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**KELLY SERVICES REPORTS RECORD REVENUE AND
62% NET EARNINGS GROWTH FOR 2006**

TROY, MI (January 25, 2007) -- Kelly Services, Inc., a global provider of staffing services, today announced record revenue and a strong earnings growth for the fourth quarter and full year ended December 31, 2006.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the fourth quarter of 2006 totaled \$1.436 billion, a 4.4% increase compared to the \$1.375 billion for the corresponding quarter in 2005. Revenue for the full year totaled \$5.606 billion, a 6.7% increase compared to the \$5.252 billion for the full year of 2005.

Net earnings for the fourth quarter of 2006 totaled \$24.4 million, an 84% increase compared to \$13.3 million reported for the fourth quarter of 2005. Effective December 31, 2006, the Company sold its Staff Leasing business unit for cash proceeds of \$6.5 million and recorded an after tax gain on sale of \$2.3 million. Excluding the gain on sale, net earnings were \$22.2 million, a 67% increase compared to last year.

Net earnings for the full year of 2006 totaled \$63.5 million, a 62% increase compared to the \$39.3 million earned in the full year of 2005. Excluding the gain on sale of the Staff Leasing business unit, net earnings for the full year were \$61.2 million, a 56% increase compared to last year.

Diluted earnings per share in the fourth quarter of 2006 were \$0.67, an increase of 81% as compared to fourth quarter 2005 earnings of \$0.37 per share. Excluding the \$0.06 per share after tax gain on sale, diluted earnings were \$0.61 per share, a 65% increase compared to last year.

Diluted earnings per share for the full year of 2006 were \$1.75, a 61% increase compared to the \$1.09 per share earned in 2005. Excluding the \$0.06 per share after tax gain on sale, diluted earnings were \$1.69 per share, a 55% increase compared to last year.

Commenting on the results, Camden said, "We're pleased that we delivered a very strong year, despite continued slowing in the U.S. economy. Our PTSA and International segments delivered particularly strong profit increases.

"Revenue in our U.S. Commercial segment, which accounted for 45% of total sales, decreased 1.3% year over year in the fourth quarter. Operating earnings totaled \$36.6 million, an increase of 8.5% compared to last year.

"Revenue in our Professional, Technical, and Staffing Alternatives (PTSA) segment, which accounted for 20% of total sales, increased 1.1% year over year in the fourth quarter. Operating earnings totaled \$18.8 million and increased 18.7% on a year over year basis.

"Revenue in our International segment, which accounted for 35% of total sales, increased 15.0% year over year in the fourth quarter. Operating earnings totaled \$7.8 million, and increased 67.0% compared to last year.

"On a constant currency basis, International segment revenue increased 8.4% year over year in the fourth quarter. On a constant currency basis, total company revenue increased 2.3% year over year in the fourth quarter.

"Corporate expenses totaled \$40.5 million and increased 7.9% compared to last year. Operating earnings from continuing operations totaled \$22.6 million, and increased 35.9% on a year over year basis.

"The effective tax rate from continuing operations for the fourth quarter was 11.7%, compared to 29.1% last year. The 2006 fourth quarter rate reflects a full year impact of work opportunity credits, which were retroactively extended by Congress late in the year. The 2006 full year tax rate of 28.7% is comparable to the 29.0% rate last year, as both included a full year's impact of the work opportunity credits."

Mr. Camden added, "We expect first quarter 2007 earnings to be in the range of \$0.25 to \$0.30 per share, as compared to \$0.23 per share from continuing operations in the first quarter of 2006. Not included in this guidance are planned restructuring costs of approximately \$6 to \$7 million, or \$0.16 to \$0.19 per share related primarily to branch closings, headquarters consolidation and related severance costs in our UK operation."

Mr. Camden concluded, "For the full year of 2007, we are initially forecasting that earnings will range between \$1.90 and \$2.05 per share, excluding the UK restructuring costs."



