UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-1088

KELLY SERVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	38-1510762
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

999 WEST BIG BEAVER ROAD, TROY, MICHIGAN 48084
(Address of principal executive offices) (Zip Code)

(248) 362-4444
(Registrant's telephone number, including area code)

No Change
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “small reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [X]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

At July 26, 2013, 33,897,698 shares of Class A and 3,452,585 shares of Class B common stock of the Registrant were outstanding.

		Page Number
PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements (unaudited)	
	Consolidated Statements of Earnings	3
	Consolidated Statements of Comprehensive Income	4
	Consolidated Balance Sheets	5
	Consolidated Statements of Stockholders' Equity	6
	Consolidated Statements of Cash Flows	7
	Notes to Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	28
Item 4.	Controls and Procedures	29
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	29
Item 1A.	Risk Factors	29
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 4.	Mine Safety Disclosures	30
Item 6.	Exhibits	30
	SIGNATURES	31

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(UNAUDITED)

(In millions of dollars except per share data)

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2013	July 1, 2012	June 30, 2013	July 1, 2012
Revenue from services	$ 1,366.9	$ 1,366.1	$ 2,681.7	$ 2,720.9
Cost of services	1,146.2	1,142.9	2,244.1	2,274.0
Gross profit	220.7	223.2	437.6	446.9
Selling, general and administrative expenses	202.6	199.4	412.4	408.4
Asset impairments	1.7	-	1.7	-
Earnings from operations	16.4	23.8	23.5	38.5
Other expense, net	1.6	0.5	2.6	1.1
Earnings from continuing operations before taxes	14.8	23.3	20.9	37.4
Income tax expense (benefit)	4.8	8.3	(2.0)	13.2
Earnings from continuing operations	10.0	15.0	22.9	24.2
Earnings from discontinued operations, net of tax	-	-	-	0.4
Net earnings	$ 10.0	$ 15.0	$ 22.9	$ 24.6
Basic earnings per share:				
Earnings from continuing operations	$ 0.26	$ 0.40	$ 0.60	$ 0.64
Earnings from discontinued operations	$ -	$ -	$ -	$ 0.01
Net earnings	$ 0.26	$ 0.40	$ 0.60	$ 0.65
Diluted earnings per share:				
Earnings from continuing operations	$ 0.26	$ 0.40	$ 0.60	$ 0.64
Earnings from discontinued operations	$ -	$ -	$ -	$ 0.01
Net earnings	$ 0.26	$ 0.40	$ 0.60	$ 0.65
Dividends per share	$ 0.05	$ 0.05	$ 0.10	$ 0.10
Average shares outstanding (millions):				
Basic	37.2	37.0	37.2	36.9
Diluted	37.2	37.0	37.2	37.0

See accompanying unaudited Notes to Consolidated Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(In millions of dollars)

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2013	July 1, 2012	June 30, 2013	July 1, 2012
Net earnings	$ 10.0	$ 15.0	$ 22.9	$ 24.6
Other comprehensive income, net of tax:				
Foreign currency translation adjustments net of tax benefit of $0.1, $0.0, $0.1 and $0.0, respectively	(2.4)	(6.1)	(9.4)	(1.1)
Unrealized gains on investment, net of tax expense of $6.6, $0.0, $11.0 and $0.0, respectively	11.5	7.3	23.8	10.3
Pension liability adjustments	-	-	-	0.3
Other comprehensive income	9.1	1.2	14.4	9.5
Comprehensive Income	$ 19.1	$ 16.2	$ 37.3	$ 34.1

See accompanying unaudited Notes to Consolidated Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(In millions)

ASSETS	June 30, 2013	Dec. 30, 2012
CURRENT ASSETS:		
Cash and equivalents	$ 70.3	$ 76.3
Trade accounts receivable, less allowances of $9.8 and $10.4, respectively	1,038.8	1,013.9
Prepaid expenses and other current assets	60.0	57.5
Deferred taxes	39.0	44.9
Total current assets	1,208.1	1,192.6
PROPERTY AND EQUIPMENT:		
Property and equipment	337.5	337.6
Accumulated depreciation	(250.3)	(247.7)
Net property and equipment	87.2	89.9
NONCURRENT DEFERRED TAXES	103.1	82.8
GOODWILL, NET	90.3	89.5
OTHER ASSETS	227.8	180.9
TOTAL ASSETS	$ 1,716.5	$ 1,635.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	$ 83.2	$ 64.1
Accounts payable and accrued liabilities	289.2	295.6
Accrued payroll and related taxes	277.9	264.5
Accrued insurance	31.2	32.8
Income and other taxes	64.9	65.3
Total current liabilities	746.4	722.3
NONCURRENT LIABILITIES:		
Accrued insurance	41.4	43.5
Accrued retirement benefits	123.2	111.0
Other long-term liabilities	28.2	17.9
Total noncurrent liabilities	192.8	172.4
Commitments and contingencies (See contingencies footnote)		
STOCKHOLDERS' EQUITY:		
Capital stock, $1.00 par value		
Class A common stock, shares issued 36.6 at 2013 and 2012	36.6	36.6
Class B common stock, shares issued 3.5 at 2013 and 2012	3.5	3.5
Treasury stock, at cost		
Class A common stock, 2.9 shares at 2013 and 2012	(60.0)	(61.0)
Class B common stock	(0.6)	(0.6)
Paid-in capital	28.9	27.1
Earnings invested in the business	719.1	700.0
Accumulated other comprehensive income	49.8	35.4
Total stockholders' equity	777.3	741.0
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,716.5	$ 1,635.7

See accompanying unaudited Notes to Consolidated Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(UNAUDITED)

(In millions of dollars)

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2013	July 1, 2012	June 30, 2013	July 1, 2012
Capital Stock				
Class A common stock				
Balance at beginning of period	$ 36.6	$ 36.6	$ 36.6	$ 36.6
Conversions from Class B	-	-	-	-
Balance at end of period	36.6	36.6	36.6	36.6
Class B common stock				
Balance at beginning of period	3.5	3.5	3.5	3.5
Conversions to Class A	-	-	-	-
Balance at end of period	3.5	3.5	3.5	3.5
Treasury Stock				
Class A common stock				
Balance at beginning of period	(60.5)	(66.0)	(61.0)	(66.3)
Exercise of stock options, restricted stock and other	0.5	3.4	1.0	3.7
Balance at end of period	(60.0)	(62.6)	(60.0)	(62.6)
Class B common stock				
Balance at beginning of period	(0.6)	(0.6)	(0.6)	(0.6)
Exercise of stock options, restricted stock and other	-	-	-	-
Balance at end of period	(0.6)	(0.6)	(0.6)	(0.6)
Paid-in Capital				
Balance at beginning of period	27.8	29.8	27.1	28.8
Exercise of stock options, restricted stock and other	1.1	(2.4)	1.8	(1.4)
Balance at end of period	28.9	27.4	28.9	27.4
Earnings Invested in the Business				
Balance at beginning of period	711.0	665.2	700.0	657.5
Net earnings	10.0	15.0	22.9	24.6
Dividends	(1.9)	(1.9)	(3.8)	(3.8)
Balance at end of period	719.1	678.3	719.1	678.3
Accumulated Other Comprehensive Income				
Balance at beginning of period	40.7	24.5	35.4	16.2
Other comprehensive income, net of tax	9.1	1.2	14.4	9.5
Balance at end of period	49.8	25.7	49.8	25.7
Stockholders' Equity at end of period	$ 777.3	$ 708.3	$ 777.3	$ 708.3

