



KELLY®



MARCH 10 - 11, 2014

Credit Suisse

16th Annual Global Services Conference
Scottsdale, AZ

Safe Harbor Statement

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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.

1946-2014

STAFFING Kelly Girl®

William Russell Kelly pioneers the modern staffing industry by founding the Russell Kelly Office Service in 1946 in **Detroit, MI.**



GLOBAL WORKFORCE SOLUTIONS Free Agent

- Strategic Partnerships
- Solutions
- Supply Chain



Our annual **Kelly Global Workforce Index™** captures labor market trends from approximately 200,000 participants across more than 30 countries.

Chief
Executive

**BEST COMPANIES
FOR LEADERS**

2013

Achieved leading NPS® scores and recognized as **best-in-class** by clients and candidates.



PROFILE



Kelly Educational Staffing® is the **largest provider** of instructional and non-instructional staff in the U.S.

Introduced
The Talent Project
iPad® app
in 2011.

The world's leading scientific workforce solutions provider—nearly

11, 
professionals placed
each year.

Recognized by
WORKFORCE
magazine
as among
the major
forces that
have shaped
employment
in the last
80 years.

\$5.4 ^{\$\$\$} 2013 revenue
BILLION

We serve **99%** of the
Fortune 100™



International Association of
Outsourcers Award
KellyOCG® selected in the
Leader Category for The 2014
Global Outsourcing 100®
service providers list.

Named one of Michigan's
top workplaces based on an
employee survey conducted by
WorkPlace Dynamics, LLC.

**TOP
WORK
PLACES**
2013

Detroit Free Press
A GANNETT COMPANY

KELLY
SERVICES

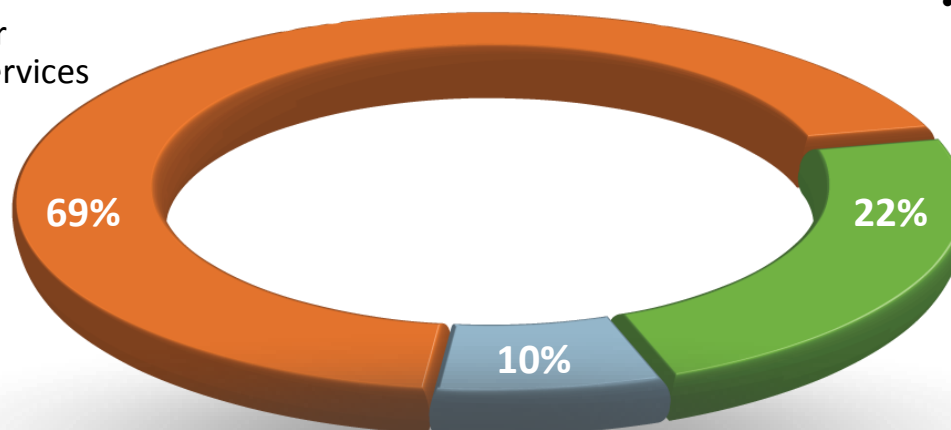
Portfolio of Solutions

Commercial Staffing Solutions

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

Professional & Technical Specialties

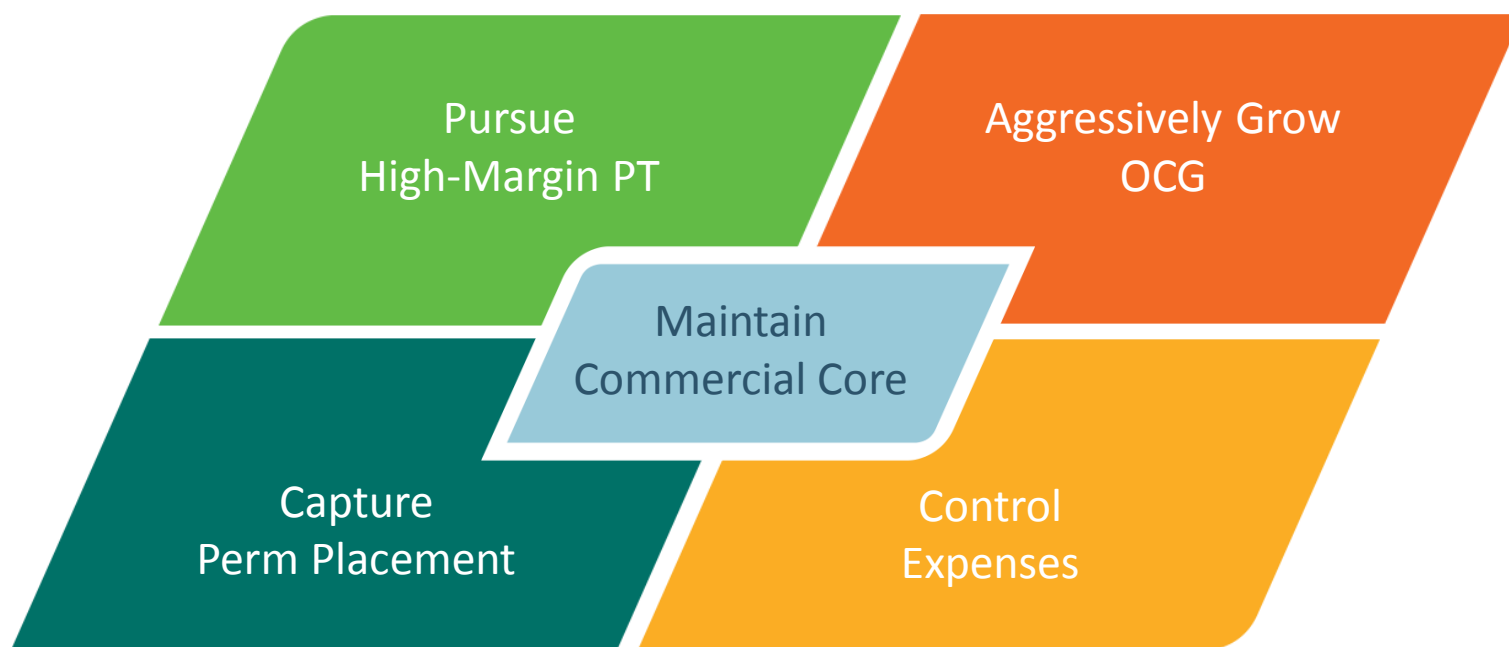
- Scientific
- Engineering
- IT
- Financial
- Law
- Healthcare
- Creative Services



Outsourcing & Consulting Group (KellyOCG®)

- Contingent Workforce Outsourcing (**CWO**)
- Recruitment Process Outsourcing (**RPO**)
- Business Process Outsourcing (**BPO**)
- Independent Contractor Services (**ICS**)
- Contact Center Outsourcing (**KellyConnect**)
- Executive Placement
- Career Transition and Outplacement

Kelly's Strategy 2013



2013 Strategic Report Card



Maintain Commercial Core

- Held market share
- Profits funded investments

Pursue High-Margin PT

- PT slower to gain traction
- GP contribution improving more gradually than expected