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, 2007 to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Telephone:

| | |
|---------------|----------------|
| U.S. | 1-866-254-5941 |
| International | 1-612-288-0337 |

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: 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, 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 2006 was \$5.6 billion. Visit www.kellyservices.com.

KELLY SERVICES, INC. AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE 13 WEEKS ENDED DECEMBER 31, 2006 AND JANUARY 1, 2006
(UNAUDITED)
(In thousands of dollars except per share data)

| | <u>2006</u> | <u>2005</u> | <u>Change</u> | <u>% Change</u> |
|---|------------------|------------------|------------------|-----------------|
| Revenue from services | \$ 1,435,990 | \$ 1,374,967 | \$ 61,023 | 4.4 % |
| Cost of services | <u>1,191,722</u> | <u>1,156,084</u> | <u>35,638</u> | <u>3.1</u> |
| Gross profit | 244,268 | 218,883 | 25,385 | 11.6 |
| Selling, general and administrative expenses | <u>221,631</u> | <u>202,221</u> | <u>19,410</u> | <u>9.6</u> |
| Earnings from operations | 22,637 | 16,662 | 5,975 | 35.9 |
| Other income (expense), net | <u>618</u> | <u>(10)</u> | <u>628</u> | <u>NM</u> |
| Earnings from continuing operations before taxes | 23,255 | 16,652 | 6,603 | 39.7 |
| Income taxes | <u>2,723</u> | <u>4,840</u> | <u>(2,117)</u> | <u>(43.7)</u> |
| Earnings from continuing operations | 20,532 | 11,812 | 8,720 | 73.8 |
| Earnings from discontinued operations, net of tax | <u>3,910</u> | <u>1,505</u> | <u>2,405</u> | <u>159.8</u> |
| Net earnings | <u>\$ 24,442</u> | <u>\$ 13,317</u> | <u>\$ 11,125</u> | <u>83.5 %</u> |
| Basic earnings per share | | | | |
| Earnings from continuing operations | \$ 0.57 | \$ 0.33 | \$ 0.24 | 72.7 % |
| Earnings from discontinued operations | <u>0.11</u> | <u>0.04</u> | <u>0.07</u> | <u>175.0</u> |
| Net earnings | <u>\$ 0.68</u> | <u>\$ 0.37</u> | <u>\$ 0.31</u> | <u>83.8 %</u> |
| Diluted earnings per share | | | | |
| Earnings from continuing operations | \$ 0.56 | \$ 0.33 | \$ 0.23 | 69.7 % |
| Earnings from discontinued operations | <u>0.11</u> | <u>0.04</u> | <u>0.07</u> | <u>175.0</u> |
| Net earnings | <u>\$ 0.67</u> | <u>\$ 0.37</u> | <u>\$ 0.30</u> | <u>81.1 %</u> |

STATISTICS:

| | | | |
|---|--------|--------|----------|
| Gross profit rate | 17.0 % | 15.9 % | 1.1 % |
| Expenses as a % of revenue | 15.4 | 14.7 | 0.7 |
| % Return - Earnings from operations | 1.6 | 1.2 | 0.4 |
| Earnings from continuing operations before taxes | 1.6 | 1.2 | 0.4 |
| Earnings from continuing operations | 1.4 | 0.9 | 0.5 |
| Net earnings | 1.7 | 1.0 | 0.7 |
| Effective income tax rate | 11.7 % | 29.1 % | (17.4) % |
| Average number of shares outstanding (thousands): | | | |
| Basic | 36,182 | 35,812 | |
| Diluted | 36,524 | 36,064 | |

