Bank of America-Merrill Lynch 2015 Services One-on-One Conference – New York, NY

May 13, 2015

KELLY® SERVICES

Safe Harbor Statement

The information provided in this presentation (both written and oral) relating to future events are subject to risks and uncertainties, such as competition; changing market and economic conditions; currency fluctuations; changes in laws and regulations, including tax laws, and other factors discussed in the company's SEC filings. 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.

SNAPSHOT 2015

Nasdaq: KELYA, KELYB

SERVING **97%** of the *Fortune* 100™

$7 BILLION
2014 spend under management

2014 revenue:
$5.6 BILLION

1 MILLION+
workers in our global talent supply chain

4,600
supplier partners across the globe

Global network

- Life Sciences
- Natural Resources
- High Tech
- Consumer Goods and Premier Brands
- Finance and Insurance

Industry focus

FREE AGENT ADVOCATE

STAFFING

Kelly Girl®

William Russell Kelly pioneers the modern staffing industry by founding the Russell Kelly Office Service in 1946

GLOBAL WORKFORCE SOLUTIONS

Strategic Customer Partnerships

KellyOCG® pioneers applying supply chain strategies to talent

Talent Supply Chain Management

TOP 100 WORKPLACES 2014
Detroit Free Press
A GANNETT COMPANY

Named one of Michigan's top workplaces **two years in a row** based on employee surveys conducted by WorkplaceDynamics

Kelly Educational Staffing®

1.7 MILLION+
classrooms filled each year

2014 record-setting revenue:
$200 MILLION+

The world's leading scientific workforce solutions provider—
11,000
professionals placed each year

IAOP 2015 THE GLOBAL OUTSOURCING 100

Four consecutive years on the list!

KellyOCG ranked #4 In the Leader Category for the 2014 Global Outsourcing 100® service providers list

BEST of Staffing CLIENT SATISFACTION 2015

Recognized by Inavero for delivering service to clients that is well above industry benchmarks

KELLY SERVICES

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Portfolio of Solutions

Commercial Staffing

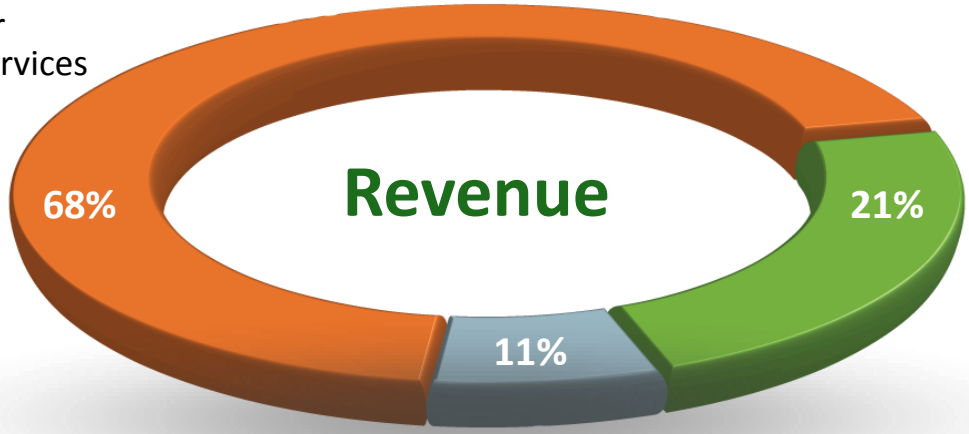
- Office Services
- Light Industrial
- Electronic Assembly
- Marketing
- Contact Center
- Educational Services

61% of GP

Professional & Technical Staffing

- Science
- Engineering
- IT
- Finance
- Law
- Healthcare
- Creative Services

23% of GP

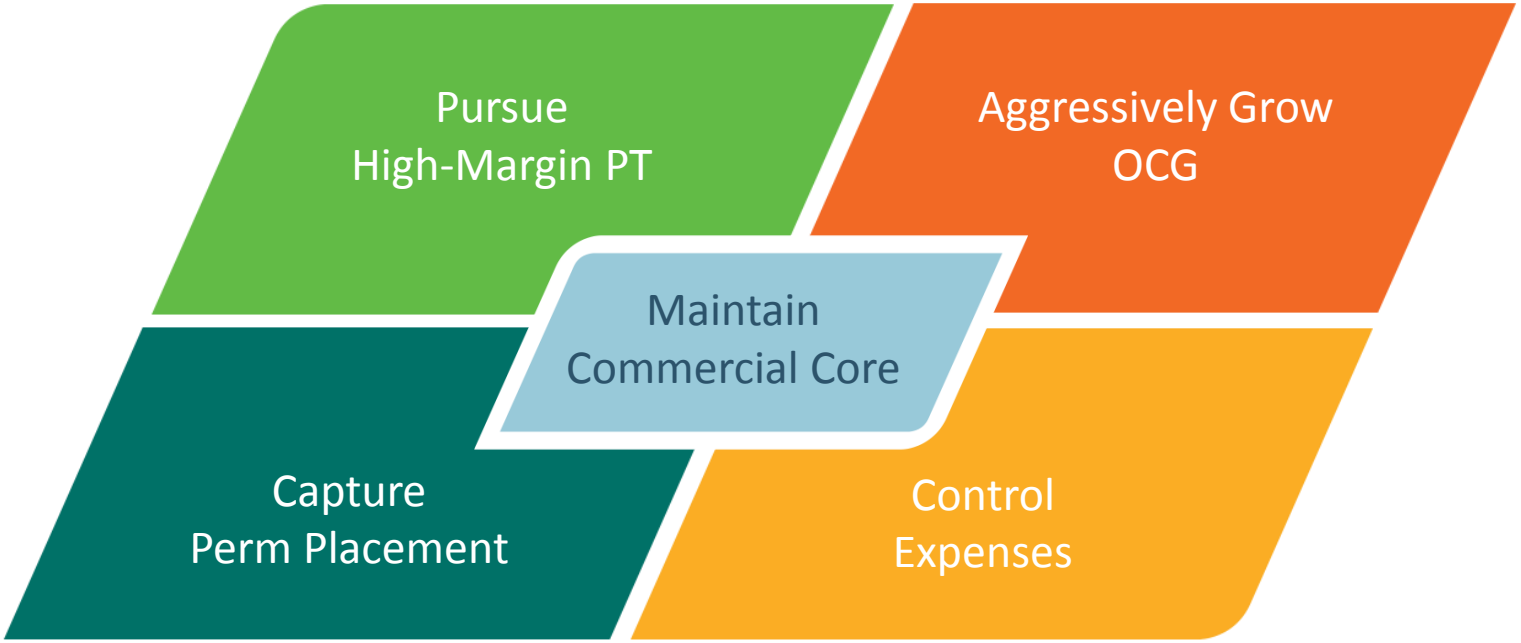


16% of GP

Outsourcing & Consulting

- **Recruitment Solutions**
  - Recruitment Process Outsourcing (RPO)
- **Project Solutions**
  - Business Process Outsourcing (BPO)
- **Managed Solutions**
  - Contingent Workforce Outsourcing (CWO)
- **Executive Coaching and Development**
- **Global Consulting**

