



## **KELLY SERVICES REPORTS 1st QUARTER 2008 RESULTS**

TROY, MI (April 22, 2008) -- Kelly Services, Inc., a world leader in human resources solutions, today announced results for the first quarter of 2008.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the first quarter of 2008 totaled \$1.4 billion, a 3% increase compared to the corresponding quarter in 2007.

Earnings from operations for the first quarter of 2008 totaled \$12.9 million, a 23% increase compared to \$10.5 million reported for the first quarter of 2007. Included in earnings from operations in the first quarter of 2007 are \$2.6 million of restructuring costs related to our UK operations.

Diluted earnings per share from continuing operations in the first quarter of 2008 were \$0.23, an increase of 64% as compared to first quarter 2007 earnings of \$0.14 per share. Included in first quarter 2007 diluted earnings is the \$0.07 per share cost of the UK restructuring.

Commenting on the results, Camden said, "We're pleased that we delivered another quarter of solid, profitable results, despite the ongoing weak economic conditions and continued softness in the US staffing market. Our strategic commitment to diversify geographically, move into higher-margin, fee-based business, expand our professional and technical businesses, and improve operating margins, is proving its value.

"We have recently completed our organizational alignment to three regions-the Americas, EMEA, and APAC. Commencing this quarter, we began the practice of separately reporting our Commercial and Professional and Technical financial results for each region. In addition, we've organized our Staffing Alternatives businesses under our global Outsourcing and Consulting Group."

Camden concluded, "We expect second quarter 2008 earnings from continuing operations to be in the range of \$0.37 to \$0.41 per share, compared to \$0.41 per share from continuing operations in the second quarter of 2007. Included in the second quarter 2007 earnings from continuing operations was \$.07 of UK restructuring costs, as well as a \$.07 benefit from a temporary change in French payroll tax law."

In conjunction with its first quarter earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on April 22, 2008 to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Telephone:

U.S. 1-800-398-9397

International 1-612-332-0523

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](http://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 world leader in human resources solutions headquartered in Troy, Michigan, offering temporary staffing services, outsourcing, vendor on-site and full-time placement. Kelly operates in 37 countries and territories. Kelly provides employment to more than 750,000 employees annually, with skills including office services, accounting, engineering, information technology, law, science, marketing, creative services, light industrial, education, and health care. Revenue in 2007 was \$5.7 billion. Visit [www.kellyservices.com](http://www.kellyservices.com).

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**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED MARCH 30, 2008 AND APRIL 1, 2007**  
**(UNAUDITED)**  
(In thousands of dollars except per share data)

	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>% Change</u>
<b>Revenue from services</b>	\$ 1,388,444	\$ 1,350,858	\$ 37,586	2.8 %
Cost of services	<u>1,138,557</u>	<u>1,121,650</u>	<u>16,907</u>	<u>1.5</u>
<b>Gross profit</b>	249,887	229,208	20,679	9.0
Selling, general and administrative expenses	<u>236,947</u>	<u>218,715</u>	<u>18,232</u>	<u>8.3</u>
<b>Earnings from operations</b>	12,940	10,493	2,447	23.3
Other (expense) income, net	<u>(51)</u>	<u>673</u>	<u>(724)</u>	<u>(107.6)</u>
<b>Earnings from continuing operations before taxes</b>	12,889	11,166	1,723	15.4
Income taxes	<u>4,898</u>	<u>5,908</u>	<u>(1,010)</u>	<u>(17.1)</u>
<b>Earnings from continuing operations</b>	7,991	5,258	2,733	52.0
Earnings from discontinued operations, net of tax	<u>238</u>	<u>6,657</u>	<u>(6,419)</u>	<u>(96.4)</u>
<b>Net earnings</b>	<u>\$ 8,229</u>	<u>\$ 11,915</u>	<u>\$ (3,686)</u>	<u>(30.9) %</u>
<b>Basic earnings per share</b>				
Earnings from continuing operations	\$ 0.23	\$ 0.14	\$ 0.09	64.3 %
Earnings from discontinued operations	<u>0.01</u>	<u>0.18</u>	<u>(0.17)</u>	<u>(94.4)</u>
Net earnings	<u>\$ 0.24</u>	<u>\$ 0.33</u>	<u>\$ (0.09)</u>	<u>(27.3) %</u>
<b>Diluted earnings per share</b>				
Earnings from continuing operations	\$ 0.23	\$ 0.14	\$ 0.09	64.3 %
Earnings from discontinued operations	<u>0.01</u>	<u>0.18</u>	<u>(0.17)</u>	<u>(94.4)</u>
Net earnings	<u>\$ 0.24</u>	<u>\$ 0.32</u>	<u>\$ (0.08)</u>	<u>(25.0) %</u>