See accompanying unaudited Notes to Consolidated Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(In millions of dollars)

	26 Weeks Ended	
	June 30, 2013	July 1, 2012
Cash flows from operating activities:		
Net earnings	$ 22.9	$ 24.6
Noncash adjustments:		
Impairment of assets	1.7	-
Depreciation and amortization	10.5	11.6
Provision for bad debts	0.5	0.6
Stock-based compensation	2.6	2.1
Other, net	0.7	-
Changes in operating assets and liabilities	(53.1)	(33.0)
Net cash (used in) from operating activities	(14.2)	5.9
Cash flows from investing activities:		
Capital expenditures	(7.7)	(9.8)
Other investing activities	(0.2)	-
Net cash used in investing activities	(7.9)	(9.8)
Cash flows from financing activities:		
Net change in short-term borrowings	19.1	(7.8)
Dividend payments	(3.8)	(3.8)
Net cash from (used in) financing activities	15.3	(11.6)
Effect of exchange rates on cash and equivalents	0.8	(0.3)
Net change in cash and equivalents	(6.0)	(15.8)
Cash and equivalents at beginning of period	76.3	81.0
Cash and equivalents at end of period	$ 70.3	$ 65.2

See accompanying unaudited Notes to Consolidated Financial Statements.

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Kelly Services, Inc. (the "Company," "Kelly," "we" or "us") have been prepared in accordance with Rule 10-01 of Regulation S-X and do not include all the information and notes required by generally accepted accounting principles for complete financial statements. All adjustments, including normal recurring adjustments, have been made which, in the opinion of management, are necessary for a fair statement of the results of the interim periods. The results of operations for such interim periods are not necessarily indicative of results of operations for a full year. The unaudited consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the fiscal year ended December 30, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 14, 2013 (the 2012 consolidated financial statements). The Company's second fiscal quarter ended on June 30, 2013 (2013) and July 1, 2012 (2012), each of which contained 13 weeks. The corresponding 2013 and 2012 year-to-date periods each contained 26 weeks.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

Earnings from discontinued operations in 2012 represent adjustments to the estimated costs of litigation, net of tax, retained from the 2007 sale of the Kelly Home Care business unit.

2. Fair Value Measurements

Trade accounts receivable, accounts payable, accrued liabilities, accrued payroll and related taxes and short-term borrowings approximate their fair values due to the short-term maturities of these assets and liabilities.

Assets Measured at Fair Value on a Recurring Basis

The following tables present assets measured at fair value on a recurring basis on the consolidated balance sheet as of second quarter-end 2013 and year-end 2012 by fair value hierarchy level, as described below.

Level 1 measurements consist of unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 measurements include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 3 measurements include significant unobservable inputs.

	Fair Value Measurements on a Recurring Basis As Of Second Quarter-End 2013			
Description	Total	Level 1	Level 2	Level 3
	(In millions of dollars)			
Money market funds	$ 2.6	$ 2.6	$ -	$ -
Available-for-sale investment	69.4	69.4	-	-
Total assets at fair value	$ 72.0	$ 72.0	$ -	$ -

2. Fair Value Measurements (continued)

	Fair Value Measurements on a Recurring Basis As of Year-End 2012			
Description	Total	Level 1	Level 2	Level 3
	(In millions of dollars)			
Money market funds	$ 2.3	$ 2.3	$ -	$ -
Available-for-sale investment	37.7	37.7	-	-
Total assets at fair value	$ 40.0	$ 40.0	$ -	$ -

Money market funds as of second quarter-end 2013 and as of year-end 2012 represent investments in money market accounts, all of which are restricted as to use and are included in other assets on the consolidated balance sheet as of second quarter-end 2013 and prepaid expenses and other current assets as of year-end 2012. The valuations were based on quoted market prices of those accounts as of the respective period end.

Available-for-sale investment represents the Company’s investment in Temp Holdings Co., Ltd. (“Temp Holdings”), a leading integrated human resources company in Japan, and is included in other assets on the consolidated balance sheet. The valuation is based on the quoted market price of Temp Holdings stock on the Tokyo Stock Exchange as of the period end. The unrealized gain, net of tax, of $11.5 million for the 13 weeks ended 2013 and unrealized gain of $7.3 million for the 13 weeks ended 2012 was recorded in other comprehensive income, as well as in accumulated other comprehensive income, a component of stockholders’ equity. The unrealized gain, net of tax, of $23.8 million for the 26 weeks ended 2013 and unrealized gain of $10.3 million for the 26 weeks ended 2012 was recorded in other comprehensive income, as well as in accumulated other comprehensive income. The cost of this investment was $20.9 million as of the second quarter-end 2013 and $24.1 million at year-end 2012.

Assets Measured at Fair Value on a Nonrecurring Basis

We evaluate long-lived assets, including intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, based on estimated undiscounted future cash flows. During the second quarter of 2013, a triggering event for the evaluation of certain long-lived assets for impairment occurred as the Company made the decision to exit the executive search business operating in an asset group within Germany that was associated with the OCG business segment. Based on the Company’s estimates as of the 2013 second quarter end, a $1.7 million reduction in the carrying value of OCG intangible assets was recorded. The resulting expense was recorded in the asset impairments line on the consolidated statement of earnings.

3. Restructuring

Restructuring costs incurred in the second quarter and first six months of 2013 totaled $0.8 million and primarily related to severance costs from the decision to exit the executive search business of OCG in Germany. Restructuring costs incurred in the second quarter and first six months of 2012 amounted to a credit of $2.2 million and primarily related to adjustments to estimated lease termination costs for EMEA Commercial branches that closed in prior years. These costs were reported as a component of SG&A expenses.

A summary of the balance sheet accrual related to global restructuring costs follows (in millions of dollars):

Balance at beginning of year	$	2.4
Reductions for cash payments		(1.1)
Balance at first quarter-end 2013		1.3
Amounts charged to operations		0.8
Reductions for cash payments		(0.7)
Balance at second quarter-end 2013	$	1.4

The remaining balance of $1.4 million as of the 2013 second quarter end represents primarily future lease payments and is expected to be paid by 2015. On a quarterly basis, the Company reassesses the accrual associated with restructuring costs and adjusts it as necessary.

4. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income by component, net of tax, during the 26 weeks ended 2013 are included in the table below. Amounts in parentheses indicate debits. There were no reclassification adjustments out of accumulated other comprehensive income during the 13 and 26 weeks ended 2013.

	26 Weeks Ended 2013			
	Foreign Currency Translation Adjustments	Unrealized Gains and Losses on Investment	Pension Liability Adjustments	Total
	(In millions of dollars)			
Beginning balance	$ 24.9	$ 13.6	$ (3.1)	$ 35.4
Other comprehensive income (loss)	(9.4)	23.8	-	14.4
Ending balance	$ 15.5	$ 37.4	$ (3.1)	$ 49.8

5. Earnings Per Share

The reconciliation of basic and diluted earnings per share on common stock for the 13 and 26 weeks ended 2013 and 2012 follows (in millions of dollars except per share data):

	13 Weeks Ended		26 Weeks Ended	
	2013	2012	2013	2012
Earnings from continuing operations	$ 10.0	$ 15.0	$ 22.9	$ 24.2
Less: Earnings allocated to participating securities	(0.3)	(0.4)	(0.6)	(0.6)
Earnings from continuing operations available to common shareholders	$ 9.7	$ 14.6	$ 22.3	$ 23.6
Earnings from discontinued operations	$ -	$ -	$ -	$ 0.4
Less: Earnings allocated to participating securities	-	-	-	-
Earnings from discontinued operations available to common shareholders	$ -	$ -	$ -	$ 0.4
Net Earnings	$ 10.0	$ 15.0	$ 22.9	$ 24.6
Less: Earnings allocated to participating securities	(0.3)	(0.4)	(0.6)	(0.6)
Net Earnings available to common shareholders	$ 9.7	$ 14.6	$ 22.3	$ 24.0
Basic earnings per share on common stock:				
Earnings from continuing operations	$ 0.26	$ 0.40	$ 0.60	$ 0.64
Earnings from discontinued operations	$ -	$ -	$ -	$ 0.01
Net earnings	$ 0.26	$ 0.40	$ 0.60	$ 0.65
Diluted earnings per share on common stock:				
Earnings from continuing operations	$ 0.26	$ 0.40	$ 0.60	$ 0.64
Earnings from discontinued operations	$ -	$ -	$ -	$ 0.01
Net earnings	$ 0.26	$ 0.40	$ 0.60	$ 0.65
Average common shares outstanding (millions):				
Basic	37.2	37.0	37.2	36.9
Diluted	37.2	37.0	37.2	37.0

Stock options representing 0.3 million and 0.4 million shares, respectively, for the 13 weeks ended 2013 and 2012, and 0.4 million shares for the 26 weeks ended 2013 and 2012 were excluded from the computation of diluted earnings per share due to their anti-dilutive effect.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(UNAUDITED)

6. Other Expense, Net

Included in other expense, net for the 13 and 26 weeks ended 2013 and 2012 are the following:

	13 Weeks Ended		26 Weeks Ended	
	2013	2012	2013	2012
	(In millions of dollars)		(In millions of dollars)	
Interest income	$ 0.1	$ 0.2	$ 0.2	$ 0.8
Interest expense	(0.8)	(0.9)	(1.5)	(1.9)
Dividend income	0.3	0.3	0.3	0.3
Net loss on equity investment	(0.5)	-	(0.8)	-
Foreign exchange losses	(0.7)	(0.1)	(0.8)	(0.3)
Other expense, net	$ (1.6)	$ (0.5)	$ (2.6)	$ (1.1)

7. Contingencies

The Company is continuously engaged in litigation arising in the ordinary course of its business, typically matters alleging employment discrimination, alleging wage and hour violations or enforcing the restrictive covenants in the Company's employment agreements. While there is no expectation that any of these matters will have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is always subject to inherent uncertainty and the Company is not able to reasonably predict if any matter will be resolved in a manner that is materially adverse to the Company.

The Company has settled its unclaimed property examination by Delaware, its state of incorporation, for $4.5 million. Types of property under exam included payroll and accounts payable checks and accounts receivable credits, covering all reporting years through and including 2012. Accordingly, the Company recorded an additional reserve of $3.0 million in the first quarter of 2013. The Company paid this settlement during the second quarter of 2013.

8. Segment Disclosures

The Company's segments are based on the organizational structure for which financial results are regularly evaluated by the Company's chief operating decision maker to determine resource allocation and assess performance. The Company's seven reporting segments are: (1) Americas Commercial, (2) Americas Professional and Technical ("Americas PT"), (3) Europe, Middle East and Africa Commercial ("EMEA Commercial"), (4) Europe, Middle East and Africa Professional and Technical ("EMEA PT"), (5) Asia Pacific Commercial ("APAC Commercial"), (6) Asia Pacific Professional and Technical ("APAC PT"), and (7) Outsourcing and Consulting Group ("OCG").

The Commercial business segments within the Americas, EMEA and APAC regions represent traditional office services, contact-center staffing, marketing, electronic assembly, light industrial and, in the Americas, substitute teachers. The PT segments encompass a wide range of highly skilled temporary employees, including scientists, financial professionals, attorneys, engineers, IT specialists and healthcare workers. OCG includes recruitment process outsourcing ("RPO"), contingent workforce outsourcing ("CWO"), business process outsourcing ("BPO"), payroll process outsourcing ("PPO"), executive placement and career transition/outplacement services. Corporate expenses that directly support the operating units have been allocated to the Americas, EMEA and APAC regions and OCG based on a work effort, volume or, in the absence of a readily available measurement process, proportionately based on revenue from services.

8. Segment Disclosures (continued)

The following tables present information about the reported revenue from services and gross profit of the Company by segment, along with a reconciliation to consolidated earnings from continuing operations before taxes, for the 13 and 26 weeks ended 2013 and 2012. Asset information by reportable segment is not presented, since the Company does not produce such information internally, nor does it use such data to manage its business.

