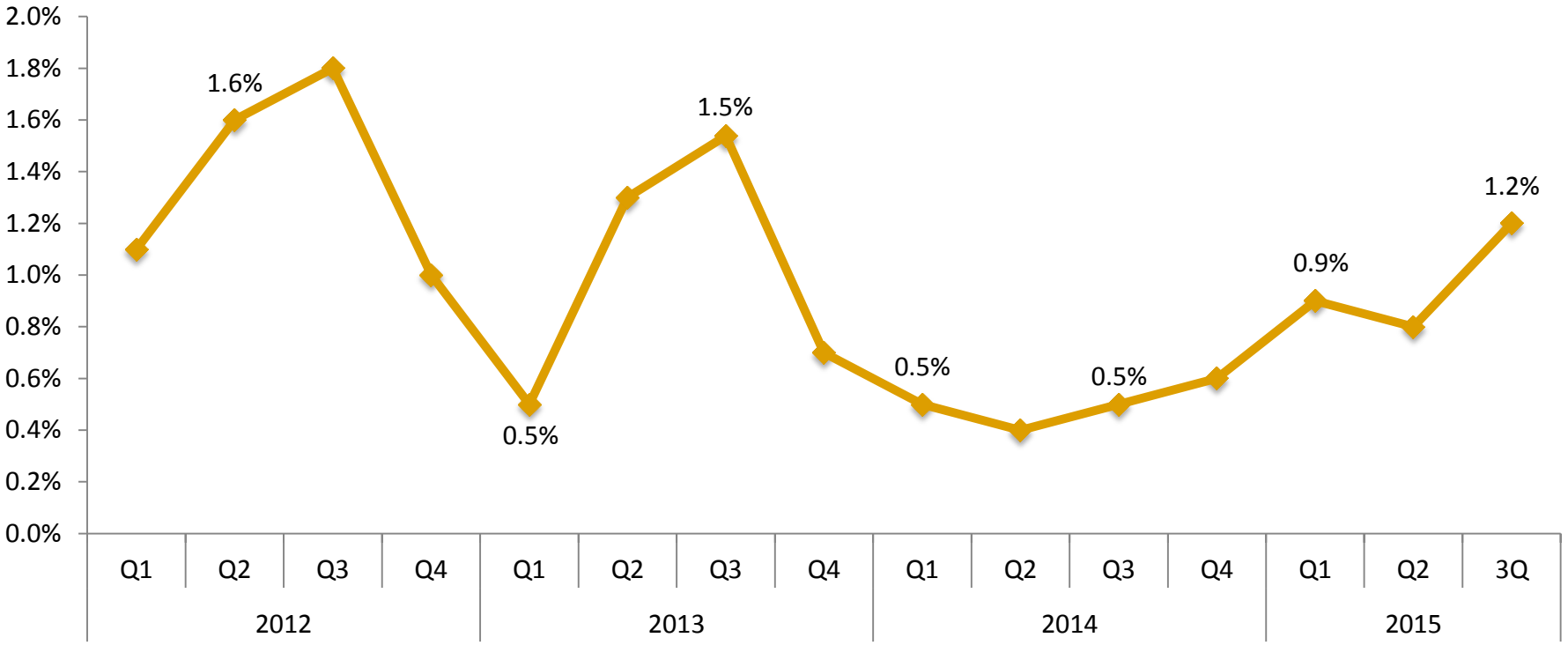
Third Quarter 2015 Revenue Growth





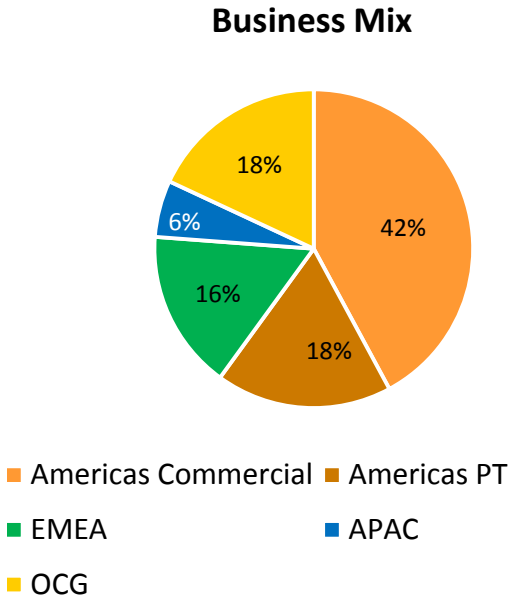
- OCG Revenue growth of 15%, as reported, and 17% in constant currency
- Americas PT growth continues to reflect double-digit growth in our branch delivered