Capture Permanent Placement

- Perm hiring slow to recover
- Still well below pre-recession levels

2013 Strategic Report Card



Control Expenses

- SG&A up 1% for the year*

Aggressively Grow OCG

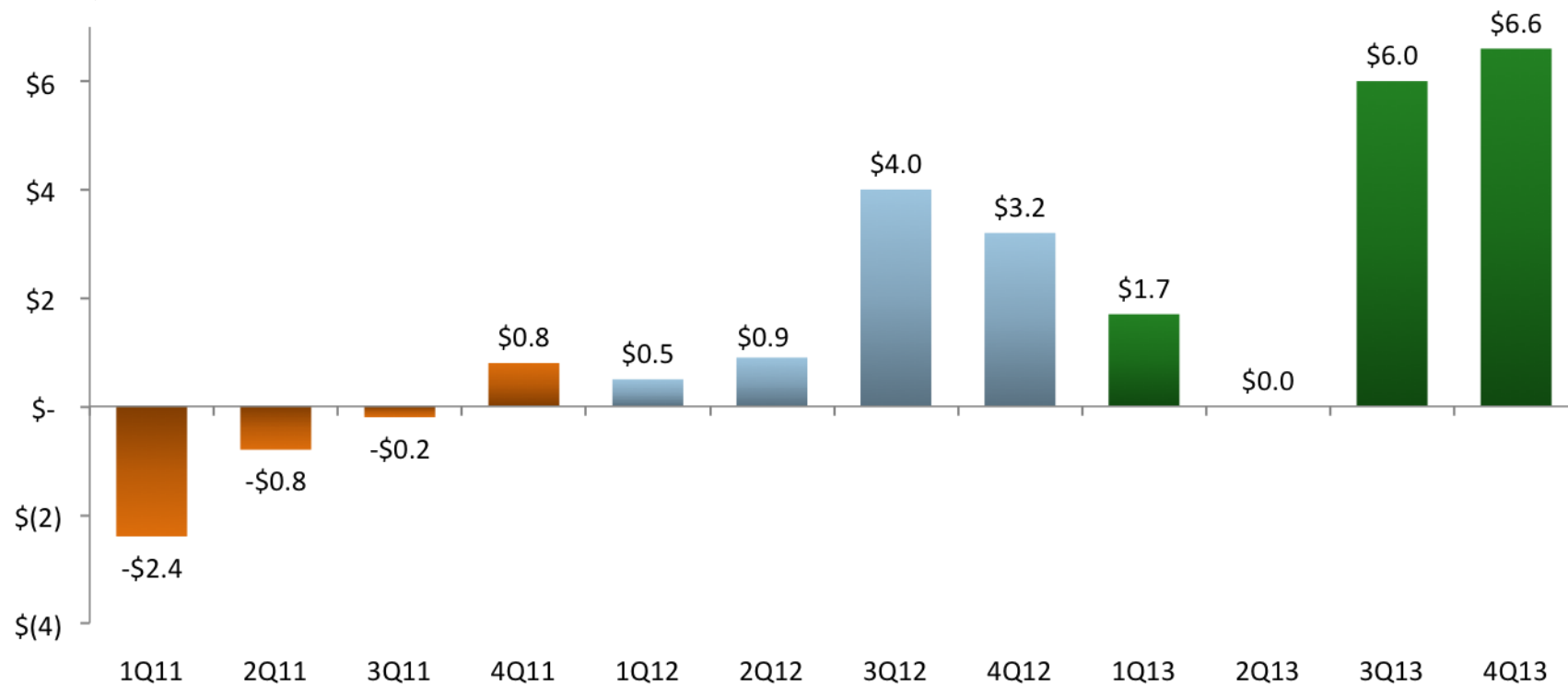
- Gross Profit up 15% YOY
- More than \$6 billion spend under management

*Excluding Restructuring & Impairment Charges.

OCG Growth

OCG Profit/Loss

(in millions)



*Excluding Restructuring & Impairment Charges.

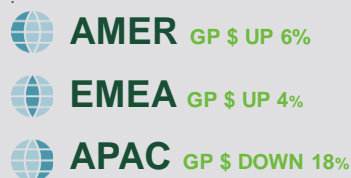
Q4/2013 FINANCIAL REVIEW

PROGRESS REPORT ON KELLY'S FOURTH QUARTER*

Kelly continues to deliver solid strategic progress while making investments to support long-term growth. Overall, Kelly's Q4 operating performance was better than expected.

AGGRESSIVELY GROW PT

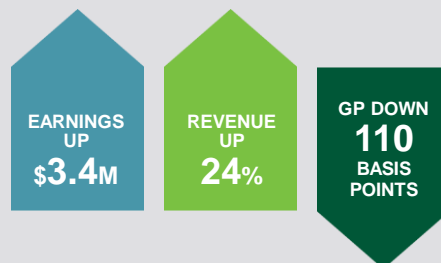
Skilled talent continues to be in demand across the globe. In Q4, Americas PT fee growth was up 29%, and EMEA PT revenue increased 8%.



Q4 RESULT:
24% OF KELLY'S GP CAME FROM PT

TRANSFORM OCG

OCG delivered strong performance with revenue growth up in BPO (26%), CWO (24%), and RPO (34%). While GP declined primarily due to business and customer mix, OCG's earnings from operations increased 101% YOY in Q4.

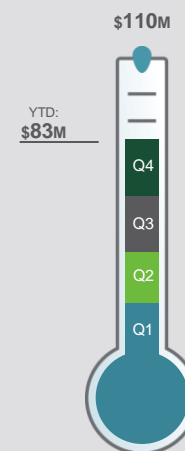


Q4 RESULT:
15% OF KELLY'S GP FROM OCG

INCREASE PLACEMENT FEES

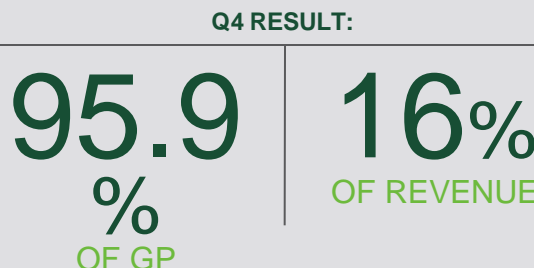
Americas PT saw healthy fee growth for the second quarter in a row. However, employers worldwide remain hesitant to hire full-time workers, placing a strain on placement fee growth globally.

Q4 RESULT:
PLACEMENT FEES
TOTALLED \$20M



CONTROL EXPENSES

Factors affecting Q4 expenses include targeted investments in OCG, centralization, and technology; annual merit increases; incentive-based compensation; and an adjustment to disability reserves.



LEVERAGE COMMERCIAL

Q4 RESULT:
Q4 competitive benchmarking data not available at the time of Kelly's earnings release.



REVENUE
\$1.4B
▲ 1%

GROSS PROFIT
16.7%
▲ 50 BASIS PTS

EXPENSES†
\$222M
▲ 6.5%

EARNINGS FROM OPS†
\$9.9M
▼ \$4.3M

EPS†**
.45¢
▲ 36%

ROS (FROM OPERATIONS)
.7%
FLAT




2013 YEAR IN REVIEW

PROGRESS REPORT ON KELLY'S STRATEGIC PERFORMANCE*

2013 was a year of slow economic growth and tempered labor market growth. Kelly's operational performance throughout the year confirms that the company is moving in the right direction with a strategy that positions the company for growth.

AGGRESSIVELY GROW PT

The limited supply of skilled PT talent set the stage for a competitive year in PT staffing. Nonetheless, Americas PT fees increased 13% and EMEA PT revenue increased 5%.

