



Solving Workforce Challenges Every Day

**SunTrust Investor Meetings
Troy, Michigan**

May 14, 2013



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.

1946-2013

STAFFING
Kelly Girl®



**GLOBAL
WORKFORCE
SOLUTIONS**
Free Agent

- Strategic Partnerships
- Solutions
- Supply Chain



Our annual **Kelly Global Workforce Index™** captures labor market trends from approximately 165,000 participants across more than 30 countries.

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

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

PROFILE

Introduced
The Talent Project
iPad® app
in 2011.



**Large
Customer
Strategy**

We serve **99%** of the **Fortune 100™**

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

**Chief
Executive**

**BEST COMPANIES
FOR LEADERS**

2013

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

2013
100
The Global Outsourcing
IAOP

International Association of Outsourcers Award

Kelly OCG selected in the Leader* Category for The 2013 Global Outsourcing 100* service providers list

\$5.5 2012 revenue **\$\$\$**
BILLION

The world's leading scientific workforce solutions provider—more than

9,500 professionals placed each year.

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KELLY
SERVICES

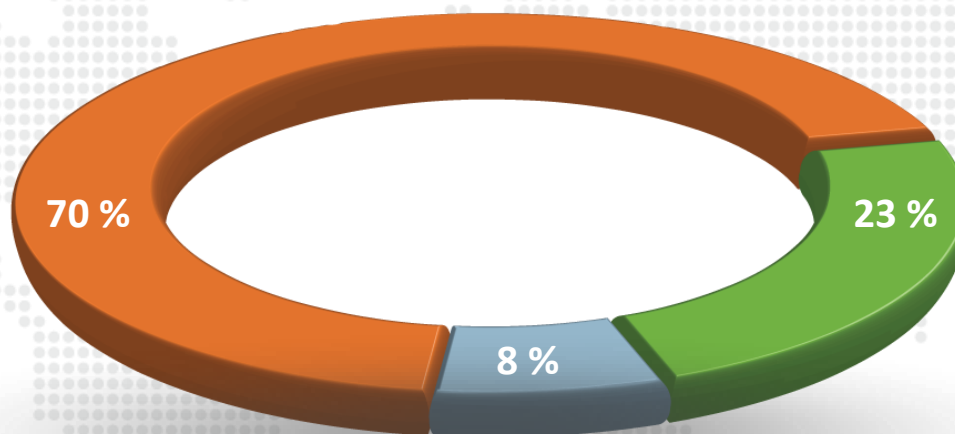


Commercial Staffing Solutions

- 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



Commercial Staffing



Professional & Technical Specialties



OCG



70% Revenue
 63% Gross Profit

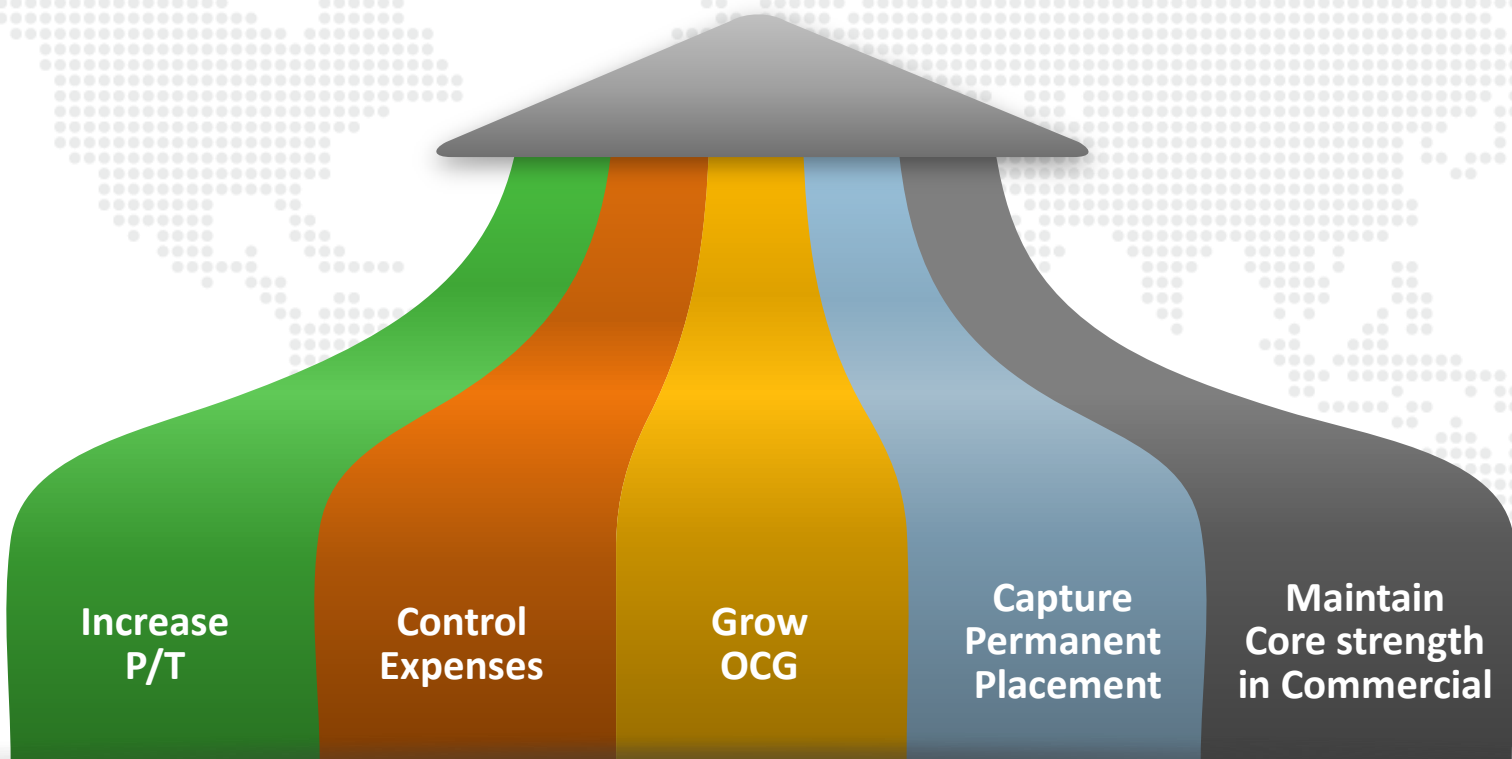
23% Revenue
 25% Gross Profit

8% Revenue
 12% Gross Profit



**TO CREATE SHAREHOLDER VALUE BY DELIVERING A
COMPETITIVE PROFIT VIA THE BEST WORKFORCE
SOLUTIONS AND TALENT IN THE INDUSTRY.**