Kelly's Strategy



2014 Strategic Investments

U.S. Branch Network

- Created national PT recruiting centers led by specialty recruiters (vs. ops leaders)
- Realigned PT recruiters by niche (vs. geography)
- Hired additional niche PT sales resources
- Implemented customized training and new performance standards for all PT recruiters/sales staff

Centralized Accounts

- Completed transition of targeted large accounts into centralized model
- Increased number of specialty recruiters; additional resources to be added in 2015
- Implemented aggressive performance requirements for recruiters
- Aligned recruiting and sales verticals to drive PT growth in large accounts

Talent Supply Chain

- Expanded IC/Statement of Work solution to meet increased demand for project-based work
- Developed supply chain analytics to provide market insight to customers
- Closed the gap in our ability to design truly global solutions across 50+ countries

GROWTH

Total 2014 investment spend was $21M - ($6M Capital & $15M Expense)

2014 Restructuring Plan

Americas $20M

- Streamlined U.S. Operations by closing 52 U.S. branches
- Simplified management structure at all levels
- Optimized large account delivery structure

Corporate $12.0M

- Simplified world headquarters operations

OCG $3M

- Continued to align OCG more efficiently against ROI

= $35M taken out of 2015 cost base

2015: Branch Network PT Growth Strategy

- Focus on markets where we're most likely to succeed
- Use niche-specific sales teams to win higher-margin PT business
- Use national network of specialty recruiters to create higher-skilled talent pipelines in IT, Engineering, Science, Finance

Q1 Highlights

- **Gaining traction from new PT recruiting model**
- **Q1 PT revenue up 4% year-over-year in U.S. branch network (compared to -5% in Q4)**
- **Number of new PT orders trending positively into Q2**
- **Improved productivity and efficiency**

2015: Centralized Account PT Growth Strategy

- Optimize our centralized model
- Leverage relationships with established Kelly clients
- Ensure quantity and quality of recruiters
- Diversify PT portfolio across centralized accounts
- Increase PT fill rates in vendor-neutral accounts

Q1 Highlights

- **PT revenue down 4% year-over-year due to large project completions**
- **Sequential increase in PT order volumes heading into Q2**
- **Improved productivity and efficiency, along with flexibility to quickly scale up or down in response to the level of demand**

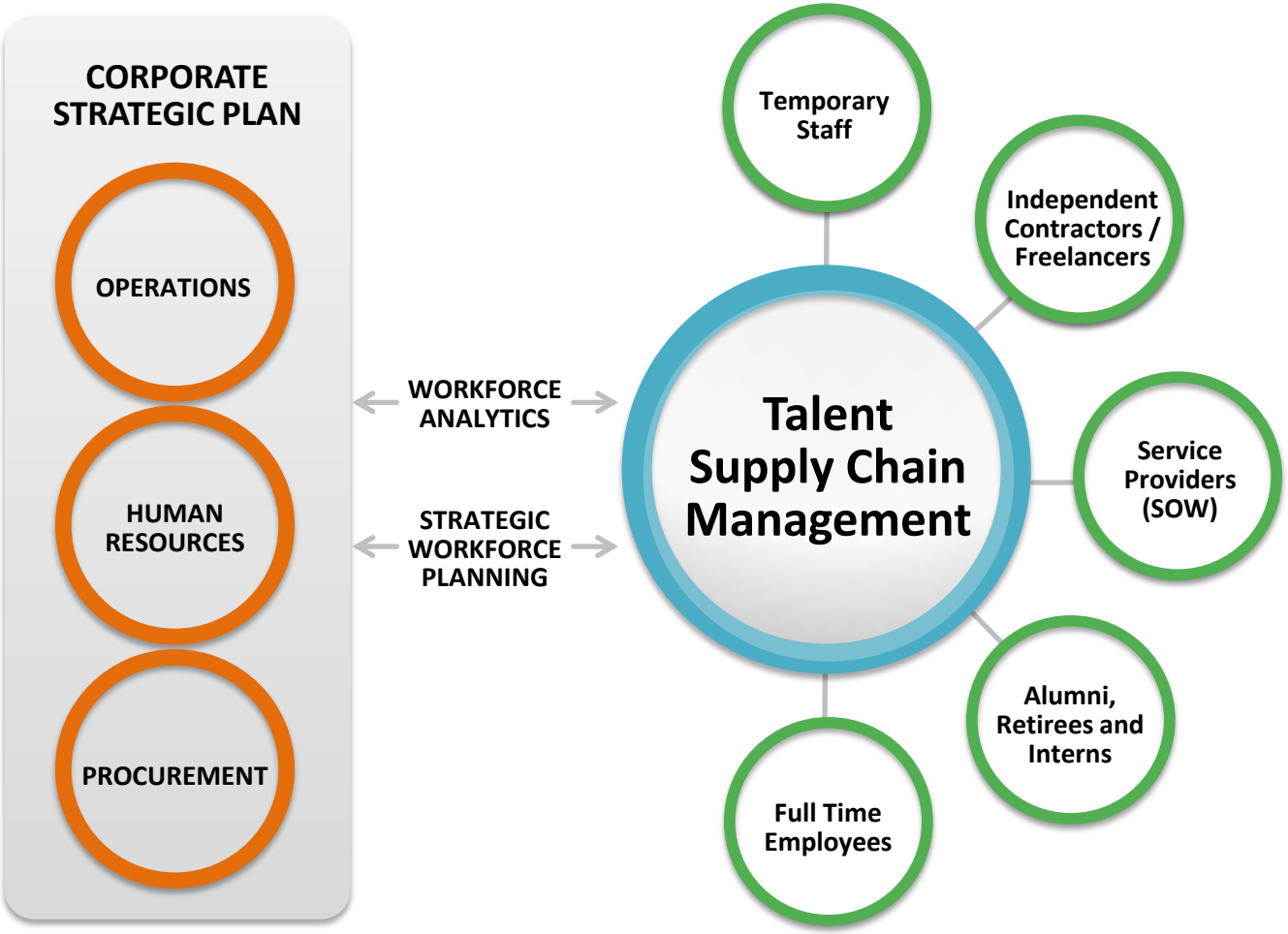
2015: OCG Growth Strategy

- Expand talent supply chain solutions
  - Meet increased demand for project-based work
  - Provide customers market insights into labor supply & demand
  - Customize solutions across regulatory requirements of 50+ countries
- Leverage opportunities within existing centralized accounts
- Invest in areas that will deliver rapid ROI

