



Kelly Services(R) Reports 3rd Quarter 2011 Results

TROY, MI -- (MARKET WIRE) -- 11/09/11 -- Kelly Services, Inc. (NASDAQ: KELYA) (NASDAQ: KELYB), a leader in providing [workforce solutions](#), today announced results for the third quarter.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the third quarter of 2011 totaled \$1.4 billion, a 10% increase compared to the corresponding quarter in 2010.

Earnings from operations for the third quarter of 2011 totaled \$22 million, compared to earnings from operations of \$14 million reported for the third quarter of 2010.

Diluted earnings per share from continuing operations in the third quarter of 2011 were \$0.52 compared to third quarter 2010 earnings of \$0.26 per share.

In view of the economic challenges, Camden called Kelly's third quarter performance solid and particularly encouraging. "We are seeing continued demand for [temporary staffing services](#) ahead of last year. Today's employers are seeking greater workforce flexibility as they adapt to new market realities, and Kelly® is in an excellent position to provide customized solutions - particularly through [outsourcing and consulting](#), and highly skilled professional and technical services. When coupled with our leaner cost structure, that business mix has the potential to accelerate profit growth going forward."

In conjunction with its third quarter earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on November 9, 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, our ability to achieve our business strategy, including our ability to successfully expand into new markets and service lines, material changes in demand from or loss of large corporate customers, impairment charges initiated by adverse industry or market developments, unexpected termination of customer contracts, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits, liability for improper disclosure of sensitive or private employee information, unexpected changes in claim trends on workers' compensation and benefit plans, our ability to maintain specified financial covenants in our bank facilities, our ability to access credit markets and continued availability of financing for funding working capital, 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 retain the services of our senior management, local management and field personnel, the impact of changes in laws and regulations (including federal, state and international tax laws and the upcoming expiration of the U.S. work opportunity credit program), the net financial impact of recent U.S. healthcare legislation on our business, risks associated with conducting business in foreign countries, including foreign currency fluctuations, 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

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, temporary-to-hire

and direct-hire basis. Serving clients around the globe, Kelly provides [employment](#) to more than 530,000 employees annually. Revenue in 2010 was \$5 billion. Visit www.kellyservices.com and connect with us on [Facebook](#), [LinkedIn](#), & [Twitter](#).

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

FOR THE 13 WEEKS ENDED OCTOBER 2, 2011 AND OCTOBER 3, 2010

(UNAUDITED)

(In millions of dollars except per share data)

	2011	2010	Change	% Change
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Revenue from services	\$ 1,409.8	\$ 1,284.7	\$ 125.1	9.7%
Cost of services	1,181.2	1,077.5	103.7	9.6
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Gross profit	228.6	207.2	21.4	10.4
Selling, general and administrative expenses	206.5	192.9	13.6	7.1
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Earnings from operations	22.1	14.3	7.8	54.7
Other income (expense), net	1.0	(1.5)	2.5	161.7

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Earnings from continuing				
operations before taxes	23.1	12.8	10.3	80.2
Income taxes	3.4	3.2	0.2	4.6
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Earnings from continuing				
operations	19.7	9.6	10.1	105.6
Loss from discontinued				
operations, net of tax	-	-	-	NM
	-----	-----	-----	-----
Net earnings	\$ 19.7	\$ 9.6	\$ 10.1	105.6%
	=====	=====	=====	=====
Basic earnings per share on				
common stock				
Earnings from continuing				
operations	\$ 0.52	\$ 0.26	\$ 0.26	100.0%
Loss from discontinued				
operations	-	-	-	NM
Net earnings	0.52	0.26	0.26	100.0
Diluted earnings per share				
on common stock				
Earnings from continuing				
operations	\$ 0.52	\$ 0.26	\$ 0.26	100.0%
Loss from discontinued				

operations	-	-	-	NM
Net earnings	0.52	0.26	0.26	100.0

STATISTICS:

Gross profit rate	16.2%	16.1%	0.1pts.
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Selling, general and
administrative expenses:

% of revenue	14.6	15.0	(0.4)
% of gross profit	90.3	93.1	(2.8)