Competitive ROS





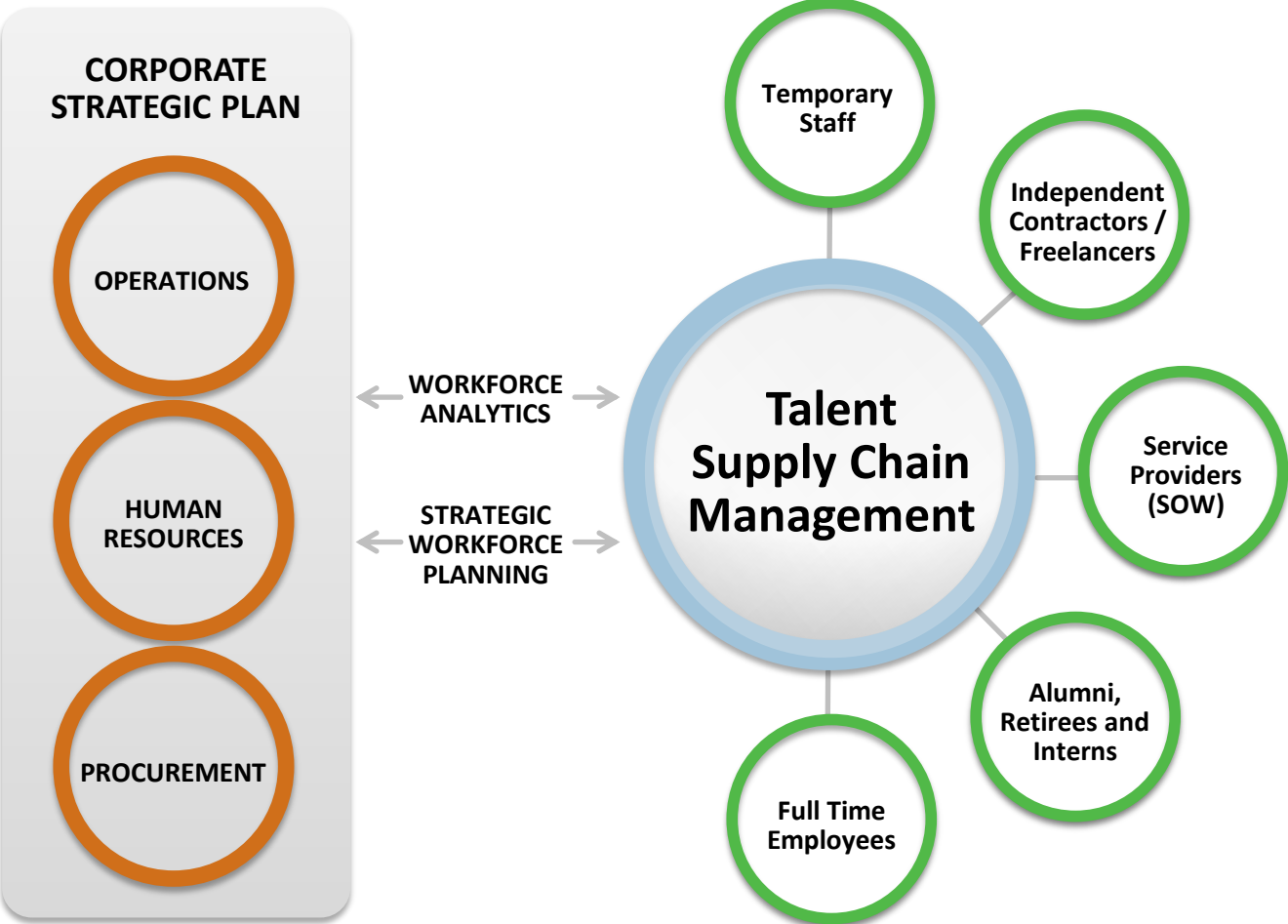
- Market-driven
- Competitive
- Effective





- **Greater comfort** around use of flexible staffing models
- **Increasing acceptance** of free agents and contractual employment by companies and candidates
- **Shift in demand** for contingent labor play to Kelly's strengths and experience – particularly serving large companies
- **Desire** for more comprehensive workforce management solutions

Talent Management Strategy: What Customers Need






Q1/2013 FINANCIAL REVIEW

PROGRESS REPORT ON KELLY'S FIRST QUARTER*

The first quarter of 2013 was marked by a sluggish global recovery that continues to constrain hiring and apply pressure on staffing revenues, direct-hire fees, and margins. Despite the tough economic environment, Kelly's Q1 results exceeded expectations—delivering progress in key strategic areas.

AGGRESSIVELY GROW PT

Although the higher-end PT market in the Americas is showing signs of softening, Americas PT fees delivered double-digit revenue growth. EMEA PT revenue outperformed top regional competitors.

-  **AMER** GP \$ FLAT
-  **EMEA** GP \$ DOWN 5%
-  **APAC** GP \$ DOWN 36%

2013 GOAL:
EARN 25% OF KELLY'S GP FROM PT

Q1 RESULT: 25%

TRANSFORM OCG

OCG delivered a \$1.7 million profit. Strong revenue growth in BPO (up 30%) and CWO fee revenue (up 42%) support our talent supply chain management strategy.



2013 GOAL:
EARN 13% OF KELLY'S GP FROM OCG

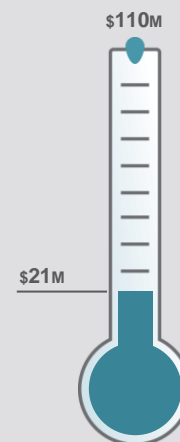
Q1 RESULT: 12%

INCREASE PLACEMENT FEES

Employers remain reluctant to hire full-time in light of uncertain economic conditions. Nevertheless, Americas Q1 placement fees grew 13% YOY, 17% sequentially.