Q1 Highlights

- **Operating earnings more than doubled over last year**
- **Revenue grew by 13% year-over-year in constant currency**
- **Gross profit increased 10% year-over-year in constant currency**
- **15-20% growth expected in 2015**

Talent Supply Chain Management



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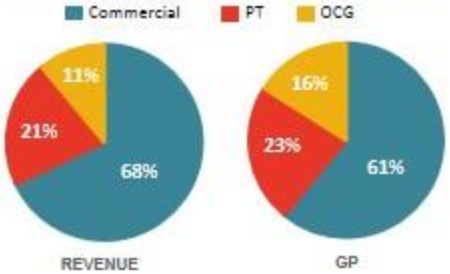
Q1/2015 FINANCIAL REVIEW

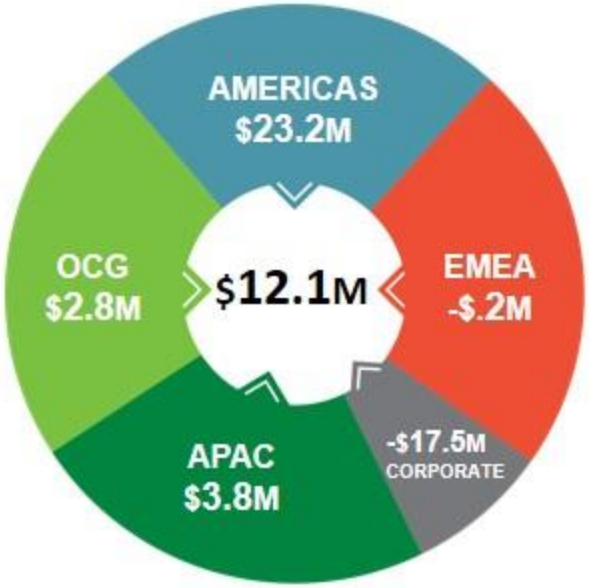
PROGRESS REPORT ON KELLY'S FIRST QUARTER*

Kelly's first quarter performance exceeded our expectations. Earnings from operations doubled YOY and revenue grew at four times the rate of expenses. Coming off a year of aggressive investments, these results reflect an organization that is emerging as more efficient and better aligned to execute its strategy in both staffing and OCG.

GLOBAL REVENUE & GP MIX



Q1 OPERATING EARNINGS



EXPENSE UPDATE

Q1 RESULT:
94.5% OF GP

Expenses were up 1% YOY, which includes the impact of cost savings generated by our Management Simplification Plan. For the second quarter expenses are expected to be up about 3%, or roughly 50% of our GP growth, on a YOY basis.

REVENUE	$1.3B ▲4.4%
GROSS PROFIT	16.7% FLAT
EXPENSES	$208M ▲1%
EARNINGS FROM OPS	$12.1M ▲$5.8M
EPS	.10¢ ▲43%
ROS (FROM OPERATIONS)	.9% ▲40 BASIS PTS

GLOBAL COMMERCIAL GP

Q1 GP $ TOTALED $135M

- AMER GP $ UP 8%
- EMEA GP $ DOWN 9%
- APAC GP $ UP 15%

GLOBAL PT GP

Q1 PT GP $ TOTALED $51M

- AMER GP $ DOWN 2%
- EMEA GP $ DOWN 5%
- APAC GP $ UP 14%

GLOBAL OCG GP

Q1 OCG GP $ TOTALED $36M

OCG delivered solid performance in Q1, with GP up 22% in CWO and 12% in BPO. Overall OCG YOY earnings increased $1.6M.

REVENUE UP 13%

GLOBAL PERM STAFFING FEES

Q1 FEES TOTALED $16M

Q1 fees were up 3% YOY in the Americas and declined 9% in EMEA and 7% in APAC.

*All comparisons are year over year in constant currency with the exception of EPS which is represented in U.S. GAAP.

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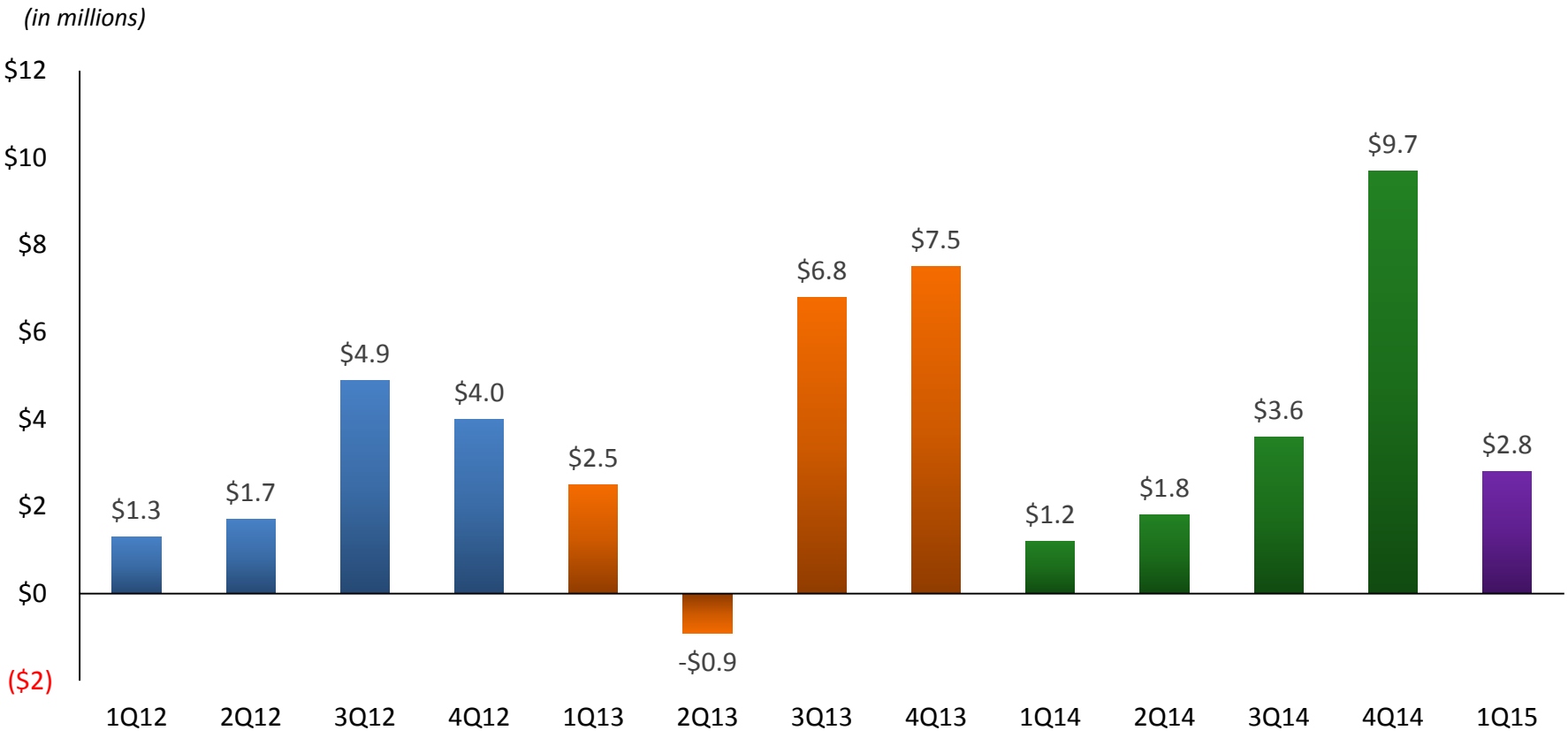
KELLY

