



## **Kelly Services Reports Record Revenue and 85% Net Earnings Growth for the Full Year of 2005**

TROY, Mich., Jan. 25 -- Kelly Services, Inc., a global provider of staffing services, today announced record revenue and strong earnings growth for fourth quarter and full year ended January 1, 2006.

(Logo: <http://www.newscom.com/cgi-bin/prnh/19991208/KELLYLOGO> )

Terence E. Adderley, Kelly Services chairman and chief executive officer, announced revenue for the 13 week fourth quarter of 2005 totaled \$1.384 billion, a 2.1% increase compared to the \$1.356 billion for the corresponding 14 week quarter in 2004. On a comparable 13 week basis, fourth quarter revenue increased 6.9%.

Sales for the 52 week fiscal year totaled \$5.290 billion, a 6.1% increase compared to the \$4.984 billion for the 53 week fiscal year of 2004. On a comparable 52 week basis, total year revenue increased 7.5%.

Net earnings for the fourth quarter of 2005 totaled \$13.3 million, a 68% increase compared to \$8.0 million reported for the fourth quarter of 2004. Net earnings for the full year of 2005 totaled \$39.3 million, an 85% increase compared to the \$21.2 million earned during 2004.

Diluted earnings per share in the fourth quarter of 2005 were \$0.37, an increase of 68% as compared to fourth quarter 2004 earnings of \$0.22 per share. Diluted earnings per share for the full year of 2005 were \$1.09, an increase of 82% compared to the \$0.60 per share earned in 2004.

Commenting on the results, Adderley said, "Kelly turned in a very good year. Our full year sales of nearly \$5.3 billion achieved a new sales record, exceeding the previous record we set in 2004 by over \$300 million.

"As the new year begins, we expect first quarter 2006 earnings to be in the range of \$0.14 to \$0.19, as compared to \$0.11 per share in the first quarter of 2005. For the full year of 2006, we are currently forecasting earnings between \$1.45 and \$1.60 per share. This forecast is based on continued moderate global economic growth in 2006.

"Revenue in our U.S. Commercial staffing segment, which accounted for 47% of total sales, increased 9.5% year over year in the fourth quarter on a comparable 13 week basis. The gross profit rate in this segment increased four-tenths of a percent, primarily due to lower workers' compensation costs and higher fee based income. Expenses increased 8.3% compared to last year. Operating earnings totaled \$38.0 million, an increase of 6.1% compared to last year.

"Revenue in our Professional, Technical, and Staffing Alternatives (PTSA) segment, which accounted for 21% of total sales, increased 10.0% year over year in the fourth quarter on a comparable 13 week basis. Kelly Engineering Resources and Kelly IT Resources were the leading professional and technical performers in the fourth quarter. Kelly HR First and Kelly Vendor Management continue to be the leading staffing alternatives units. Kelly Home Care, the Automotive Services Group, Kelly Law Registry and Kelly Staff Leasing experienced revenue decreases during the quarter. The PTSA gross profit rate increased four tenths of a percent, primarily due to lower workers' compensation expense and higher fee based income. Expenses decreased 1.1% as compared to last year. Operating earnings totaled \$19.0 million and increased 23.6% on a year over year basis.

"Revenue in our International segment, which accounted for 32% of total sales, increased 1.5% year over year during the fourth quarter on a comparable 13 week basis. The International gross profit rate increased by one-tenth of a percent, primarily due to growth in fee based income. Operating expenses decreased by 1.7% in U.S. dollar terms. Operating earnings totaled \$5.2 million, compared to earnings of \$5.5 million last year.

"On a 13 week constant currency basis, International segment revenue increased 5.7% year over year in the fourth quarter. On a 13 week constant currency basis, total company revenue increased 8.3% year over year in the fourth quarter."

Mr. Adderley concluded, "We believe 2006 should be another good year for Kelly. We expect to set sales records, gain market share, improve operating efficiency, and rapidly grow earnings."

In conjunction with its fourth quarter earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on January 25, 2006 to review the results. The call may be accessed in one of the following ways:

- \* Via the Telephone:
  - U.S. 1-800-230-1951
  - International 1-651-291-0618
  - The conference call leader is Terence Adderley
  - The passcode is Kelly Services
- \* Via the Internet:
  - You may access the call via the Internet through the Kelly Services website: <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 projections contained herein.

Kelly Services, Inc. (Nasdaq: KELYA, KELYB) is a Fortune 500 company headquartered in Troy, Mich., offering staffing solutions that include temporary staffing services, staff leasing, outsourcing, vendor on-site and full-time placement. Kelly operates in 30 countries and territories. Kelly provides employment to over 700,000 employees annually, with skills including office services, accounting, engineering, information technology, law, science, marketing, light industrial, education, health care, and home care. Revenue in 2005 was \$5.3 billion. Visit <http://www.kellyservices.com>.

[To view related financial statements click here](#) (pdf format)

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CONTACT: ANALYST CONTACT: James Polehna, +1-248-244-4586, [james\\_polehna@kellyservices.com](mailto:james_polehna@kellyservices.com), or MEDIA CONTACT: Renee Walker, +1-248-244-5362, [renee\\_walker@kellyservices.com](mailto:renee_walker@kellyservices.com), both of Kelly Services, Inc.