2013 GOAL:
INCREASE FEES BY 14.7% (\$110M)

Q1 RESULT: \$21M

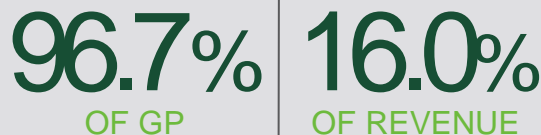


CONTROL EXPENSES

Kelly is choosing to make strategic investments in PT, centralized operations, and technology to support long-term growth. YOY expenses were up only slightly.

2013 GOAL:
KEEP EXPENSES TO 92.2% OF GP

Q1 RESULT:



LEVERAGE COMMERCIAL

2013 GOAL:
GROW REVENUE FASTER THAN THE MARKET

Q1 RESULT:

Americas Commercial revenue lagged the regional market average as top competitors benefitted from larger presence in Latin America. EMEA Commercial revenue outperformed the market average. APAC revenue was below market average.



REVENUE

\$1.3B
▼ 3%

GROSS PROFIT

16.5%
FLAT

EXPENSES

\$210M
▲ .6%

EARNINGS FROM OPS

\$7.1M
▼ \$7.6M

EPS**

.34¢
▲ 42%

ROS***

.5%
▼ 60 BASIS PTS

*All comparisons are year over year. Revenue and expense comparisons are on a constant currency basis. Placement fees represented in U.S. GAAP.

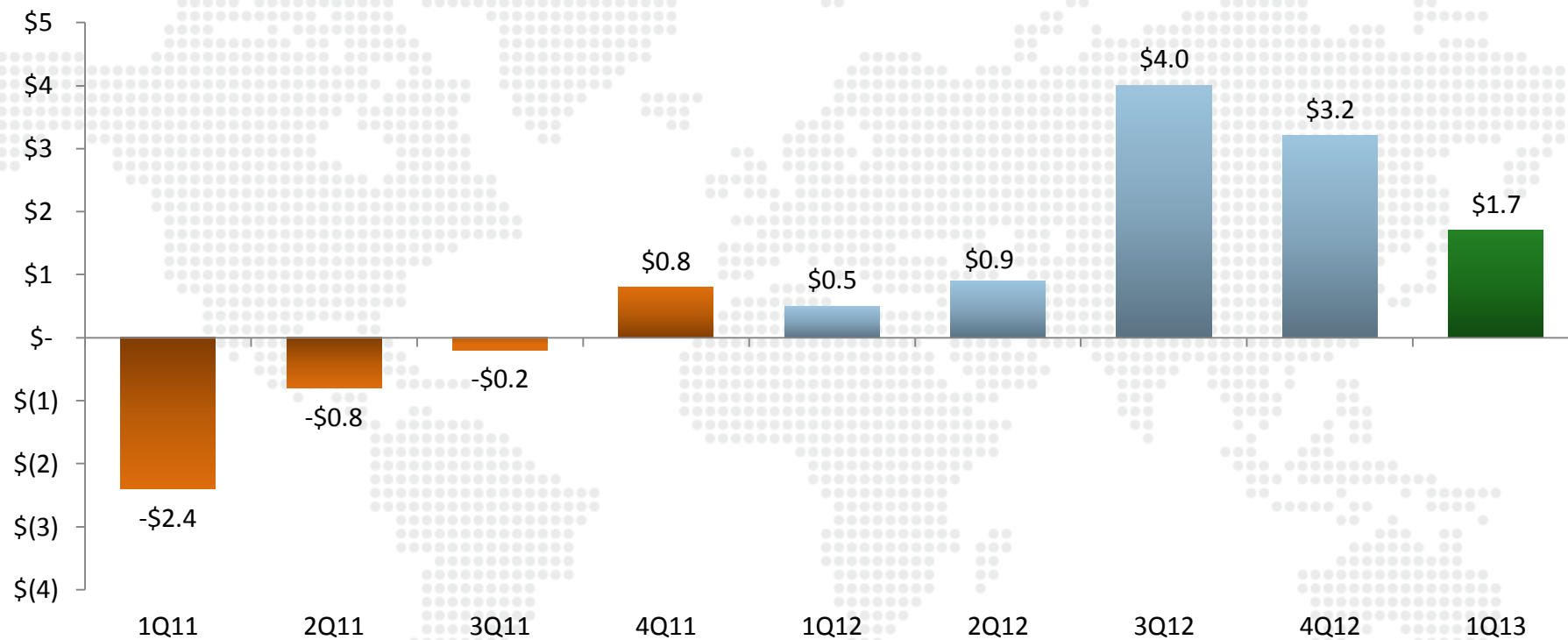
**From continuing operations

***From operations



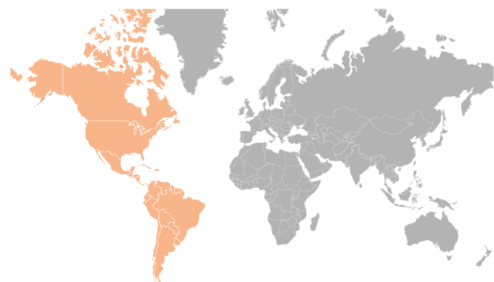
OCG Profit/Loss

(in millions)