**STATISTICS:**

Gross profit rate	18.0 %	17.0 %	1.0 %
Selling, general and administrative expenses:			
% of revenue	17.1	16.2	0.9
% of gross profit	94.8	95.4	(0.6)
% Return - Earnings from operations	0.9	0.8	0.1
Earnings from continuing operations before taxes	0.9	0.8	0.1
Earnings from continuing operations	0.6	0.4	0.2
Net earnings	0.6	0.9	(0.3)
Effective income tax rate	38.0 %	52.9 %	(14.9) %
Average number of shares outstanding (thousands):			
Basic	34,823	36,511	
Diluted	34,955	36,898	

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT**  
**(UNAUDITED)**

(In thousands of dollars)

	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>% Change</u>
<b>Revenue from Services:</b>				
Americas Commercial	\$ 639,939	\$ 684,051	\$ (44,112)	(6.4) %
Americas PT	232,177	227,629	4,548	2.0
Total Americas Commercial and PT	<u>872,116</u>	<u>911,680</u>	<u>(39,564)</u>	<u>(4.3)</u>
EMEA Commercial	321,909	297,439	24,470	8.2
EMEA PT	43,787	36,116	7,671	21.2
Total EMEA Commercial and PT	<u>365,696</u>	<u>333,555</u>	<u>32,141</u>	<u>9.6</u>
APAC Commercial	86,693	62,799	23,894	38.0
APAC PT	8,486	4,599	3,887	84.5
Total APAC Commercial and PT	<u>95,179</u>	<u>67,398</u>	<u>27,781</u>	<u>41.2</u>
OCG	<u>55,453</u>	<u>38,225</u>	<u>17,228</u>	<u>45.1</u>
Consolidated Total	<u>\$ 1,388,444</u>	<u>\$ 1,350,858</u>	<u>\$ 37,586</u>	<u>2.8 %</u>
<b>Earnings from Operations:</b>				
Americas Commercial	\$ 22,195	\$ 23,107	\$ (912)	(3.9) %
Americas PT	14,103	13,552	551	4.1
Total Americas Commercial and PT	<u>36,298</u>	<u>36,659</u>	<u>(361)</u>	<u>(1.0)</u>
EMEA Commercial	(1,579)	(4,468)	2,889	64.7
EMEA PT	1,024	316	708	224.1
Total EMEA Commercial and PT	<u>(555)</u>	<u>(4,152)</u>	<u>3,597</u>	<u>86.6</u>
APAC Commercial	65	676	(611)	(90.4)
APAC PT	(210)	(147)	(63)	(42.9)
Total APAC Commercial and PT	<u>(145)</u>	<u>529</u>	<u>(674)</u>	<u>(127.4)</u>
OCG	1,817	527	1,290	244.8
Corporate Expense	<u>(24,475)</u>	<u>(23,070)</u>	<u>(1,405)</u>	<u>(6.1)</u>
Consolidated Total	<u>\$ 12,940</u>	<u>\$ 10,493</u>	<u>\$ 2,447</u>	<u>23.3 %</u>
<b>Earnings from Operations (Excluding Restructuring Charges):</b>				
Americas Commercial	\$ 22,195	\$ 23,107	\$ (912)	(3.9) %
Americas PT	14,103	13,552	551	4.1
Total Americas Commercial and PT	<u>36,298</u>	<u>36,659</u>	<u>(361)</u>	<u>(1.0)</u>
EMEA Commercial	(1,579)	(1,834)	255	13.9
EMEA PT	1,024	316	708	224.1
Total EMEA Commercial and PT	<u>(555)</u>	<u>(1,518)</u>	<u>963</u>	<u>63.4</u>
APAC Commercial	65	676	(611)	(90.4)
APAC PT	(210)	(147)	(63)	(42.9)
Total APAC Commercial and PT	<u>(145)</u>	<u>529</u>	<u>(674)</u>	<u>(127.4)</u>
OCG	1,817	527	1,290	244.8
Corporate Expense	<u>(24,475)</u>	<u>(23,070)</u>	<u>(1,405)</u>	<u>(6.1)</u>
Consolidated Total	<u>\$ 12,940</u>	<u>\$ 13,127</u>	<u>\$ (187)</u>	<u>(1.4) %</u>