	13 Weeks Ended		26 Weeks Ended	
	2013	2012	2013	2012
	(In millions of dollars)		(In millions of dollars)	
Revenue from Services:				
Americas Commercial	$ 648.8	$ 668.6	$ 1,287.1	$ 1,337.9
Americas PT	259.6	262.4	510.6	512.5
Total Americas Commercial and PT	908.4	931.0	1,797.7	1,850.4
EMEA Commercial	219.8	213.7	420.8	426.7
EMEA PT	43.1	41.6	86.6	83.8
Total EMEA Commercial and PT	262.9	255.3	507.4	510.5
APAC Commercial	87.7	84.3	169.2	172.6
APAC PT	10.0	12.8	20.2	25.6
Total APAC Commercial and PT	97.7	97.1	189.4	198.2
OCG	109.9	91.4	208.9	178.1
Less: Intersegment revenue	(12.0)	(8.7)	(21.7)	(16.3)
Consolidated Total	$ 1,366.9	$ 1,366.1	$ 2,681.7	$ 2,720.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(UNAUDITED)

8. Segment Disclosures (continued)

	13 Weeks Ended		26 Weeks Ended	
	2013	2012	2013	2012
	(In millions of dollars)		(In millions of dollars)	
Earnings from Operations:				
Americas Commercial gross profit	$ 94.2	$ 97.7	$ 187.7	$ 195.7
Americas PT gross profit	41.1	39.7	81.5	79.9
Americas Region gross profit	135.3	137.4	269.2	275.6
Americas Region SG&A expenses	(103.8)	(99.0)	(213.0)	(201.9)
Americas Region Earnings from Operations	31.5	38.4	56.2	73.7
EMEA Commercial gross profit	33.8	34.2	64.9	67.7
EMEA PT gross profit	10.5	10.9	21.2	22.2
EMEA Region gross profit	44.3	45.1	86.1	89.9
EMEA Region SG&A expenses	(39.9)	(39.7)	(81.9)	(84.2)
EMEA Region Earnings from Operations	4.4	5.4	4.2	5.7
APAC Commercial gross profit	12.5	12.5	24.1	25.6
APAC PT gross profit	3.8	5.3	7.1	10.5
APAC Region gross profit	16.3	17.8	31.2	36.1
APAC Region SG&A expenses	(15.4)	(19.0)	(31.2)	(38.7)
APAC Region Earnings (Loss) from Operations	0.9	(1.2)	-	(2.6)
OCG gross profit	25.6	23.7	52.7	46.8
OCG SG&A expenses	(26.4)	(22.8)	(51.8)	(45.4)
OCG asset impairment	(1.7)	-	(1.7)	-
OCG (Loss) Earnings from Operations	(2.5)	0.9	(0.8)	1.4
Less: Intersegment gross profit	(0.8)	(0.8)	(1.6)	(1.5)
Less: Intersegment SG&A expenses	0.8	0.8	1.6	1.5
Net Intersegment Activity	-	-	-	-
Corporate	(17.9)	(19.7)	(36.1)	(39.7)
Consolidated Total	16.4	23.8	23.5	38.5
Other Expense, Net	1.6	0.5	2.6	1.1
Earnings From Continuing Operations Before Taxes	$ 14.8	$ 23.3	$ 20.9	$ 37.4

9. New Accounting Pronouncement

In March 2013, the FASB issued amendments to address the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The amendments are effective prospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013 (early adoption is permitted). The adoption of this guidance is not expected to have a material effect on our results of operations, financial position or liquidity.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Executive Overview

The Staffing Industry

The worldwide staffing industry is competitive and highly fragmented. In the United States, approximately 100 competitors operate nationally, and approximately 10,000 smaller companies compete in varying degrees at local levels. Additionally, several similar staffing companies compete globally. Demand for temporary services is highly dependent on the overall strength of the global economy and labor markets. In periods of economic growth, demand for temporary services generally increases, and the need to recruit, screen, train, retain and manage a pool of employees who match the skills required by particular customers becomes critical. Conversely, during an economic downturn, competitive pricing pressures can pose a threat to retaining a qualified temporary workforce. Accordingly, the on-going economic crisis in the Eurozone and slow recovery from recession in the U.S. have impacted all staffing firms over the last several years.

Our Business

Kelly Services is a global staffing company, providing innovative workforce solutions for customers in a variety of industries. Our staffing operations are divided into three regions, Americas, EMEA and APAC, with commercial and professional and technical staffing businesses in each region. As the human capital arena has become more complex, we have also developed a suite of innovative solutions within our global OCG business. We are forging strategic relationships with our customers to help them manage their flexible workforces, through outsourcing, consulting, recruitment, career transition and vendor management services.

We earn revenues from the hourly sales of services by our temporary employees to customers, as a result of recruiting permanent employees for our customers, and through our outsourcing and consulting activities. Our working capital requirements are primarily generated from temporary employee payroll and customer accounts receivable. The nature of our business is such that trade accounts receivable are our most significant financial asset. Average days sales outstanding varies within and outside the U.S., but averages more than 50 days on a global basis. Since receipts from customers generally lag temporary employee payroll, working capital requirements increase substantially in periods of growth.

Our Strategy and Outlook

Our long-term strategic objective is to create shareholder value by delivering a competitive profit from the best workforce solutions and talent in the industry. To achieve this, we are focused on the following key areas:

- Maintain our core strengths in commercial staffing in markets;
- Grow our professional and technical solutions;
- Transform our OCG segment into a market-leading provider of talent supply chain management;
- Capture permanent placement growth in selected specialties; and
- Lower our costs through deployment of efficient service delivery models.

Despite the clarity of our objectives, the global economy’s uneven and subpar growth continues to impact our business. These constraints were evident in Kelly’s second quarter results, with revenue up less than 1% year over year. However, even with the challenging global economic backdrop, we delivered solid operational performance in two key areas. During the second quarter of 2013:

- We increased revenue and fees by over 20% year over year in our OCG segment, confirming that our direction aligns with increased market demand for outsourced solutions.

- While continuing to make strategic investments, including significant investments in OCG, we continued to practice effective expense control. Total company expenses increased by only 2% in comparison to the prior year.

At 0.7% for the second quarter of 2013, our return on sales (“ROS”) is still well below our long-term goal of 4.0%. To make significant progress against our ROS goal and better leverage our business, we will need to see stronger, more sustained economic growth accompanied by growing demand for full-time and temporary labor.

Looking ahead, although the U.S. unemployment rate is currently below 8%, one of the primary drivers of the lower rate has been a shrinking labor force, rather than a growing demand for labor. We expect that the current tepid labor market growth across the U.S. will continue to constrain hiring in the near-term. Though modest job growth is occurring, we are not experiencing the corresponding uplift in our industry that was typical in previous recoveries. In Europe, we do not anticipate any significant changes to the economic conditions that continue to take their toll on the labor market.

An additional challenge for us will be to meet the provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the “Acts”). The Acts represent comprehensive U.S. healthcare reform legislation that, in addition to other provisions, will subject us to potential penalties unless we offer to our employees minimal essential coverage that is affordable and provides minimum value. In order to comply with the Acts, Kelly intends to begin offering health care coverage to all temporary employees eligible for coverage under the Acts.

Based on the recently announced delay of the employer penalty provisions and related reporting requirements of the Acts until 2015, we do not currently intend to expand employer subsidized health care coverage in 2014. Barring a significant additional development, we will use the transition relief period to continue development and testing of system requirements, and designing of cost-effective health care offerings. While we intend to pass related costs on to our customers, there can be no assurance that we will be able to increase pricing to our customers in a sufficient amount to cover the increased costs, either in total, or in the period in which costs are incurred, and the net financial impact on our results of operations could be significant.