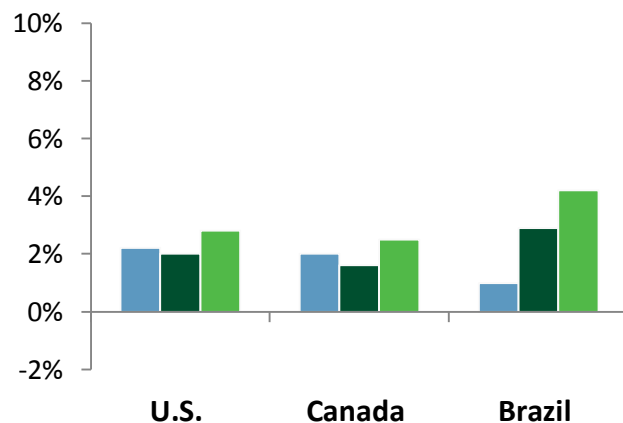




Americas



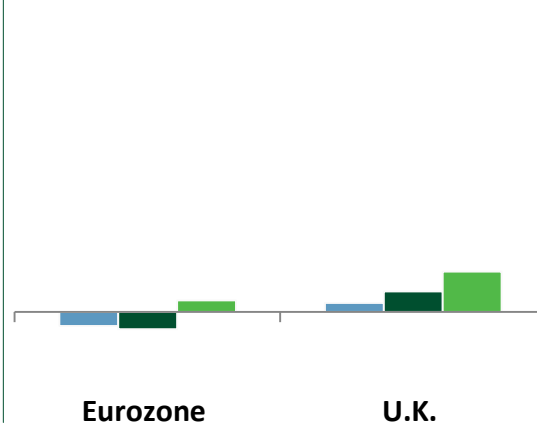
Modest job gains expected to continue



EMEA



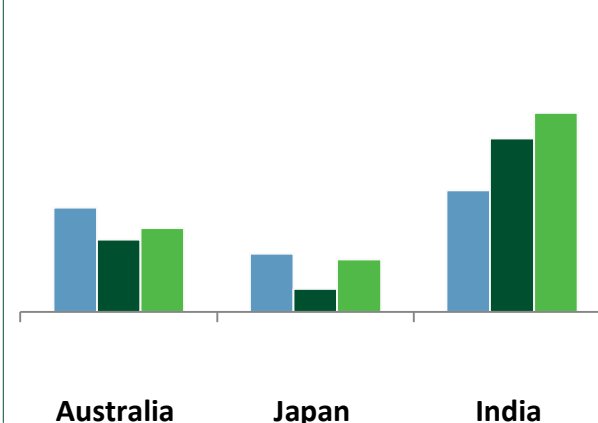
Recessionary conditions impacting demand for talent



APAC



Developing economies driving growth in the region



2012



2013 (p)



2014 (p)



- Revenue flat to down 2% YOY; up 2%-4% sequentially
- Gross Profit flat vs. 2012
- SG&A up 5% YOY; flat sequentially
- Increased investments in PT and OCG
- Cost Control
- Annual tax rate 10%





Kelly Services

Sales	\$ 1,315
GP	\$ 217
Expenses	\$ 210
Profit	\$ 7
ROS	0.5%

Americas

Sales	\$ 889
GP	\$ 134
Expenses	\$ 109
Profit	\$ 25
ROS	2.8%

EMEA

Sales	\$ 245
GP	\$ 42
Expenses	\$ 42
Profit	\$ -
ROS	(0.1)%

APAC

Sales	\$ 92
GP	\$ 15
Expenses	\$ 16
Profit	\$ (1)
ROS	(1.0)%

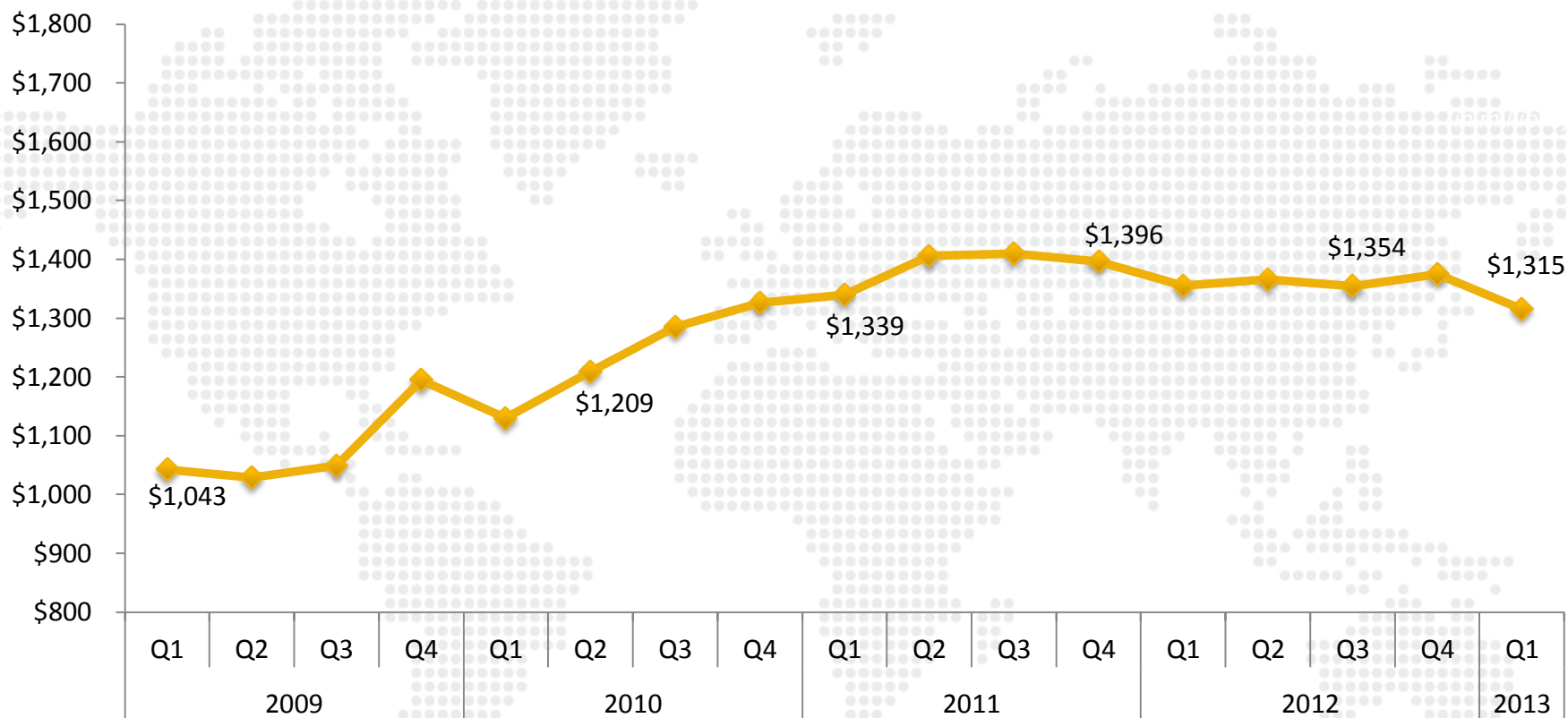
OCG

Sales	\$ 99
GP	\$ 27
Expenses	\$ 25
Profit	\$ 2
ROS	1.7%

(in \$millions USD)