-  **AMER** GP \$ UP 2%
-  **EMEA** GP \$ DOWN 1%
-  **APAC** GP \$ DOWN 33%

RESULT:
25% OF KELLY'S GP CAME FROM PT

TRANSFORM OCG

The demand for high-margin outsourced solutions continued in 2013, confirming our TSCM strategy. OCG delivered strong earnings and revenue throughout the year. Revenue increased 30% in BPO and 23% in CWO. GP declined primarily due to business and customer mix.

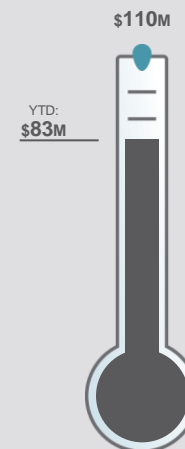


RESULT:
13% OF KELLY'S GP CAME FROM OCG

INCREASE PLACEMENT FEES

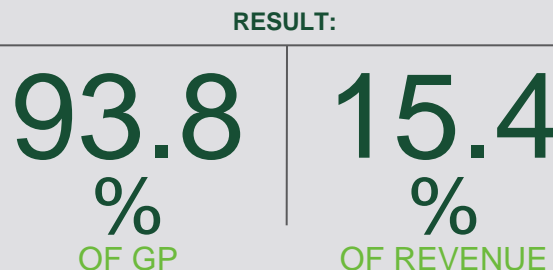
Job creation didn't accelerate as expected throughout the year, impacting placement fee growth.

RESULT:
PLACEMENT FEES DECREASED 13%



CONTROL EXPENSES

Kelly realized good operational leverage throughout the year while making planned investments to support long-term growth.



LEVERAGE COMMERCIAL

RESULT:
Full-year competitive benchmarking data not available at the time of Kelly's earnings release.



REVENUE
\$5.4B
▼ 1%

GROSS PROFIT
16.4%
▼ 10 BASIS PTS

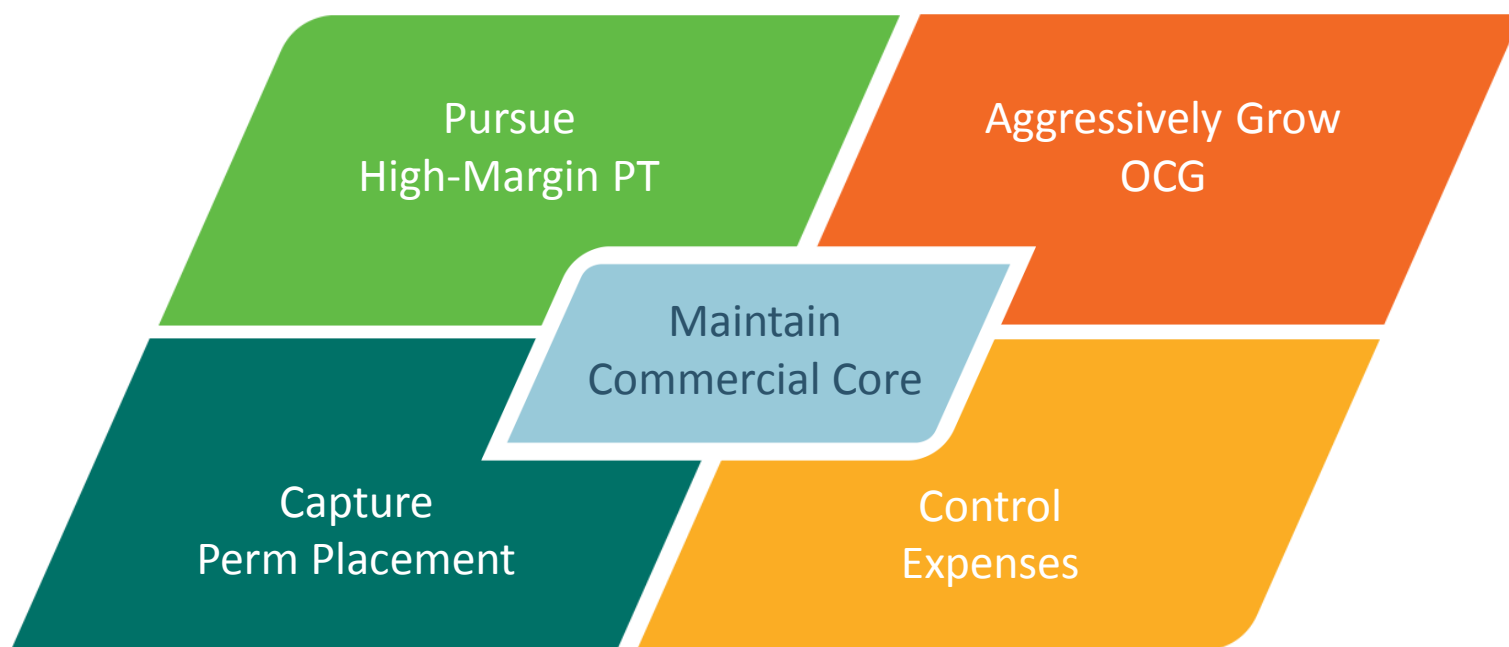
EXPENSES†
\$833M
▲ 1%

EARNINGS FROM OPS†
\$57M
▼ \$18M

EPS†**
\$1.62
▲ 21%

ROS (FROM OPERATIONS)
1%
▼ 30 BASIS PTS

Kelly's Strategy 2014

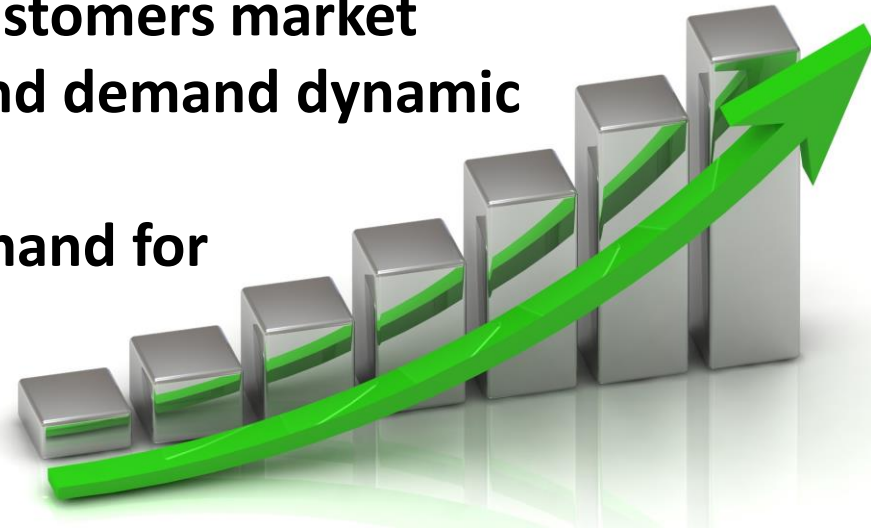


Specialized approach to PT recruiting and sales in the U.S.