Longer-term, we believe the trends in the staffing industry are positive: companies are becoming more comfortable with the use of flexible staffing models; there is increasing acceptance of free agents and contractual employment by companies and candidates alike; and companies are searching for more comprehensive workforce management solutions. This shift in demand for contingent labor plays to our strengths and experience -- particularly serving large companies.

Financial Measures – Operating Margin and Constant Currency

Operating margin (earnings from operations divided by revenue from services) in the following tables is a ratio used to measure the Company’s pricing strategy and operating efficiency. Constant currency (“CC”) change amounts are non-GAAP measures. CC change amounts in the following tables refer to the year-over-year percentage changes resulting from translating 2013 financial data into U.S. dollars using the same foreign currency exchange rates used to translate financial data for 2012. We believe that CC measurements are an important analytical tool to aid in understanding underlying operating trends without distortion due to currency fluctuations.

Fee-Based Income

Fee-based income, which is included in revenue from services in the following tables, has a significant impact on gross profit rates. There are very low direct costs of services associated with fee-based income. Therefore, increases or decreases in fee-based income can have a disproportionate impact on gross profit rates.

Results of Operations
Total Company - Second Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 1,366.9	$ 1,366.1	0.1%	(0.1)%
Fee-based income	38.3	39.0	(2.2)	(1.9)
Gross profit	220.7	223.2	(1.1)	(1.3)
SG&A expenses excluding restructuring charges	201.8	201.6	0.1	
Restructuring charges	0.8	(2.2)	137.5	
Total SG&A expenses	202.6	199.4	1.6	1.5
Asset impairments	1.7	-	NM	
Earnings from operations	16.4	23.8	(30.9)	
Gross profit rate	16.1%	16.3%	(0.2) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	14.8	14.8	-	
% of gross profit	91.4	90.3	1.1	
Operating margin	1.2	1.7	(0.5)	

Total Company revenue for the second quarter of 2013 was flat in comparison to the prior year. This reflected a 4% decrease in hours worked, partially offset by a 3% increase in average bill rates on a CC basis. Hours decreased in our staffing business in the Americas and APAC regions. The decrease in the Americas was due primarily to the economic uncertainty existing in the region, while the decline in APAC was due in large part to decisions we made to exit low-margin business in India. The improvement in average bill rates was primarily due to the mix of countries, particularly the business we exited in India with very low average bill rates.

Compared to the second quarter of 2012, the gross profit rate was down 20 basis points. Decreases in the gross profit rates in EMEA, APAC and OCG offset a slight increase in the gross profit rate in Americas.

Selling, general and administrative ("SG&A") expenses increased slightly year over year. In the second quarter of 2013, the Company made the decision to exit the OCG executive search business operating in Germany. The $0.8 million of restructuring costs primarily relate to severance costs incurred from exiting this business. Restructuring costs in the second quarter of 2012 related primarily to revisions of the estimated lease termination costs for previously closed EMEA branches.

Asset impairments represent the write-off of the carrying value of long-lived assets related to the decision to exit the executive search business operating in Germany.

Income tax expense for the second quarter of 2013 was $4.8 million (32.2%), compared to $8.3 million (35.5%) for the second quarter of 2012. The 2013 tax expense benefited from work opportunity credits which were generally not available for new hires in 2012. This benefit was partially offset by the recording of a valuation allowance against deferred tax assets in Germany.

Diluted earnings from continuing operations per share for the second quarter of 2013 were $0.26, as compared to $0.40 for the second quarter of 2012.

Total Americas - Second Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 908.4	$ 931.0	(2.4)%	(2.6)%
Fee-based income	8.1	8.4	(4.2)	(4.0)
Gross profit	135.3	137.4	(1.6)	(1.6)
Total SG&A expenses	103.8	99.0	4.8	4.8
Earnings from operations	31.5	38.4	(18.0)	
Gross profit rate	14.9%	14.8%	0.1pts.	
Expense rates:				
% of revenue	11.4	10.6	0.8	
% of gross profit	76.7	72.0	4.7	
Operating margin	3.5	4.1	(0.6)	

The change in Americas revenue represents a 4% decrease in hours worked, partially offset by a 2% increase in average bill rates on a CC basis. Americas represented 67% of total Company revenue in the second quarter of 2013 and 68% in the second quarter of 2012.

Revenue in our Commercial segment was down 3% and our PT revenue was down 1% in comparison to the prior year. The decrease in revenue in Commercial was due to revenue decreases in our office clerical and electronic assembly products, somewhat offset by increased revenue in our educational staffing business. In the PT segment, we continued to see declines in revenue in our science, IT and finance products, partially offset by growth in revenue in our engineering and health care products.

The increase in SG&A expenses was due to our continued investment in PT recruiters, our centralized operations staff to support our largest customers and investments in our technology infrastructure.

Total EMEA - Second Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 262.9	$ 255.3	3.0%	2.6%
Fee-based income	9.1	10.6	(14.9)	(14.6)
Gross profit	44.3	45.1	(1.6)	(2.2)
SG&A expenses excluding restructuring charges	39.9	41.9	(4.7)	
Restructuring charges	-	(2.2)	101.8	
Total SG&A expenses	39.9	39.7	0.5	-
Earnings from operations	4.4	5.4	(17.3)	
Gross profit rate	16.9%	17.6%	(0.7) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	15.2	16.4	(1.2)	
% of gross profit	90.1	93.0	(2.9)	
Operating margin	1.7	2.1	(0.4)	

The change in EMEA revenue from services reflected a 2% increase in hours worked, combined with a 2% increase in average bill rates on a CC basis. This change was due to strong performance in Switzerland, Portugal, France and Hungary, related to increased business with certain customers or new customer wins. EMEA represented 19% of total Company revenue in the second quarter of both 2013 and 2012.

The EMEA gross profit rate decreased due to growth in lower-margin corporate accounts and a decrease in fee-based income. The decline in fee-based income was due to the unfavorable economic environment in the Eurozone. The effect of these decreases, which accounted for 160 basis points, was partially offset by the reversal of previously accrued training costs for temporary employees in the Netherlands and the effect of the CICE tax credit in France. The CICE tax credit is related to a new law which has been introduced to enhance the competitiveness of businesses in France. These credits, which were recorded in cost of services, improved the reported gross profit rate by approximately 90 basis points.

The change in SG&A expenses was primarily due to a reduction in full-time employees in specific countries. Restructuring costs recorded in the second quarter of 2012 reflect the adjustments to prior restructuring costs primarily in the U.K.