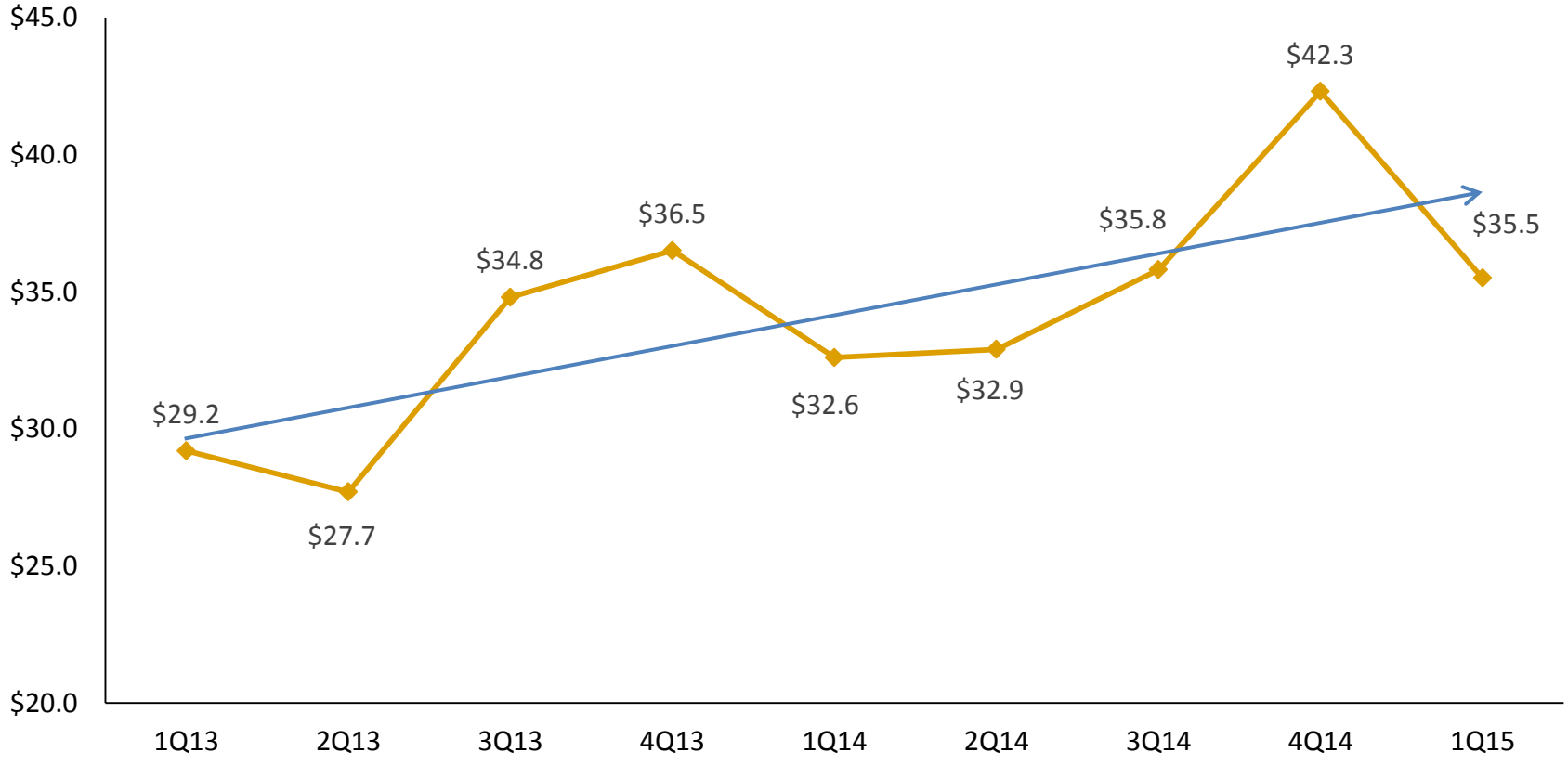
OCG Growth (Operating Profit)



*Excluding Restructuring & Impairment Charges.

OCG Growth (Gross Profit)

(in millions)



2015 Outlook

- **Revenue up 5% - 6% YOY in constant currency**
- **Gross Profit Rate up YOY**
- **SG&A up about 3.5% YOY**
- **Annual tax rate expected to be in the low 40% range, excluding Work Opportunity Credits; If WOC is renewed, our rate is expected to be 20 percentage points lower**

2014 Total Expenses	$	875
Change		
Management Simplification Initiative	$	(35)
US PT Investments (2014 and 2015)		10
Revenue Related Cost:		39
$15M in Staffing		
$24M in OCG		
Other Expenses	$	17
2015 Total Forecasted Expenses	$	906
Total Year-over-Year Increase		3.5%

(in $millions USD; constant currency; excluding restructuring; at 2014 currency rates)

Q2 2015 Outlook

- **Revenue up 4% - 5% YOY in constant currency**
- **Gross Profit Rate up YOY and flat sequentially**
- **SG&A up about 3% YOY (about 50% of our GP growth)**