business, offset by headwinds in our centralized accounts
- APAC reflects strong growth in Australia, Singapore, Malaysia and India

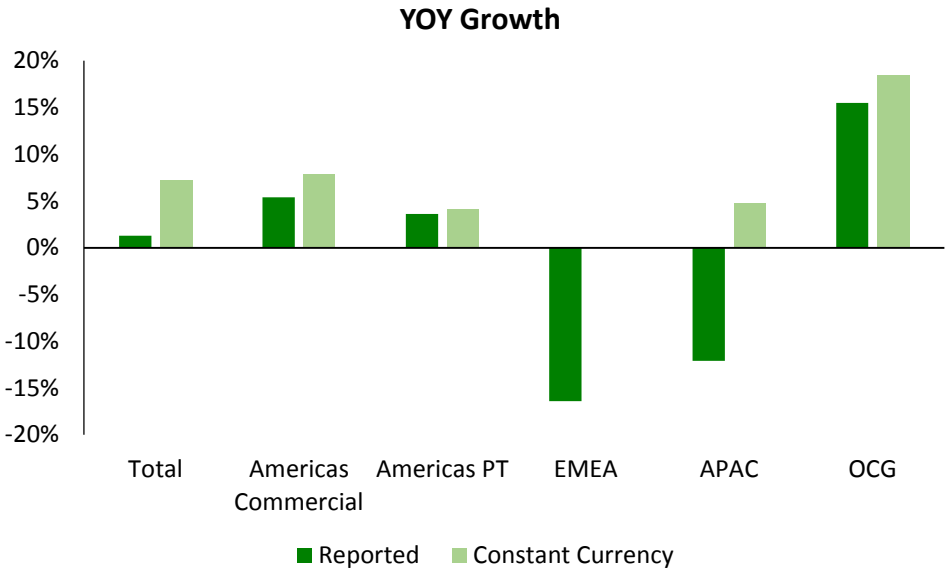
Return on Sales by Quarter



Excluding Restructuring, Impairment & Certain Litigation Charges.