- **Nationally focused recruiting centers to support teams of on-site, branch-based, and virtual recruiters for Kelly's IT, Engineering, Science, and Finance specialties**
- **Clear process for attracting, motivating and retaining top PT talent**
- **Strong communities of product-dedicated recruiters**
- **Product-specific business development resources in local markets**

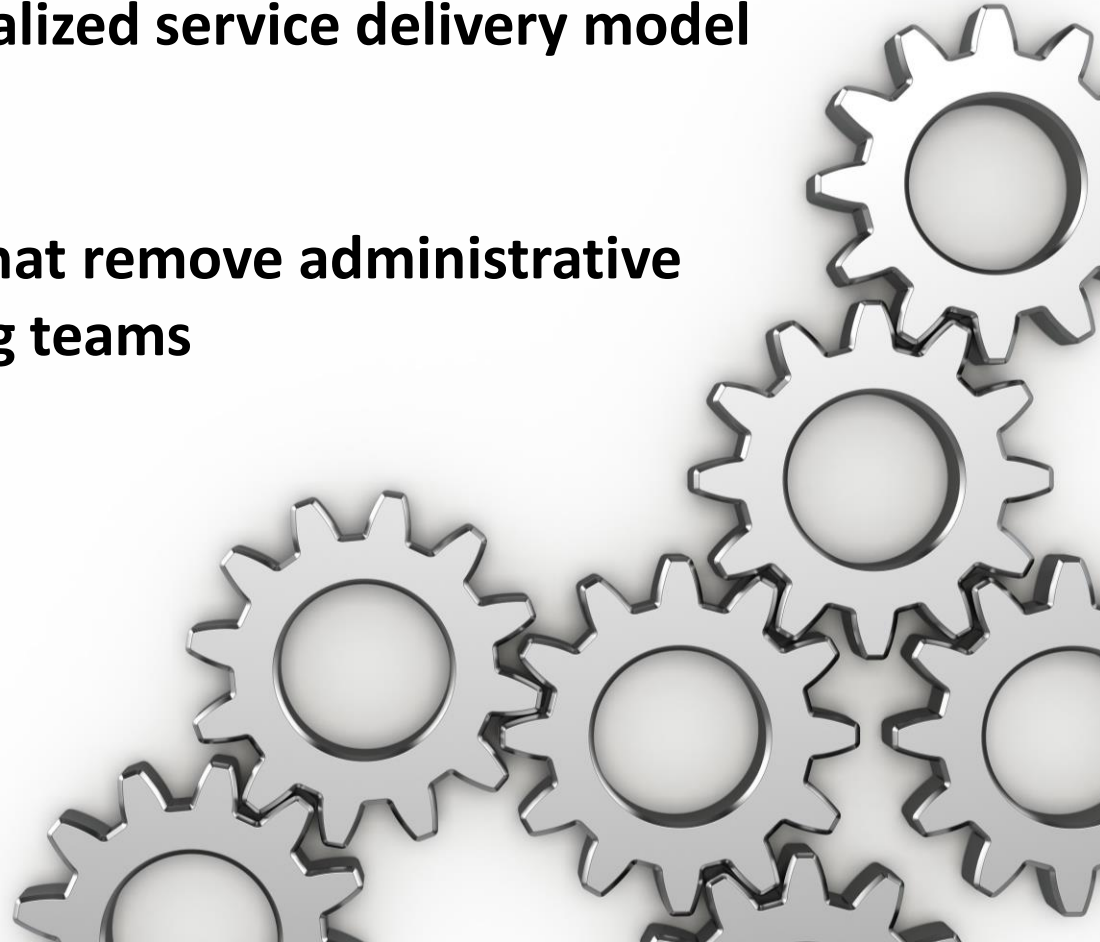
Expand OCG Capabilities

- **Continue to develop infrastructure to support existing strong growth**
- **Workforce analytics to provide customers market insights to labor market supply and demand dynamic**
- **IC/SOW to support increased demand for project-based work**
- **Global supply chain development**
 - Fill gaps in our capability to deliver talent supply to customers around the world
 - Improve our ability to manage and optimize suppliers on behalf of customers



Centralized approach to large customer delivery in U.S. markets

- **Near completion of centralized service delivery model for large accounts**
- **Operational efficiencies that remove administrative burdens from client-facing teams**



2014 Outlook

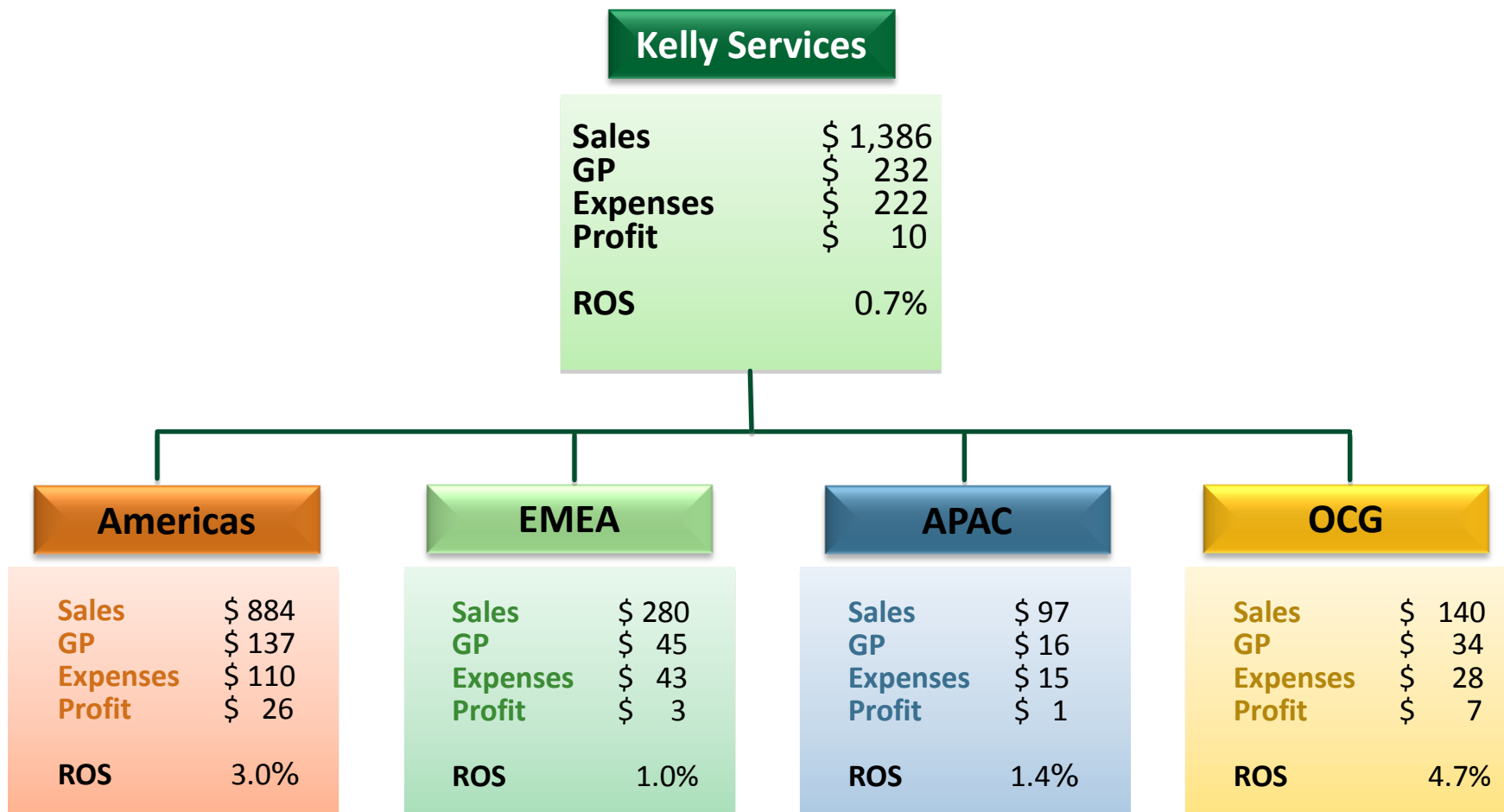
- Revenue up 5% - 7% YOY
- Gross Profit relatively flat
- SG&A up 7% - 9% YOY
- Increased regulatory pressures on planned investments
- Operating earnings down YOY
- Annual tax rate increases to more normalized range in the mid 20%'s, assuming renewal of Work Opportunity Credits; If WOC is not renewed, our rate will be in 50% range