% Return - Earnings from

operations	1.6	1.1	0.5
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Earnings from
continuing

operations before taxes	1.6	1.0	0.6
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Earnings from
continuing

operations	1.4	0.7	0.7
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Net earnings	1.4	0.7	0.7
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Effective income tax rate	14.6%	25.1%	(10.5) pts.
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Average number of shares
outstanding (millions):

Basic	36.8	36.7
Diluted	36.8	36.7

Shares adjusted for
nonvested restricted awards
(millions):

Basic	37.8	37.0
Diluted	37.8	37.0

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

FOR THE 39 WEEKS ENDED OCTOBER 2, 2011 AND OCTOBER 3, 2010

(UNAUDITED)

(In millions of dollars except per share data)

	2011	2010	Change	% Change
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Revenue from services	\$ 4,154.7	\$ 3,624.5	\$ 530.2	14.6%
Cost of services	3,487.8	3,046.4	441.4	14.5
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Gross profit	666.9	578.1	88.8	15.4

Selling, general and

administrative				
expenses	621.9	555.4	66.5	12.0
Asset impairments	-	1.5	(1.5)	(100.0)
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Earnings from operations	45.0	21.2	23.8	112.3
Other expense, net	(0.1)	(4.7)	4.6	97.3
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Earnings from continuing				
operations before taxes	44.9	16.5	28.4	171.3
Income taxes	4.1	5.0	(0.9)	(18.9)
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Earnings from continuing				
operations	40.8	11.5	29.3	254.9
Loss from discontinued				
operations, net of tax	(1.2)	-	(1.2)	NM
	-----	-----	-----	-----
Net earnings	\$ 39.6	\$ 11.5	\$ 28.1	244.7%
	=====	=====	=====	=====
Basic earnings per share on				
common stock				
Earnings from continuing				
operations	\$ 1.09	\$ 0.32	\$ 0.77	240.6%

Loss from discontinued				
operations	(0.03)	-	(0.03)	NM
Net earnings	1.05	0.32	0.73	228.1

Diluted earnings per share on
common stock

Earnings from continuing				
operations	\$ 1.09	\$ 0.32	\$ 0.77	240.6%
Loss from discontinued				
operations	(0.03)	-	(0.03)	NM
Net earnings	1.05	0.32	0.73	228.1

STATISTICS:

Gross profit rate	16.1%	16.0%	0.1 pts.
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Selling, general and
administrative expenses:

% of revenue	15.0	15.3	(0.3)
% of gross profit	93.3	96.1	(2.8)

% Return - Earnings from

operations	1.1	0.6	0.5
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Earnings from

continuing

operations

before taxes	1.1	0.5	0.6
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Earnings from

continuing

operations	1.0	0.3	0.7
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Net earnings	1.0	0.3	0.7
Effective income tax rate	9.1%	30.6%	(21.5) pts.

Average number of shares

outstanding (millions):

Basic	36.8	35.9
Diluted	36.8	35.9

Shares adjusted for nonvested

restricted awards

(millions):

Basic	37.6	36.3
Diluted	37.6	36.3

KELLY SERVICES, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS BY SEGMENT

(UNAUDITED)

(In millions of dollars)

Third Quarter

			Constant
			Currency
2011	2010	Change	Change
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Americas Commercial

Revenue from services

(including fee-based

income) \$ 661.7 \$ 633.3 4.5% 3.8%

Fee-based income 3.2 2.2 47.7 46.3

Gross profit 93.9 92.3 1.7 1.1

Total SG&A expenses 72.1 69.1 4.3 3.7

Earnings from operations 21.8 23.2 (5.9)

Gross profit rate 14.2% 14.6% (0.4)pts.

Expense rates:

% of revenue 10.9 10.9 -

% of gross profit 76.7 74.8 1.9

Operating margin 3.3 3.7 (0.4)

Americas PT

Revenue from services

(including fee-based

income) \$ 250.8 \$ 233.6 7.4% 7.3%

Fee-based income 3.2 2.2 48.1 47.7

Gross profit 38.0 37.2 2.0 1.9

Total SG&A expenses 26.0 23.5 10.6 10.4

Earnings from operations 12.0 13.7 (12.6)

Gross profit rate 15.1% 15.9% (0.8)pts.