Total APAC - Second Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 97.7	$ 97.1	0.7%	0.5%
Fee-based income	5.4	7.1	(26.2)	(25.7)
Gross profit	16.3	17.8	(8.8)	(8.8)
Total SG&A expenses	15.4	19.0	(19.0)	(18.9)
Earnings from operations	0.9	(1.2)	NM	
Gross profit rate	16.6%	18.4%	(1.8)pts.	
Expense rates:				
% of revenue	15.8	19.6	(3.8)	
% of gross profit	94.7	106.6	(11.9)	
Operating margin	0.9	(1.2)	2.1	

The change in total APAC revenue reflected a 13% increase in average bill rates on a CC basis, partially offset by a 9% decrease in hours worked. Excluding the 2012 results from the North Asia operations which were deconsolidated in the fourth quarter of 2012, APAC revenue increased 4% on a constant currency basis. The improvement in average bill rates was primarily due to the mix of countries, particularly the business we exited in India with very low average bill rates. The change in hours worked was due to declines in India, Malaysia and New Zealand, partially offset by higher hours for larger accounts in Australia and Indonesia. APAC revenue represented 7% of total Company revenue in the second quarter of both 2013 and 2012.

Excluding the North Asia operations from 2012 results, the APAC gross profit rate decreased 20 basis points, due to a decrease in temporary rates, mainly in Australia. Fee-based income remained flat on a CC basis excluding the North Asia operations. Australia and India professional and technical fee revenue grew significantly, while fees in all of the other APAC countries decreased.

SG&A expenses declined 9% on a CC basis, excluding the North Asia operations from 2012 results. This change was due to a reduction in headcount as a result of improved productivity.

OCG - Second Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 109.9	$ 91.4	20.2%	20.3%
Fee-based income	15.7	12.8	23.1	23.3
Gross profit	25.6	23.7	8.4	8.5
SG&A expenses excluding restructuring charges	25.6	22.8	12.4	
Restructuring charges	0.8	-	NM	
Total SG&A expenses	26.4	22.8	15.6	15.6
Asset impairments	1.7	-	NM	
Earnings from operations	(2.5)	0.9	NM	
Gross profit rate	23.3%	25.9%	(2.6) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	23.3	25.0	(1.7)	
% of gross profit	100.1	96.5	3.6	
Operating margin	(2.2)	0.9	(3.1)	

Revenue from services in the OCG segment increased during the second quarter of 2013 due primarily to growth in the BPO and CWO practice areas. Revenue in BPO grew by 32% year over year and revenue in CWO, which represents most of the fee-based income, grew by 25%. The revenue growth in BPO and CWO was due to expansion of programs with existing customers and new customers. OCG revenue represented 8% of total Company revenue in the second quarter of 2013 and 7% in the second quarter of 2012.

The OCG gross profit rate decreased primarily due to cost of services incurred to significantly grow a large program ahead of the revenue stream, practice area mix, as well as higher growth in our lower margin business. The increase in SG&A expenses is primarily the result of support costs associated with increased volumes on existing programs in our BPO and CWO practice areas, as well as new customer program implementations.

During the second quarter of 2013, the Company made the decision to exit the executive search business operating in Germany. In connection with this decision, we recognized $1.7 million of asset impairments, representing the carrying value of long-lived assets related to the executive search business, along with $0.8 million of restructuring costs, representing primarily severance costs.

Results of Operations
Total Company - June Year to Date
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 2,681.7	$ 2,720.9	(1.4)%	(1.4)%
Fee-based income	75.0	75.6	(1.0)	(0.7)
Gross profit	437.6	446.9	(2.1)	(2.0)
SG&A expenses excluding restructuring charges	411.6	410.6	0.2	
Restructuring charges	0.8	(2.2)	138.8	
Total SG&A expenses	412.4	408.4	1.0	1.1
Asset impairments	1.7	-	NM	
Earnings from operations	23.5	38.5	(38.9)	
Gross profit rate	16.3%	16.4%	(0.1) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	15.3	15.1	0.2	
% of gross profit	94.1	91.9	2.2	
Operating margin	0.9	1.4	(0.5)	

Total Company revenue for the first six months of 2013 was down 1% in comparison to the prior year and down 1% on a CC basis. This reflected a 6% decrease in hours worked, partially offset by a 4% increase in average bill rates on a CC basis. Hours decreased in our staffing business in all three regions. The decrease in the Americas and EMEA was due, in large part, to the economic uncertainty existing in both regions, while the decline in APAC was due to decisions we made to exit low-margin business in India. The improvement in average bill rates was primarily due to the mix of countries, particularly India, where we exited business with very low average bill rates.

Compared to the first six months of 2012, the gross profit rate was down slightly. Decreases in the gross profit rate in EMEA, APAC and OCG were partially offset by a slight increase in the Americas gross profit rate.

We regularly update our estimates of open workers' compensation claims. As a result, we reduced our estimated costs of prior year workers' compensation claims by $3.3 million for the first six months of 2013. This compares to an adjustment reducing prior year workers' compensation claims by $3.8 million for the first six months of 2012.

SG&A expenses increased slightly year over year. Included in SG&A expenses in the first six months of 2013 is $3.0 million for a settlement with the state of Delaware related to unclaimed property examinations. Restructuring costs in the first six months of 2013 primarily relate to severance costs incurred from exiting the OCG executive search business operating in Germany. Restructuring costs in the first six months of 2012 related primarily to revisions of the estimated lease termination costs for previously closed EMEA branches.

Income tax benefit for the first six months of 2013 was $2.0 million (-9.7%), compared to tax expense of $13.2 million (35.2%) for the first six months of 2012. The first six months of 2013 income tax expense was impacted by the work opportunity credit, which was retroactively reinstated on January 2, 2013, and resulted in a first quarter 2013 tax benefit of $9.7 million that would have been recognized in 2012 if the law had been in effect at year-end 2012.

Diluted earnings from continuing operations per share for the first six months of 2013 were $0.60, as compared to $0.64 for the first six months of 2012.

Earnings from discontinued operations for the first six months of 2012 represent adjustments to the estimated costs of litigation, net of tax, retained from the 2007 sale of the Kelly Home Care business unit.

Total Americas - June Year to Date
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 1,797.7	$ 1,850.4	(2.9)%	(2.8)%
Fee-based income	15.9	15.3	3.7	4.1
Gross profit	269.2	275.6	(2.3)	(2.2)
Total SG&A expenses	213.0	201.9	5.5	5.6
Earnings from operations	56.2	73.7	(23.7)	
Gross profit rate	15.0%	14.9%	0.1pts.	
Expense rates:				
% of revenue	11.8	10.9	0.9	
% of gross profit	79.1	73.3	5.8	
Operating margin	3.1	4.0	(0.9)	

The change in Americas revenue represents a 4% decrease in hours worked, partially offset by a 1% increase in average bill rates on a CC basis. Americas represented 67% of total Company revenue in the first six months of 2013 and 68% in the first six months of 2012.

Revenue in our Commercial segment was down 4% and our PT revenue declined less than 1% in comparison to the prior year. The decrease in revenue in Commercial is due to revenue decreases in our office clerical and electronic assembly products, somewhat offset by increased revenue in our educational staffing business. In the PT segment, we continued to see declines in revenue in our science, IT and finance products, partially offset by growth in revenue in our engineering and health care products.