KELLY SERVICES, INC. AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE 52 WEEKS ENDED DECEMBER 31, 2006 AND JANUARY 1, 2006
(UNAUDITED)
(In thousands of dollars except per share data)

| | <u>2006</u> | <u>2005</u> | <u>Change</u> | <u>% Change</u> |
|---|------------------|------------------|------------------|-----------------|
| Revenue from services | \$ 5,605,752 | \$ 5,251,712 | \$ 354,040 | 6.7 % |
| Cost of services | <u>4,680,538</u> | <u>4,402,618</u> | <u>277,920</u> | <u>6.3</u> |
| Gross profit | 925,214 | 849,094 | 76,120 | 9.0 |
| Selling, general and administrative expenses | <u>846,198</u> | <u>797,813</u> | <u>48,385</u> | <u>6.1</u> |
| Earnings from operations | 79,016 | 51,281 | 27,735 | 54.1 |
| Other income (expense), net | <u>1,471</u> | <u>(187)</u> | <u>1,658</u> | <u>NM</u> |
| Earnings from continuing operations before taxes | 80,487 | 51,094 | 29,393 | 57.5 |
| Income taxes | <u>23,112</u> | <u>14,813</u> | <u>8,299</u> | <u>56.0</u> |
| Earnings from continuing operations | 57,375 | 36,281 | 21,094 | 58.1 |
| Earnings from discontinued operations, net of tax | <u>6,116</u> | <u>2,982</u> | <u>3,134</u> | <u>105.1</u> |
| Net earnings | <u>\$ 63,491</u> | <u>\$ 39,263</u> | <u>\$ 24,228</u> | <u>61.7 %</u> |
| Basic earnings per share | | | | |
| Earnings from continuing operations | \$ 1.59 | \$ 1.02 | \$ 0.57 | 55.9 % |
| Earnings from discontinued operations | <u>0.17</u> | <u>0.08</u> | <u>0.09</u> | <u>112.5</u> |
| Net earnings | <u>\$ 1.76</u> | <u>\$ 1.10</u> | <u>\$ 0.66</u> | <u>60.0 %</u> |
| Diluted earnings per share | | | | |
| Earnings from continuing operations | \$ 1.58 | \$ 1.01 | \$ 0.57 | 56.4 % |
| Earnings from discontinued operations | <u>0.17</u> | <u>0.08</u> | <u>0.09</u> | <u>112.5</u> |
| Net earnings | <u>\$ 1.75</u> | <u>\$ 1.09</u> | <u>\$ 0.66</u> | <u>60.6 %</u> |

STATISTICS:

| | | | |
|---|--------|--------|---------|
| Gross profit rate | 16.5 % | 16.2 % | 0.3 % |
| Expenses as a % of revenue | 15.1 | 15.2 | (0.1) |
| % Return - Earnings from operations | 1.4 | 1.0 | 0.4 |
| Earnings from continuing operations before taxes | 1.4 | 1.0 | 0.4 |
| Earnings from continuing operations | 1.0 | 0.7 | 0.3 |
| Net earnings | 1.1 | 0.7 | 0.4 |
| Effective income tax rate | 28.7 % | 29.0 % | (0.3) % |
| Average number of shares outstanding (thousands): | | | |
| Basic | 35,999 | 35,667 | |
| Diluted | 36,314 | 35,949 | |

KELLY SERVICES, INC. AND SUBSIDIARIES
RESULTS OF OPERATIONS BY SEGMENT
(In thousands of dollars)

| | Fourth Quarter (Unaudited) | | | |
|---------------------------|-----------------------------------|---------------------|------------------|-----------------|
| | 2006 | 2005 | Change | % Change |
| Revenue from Services: | | | | |
| U.S. Commercial Staffing | \$ 641,175 | \$ 649,709 | \$ (8,534) | (1.3) % |
| PTSA | 284,138 | 281,185 | 2,953 | 1.1 |
| International | 510,677 | 444,073 | 66,604 | 15.0 |
| Consolidated Total | <u>\$ 1,435,990</u> | <u>\$ 1,374,967</u> | <u>\$ 61,023</u> | <u>4.4 %</u> |
| Earnings from Operations: | | | | |
| U.S. Commercial Staffing | \$ 36,572 | \$ 33,706 | \$ 2,866 | 8.5 % |
| PTSA | 18,768 | 15,812 | 2,956 | 18.7 |
| International | 7,791 | 4,666 | 3,125 | 67.0 |
| Corporate Expense | <u>(40,494)</u> | <u>(37,522)</u> | <u>(2,972)</u> | <u>(7.9)</u> |
| Consolidated Total | <u>\$ 22,637</u> | <u>\$ 16,662</u> | <u>\$ 5,975</u> | <u>35.9 %</u> |