(in millions)

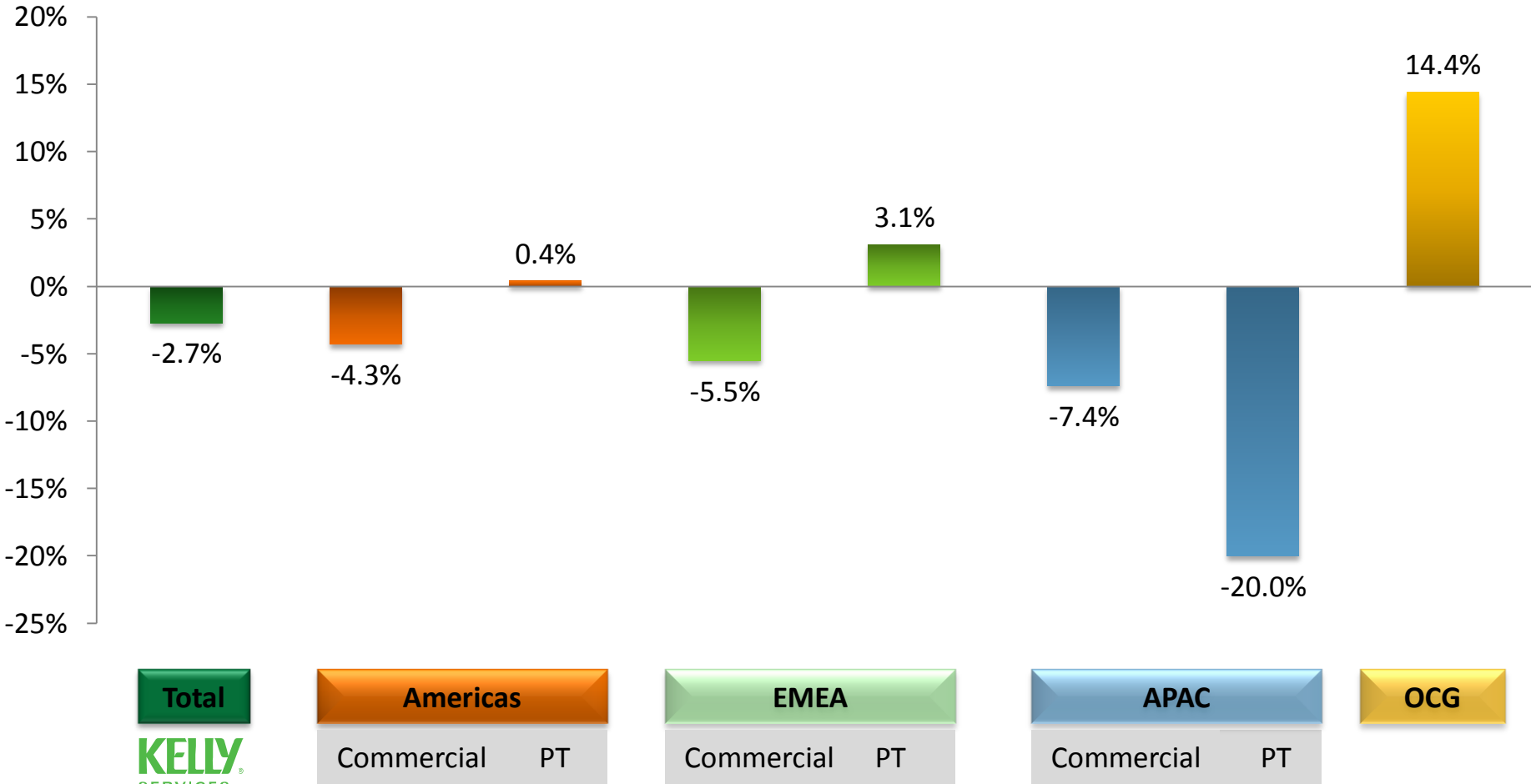


*Note: Fourth quarter of 2009 included a 14th week (53 weeks for the year). The impact on the revenue was about 4 – 5%.

