



Kelly Services Reports 117% Net Earnings Growth for the First Quarter of 2006

KELLY SERVICES REPORTS 117% NET EARNINGS GROWTH FOR THE FIRST QUARTER OF 2006

TROY, MI (April 25, 2006) -- Kelly Services, Inc., a global provider of staffing services, today announced record revenue and 117% net earnings growth for the first quarter ended April 2, 2006.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the first quarter of 2006 totaled \$1.360 billion, an 8.9% increase compared to the \$1.249 billion for the corresponding quarter in 2005.

Net earnings for the first quarter of 2006 totaled \$8.6 million, a 117% increase compared to \$3.9 million reported for the first quarter of 2005.

Diluted earnings per share in the first quarter of 2006 were \$0.24, an increase of 118% as compared to first quarter 2005 earnings of \$0.11 per share.

Commenting on the results, Camden said, "I'm very pleased to report that Kelly has gotten off to a great start in 2006. We continue to transform solid sales increases into market share gains, improve operating efficiency, and produce strong earnings growth.

"We are particularly encouraged by the results of our expense control efforts. We now have improved our expense efficiency in 15 out of the last 16 quarters. We reduced expenses to 15.1% of sales in the first quarter, which is the lowest first quarter expense rate Kelly has achieved in over 20 years.

"We expect second quarter 2006 earnings to be in the range of \$0.34 to \$0.39, as compared to \$0.26 per share in the second quarter of 2005. Based on the strength of the first quarter, we are raising the lower end of our annual guidance by \$0.05 per share. For the full year, we are currently forecasting earnings between \$1.50 and \$1.60 per share.

"Revenue in our U.S. Commercial segment, which accounted for 46% of total sales, increased 9.4% year over year in the first quarter. Operating earnings totaled \$29.5 million, an increase of 16.3% compared to last year.

"Revenue in our Professional, Technical, and Staffing Alternatives (PTSA) segment, which accounted for 22% of total sales, increased 9.6% year over year in the first quarter. Kelly Scientific Resources, Kelly Engineering Resources and Kelly IT Resources were the leading professional and technical performers. Kelly HRfirst, Kelly Vendor Management and Kelly Management Services continue to be the leading staffing alternatives units. Kelly Home Care, the Automotive Services Group, and Kelly Staff Leasing reported revenue decreases during the quarter. Operating earnings totaled \$19.3 million and increased 32.4% on a year over year basis.

"Revenue in our International segment, which accounted for about 32% of total sales, increased 7.6% year over year during the first quarter. Operating earnings totaled \$3.3 million, compared to earnings of \$48 thousand last year.

"On a constant currency basis, International segment revenue increased 12.6% year over year in the first quarter. On a constant currency basis, total company revenue increased 10.5% year over year in the first quarter."

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

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

Via the Telephone: U.S. 1-800-553-5275 International 1-612-332-0725

The conference call leader is Carl Camden The passcode is Kelly Services

Via the Internet: You may access the call 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: 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 more than 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 www.kellyservices.com.

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

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