| | December Year to Date | | | |
|---------------------------|------------------------------|---------------------|-------------------|-----------------|
| | 2006 | 2005 | Change | % Change |
| Revenue from Services: | | | | |
| U.S. Commercial Staffing | \$ 2,524,472 | \$ 2,436,972 | \$ 87,500 | 3.6 % |
| PTSA | 1,137,788 | 1,090,322 | 47,466 | 4.4 |
| International | 1,943,492 | 1,724,418 | 219,074 | 12.7 |
| Consolidated Total | <u>\$ 5,605,752</u> | <u>\$ 5,251,712</u> | <u>\$ 354,040</u> | <u>6.7 %</u> |
| Earnings from Operations: | | | | |
| U.S. Commercial Staffing | \$ 132,191 | \$ 118,850 | \$ 13,341 | 11.2 % |
| PTSA | 73,776 | 60,866 | 12,910 | 21.2 |
| International | 26,680 | 14,485 | 12,195 | 84.2 |
| Corporate Expense | <u>(153,631)</u> | <u>(142,920)</u> | <u>(10,711)</u> | <u>(7.5)</u> |
| Consolidated Total | <u>\$ 79,016</u> | <u>\$ 51,281</u> | <u>\$ 27,735</u> | <u>54.1 %</u> |

Note: Earnings from Operations for 2005 were reclassified to reflect the chargeback of payroll, billing and accounts receivable costs previously included in Corporate Expense to the U.S. Commercial, PTSA and International segments. This change did not affect Consolidated Total Earnings from Operations.

KELLY SERVICES, INC. AND SUBSIDIARIES
RECONCILIATION OF CONSTANT CURRENCY
REVENUE FROM SERVICES TO REPORTED REVENUE FROM SERVICES
(UNAUDITED)

(In thousands of dollars)

| | 2006 | 2005 | Fourth Quarter Change | % Change |
|---|---------------------|---------------------|----------------------------------|-----------------|
| U.S. Commercial | \$ 641,175 | \$ 649,709 | \$ (8,534) | (1.3) % |
| PTSA | 284,138 | 281,185 | 2,953 | 1.1 |
| International - constant currency* | 481,448 | 444,073 | 37,375 | 8.4 |
| Revenue from services - constant currency | 1,406,761 | 1,374,967 | 31,794 | 2.3 % |
| Foreign currency impact | 29,229 | | 29,229 | |
| Revenue from services | <u>\$ 1,435,990</u> | <u>\$ 1,374,967</u> | <u>\$ 61,023</u> | <u>4.4 %</u> |

| | 2006 | 2005 | December Year to Date Change | % Change |
|---|---------------------|---------------------|---|-----------------|
| U.S. Commercial | \$ 2,524,472 | \$ 2,436,972 | \$ 87,500 | 3.6 % |
| PTSA | 1,137,788 | 1,090,322 | 47,466 | 4.4 |
| International - constant currency* | 1,911,855 | 1,724,418 | 187,437 | 10.9 |
| Revenue from services - constant currency | 5,574,115 | 5,251,712 | 322,403 | 6.1 % |
| Foreign currency impact | 31,637 | | 31,637 | |
| Revenue from services | <u>\$ 5,605,752</u> | <u>\$ 5,251,712</u> | <u>\$ 354,040</u> | <u>6.7 %</u> |

* Information on constant currencies is provided to allow investors to separate the impact of foreign currency translations on reported results. Constant currency results are calculated by translating the current year results at prior year average exchange rates.