Constant Currency Revenue Growth by Segment

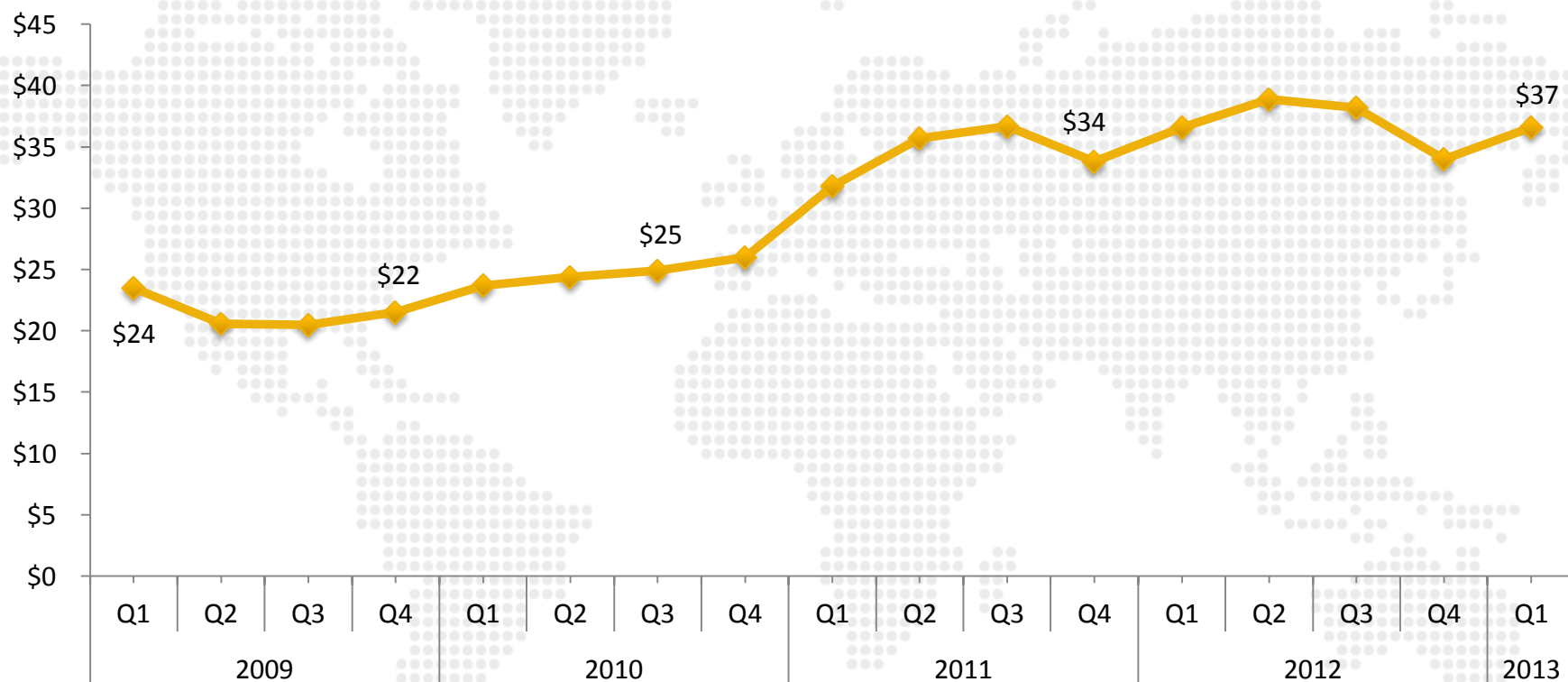


Q1 2012 vs. Q1 2013

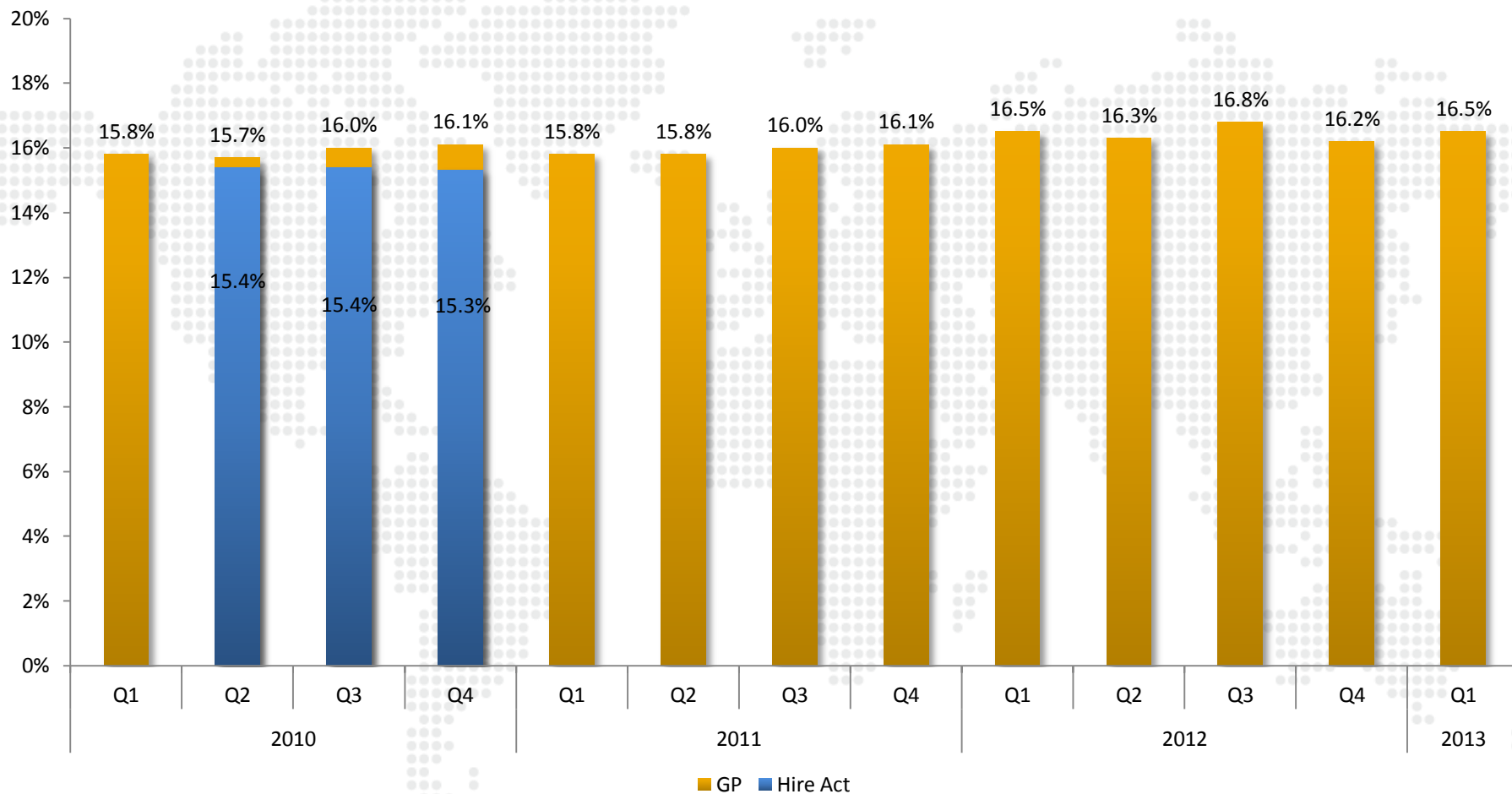




(in millions)