The increase in SG&A expenses was due to a $3.0 million, one-time charge in the first quarter of 2013 relating to an unclaimed property settlement, coupled with our continued investment in PT recruiters, our centralized operations staff to support our largest customers and investments in our technology infrastructure.

Total EMEA - June Year to Date
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 507.4	$ 510.5	(0.6)%	(0.7)%
Fee-based income	18.6	21.3	(13.1)	(12.9)
Gross profit	86.1	89.9	(4.2)	(4.4)
SG&A expenses excluding restructuring charges	82.1	86.4	(5.0)	
Restructuring charges	(0.2)	(2.2)	93.8	
Total SG&A expenses	81.9	84.2	(2.7)	(2.9)
Earnings from operations	4.2	5.7	(25.7)	
Gross profit rate	17.0%	17.6%	(0.6)pts.	
Expense rates (excluding restructuring charges):				
% of revenue	16.2	16.9	(0.7)	
% of gross profit	95.2	96.1	(0.9)	
Operating margin	0.8	1.1	(0.3)	

The change in EMEA revenue from services reflected a 3% decrease in hours worked, partially offset by a 2% increase in average bill rates on a CC basis. The decrease in hours was due primarily to U.K., France, Norway and Russia, reflecting the difficult economic environment in Europe. The increase in average bill rates was due to favorable country mix. EMEA revenue represented 19% of total Company revenue in the first six months of both 2013 and 2012.

The EMEA gross profit rate decreased due to both a mix change, where higher-margin retail business decreased while lower-margin corporate accounts increased, and a decrease in fee-based income in the Eurozone due to the economic environment. The effect of these decreases, which accounted for 110 basis points, was partially offset by the effect of the CICE tax credit. This credit, which was recorded in cost of services, accounted for approximately 50 basis points.

The decrease in SG&A expenses excluding restructuring charges was primarily due to a reduction of full-time employees in specific countries. Restructuring costs recorded in the first six months of 2013 reflect the adjustments to prior restructuring costs in France and Italy. Restructuring costs recorded in the first six months of 2012 reflect the adjustments to prior restructuring costs primarily in the U.K.

Total APAC - June Year to Date
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 189.4	$ 198.2	(4.5)%	(4.3)%
Fee-based income	10.1	14.5	(31.2)	(30.6)
Gross profit	31.2	36.1	(13.8)	(13.5)
SG&A expenses excluding restructuring charges	31.0	38.7	(20.0)	
Restructuring charges	0.2	-	NM	
Total SG&A expenses	31.2	38.7	(19.4)	(19.1)
Earnings from operations	-	(2.6)	98.9	
Gross profit rate	16.4%	18.2%	(1.8) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	16.3	19.5	(3.2)	
% of gross profit	99.3	107.1	(7.8)	
Operating margin	-	(1.3)	1.3	

The change in total APAC revenue reflected a 23% increase in average bill rates on a CC basis, partially offset by a 21% decrease in hours worked. Excluding the 2012 results from the North Asia operations which were deconsolidated in the fourth quarter of 2012, APAC revenue declined 2% on a CC basis. The improvement in average bill rates was primarily due to the mix of countries, particularly the business we exited in India with very low average bill rates. The change in hours worked was due to higher hours for larger accounts in Australia and Indonesia, offset by declines in India, Malaysia and New Zealand. APAC revenue represented 7% of total Company revenue in the first six months of both 2013 and 2012.

Excluding the North Asia operations from 2012 results, the APAC gross profit rate decreased 40 basis points, due to a decrease in fee-based income. Fee-based income decreased 9% on a constant currency basis excluding the North Asia operations, with all APAC countries, excluding India, experiencing declines. The decrease in fees is attributable to the worsening economic outlook and high turnover in Kelly consultants.

SG&A expenses declined 10% on a CC basis, excluding the North Asia operations from 2012 results. This change was the result of lower salaries in response to volume pressures in the region.

OCG - June Year to Date
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from services	$ 208.9	$ 178.1	17.3%	17.4%
Fee-based income	30.3	24.4	24.4	24.7
Gross profit	52.7	46.8	12.6	12.8
SG&A expenses excluding restructuring charges	51.0	45.4	12.3	
Restructuring charges	0.8	-	NM	
Total SG&A expenses	51.8	45.4	13.9	14.0
Asset impairments	1.7	-	NM	
Earnings from operations	(0.8)	1.4	NM	
Gross profit rate	25.2%	26.3%	(1.1) pts.	
Expense rates:				
% of revenue	24.4	25.5	(1.1)	
% of gross profit	96.8	97.1	(0.3)	
Operating margin	(0.4)	0.7	(1.1)	

Revenue from services in the OCG segment increased during the first six months of 2013 primarily due to growth in BPO of 31% and CWO growth of 19%. Fee-based income is primarily from the CWO practice area. The revenue growth in BPO and CWO was due to expansion of programs with existing customers and new customers. OCG revenue represented 8% of total Company revenue in the first six months of 2013 and 7% in the first six months of 2012.

The OCG gross profit rate decreased primarily due to cost of services incurred to significantly grow a large program ahead of the revenue stream. The increase in SG&A expenses excluding restructuring is primarily the result of support costs associated with increased volume with existing and new customers. Asset impairments and restructuring charges represent costs associated with the Company's decision to exit the executive search service business in Germany.

Financial Condition

Historically, we have financed our operations through cash generated by operating activities and access to credit markets. Our working capital requirements are primarily generated from temporary employee payroll and customer accounts receivable. Since receipts from customers generally lag payroll to temporary employees, working capital requirements increase substantially in periods of growth. Conversely, when economic activity slows, working capital requirements may substantially decrease. As highlighted in the consolidated statements of cash flows, our liquidity and available capital resources are impacted by four key components: cash and equivalents, operating activities, investing activities and financing activities.

Cash and Equivalents

Cash and equivalents totaled $70.3 million at the end of the second quarter of 2013 and $76.3 million at year-end 2012. As further described below, we used $14.2 million in cash for operating activities, used $7.9 million of cash for investing activities and generated $15.3 million of cash from financing activities.

Operating Activities

In the first six months of 2013, we used $14.2 million in cash for operating activities, as compared to generating $5.9 million in the first six months of 2012. The use of cash for operating activities in 2013 was primarily due to higher working capital requirements driven by an increase in global days sales outstanding.

Trade accounts receivable totaled $1.0 billion at the end of the second quarter of 2013. Global days sales outstanding were 54 days at the end of the second quarter of 2013 and 53 days at the end of the second quarter of 2012.

Our working capital position was $461.7 million at the end of the second quarter of 2013, a decrease of $8.6 million from year-end 2012. The current ratio (total current assets divided by total current liabilities) was 1.6% at the end of the first six months of 2013 and 1.7% at year-end 2012.

Investing Activities

In the first six months of 2013, we used $7.9 million of cash for investing activities, compared to $9.8 million in the first six months of 2012. Capital expenditures in both years relate primarily to the Company's information technology programs, including costs for the implementation of the PeopleSoft payroll project.