Q1 2014 Outlook

- Revenue flat to up 2% YOY
- Gross Profit down slightly
- SG&A up 3% - 5% YOY
- Breakeven to small loss expected



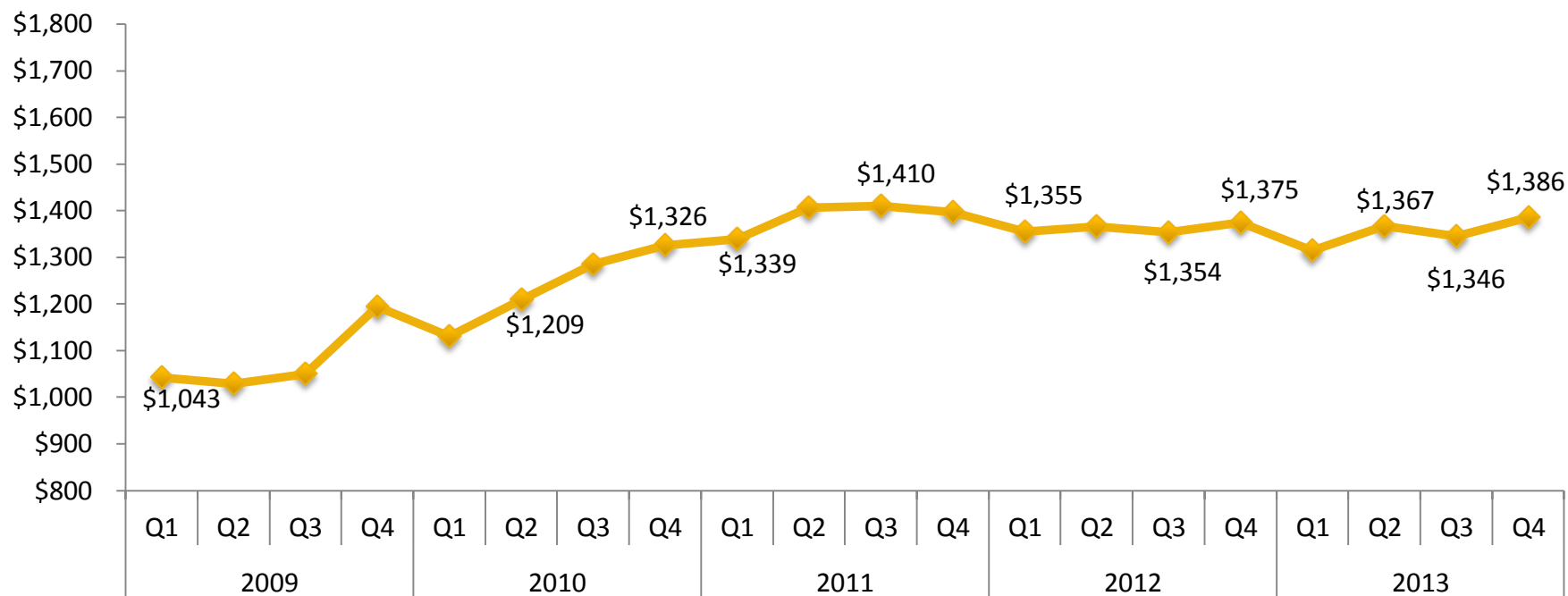
Operations Summary: Q4 2013



(in \$millions USD)

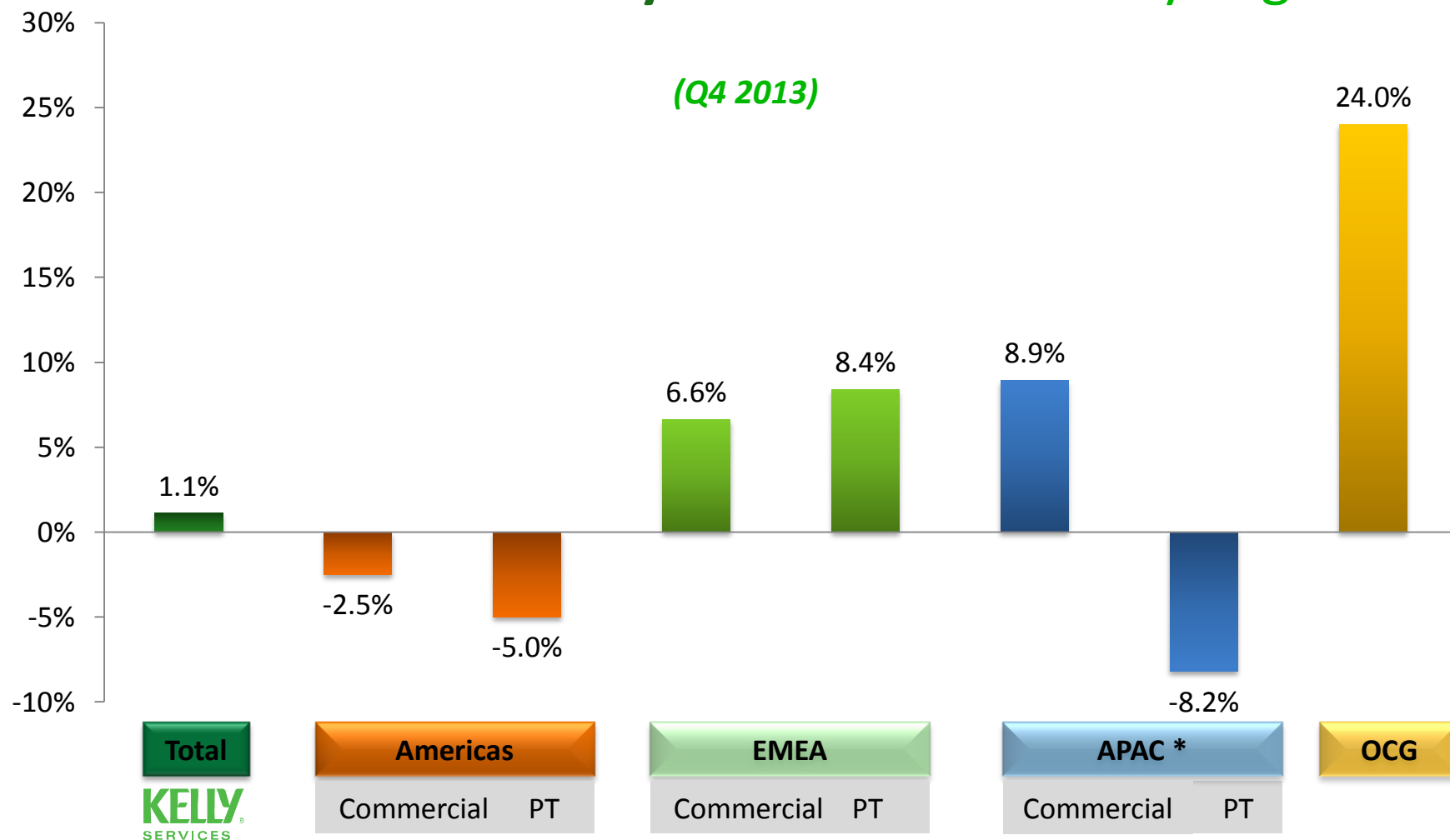
Revenue by Quarter

(in millions)