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

(In thousands of dollars)

	First Quarter			
	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>% Change</u>
Revenue from services - constant currency*:				
Americas Commercial	\$ 631,311	\$ 684,051	\$ (52,740)	(7.7) %
Americas PT	<u>231,742</u>	<u>227,629</u>	<u>4,113</u>	<u>1.8</u>
Total Americas Commercial and PT - constant currency*	863,053	911,680	(48,627)	(5.3)
EMEA Commercial	292,664	297,439	(4,775)	(1.6)
EMEA PT	<u>39,475</u>	<u>36,116</u>	<u>3,359</u>	<u>9.3</u>
Total EMEA Commercial and PT - constant currency*	332,139	333,555	(1,416)	(0.4)
APAC Commercial	77,504	62,799	14,705	23.4
APAC PT	<u>7,518</u>	<u>4,599</u>	<u>2,919</u>	<u>63.5</u>
Total APAC Commercial and PT - constant currency*	85,022	67,398	17,624	26.1
OCG	<u>54,339</u>	<u>38,225</u>	<u>16,114</u>	<u>42.2</u>
Total revenue from services - constant currency*	1,334,553	1,350,858	(16,305)	(1.2) %
Foreign currency impact	<u>53,891</u>		<u>53,891</u>	
Revenue from services	<u>\$ 1,388,444</u>	<u>\$ 1,350,858</u>	<u>\$ 37,586</u>	<u>2.8 %</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)

	First Quarter	
	2008	2007
Revenue from services	\$ -	\$ 14,777
Operating income from discontinued operations	\$ 385	\$ 798
Less: Income taxes	147	307
Earnings from discontinued operations, net of tax	238	491
Gain on sale of discontinued operations	-	10,153
Less: Income taxes	-	3,987
Gain on sale of discontinued operations, net of tax	-	6,166
Discontinued operations, net of tax	\$ 238	\$ 6,657

Effective March 31, 2007, the Company sold Kelly Home Care ("KHC"), a wholly owned subsidiary. Effective December 31, 2006, the Company sold Kelly Staff Leasing ("KSL"), a wholly owned subsidiary. The operating results for KHC and KSL, as well as the gain on the sale of KHC, have been excluded from earnings from continuing operations. This schedule provides information on KHC's and KSL's results from operations for the first quarter of 2008 and 2007, as well as the gain on the sale of KHC, all of which are included as discontinued operations on the face of the statements of earnings.

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**BALANCE SHEETS**  
**(UNAUDITED)**  
(In thousands of dollars)