Operations Summary: Q1 2015

Kelly Services

Sales	$ 1,321
GP	$ 220
Expenses	$ 208
Profit	$ 12
ROS	0.9%

Americas

Sales	$ 874
GP	$ 137
Expenses	$ 114
Profit	$ 23
ROS	2.7%

EMEA

Sales	$ 219
GP	$ 33
Expenses	$ 34
Profit	$ (0.2)
ROS	(0.1)%

APAC

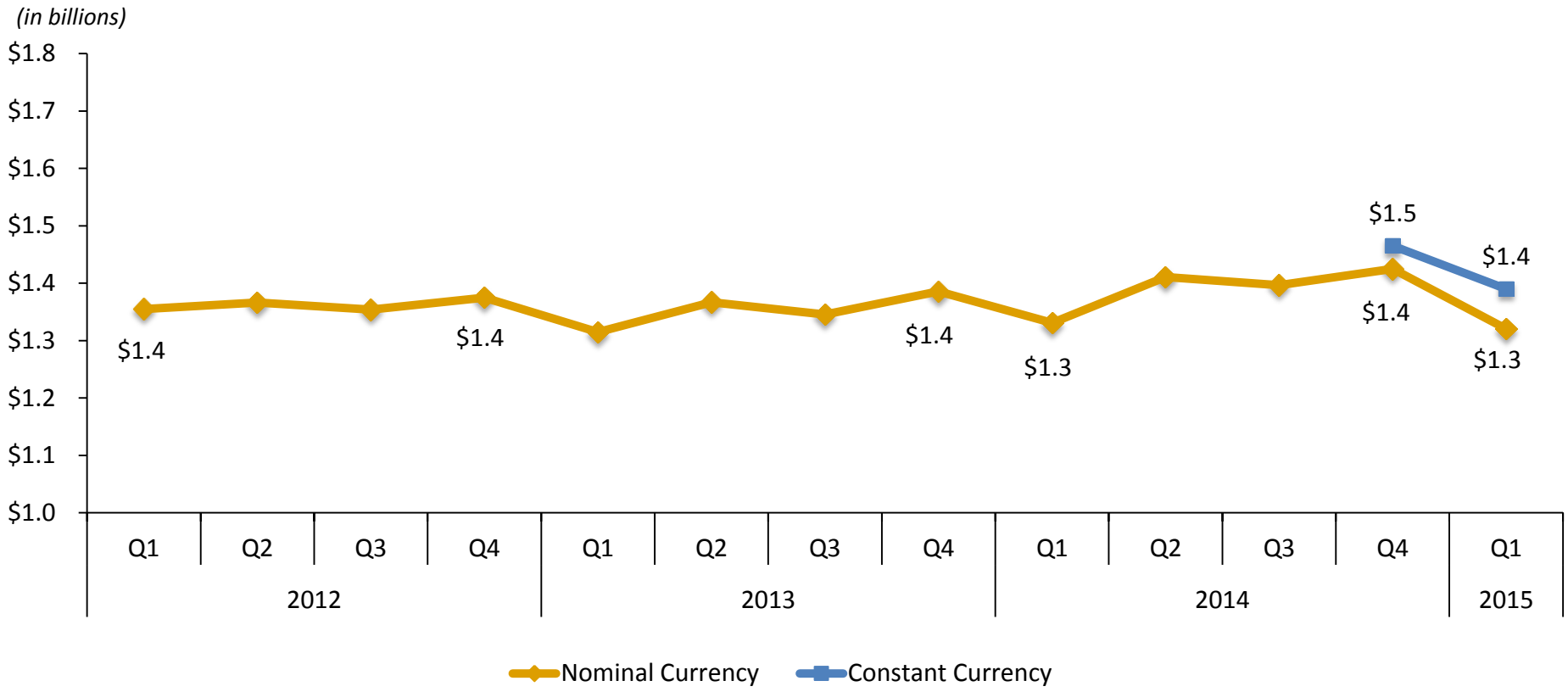
Sales	$ 96
GP	$ 16
Expenses	$ 12
Profit	$ 4
ROS	3.9%

OCG

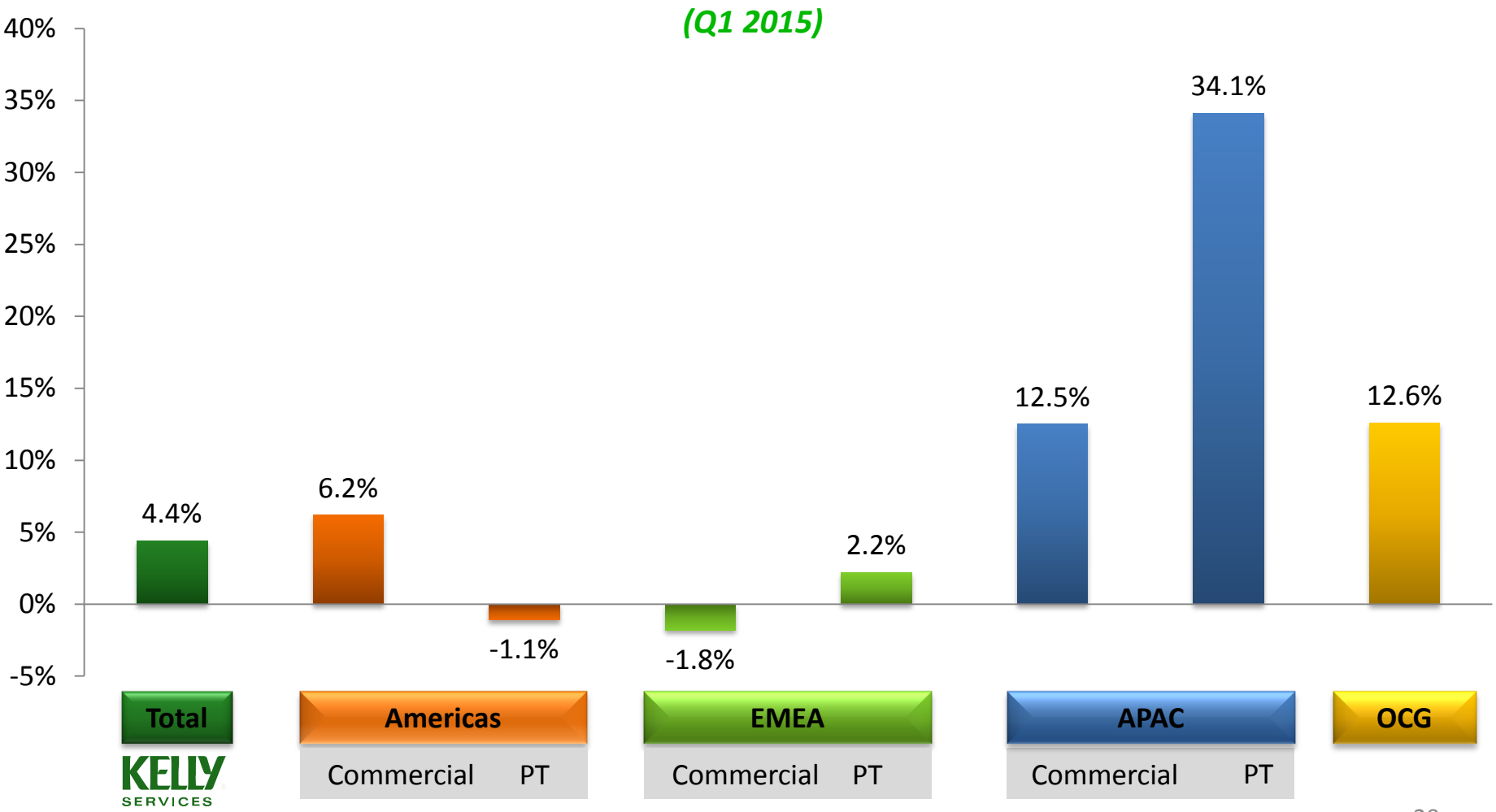
Sales	$ 150
GP	$ 36
Expenses	$ 33
Profit	$ 3
ROS	1.9%