*Note: Fourth quarter of 2009 included a 14th week (53 weeks for the year). The impact on the revenue was about 4 – 5%.

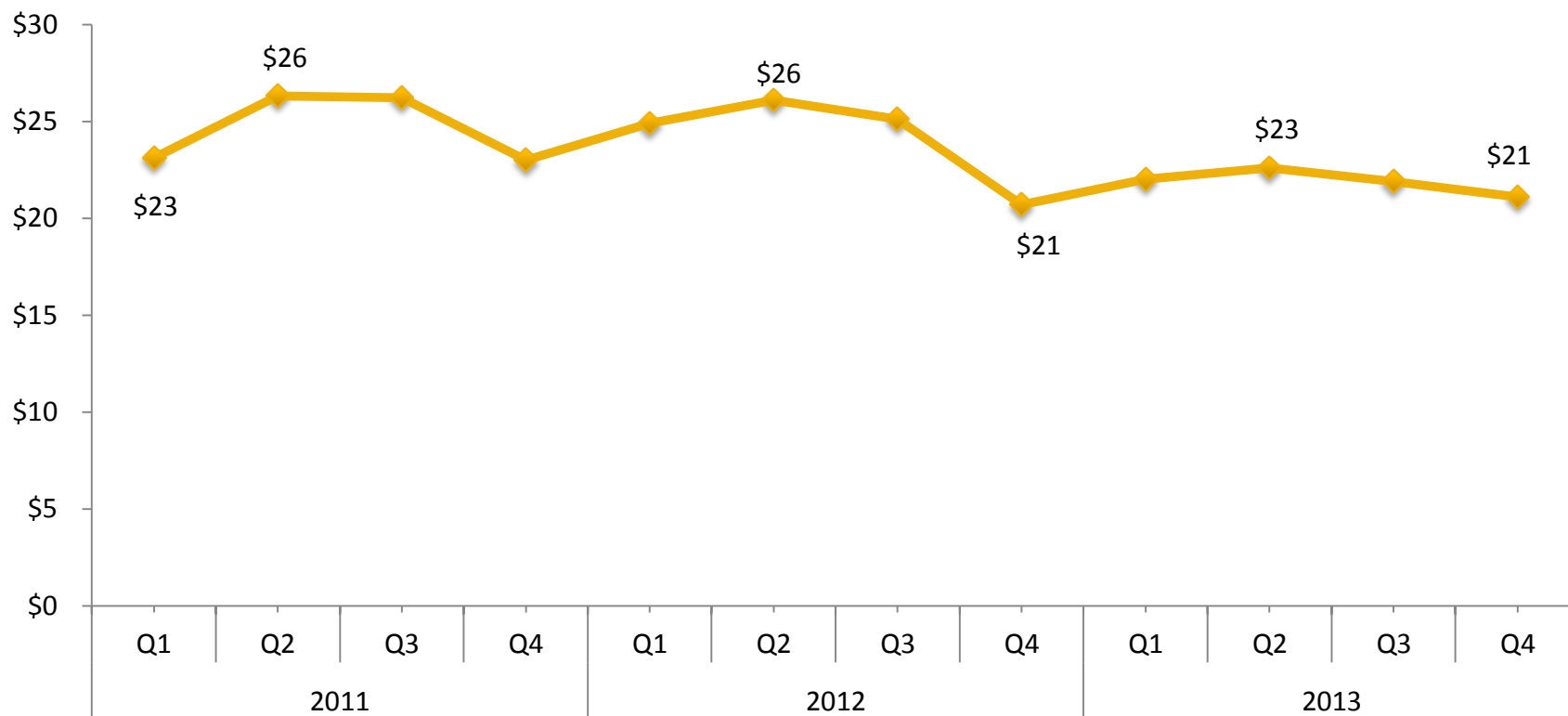
Constant Currency Revenue Growth by Segment



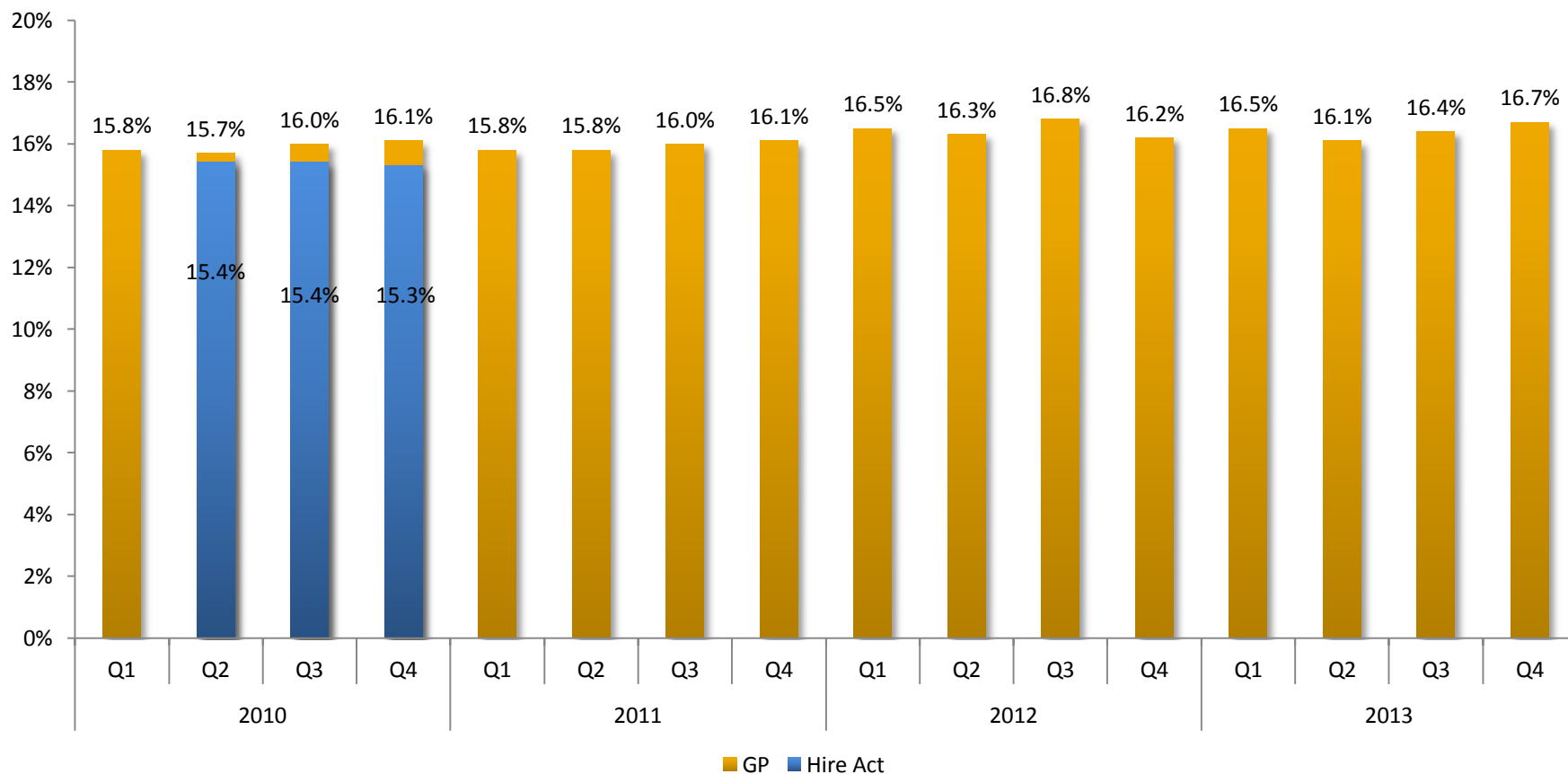
*Note: Excludes impact of the deconsolidation of China, South Korea and Hong Kong subsidiaries.