Expense rates:

% of revenue 10.4 10.1 0.3

% of gross profit 68.4 63.1 5.3

Operating margin 4.8 5.9 (1.1)

EMEA Commercial

Revenue from services				
(including fee-based				
income)	\$ 261.0	\$ 228.1	14.4%	2.8%
Fee-based income	6.5	4.5	45.2	33.1
Gross profit	42.2	37.2	13.4	1.7
SG&A expenses excluding				
restructuring charges	36.3	32.4	11.8	
Restructuring charges	(0.6)	-	NM	
Total SG&A expenses	35.7	32.4	10.0	(1.7)
Earnings from operations	6.5	4.8	36.7	
Earnings from operations				
excluding restructuring				
charges	5.9	4.8	24.3	
Gross profit rate	16.2%	16.3%	(0.1)pts.	
Expense rates (excluding				
restructuring charges):				
% of revenue	13.9	14.2	(0.3)	
% of gross profit	86.0	87.2	(1.2)	
Operating margin				
(excluding restructuring				
charges)	2.3	2.1	0.2	

KELLY SERVICES, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS BY SEGMENT (continued)

(UNAUDITED)

(In millions of dollars)

Third Quarter

					Constant
					Currency
	2011	2010	Change		Change
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EMEA PT					
Revenue from services					
(including fee-based					
income)	\$ 46.8	\$ 37.1	26.3%		14.1%
Fee-based income	5.3	3.6	45.9		34.5
Gross profit	12.7	9.6	31.6		19.9
Total SG&A expenses	11.1	9.3	20.2		8.3
Earnings from operations	1.6	0.3	312.1		
Gross profit rate	27.1%	26.0%	1.1pts.		
Expense rates:					
% of revenue	23.8	25.0	(1.2)		
% of gross profit	87.7	96.1	(8.4)		
Operating margin	3.3	1.0	2.3		
APAC Commercial					
Revenue from services					
(including fee-based					
income)	\$ 101.8	\$ 88.7	14.7%		4.5%
Fee-based income	3.8	3.0	28.3		17.2
Gross profit	14.7	12.4	18.8		7.6
Total SG&A expenses	14.1	11.4	23.5		11.4
Earnings from operations	0.6	1.0	(35.5)		
Gross profit rate	14.5%	14.0%	0.5pts.		

Expense rates:

% of revenue	13.8	12.8	1.0
% of gross profit	95.7	92.0	3.7
Operating margin	0.6	1.1	(0.5)

APAC PT

Revenue from services

(including fee-based

income)	\$	14.1	\$	8.2	72.3%	58.8%
Fee-based income		4.2		2.9	47.1	36.2
Gross profit		5.6		3.8	52.2	40.0
Total SG&A expenses		5.7		4.3	31.5	20.3
Earnings from operations		(0.1)		(0.5)	89.3	

Gross profit rate	39.9%	45.2%	(5.3) pts.
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Expense rates:

% of revenue	40.4	53.0	(12.6)
% of gross profit	101.2	117.1	(15.9)
Operating margin	(0.5)	(7.7)	7.2

KELLY SERVICES, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS BY SEGMENT (continued)

(UNAUDITED)

(In millions of dollars)

Third Quarter

Constant

			Currency	
	2011	2010	Change	Change
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OCG				
Revenue from services				
(including fee-based				
income)	\$ 80.7	\$ 64.1	25.9%	24.4%
Fee-based income	10.5	6.6	60.3	53.6
Gross profit	22.2	15.4	44.1	40.4
Total SG&A expenses	22.4	19.6	14.5	10.8
Earnings from operations	(0.2)	(4.2)	94.0	
Gross profit rate	27.5%	24.0%	3.5pts.	
Expense rates:				
% of revenue	27.8	30.5	(2.7)	
% of gross profit	101.1	127.2	(26.1)	
Operating margin	(0.3)	(6.5)	6.2	
Corporate Expense				
SG&A expenses excluding				
restructuring charges	\$ 20.1	\$ 21.2	(4.8)%	
Restructuring charges	-	2.8	(100.0)	
Total SG&A expenses	20.1	24.0	(16.1)	
Consolidated Total (net of				
intersegment activity)				
Revenue from services				
(including fee-based				
income)	\$ 1,409.8	\$ 1,284.7	9.7%	6.1%
Fee-based income	36.7	24.9	48.5	40.1
Gross profit	228.6	207.2	10.4	6.3