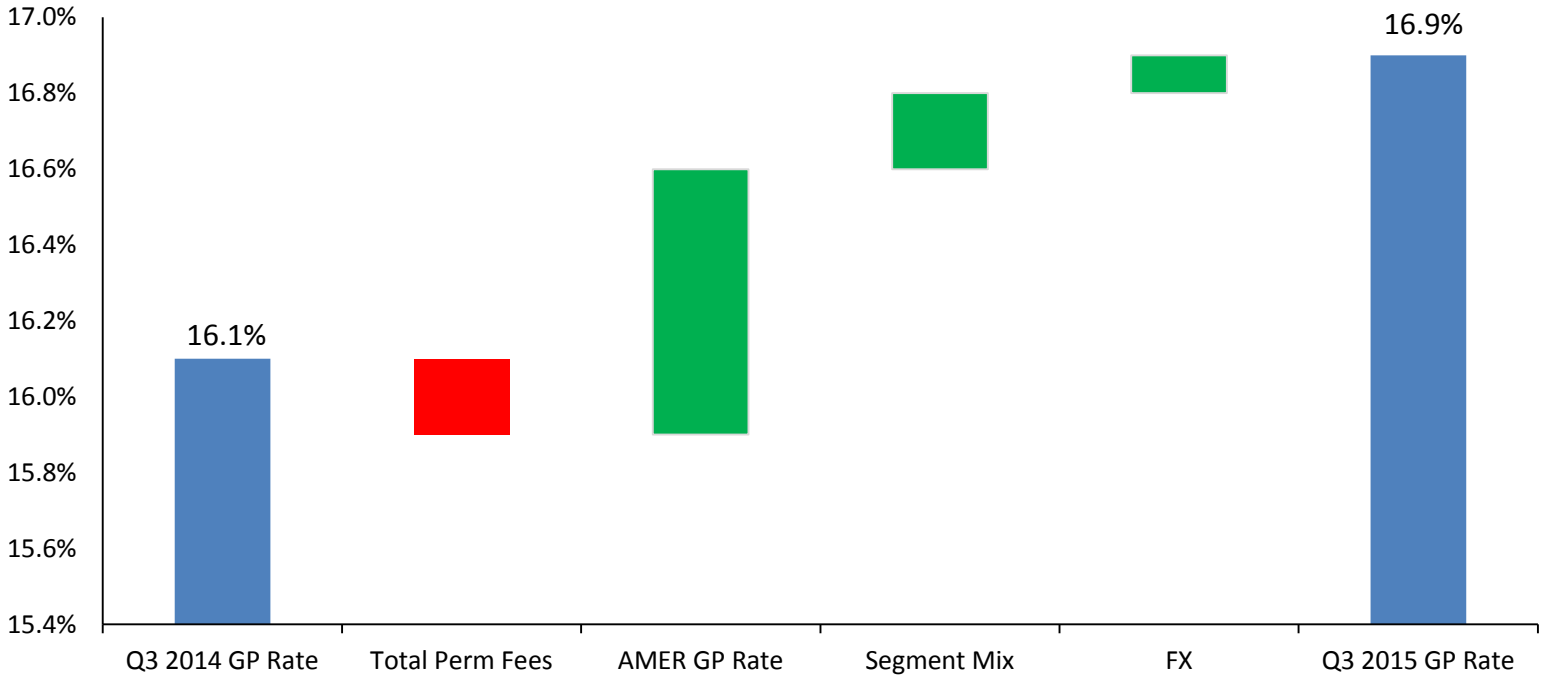
Third Quarter 2015 Gross Profit





- 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

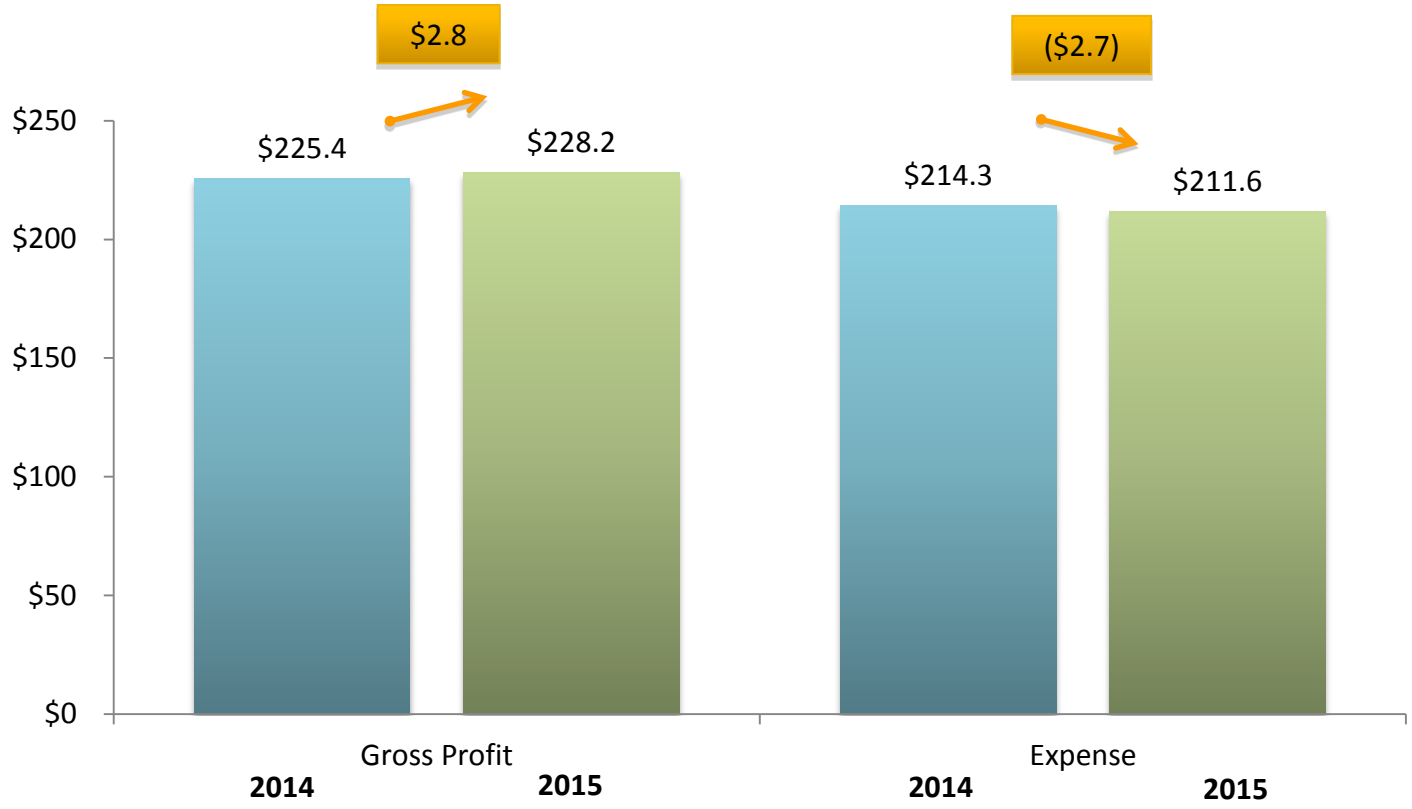
Third Quarter 2015 Gross Profit Rate



- 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
Comparison of Gross Profit & Expense

(in millions)



Excluding Restructuring
in Nominal Currency

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

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(1) excluding 2014 restructuring charges

Cash Flows: as of September 27, 2015

($ in millions)

	2015	2014
Net Income	$ 19.6	$ 6.7
Other Cash used in Operating Activities	(21.1)	(115.7)
Capital Expenditures	(12.3)	(15.0)
Free Cash Flow	$ (13.8)	$ (124.0)
Borrowing	(13.8)	60.4
Available Cash Flow	$ (27.6)	$ (63.6)
Dividends	(5.7)	(5.7)
Other	(0.7)	(4.8)
Cash used	$ (34.0)	$ (74.1)
Effect of Exchange Rates	(4.2)	-
Net Change in Cash	$ (38.2)	$ (74.1)
Cash at Period End	$ 44.9	$ 51.6

Balance Sheet: at September 27, 2015

($ in millions)

	2015	2014
Cash	$ 44.9	$ 51.6
Accounts Receivable	1,160.3	1,158.1
Other Current Assets	84.0	85.7
Total Current Assets	$1,289.2	$1,295.4
Long Term Assets	660.7	605.6
Total Assets	$1,949.9	$1,901.0
Short Term Debt	$ 76.8	$ 88.7
Other Current Liabilities	783.4	756.0
Total Current Liabilities	$ 860.2	$ 844.7
Other Long Term Liabilities	230.1	230.7
Equity	859.6	825.6
Total Liabilities and Equity	$1,949.9	$1,901.0
Working Capital	$ 429.0	$ 450.7
Net Cash	$ (31.9)	$ (37.1)
Debt-to-Total Capital	8.2%	9.7%

Kelly Services: Company Contacts

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