Staffing Fee Income by Quarter

(in millions)

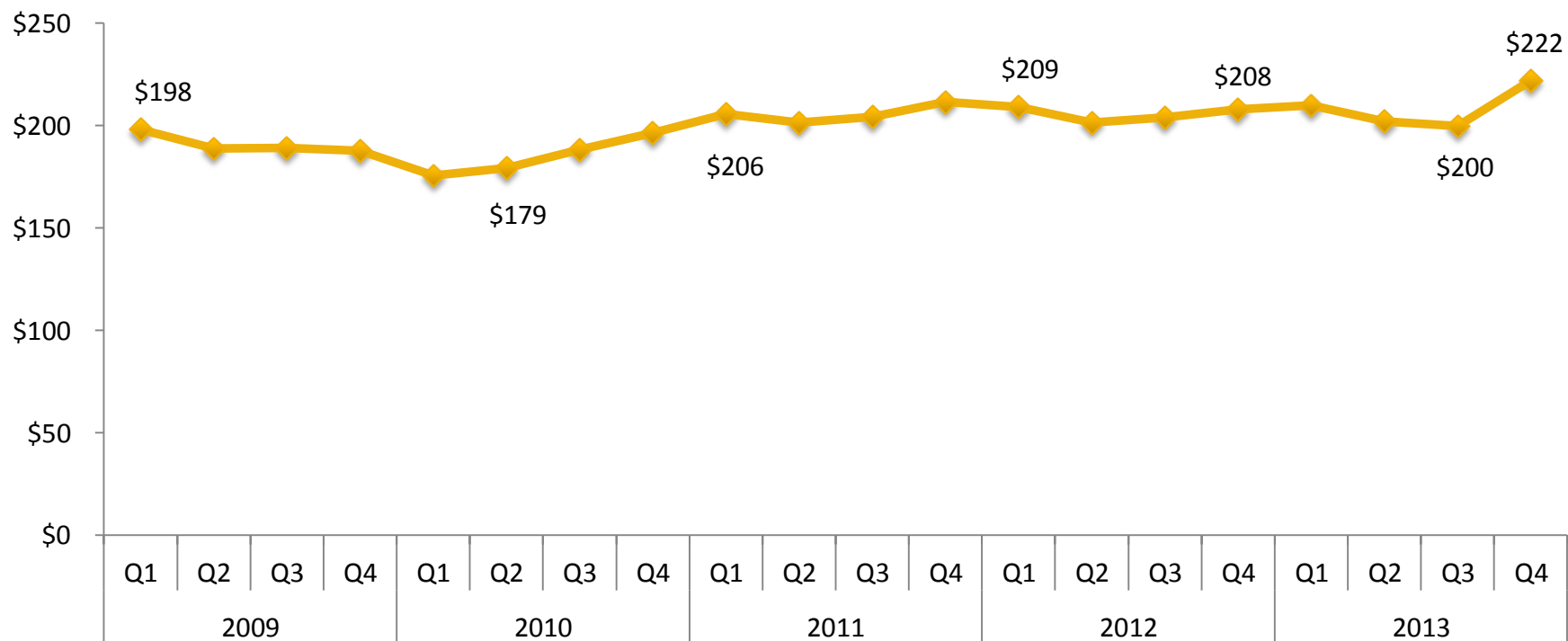


Gross Profit Rate by Quarter



Expense by Quarter

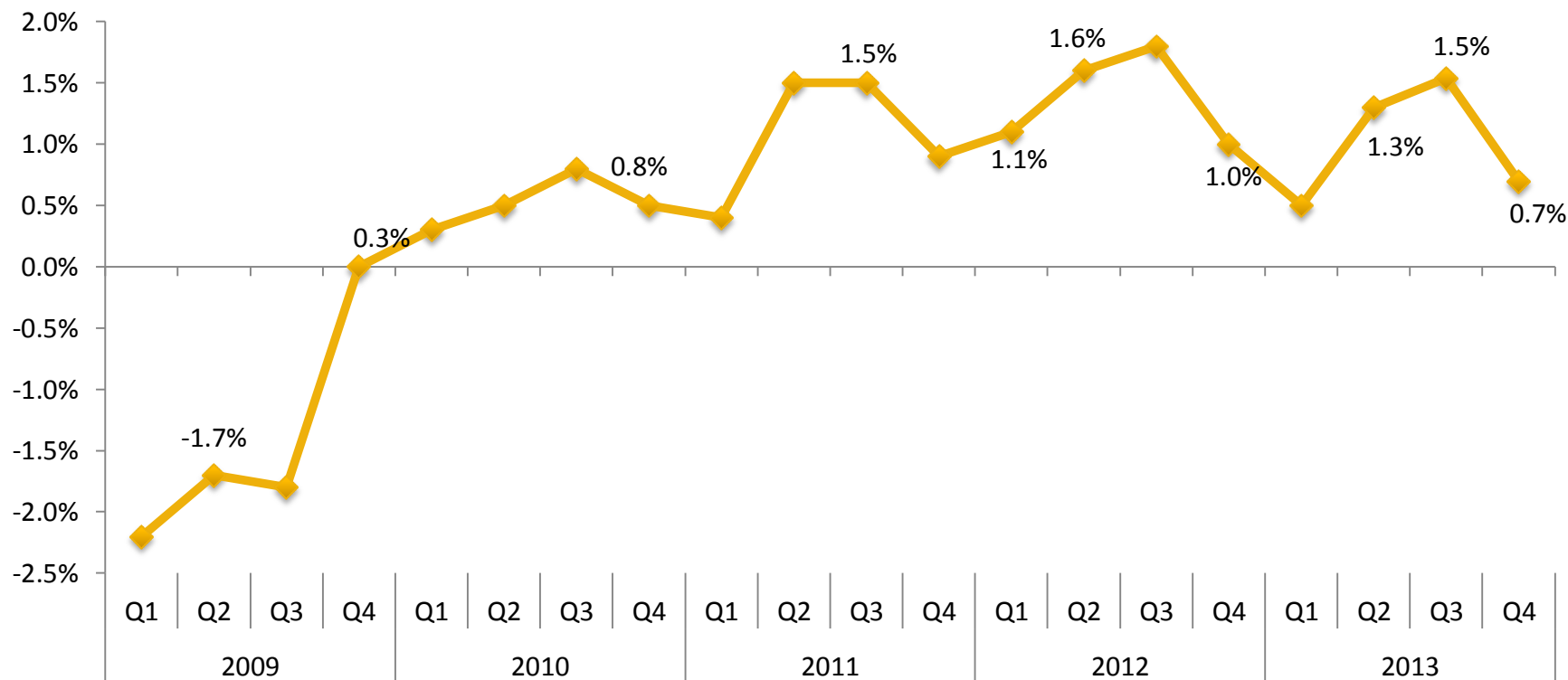
(in millions)