KELLY SERVICES, INC. AND SUBSIDIARIES
SUMMARY OF DISCONTINUED OPERATIONS
(UNAUDITED)

(In thousands of dollars)

| | Fourth Quarter | |
|---|------------------------|------------------------|
| | 2006 | 2005 |
| Sales | \$ 7,733 | \$ 8,975 |
| Operating income from discontinued operations | \$ 2,637 | \$ 2,458 |
| Income taxes | 981 | 953 |
| Earnings from discontinued operations, net of tax | <u>1,656</u> | <u>1,505</u> |
| Gain on sale on discontinued operations | 3,731 | - |
| Income taxes | 1,477 | - |
| Gain on sale on discontinued operations, net of tax | <u>2,254</u> | <u>-</u> |
| Discontinued operations, net of tax | <u><u>\$ 3,910</u></u> | <u><u>\$ 1,505</u></u> |

| | Full Year | |
|---|------------------------|------------------------|
| | 2006 | 2005 |
| Sales | \$ 33,273 | \$ 38,113 |
| Operating income from discontinued operations | \$ 6,273 | \$ 4,871 |
| Income taxes | 2,411 | 1,889 |
| Earnings from discontinued operations, net of tax | <u>3,862</u> | <u>2,982</u> |
| Gain on sale on discontinued operations | 3,731 | - |
| Income taxes | 1,477 | - |
| Gain on sale on discontinued operations, net of tax | <u>2,254</u> | <u>-</u> |
| Discontinued operations, net of tax | <u><u>\$ 6,116</u></u> | <u><u>\$ 2,982</u></u> |

Effective December 31, 2006 the Company sold Kelly Staff Leasing ("KSL"), a wholly owned subsidiary. The operating results for KSL, as well as the gain on the sale of KSL have been excluded from earnings from continuing operations. This schedule provides information on KSL's results from operations and the gain on the sale of KSL, both of which are included as discontinued operations on the face of the statements of earnings.

KELLY SERVICES, INC. AND SUBSIDIARIES
RECONCILIATION OF EARNINGS EXCLUDING THE GAIN ON THE SALE OF KSL
(UNAUDITED)
(In thousands of dollars)

| | Fourth Quarter | | | |
|---|-----------------------|------------------|------------------|------------------|
| | 2006 | | 2005 | |
| | Dollars | Per Share | Dollars | Per Share |
| Net earnings | \$ 24,442 | \$ 0.67 | \$ 13,317 | \$ 0.37 |
| Gain on the sale of Kelly Staff Leasing | 2,254 | 0.06 | - | - |
| Net earnings excluding the gain on the sale of Kelly Staff Leasing | <u>\$ 22,188</u> | <u>\$ 0.61</u> | <u>\$ 13,317</u> | <u>\$ 0.37</u> |

| | Full Year | | | |
|---|------------------|------------------|------------------|------------------|
| | 2006 | | 2005 | |
| | Dollars | Per Share | Dollars | Per Share |
| Net earnings | \$ 63,491 | \$ 1.75 | \$ 39,263 | \$ 1.09 |
| Gain on the sale of Kelly Staff Leasing | 2,254 | 0.06 | - | - |
| Net earnings excluding the gain on the sale of Kelly Staff Leasing | <u>\$ 61,237</u> | <u>\$ 1.69</u> | <u>\$ 39,263</u> | <u>\$ 1.09</u> |

Management believes that the information on earnings excluding the gain on the sale of KSL is useful to understand the Company's fiscal 2006 financial performance and increases comparability with prior year results. Management considers this measure, along with reported results, when it reviews and evaluates the Company's financial performance.

KELLY SERVICES, INC. AND SUBSIDIARIES

BALANCE SHEETS

(In thousands of dollars)