SG&A expenses excluding				
restructuring charges	207.1	190.1	9.0	
Restructuring charges	(0.6)	2.8	(120.7)	
Total SG&A expenses	206.5	192.9	7.1	3.0
Earnings from operations	22.1	14.3	54.7	
Earnings from operations				
excluding restructuring				
charges	21.5	17.1	25.6	
Gross profit rate	16.2%	16.1%	0.1pts.	
Expense rates (excluding				
restructuring charges):				
% of revenue	14.7	14.8	(0.1)	
% of gross profit	90.6	91.7	(1.1)	
Operating margin (excluding				
restructuring charges)	1.5	1.3	0.2	

KELLY SERVICES, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS BY SEGMENT

(UNAUDITED)

(In millions of dollars)

September Year to Date

			Constant
			Currency
2011	2010	Change	Change
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Americas Commercial

Revenue from services

(including fee-based

income)

\$ 1,985.3	\$ 1,781.9	11.4%	10.7%
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Fee-based income

8.8	6.5	36.9	35.3
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Gross profit

280.1	256.5	9.2	8.5
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SG&A expenses excluding

restructuring charges

218.6	201.9	8.3
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Restructuring charges

-	0.3	(100.0)
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Total SG&A expenses

218.6	202.2	8.1	7.5
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Earnings from operations

61.5	54.3	13.3
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Earnings from operations

excluding restructuring

charges

61.5	54.6	12.6
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Gross profit rate

14.1%	14.4%	(0.3)pts.
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Expense rates (excluding

restructuring charges):

% of revenue

11.0	11.3	(0.3)
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% of gross profit

78.0	78.7	(0.7)
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Operating margin (excluding

restructuring charges)

3.1	3.1	-
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Americas PT

Revenue from services

(including fee-based

income)

\$ 739.1	\$ 659.1	12.1%	12.0%
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Fee-based income

9.7	6.7	45.2	44.9
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Gross profit

110.1	103.2	6.6	6.5
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Total SG&A expenses

79.2	69.2	14.4	14.2
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Earnings from operations

30.9	34.0	(9.1)
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Gross profit rate	14.9%	15.7%	(0.8) pts.
Expense rates:			
% of revenue	10.7	10.5	0.2
% of gross profit	71.9	67.0	4.9
Operating margin	4.2	5.2	(1.0)

EMEA Commercial

Revenue from services				
(including fee-based				
income)	\$ 751.3	\$ 642.8	16.9%	6.5%
Fee-based income	18.9	14.4	30.9	20.0
Gross profit	121.8	103.8	17.3	6.6
SG&A expenses excluding				
restructuring charges	107.9	95.7	12.7	
Restructuring charges	2.8	2.7	4.0	
Total SG&A expenses	110.7	98.4	12.5	2.2
Asset impairments	-	1.5	(100.0)	
Earnings from operations	11.1	3.9	187.7	
Earnings from operations				
excluding restructuring				
charges	13.9	6.6	112.3	
Gross profit rate	16.2%	16.1%	0.1pts.	
Expense rates (excluding				
restructuring charges):				
% of revenue	14.4	14.9	(0.5)	
% of gross profit	88.6	92.2	(3.6)	
Operating margin (excluding				
restructuring charges)	1.8	1.0	0.8	

KELLY SERVICES, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS BY SEGMENT (continued)

(UNAUDITED)

(In millions of dollars)

September Year to Date

				Constant Currency Change
	2011	2010	Change	Change
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EMEA PT				
Revenue from services				
(including fee-based				
income)	\$ 134.0	\$ 106.4	26.0%	15.4%
Fee-based income	15.0	11.2	32.8	22.5
Gross profit	36.1	28.3	26.9	16.7
Total SG&A expenses	32.8	27.6	19.0	8.5
Earnings from operations	3.3	0.7	289.0	
Gross profit rate	26.9%	26.7%	0.2 pts.	
Expense rates:				
% of revenue	24.5	25.9	(1.4)	
% of gross profit	91.0	97.1	(6.1)	
Operating margin	2.4	0.8	1.6	