*Excluding Restructuring, Impairment & Certain Litigation Charges.

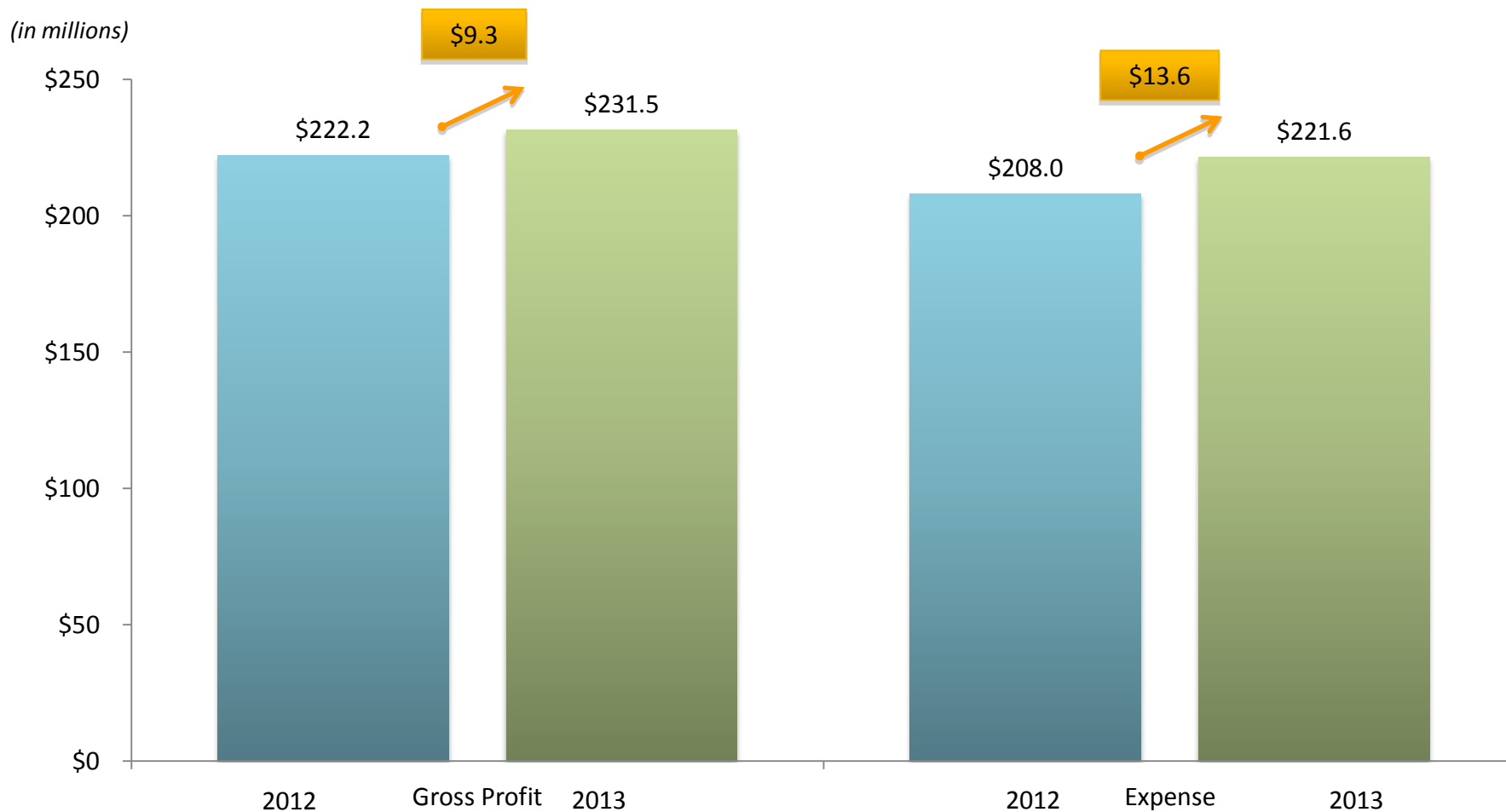
Return on Sales by Quarter

(in millions)



*Excluding Restructuring, Impairment & Certain Litigation Charges.

Comparison of Gross Profit & Expense: Fourth Quarter



*Excluding Restructuring & Impairment Charges.

Cash Flows: as of December 29, 2013

(in millions)

	2013	2012
Net Income/(Loss)	\$ 58.9	\$ 50.1
Other Cash from Operating Activities	56.4	11.0
Capital Expenditures	<u>(20.0)</u>	<u>(21.5)</u>
Free Cash Flow	\$ 95.3	\$ 39.6
Borrowing	(35.8)	(31.9)
Other Financing Activities	<u>(0.3)</u>	<u>0.1</u>
Available Cash Flow	\$ 59.2	\$ 7.8
Dividends	(7.6)	(7.6)
Other	<u>(0.8)</u>	<u>(6.6)</u>
Cash Provided by (Used In)	\$ 50.8	\$ (6.4)
Effect of Exchange Rates	<u>(1.4)</u>	<u>1.7</u>
Net Change in Cash	<u>\$ 49.4</u>	<u>\$ (4.7)</u>
Cash at Period End	\$ 125.7	\$ 76.3

Balance Sheet: Fourth Quarter

(in millions)

	2013	2012
Cash	\$ 125.7	\$ 76.3
Accounts Receivable	1,023.1	1,013.9
Other Current Assets	87.7	102.4
Total Current Assets	\$1,236.5	\$1,192.6
Long Term Assets	562.1	443.1
Total Assets	\$1,798.6	\$1,635.7
Short Term Debt	\$ 28.3	\$ 64.1
Other Current Liabilities	733.7	658.2
Total Current Liabilities	\$ 762.0	\$ 722.3
Other Long Term Liabilities	214.0	172.4
Equity	822.6	741.0
Total Liabilities and Equity	\$1,798.6	\$1,635.7
Working Capital	\$ 474.5	\$ 470.3
Net Cash	\$ 97.4	\$ 12.2
Debt-to-Total Capital	3.3%	8.0%



Kelly Services: Company Contacts

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& Treasurer
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James Polehna

Vice President, Investor Relations &
Corporate Secretary
248 244-4586



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