| | December 31, 2006 | January 1, 2006 |
|--|------------------------------|----------------------------|
| Current Assets | | |
| Cash and equivalents | \$ 118,428 | \$ 63,699 |
| Short-term investments | 126 | 154 |
| Trade accounts receivable, less allowances of \$16,818 and \$16,648, respectively | 838,246 | 803,812 |
| Prepaid expenses and other current assets | 45,190 | 47,434 |
| Deferred taxes | 29,543 | 33,805 |
| Total current assets | 1,031,533 | 948,904 |
| Property and Equipment, Net | 170,288 | 165,757 |
| Noncurrent Deferred Taxes | 35,437 | 22,088 |
| Goodwill, Net | 96,504 | 88,217 |
| Other Assets | 135,662 | 87,891 |
| Total Assets | <u>\$ 1,469,424</u> | <u>\$ 1,312,857</u> |
| Current Liabilities | | |
| Short-term borrowings | \$ 68,928 | \$ 56,644 |
| Accounts payable | 132,819 | 110,411 |
| Accrued payroll and related taxes | 274,284 | 263,112 |
| Accrued insurance | 24,191 | 34,097 |
| Income and other taxes | 68,055 | 56,651 |
| Total current liabilities | 568,277 | 520,915 |
| Noncurrent Liabilities | | |
| Accrued insurance | 57,277 | 54,517 |
| Accrued retirement benefits | 71,990 | 57,443 |
| Other long-term liabilities | 13,323 | 7,939 |
| Total noncurrent liabilities | 142,590 | 119,899 |
| Stockholders' Equity | | |
| Common stock | 40,116 | 40,116 |
| Treasury stock | (78,841) | (90,919) |
| Paid-in capital | 32,048 | 27,015 |
| Earnings invested in the business | 735,104 | 688,033 |
| Accumulated other comprehensive income | 30,130 | 7,798 |
| Total stockholders' equity | 758,557 | 672,043 |
| Total Liabilities and Stockholders' Equity | <u>\$ 1,469,424</u> | <u>\$ 1,312,857</u> |
| STATISTICS: | | |
| Working Capital | \$ 463,256 | \$ 427,989 |
| Current Ratio | 1.8 | 1.8 |
| Debt-to-capital % | 8.3 % | 7.8 % |
| Global Days Sales Outstanding | | |
| Quarter | 53 | 53 |
| Year-to-date | 54 | 56 |

KELLY SERVICES, INC. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE 52 WEEKS ENDED DECEMBER 31, 2006 AND JANUARY 1, 2006
(In thousands of dollars)

| | <u>2006</u> | <u>2005</u> |
|--|-------------------|------------------|
| Cash flows from operating activities | | |
| Net earnings | \$ 63,491 | \$ 39,263 |
| Noncash adjustments: | | |
| Depreciation and amortization | 41,730 | 42,215 |
| Stock-based compensation | 5,286 | 3,418 |
| Gain on sale of discontinued operations | (2,254) | - |
| Other, net | (405) | 525 |
| Increase in trade accounts receivable, net | (6,639) | (97,880) |
| Changes in other operating assets and liabilities | <u>15,056</u> | <u>33,223</u> |
| Net cash from operating activities | <u>116,265</u> | <u>20,764</u> |
| Cash flows from investing activities | | |
| Capital expenditures | (45,526) | (28,527) |
| Decrease in short-term investments | 28 | 1,203 |
| Increase in other assets | (578) | (5,411) |
| Acquisition of company, net of cash received | (4,663) | - |
| Proceeds from sale of discontinued operations | 6,500 | - |
| Investment in unconsolidated affiliates | <u>(20,729)</u> | <u>(19,681)</u> |
| Net cash from investing activities | <u>(64,968)</u> | <u>(52,416)</u> |
| Cash flows from financing activities | | |
| Net (decrease) increase in short-term borrowings | (11,022) | 6,833 |
| Financing to fund long-term investment in unconsolidated affiliate | 20,729 | 19,681 |
| Dividend payments | (16,420) | (14,269) |
| Stock options and other stock sales | 10,973 | 5,786 |
| Other financing activities | <u>(2,873)</u> | <u>1,949</u> |
| Net cash from financing activities | <u>1,387</u> | <u>19,980</u> |
| Effect of exchange rates on cash and equivalents | <u>2,045</u> | <u>(3,977)</u> |
| Net change in cash and equivalents | 54,729 | (15,649) |
| Cash and equivalents at beginning of period | <u>63,699</u> | <u>79,348</u> |
| Cash and equivalents at end of period | <u>\$ 118,428</u> | <u>\$ 63,699</u> |