APAC Commercial

Revenue from services

(including fee-based						
income)	\$	303.8	\$	253.3	19.9%	8.9%
Fee-based income		11.0		8.5	30.4	18.4
Gross profit		42.5		35.5	19.9	8.1
SG&A expenses excluding						
restructuring charges		41.3		32.0	29.1	
Restructuring charges		-		0.5	(100.0)	
Total SG&A expenses		41.3		32.5	26.9	14.2
Earnings from operations		1.2		3.0	(58.8)	
Earnings from operations						
excluding restructuring						
charges		1.2		3.5	(65.2)	
Gross profit rate		14.0%		14.0%	-pts.	
Expense rates (excluding						
restructuring charges):						
% of revenue		13.6		12.6	1.0	
% of gross profit		97.2		90.3	6.9	
Operating margin (excluding						
restructuring charges)		0.4		1.4	(1.0)	

APAC PT

Revenue from services						
(including fee-based						
income)	\$	39.1	\$	23.6	65.5%	52.1%
Fee-based income		12.2		7.6	63.1	50.3
Gross profit		16.2		10.1	61.5	48.1
Total SG&A expenses		17.8		12.0	48.9	36.1
Earnings from operations		(1.6)		(1.9)	15.7	
Gross profit rate		41.5%		42.5%	(1.0) pts.	

Expense rates:

% of revenue	45.7	50.8	(5.1)
% of gross profit	110.2	119.6	(9.4)
Operating margin	(4.2)	(8.3)	4.1

KELLY SERVICES, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS BY SEGMENT (continued)

(UNAUDITED)

(In millions of dollars)

September Year to Date

			Constant
			Currency
2011	2010	Change	Change
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OCG

Revenue from services				
(including fee-based income)	\$ 222.9	\$ 179.8	24.0%	22.6%
Fee-based income	28.7	18.3	57.0	50.8
Gross profit	62.1	42.4	46.7	43.3
SG&A expenses excluding				
restructuring charges	65.5	56.8	15.4	
Restructuring charges	-	0.1	(100.0)	
Total SG&A expenses	65.5	56.9	15.3	11.7
Earnings from operations	(3.4)	(14.5)	76.1	
Earnings from operations				
excluding restructuring				

charges	(3.4)	(14.4)	76.0	
Gross profit rate	27.8%	23.5%	4.3pts.	
Expense rates (excluding restructuring charges):				
% of revenue	29.4	31.6	(2.2)	
% of gross profit	105.6	134.3	(28.7)	
Operating margin (excluding restructuring charges)	(1.6)	(8.1)	6.5	
Corporate Expense				
SG&A expenses excluding restructuring charges	\$ 58.0	\$ 54.7	5.9%	
Restructuring charges	-	3.6	(100.0)	
Total SG&A expenses	58.0	58.3	(0.6)	
Consolidated Total (net of intersegment activity)				
Revenue from services (including fee-based income)	\$4,154.7	\$3,624.5	14.6%	11.2%
Fee-based income	104.2	73.0	43.1	34.9
Gross profit	666.9	578.1	15.4	11.4
SG&A expenses excluding restructuring charges	619.1	548.2	12.9	
Restructuring charges	2.8	7.2	(61.7)	
Total SG&A expenses	621.9	555.4	12.0	8.0
Asset impairments	-	1.5	(100.0)	
Earnings from operations	45.0	21.2	112.3	
Earnings from operations excluding restructuring charges	47.8	28.4	67.9	

Gross profit rate	16.1%	16.0%	0.1pts.
Expense rates (excluding restructuring charges):			
% of revenue	14.9	15.1	(0.2)
% of gross profit	92.8	94.8	(2.0)
Operating margin (excluding restructuring charges)	1.2	0.8	0.4

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(In millions of dollars)

	October 2, 2011	January 2, 2011	October 3, 2010
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Current Assets			
Cash and equivalents	\$ 73.5	\$ 80.5	\$ 87.2
Trade accounts receivable, less allowances of \$13.7, \$12.3 and \$13.0, respectively	939.9	810.9	831.3
Prepaid expenses and other current assets	53.7	44.8	54.7
Deferred taxes	27.0	22.4	25.5
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Total current assets	1,094.1	958.6	998.7