(in $millions USD)

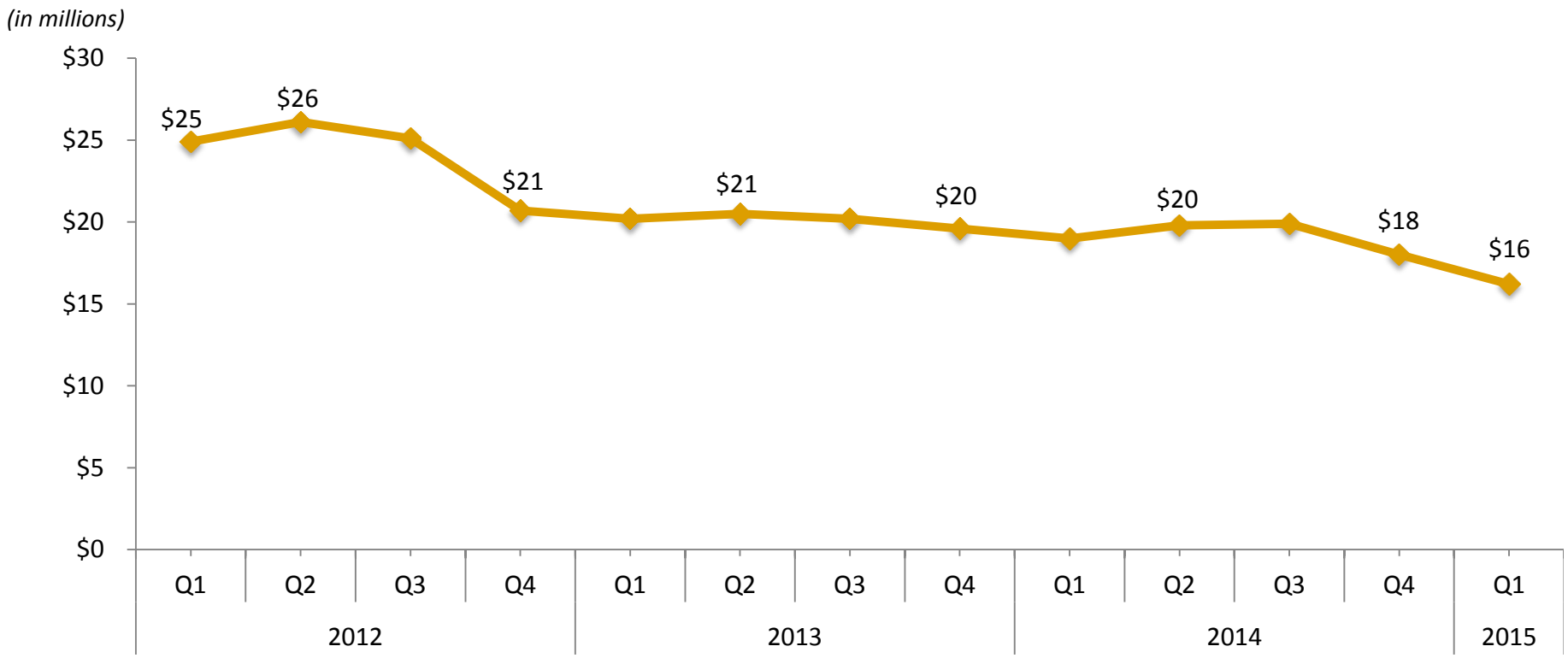
Revenue by Quarter



Constant Currency Revenue Growth by Segment



Staffing Fee Income by Quarter



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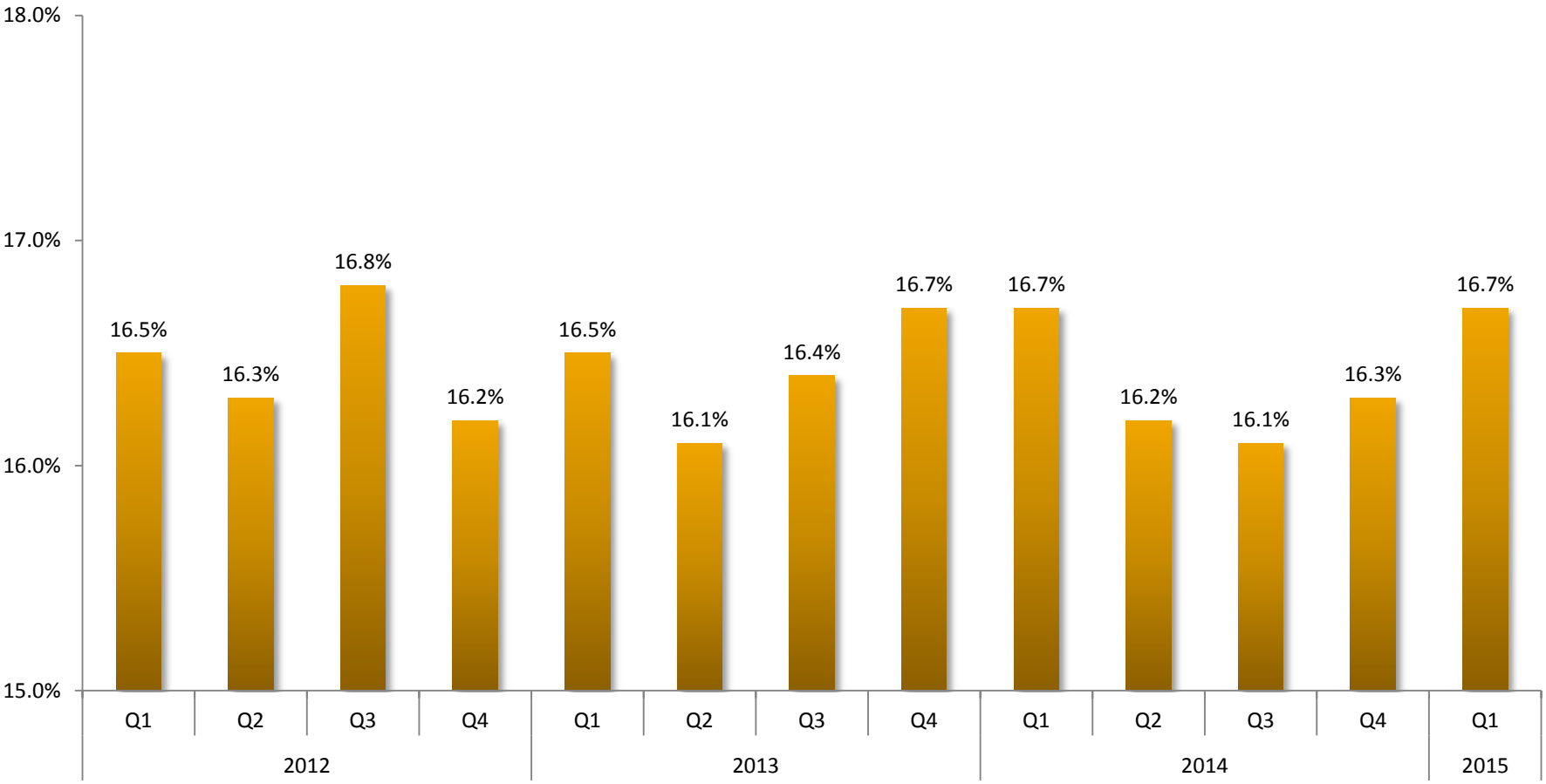
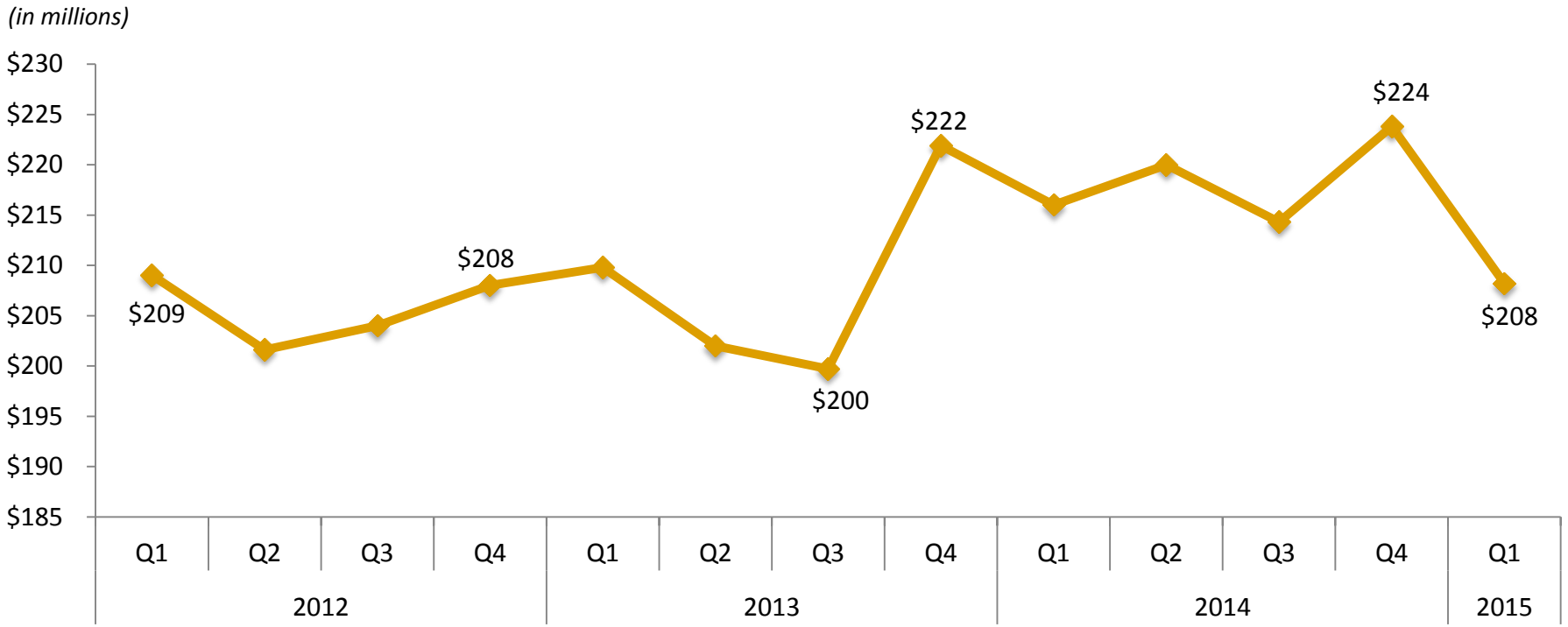