	<b>March 30, 2008</b>	<b>December 30, 2007</b>	<b>April 1, 2007</b>
<b>Current Assets</b>			
Cash and equivalents	\$ 87,933	\$ 92,817	\$ 120,829
Trade accounts receivable, less allowances of \$18,393, \$18,172 and \$17,884, respectively	931,429	888,334	828,005
Prepaid expenses and other current assets	58,266	53,392	49,569
Deferred taxes	26,996	29,294	25,678
Total current assets	1,104,624	1,063,837	1,024,081
<b>Property and Equipment, Net</b>	175,587	178,019	168,230
<b>Noncurrent Deferred Taxes</b>	43,171	43,436	35,731
<b>Goodwill, Net</b>	145,134	147,168	121,207
<b>Other Assets</b>	154,310	141,537	135,570
<b>Total Assets</b>	<b>\$ 1,622,826</b>	<b>\$ 1,573,997</b>	<b>\$ 1,484,819</b>
<b>Current Liabilities</b>			
Short-term borrowings	\$ 47,839	\$ 49,729	\$ 75,594
Accounts payable	218,296	171,471	135,382
Accrued payroll and related taxes	275,852	270,575	266,039
Accrued insurance	22,609	23,696	24,203
Income and other taxes	60,681	69,779	56,580
Total current liabilities	625,277	585,250	557,798
<b>Noncurrent Liabilities</b>			
Long-term debt	54,947	48,394	-
Accrued insurance	57,703	60,404	57,219
Accrued retirement benefits	75,108	78,382	74,519
Other long-term liabilities	16,209	13,338	21,293
Total noncurrent liabilities	203,967	200,518	153,031
<b>Stockholders' Equity</b>			
Common stock	40,116	40,116	40,116
Treasury stock	(113,454)	(106,312)	(74,231)
Paid-in capital	34,488	34,500	33,205
Earnings invested in the business	780,824	777,338	742,718
Accumulated other comprehensive income	51,608	42,587	32,182
Total stockholders' equity	793,582	788,229	773,990
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,622,826</b>	<b>\$ 1,573,997</b>	<b>\$ 1,484,819</b>
<b>STATISTICS:</b>			
Working Capital	\$ 479,347	\$ 478,587	\$ 466,283
Current Ratio	1.8	1.8	1.8
Debt-to-capital %	11.5 %	11.1 %	8.9 %
Global Days Sales Outstanding	52	49	51

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE 13 WEEKS ENDED MARCH 30, 2008 AND APRIL 1, 2007**  
**(UNAUDITED)**  
(In thousands of dollars)

	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Net earnings	\$ 8,229	\$ 11,915
Noncash adjustments:		
Depreciation and amortization	11,303	10,551
Provision for bad debts	1,451	1,961
Stock-based compensation	1,049	918
Gain on sale of discontinued operations	-	(6,166)
Other, net	105	(262)
Changes in operating assets and liabilities	(2,860)	(4,884)
<b>Net cash from operating activities</b>	<b>19,277</b>	<b>14,033</b>
<b>Cash flows from investing activities</b>		
Capital expenditures	(6,431)	(8,544)
Acquisition of companies, net of cash received	(3,261)	(16,869)
Proceeds from sale of discontinued operations	-	12,500
Other investing activities	(308)	13
<b>Net cash from investing activities</b>	<b>(10,000)</b>	<b>(12,900)</b>
<b>Cash flows from financing activities</b>		
Net decrease in revolving line of credit	(4,263)	(1,857)
Proceeds from debt	-	8,223
Dividend payments	(4,743)	(4,633)
Purchase of treasury stock	(7,975)	-
Stock options and other stock sales	32	4,895
Other financing activities	(1,534)	(6,565)
<b>Net cash from financing activities</b>	<b>(18,483)</b>	<b>63</b>
<b>Effect of exchange rates on cash and equivalents</b>	<b>4,322</b>	<b>1,205</b>
<b>Net change in cash and equivalents</b>	<b>(4,884)</b>	<b>2,401</b>
<b>Cash and equivalents at beginning of period</b>	<b>92,817</b>	<b>118,428</b>
<b>Cash and equivalents at end of period</b>	<b>\$ 87,933</b>	<b>\$ 120,829</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE FROM SERVICES**  
**(UNAUDITED)**  
(In thousands of dollars)