Property and Equipment, Net	91.6	104.0	107.2
Noncurrent Deferred Taxes	89.6	84.0	80.4
Goodwill, Net	67.3	67.3	67.3
Other Assets	145.6	154.5	147.3

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Total Assets	\$ 1,488.2	\$ 1,368.4	\$ 1,400.9
	=====	=====	=====

Current Liabilities

Short-term borrowings and
current portion of long-term
debt

\$ 79.0 \$ 78.8 \$ 68.3

Accounts payable and accrued
liabilities

227.7 181.6 167.6

Accrued payroll and related
taxes

283.0 243.3 273.0

Accrued insurance

31.4 31.3 23.8

Income and other taxes

60.0 56.0 56.6

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Total current liabilities	681.1	591.0	589.3

Noncurrent Liabilities

Long-term debt

- - 52.7

Accrued insurance

53.7 53.6 56.3

Accrued retirement benefits	82.8	85.4	79.0
Other long-term liabilities	13.6	14.6	15.3
	-----	-----	-----
Total noncurrent liabilities	150.1	153.6	203.3
Stockholders' Equity			
Common stock	40.1	40.1	40.1
Treasury stock	(68.6)	(70.9)	(71.2)
Paid-in capital	29.3	28.0	27.5
Earnings invested in the business	635.3	597.6	583.0
Accumulated other comprehensive income	20.9	29.0	28.9
	-----	-----	-----
Total stockholders' equity	657.0	623.8	608.3
	-----	-----	-----
Total Liabilities and Stockholders' Equity	\$ 1,488.2	\$ 1,368.4	\$ 1,400.9
	=====	=====	=====

STATISTICS:

Working Capital	\$ 413.0	\$ 367.6	\$ 409.4
Current Ratio	1.6	1.6	1.7
Debt-to-capital %	10.7%	11.2%	16.6%
Global Days Sales Outstanding	52	49	52

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE 39 WEEKS ENDED OCTOBER 2, 2011 AND OCTOBER 3, 2010

(UNAUDITED)

(In millions of dollars)

	2011	2010
	-----	-----
Cash flows from operating activities		
Net earnings	\$ 39.6	\$ 11.5
Noncash adjustments:		
Impairment of assets	-	1.5
Depreciation and amortization	23.9	26.5
Provision for bad debts	3.5	1.0
Stock-based compensation	3.5	2.2
Other, net	(1.5)	1.0
Changes in operating assets and liabilities	(63.4)	(43.6)
	-----	-----
Net cash from operating activities	5.6	0.1
	-----	-----
Cash flows from investing activities		
Capital expenditures	(10.0)	(5.9)
Settlement of forward exchange contracts	0.7	-

Other investing activities	0.3	0.5
	-----	-----
Net cash from investing activities	(9.0)	(5.4)
	-----	-----
Cash flows from financing activities		
Net change in short-term borrowings	61.9	(12.8)
Repayment of debt	(62.9)	(7.3)
Dividend payments	(1.9)	-
Sale of stock and other financing activities	(1.0)	24.3
	-----	-----
Net cash from financing activities	(3.9)	4.2
	-----	-----
Effect of exchange rates on cash and equivalents	0.3	(0.6)
	-----	-----
Net change in cash and equivalents	(7.0)	(1.7)
Cash and equivalents at beginning of period	80.5	88.9
	-----	-----
Cash and equivalents at end of period	\$ 73.5	\$ 87.2
	=====	=====

REVENUE FROM SERVICES

(UNAUDITED)

(In millions of dollars)

Third Quarter (Commercial, PT and OCG)

				% Change	
				Constant	
	2011	2010	US\$	Currency	
	-----	-----	-----	-----	
Americas					
United States	\$ 858.6	\$ 811.3	5.8%	5.8%	
Canada	66.0	56.7	16.3	9.8	
Mexico	27.1	25.2	7.7	4.0	
Puerto Rico	24.5	21.7	13.3	13.3	
	-----	-----			
Total Americas	976.2	914.9	6.7	6.2	
EMEA					
France	76.6	71.3	7.5	(1.4)	
Switzerland	68.3	47.9	42.4	13.9	
Russia	36.4	26.8	36.4	30.4	
United Kingdom	30.9	33.8	(8.3)	(11.5)	
Portugal	22.8	21.3	6.9	(1.9)	
Germany	21.4	18.1	18.3	8.5	
Norway	18.3	15.1	21.2	8.5	
Italy	18.2	14.7	23.2	13.4	
Other	21.7	20.8	4.5	(4.5)	
	-----	-----			
Total EMEA	314.6	269.8	16.6	4.9	