*Beginning in Q1 2013, OCG fees have been excluded from Staffing Fee Income.

Gross Profit Rate by Quarter



Expense by Quarter



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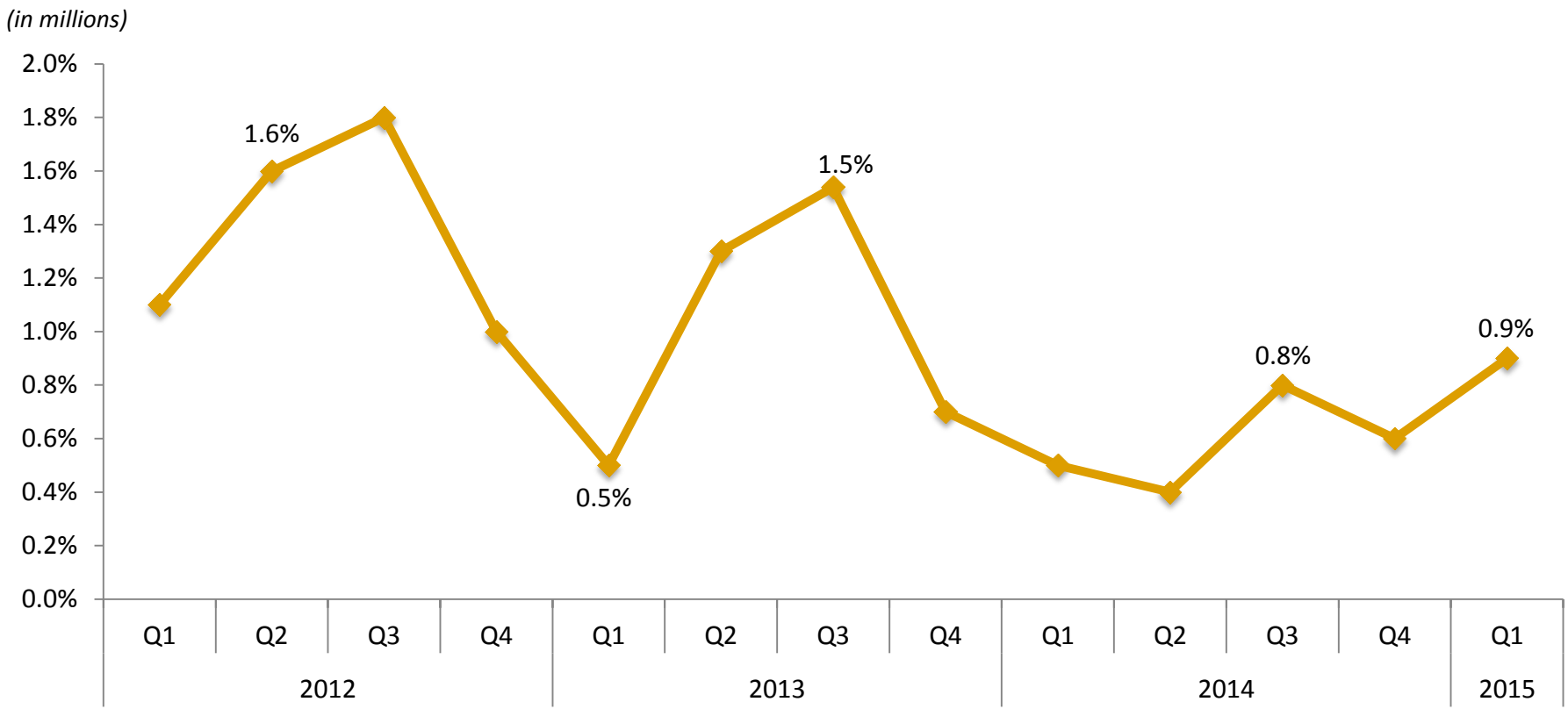
*Excluding Restructuring, Impairment & Certain Litigation Charges.