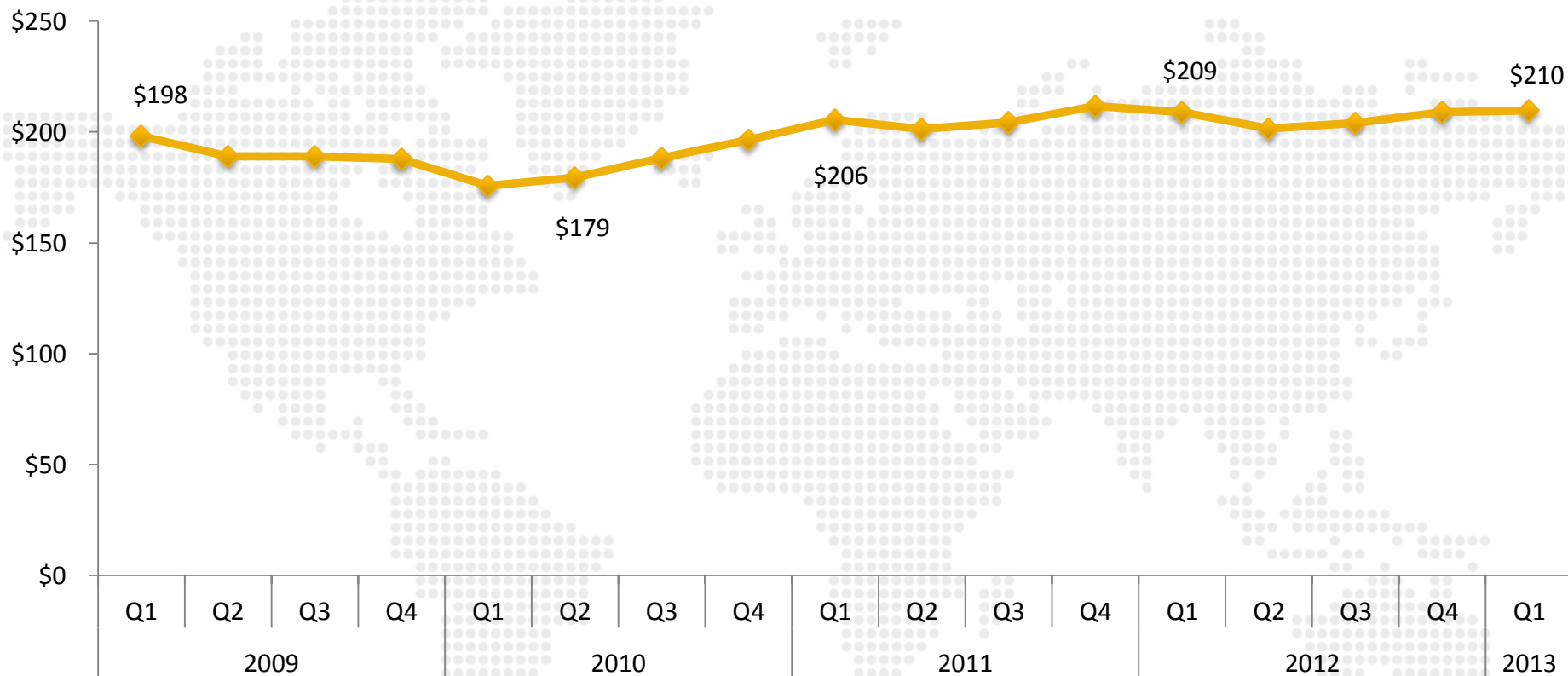


Gross Profit Rate by Quarter





(in millions)

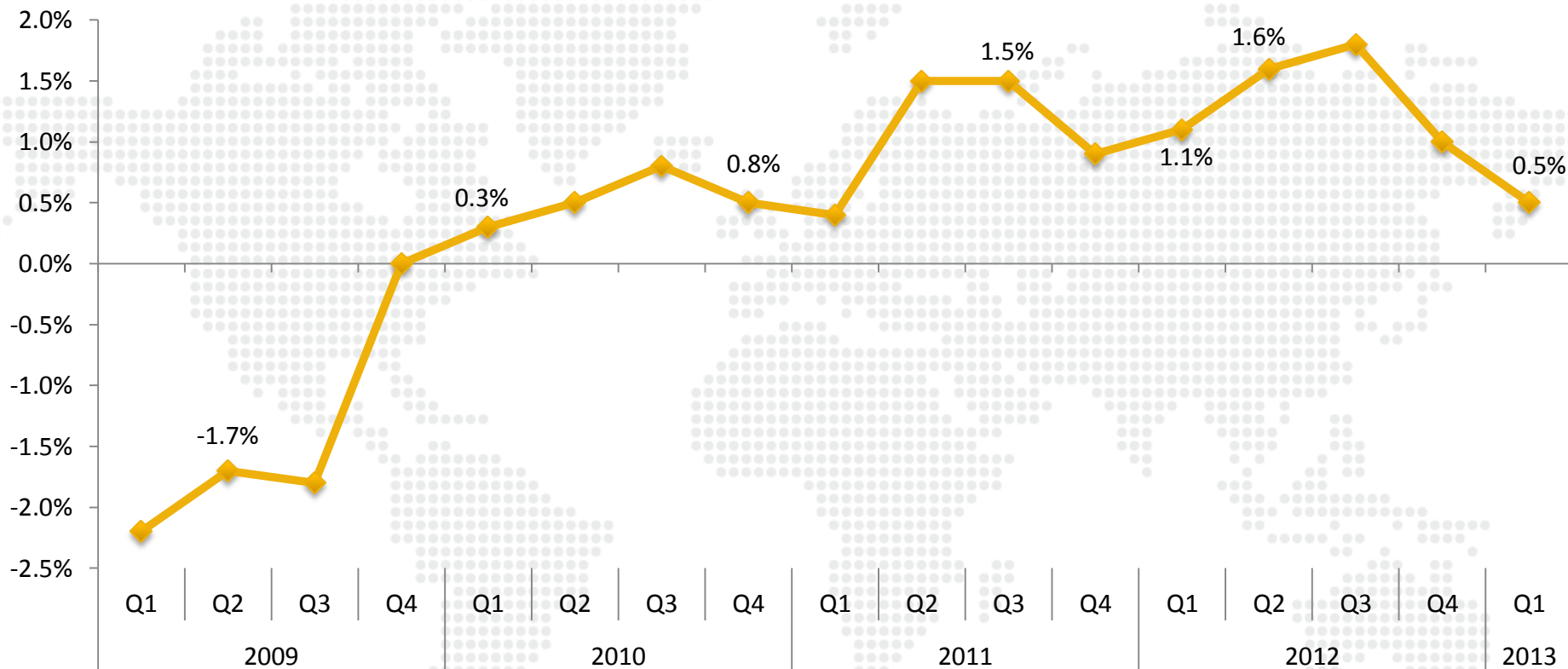


*Excluding Restructuring, Impairment & Certain Litigation Charges.