APAC

Australia	36.8	31.9	15.3	(0.1)
Singapore	26.2	21.7	20.8	9.6
Malaysia	18.1	16.5	9.5	5.1
India	18.0	15.5	15.6	14.2
Other	19.9	14.4	38.2	23.9
	-----	-----		
Total APAC	119.0	100.0	18.9	8.5
Total Kelly Services, Inc.	\$ 1,409.8	\$ 1,284.7	9.7%	6.1%
	=====	=====		

KELLY SERVICES, INC. AND SUBSIDIARIES

REVENUE FROM SERVICES

(UNAUDITED)

(In millions of dollars)

September Year to Date (Commercial,
PT and OCG)

				% Change
				Constant
	2011	2010	US\$	Currency
	-----	-----	-----	-----
Americas				
United States	\$ 2,561.6	\$ 2,292.3	11.7%	11.7%
Canada	186.8	162.8	14.7	8.3

Mexico	79.8	66.1	20.8	14.4
Puerto Rico	70.7	55.6	27.2	27.2

Total Americas	2,898.9	2,576.8	12.5	11.9
EMEA				
France	224.7	206.2	9.0	1.7
Switzerland	177.8	120.0	48.1	20.9
Russia	108.4	75.5	43.7	36.5
United Kingdom	92.5	105.6	(12.4)	(16.8)
Portugal	66.1	58.8	12.5	4.8
Germany	62.7	50.6	23.8	15.6
Italy	53.3	46.1	15.5	7.6
Norway	50.9	43.1	18.1	7.4
Other	67.4	56.9	18.6	10.0

Total EMEA	903.8	762.8	18.5	8.1
APAC				
Australia	110.3	88.2	25.1	8.3
Singapore	78.6	60.2	30.6	17.8
Malaysia	54.5	47.4	15.0	7.2
India	53.1	44.4	19.6	17.7
Other	55.5	44.7	24.0	13.1

Total APAC	352.0	284.9	23.5	12.3
Total Kelly Services, Inc.	\$ 4,154.7	\$ 3,624.5	14.6%	11.2%
=====				

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	
	2011	2010	2011	2010
Pretax earnings from operations	\$ 22.1	\$ 14.3	\$ 45.0	\$ 21.2
Restructuring charges (Note 1)	(0.6)	2.8	2.8	7.2
Asset impairments (Note 2)	-	-	-	1.5
Earnings from operations excluding restructuring and asset impairment charges	\$ 21.5	\$ 17.1	\$ 47.8	\$ 29.9

Third Quarter			
2011		2010	
Per		Per	
Amount	Share	Amount	Share

Earnings from continuing operations, net

of taxes	\$ 19.7	\$ 0.52	\$ 9.6	\$ 0.26
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Restructuring charges, net of taxes

(Note 1)	(0.6)	(0.02)	1.8	0.05
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Earnings from continuing operations

excluding restructuring charges, net of

taxes	\$ 19.1	\$ 0.51	\$ 11.4	\$ 0.31
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=====	=====	=====	=====
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September Year to Date

2011

2010

Per

Per

Amount

Share

Amount

Share

Earnings from continuing operations, net

of taxes	\$ 40.8	\$ 1.09	\$ 11.5	\$ 0.32
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Restructuring charges, net of taxes

(Note 1)	2.8	0.07	5.4	0.15
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Asset impairments, net of taxes (Note 2)	-	-	1.2	0.03
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Earnings from continuing operations

excluding restructuring and asset

impairment charges, net of taxes	\$	43.6	\$	1.16	\$	18.1	\$	0.50
		=====		=====		=====		=====

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 2011 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 related 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 2011, restructuring costs

relate primarily to revisions of the estimated lease termination costs for EMEA Commercial branches that closed in prior years.

(2) Asset impairment charges relate to the write-off of incomplete software projects in Europe.

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