Return on Sales by Quarter



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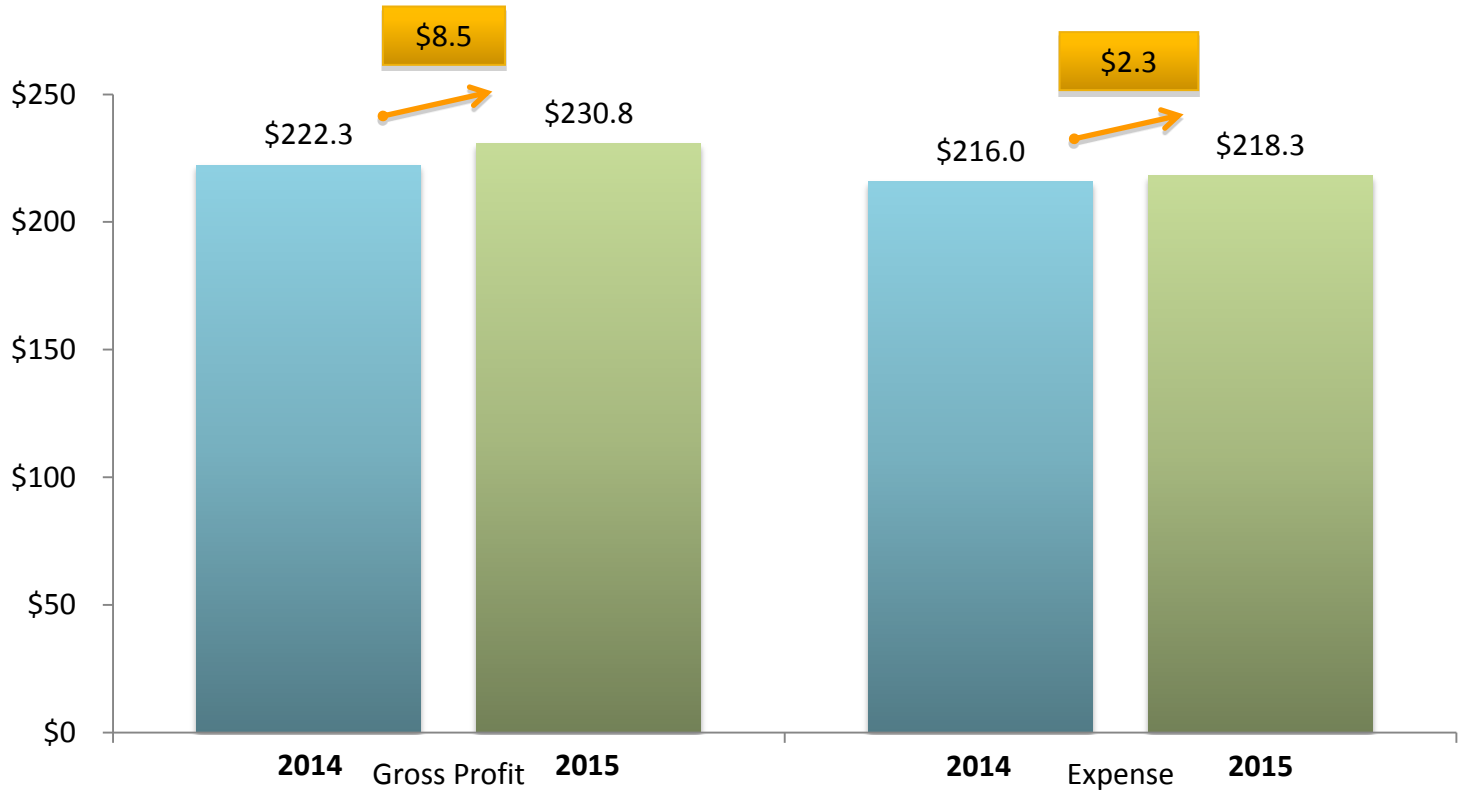
*Excluding Restructuring, Impairment & Certain Litigation Charges.

Comparison of Gross Profit & Expense: First Quarter

(in millions; in constant currency; at 2014 currency rates)



Cash Flows: as of March 29, 2015

(in millions)

	2015	2014
Net Income	$ 3.7	$ 2.5
Other Cash Used in Operating Activities	(20.1)	(93.3)
Capital Expenditures	(2.6)	(3.3)
Free Cash Flow	$ (19.0)	$ (94.1)
Borrowing	(11.0)	26.5
Available Cash Flow	$ (30.0)	$ (67.6)
Dividends	(1.9)	(1.9)
Other	(0.2)	(0.5)
Cash Used	$ (32.1)	$ (70.0)
Effect of Exchange Rates	(1.6)	2.2
Net Change in Cash	$ (33.7)	$ (67.8)
Cash at Period End	$ 49.4	$ 57.9

Balance Sheet: First Quarter

(in millions)

	2015	2014
Cash	$ 49.4	$ 57.9
Accounts Receivable	1,099.3	1,080.2
Other Current Assets	84.4	90.8
Total Current Assets	$1,233.1	$1,228.9
Long Term Assets	633.2	575.5
Total Assets	$1,866.3	$1,804.4
Short Term Debt	$ 80.6	$ 54.8
Other Current Liabilities	728.5	706.8
Total Current Liabilities	$ 809.1	$ 761.6
Other Long Term Liabilities	226.1	217.6
Equity	831.1	825.2
Total Liabilities and Equity	$1,866.3	$1,804.4
Working Capital	$ 424.0	$ 467.3
Net Cash	$ (31.2)	$ 3.1
Debt-to-Total Capital	8.8%	6.2%

Kelly Services: Company Contacts

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