Return on Sales by Quarter



(in millions)

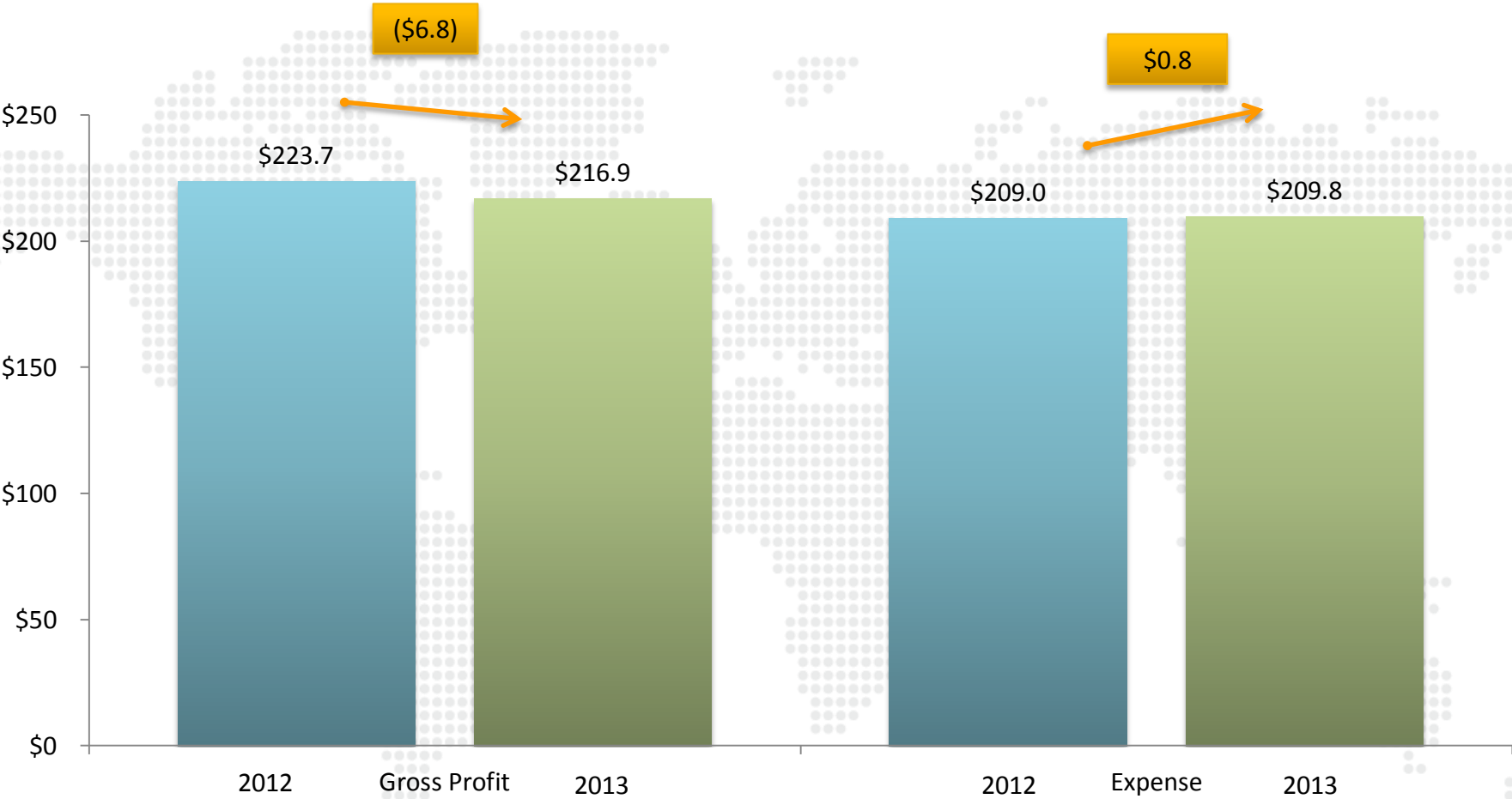


*Excluding Restructuring, Impairment & Certain Litigation Charges.

Comparison of Gross Profit & Expense – First Quarter



(in millions)



 *Excluding Restructuring & Impairment Charges.



(in millions)

	2013	2012
Net Income/(Loss)	\$ 12.9	\$ 9.6
Other Cash from Operating Activities	(7.0)	3.8
Capital Expenditures	(2.8)	(4.0)
Free Cash Flow	\$ 3.1	\$ 9.4
Borrowing	(13.7)	(2.3)
Other Financing Activities	-	-
Available Cash Flow	\$ (10.6)	\$ 7.1
Dividends	(1.9)	(1.9)
Other	0.2	(0.4)
Cash Used	\$ (12.3)	\$ 4.8
Effect of Exchange Rates	(1.9)	2.5
Net Change in Cash	\$ (14.2)	\$ 7.3
Cash at Period End	\$ 62.1	\$ 88.3



<i>(in millions)</i>		
	2013	2012
Cash	\$ 62.1	\$ 88.3
Accounts Receivable	999.8	977.9
Other Current Assets	93.1	98.5
Total Current Assets	\$1,155.0	\$1,164.7
Long Term Assets	493.0	442.0
Total Assets	\$1,648.0	\$1,606.7
Short Term Debt	\$ 50.2	\$ 94.7
Other Current Liabilities	654.6	641.1
Total Current Liabilities	\$ 704.8	\$ 735.8
Other Long Term Liabilities	184.7	177.9
Equity	758.5	693.0
Total Liabilities and Equity	\$1,648.0	\$1,606.7
Working Capital	\$ 450.2	\$ 428.9
Net Cash	\$ 11.9	\$ (6.4)
Debt-to-Total Capital	6.2%	12.0%

KELLY.



Thank You



Kelly Services: Company Contacts



Carl T. Camden

President & Chief Executive Officer

248 244-7598

Michael E. Debs

Senior Vice President &
Chief Accounting Officer

248 244-4530

James Polehna

Vice President, Investor Relations &
Corporate Secretary

248 244-4586



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