	First Quarter		% Change	
	2008	2007	US\$	Constant Currency
<b>Americas</b>				
United States	\$ 820,740	\$ 852,272	(3.7) %	(3.7) %
Canada	61,839	59,444	4.0	(10.9)
Puerto Rico	18,843	18,753	0.5	0.5
Mexico	17,670	17,015	3.8	1.8
<b>Total Americas</b>	<u>919,092</u>	<u>947,484</u>	<u>(3.0)</u>	<u>(4.0)</u>
<b>EMEA</b>				
United Kingdom	104,879	117,883	(11.0)	(12.1)
France	86,602	68,971	25.6	9.9
Switzerland	42,191	36,561	15.4	0.0
Italy	35,352	30,362	16.4	1.9
Germany	21,373	13,518	58.1	38.4
Russia	20,744	15,162	36.8	26.1
Norway	19,976	16,140	23.8	5.7
Other	40,458	35,339	14.5	0.4
<b>Total EMEA</b>	<u>371,575</u>	<u>333,936</u>	<u>11.3</u>	<u>1.0</u>
<b>APAC</b>				
Australia	35,700	29,301	21.8	5.9
Singapore	17,791	13,130	35.5	24.7
Other	44,286	27,007	64.0	48.0
<b>Total APAC</b>	<u>97,777</u>	<u>69,438</u>	<u>40.8</u>	<u>25.8</u>
<b>Total Kelly Services, Inc.</b>	<u>\$ 1,388,444</u>	<u>\$ 1,350,858</u>	<u>2.8 %</u>	<u>(1.2) %</u>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

(In thousands of dollars except per share data)

	First Quarter			
	2008		2007	
	Amount	Per Share	Amount	Per Share
<b>Earnings from continuing operations</b>	\$ 7,991	\$ 0.23	\$ 5,258	\$ 0.14
U.K. restructuring charge (1)	-	-	2,634	0.07
Earnings from continuing operations excluding the U.K. restructuring charge	<u>\$ 7,991</u>	<u>\$ 0.23</u>	<u>\$ 7,892</u>	<u>\$ 0.21</u>

	First Quarter		
	2008	2007	% Change
<b>Selling, general and administrative expenses</b>	\$ 236,947	\$ 218,715	
U.K. restructuring charge (1)	-	(2,634)	
Selling, general and administrative expenses excluding the U.K. restructuring charge	<u>\$ 236,947</u>	<u>\$ 216,081</u>	<u>9.7%</u>
<b>Earnings from operations</b>	\$ 12,940	\$ 10,493	
U.K. restructuring charge (1)	-	2,634	
Earnings from operations excluding the U.K. restructuring charge	<u>\$ 12,940</u>	<u>\$ 13,127</u>	<u>(1.4%)</u>
<b>EMEA Commercial selling, general and administrative expenses</b>	\$ 57,191	\$ 53,448	
U.K. restructuring charge (1)	-	(2,634)	
EMEA Commercial selling, general and administrative expenses excluding the U.K. restructuring charge	<u>\$ 57,191</u>	<u>\$ 50,814</u>	<u>12.5%</u>
<b>EMEA Commercial earnings from operations</b>	\$ (1,579)	\$ (4,468)	
U.K. restructuring charge (1)	-	2,634	
EMEA Commercial earnings from operations excluding the U.K. restructuring charge	<u>\$ (1,579)</u>	<u>\$ (1,834)</u>	<u>13.9%</u>
<b>EMEA Commercial and PT earnings from operations</b>	\$ (555)	\$ (4,152)	
U.K. restructuring charge (1)	-	2,634	
EMEA Commercial and PT earnings from operations excluding the U.K. restructuring charge	<u>\$ (555)</u>	<u>\$ (1,518)</u>	<u>63.4%</u>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

(In thousands of dollars except per share data)

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the restructuring charge from prior year results is useful to understand the Company's fiscal 2008 financial performance and increases comparability. Specifically, Management believes that excluding this item allows for a more meaningful comparison of current period operating performance with the operating results of prior periods. These non-GAAP measures may have limitations as analytical tools because they exclude items which can have a material impact on cash flow and earnings per share. As a result, Management considers these measures, along with reported results, when it reviews and evaluates the Company's financial performance. Management believes that these measures provide greater transparency to investors and provide insight into how Management is evaluating the Company's financial performance. Non-GAAP measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

(1) The U.K. restructuring charge is comprised of facility exit costs associated with the closure of 22 branch locations and the accelerated depreciation of the leasehold improvements and personal property at the impacted locations.