Financing Activities

In the first six months of 2013, we generated $15.3 million of cash from financing activities, compared to using $11.6 million in the first six months of 2012. Debt totaled $83.2 million at the end of the second quarter of 2013 and $64.1 million at year-end 2012. Debt-to-total capital (total debt reported on the balance sheet divided by total debt plus stockholders' equity) is a common ratio to measure the relative capital structure and leverage of the Company. Our ratio of debt-to-total capital was 9.7% at the end of the second quarter of 2013 and 8.0% at year-end 2012.

The net change in short-term borrowings in the first six months of 2013 was primarily due to additional borrowings on our U.S. securitization facility. The need for these borrowings is a result of higher working capital needs related primarily to an increase in global days sales outstanding. The net change in short-term borrowings in the first six months of 2012 was due to payments on our U.S. and Brazilian revolving credit facilities totaling $11.8 million, partially offset by additional borrowings of $4.0 million on our securitization facility.

We made dividend payments of $3.8 million in the first six months of both 2013 and 2012.

New Accounting Pronouncement

See New Accounting Pronouncement footnote in the Notes to Consolidated Financial Statements of this Quarterly Report on Form 10-Q for a description of a new accounting pronouncement.

Contractual Obligations and Commercial Commitments

There are no material changes in our obligations and commitments to make future payments from those included in the Company's Annual Report on Form 10-K filed February 14, 2013. We have no material, unrecorded commitments, losses, contingencies or guarantees associated with any related parties or unconsolidated entities.

Liquidity

We expect to meet our ongoing short- and long-term cash requirements principally through cash generated from operations, available cash and equivalents, securitization of customer receivables and committed unused credit facilities. Additional funding sources could include public or private bonds, asset-based lending, additional bank facilities, issuance of equity or other sources.

We utilize intercompany loans, dividends, capital contributions and redemptions to effectively manage our cash on a global basis. We periodically review our foreign subsidiaries' cash balances and projected cash needs. As part of those reviews, we may identify cash that we feel should be repatriated to optimize the Company's overall capital structure. At the present time, these reviews have not resulted in any specific plans to repatriate a majority of our international cash balances. We expect much of our international cash will be needed to fund working capital growth in our local operations. The majority of our international cash is concentrated in a cash pooling arrangement (the "Cash Pool") and is available to fund general corporate needs internationally. The Cash Pool is a set of cash accounts maintained with a single bank that must, as a whole, maintain at least a zero balance; individual accounts may be positive or negative. This allows countries with excess cash to invest and countries with cash needs to utilize the excess cash.

We manage our cash and debt very closely to optimize our capital structure. As our cash balances build, we tend to pay down debt as appropriate. Conversely, when working capital needs grow, we tend to use corporate cash and cash available in the Cash Pool first, and then access our borrowing facilities.

At the 2013 second quarter end, we had $150.0 million of available capacity on our $150.0 million revolving credit facility and $11.0 million of available capacity on our $150.0 million securitization facility. The securitization facility carried $83.0 million of short-term borrowings and $56.0 million of standby letters of credit related to workers' compensation. Together, the revolving credit and securitization facilities provide the Company with committed funding capacity that may be used for general corporate purposes. While we believe these facilities will cover our working capital needs over the short term, if economic conditions or operating results change significantly, we may need to seek additional sources of funds. As of the 2013 second quarter end, we met the debt covenants related to our revolving credit facility and securitization facility.

We monitor the credit ratings of our major banking partners on a regular basis. We also have regular discussions with them. Based on our reviews and communications, we believe the risk of one or more of our banks not being able to honor commitments is insignificant. We also review the ratings and holdings of our money market funds and other investment vehicles regularly to ensure high credit quality and access to our invested cash.

As of the 2013 second quarter end, we had no holdings of sovereign debt in Italy, Portugal, Ireland, Spain or Greece. Our investment policy requires our international affiliates to contribute any excess cash balances to the Cash Pool. We then manage this as counterparty exposure and distribute the risk among our Cash Pool provider and other banks we may designate from time to time.

As of the 2013 second quarter end, our total exposure to European receivables from our customers was $297.5 million, which represents 29% of total trade accounts receivable, net. The percentage of trade accounts receivable over 90 days past due for Europe was consistent with our global experience. Net trade accounts receivable for Italy, Portugal and Ireland, specific countries currently experiencing economic volatility, totaled $42.7 million as of the 2013 second quarter end.

Forward-Looking Statements

Certain statements contained in this report are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, or which include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or variations or negatives thereof or by similar or comparable words or phrases. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by us that may be provided by management, including oral statements or other written materials released to the public, are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about our company and economic and market factors in the countries in which we do business, among other things. These statements are not guarantees of future performance, and we have no specific intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to, competitive market pressures including pricing and technology introductions, changing market and economic conditions, our ability to achieve our business strategy, including our ability to successfully expand into new markets and service lines, material changes in demand from or loss of large corporate customers, impairment charges triggered by adverse industry or market developments, unexpected termination of customer contracts, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, liability for improper disclosure of sensitive or private employee information, unexpected changes in claim trends on workers' compensation and benefit plans, our ability to maintain specified financial covenants in our bank facilities, our ability to access credit markets and continued availability of financing for funding working capital, our ability to sustain critical business applications through our key data centers, our ability to effectively implement and manage our information technology programs, our ability to retain the services of our senior management, local management and field personnel, the impact of changes in laws and regulations (including federal, state and international tax laws), the net financial impact of the Patient Protection and Affordable Care Act on our business, and risks associated with conducting business in foreign countries, including foreign currency fluctuations. Certain risk factors are discussed more fully under "Risk Factors" in Part I, Item 1A of the Company's Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to foreign currency risk primarily due to our net investment in foreign subsidiaries, which conduct business in their local currencies. We may also utilize local currency-denominated borrowings.

In addition, we are exposed to interest rate risks through our use of the multi-currency line of credit and other borrowings. A hypothetical fluctuation of 10% of market interest rates would not have had a material impact on 2013 second quarter earnings.

Marketable equity investments, representing our investment in Temp Holdings, are stated at fair value and marked to market through stockholders' equity, net of tax. Impairments in value below historical cost, if any, deemed to be other than temporary, would be expensed in the consolidated statement of earnings. See the Fair Value Measurements footnote in the Notes to Consolidated Financial Statements of this Quarterly Report on Form 10-Q for further discussion.

We are exposed to market risk as a result of our obligation to pay benefits under our nonqualified deferred compensation plan and our related investments in company-owned variable universal life insurance policies. The obligation to employees increases and decreases based on movements in the equity and debt markets. The investments in mutual funds, as part of the company-owned variable universal life insurance policies, are designed to mitigate, but not eliminate, this risk with offsetting gains and losses.

Overall, our holdings and positions in market risk-sensitive instruments do not subject us to material risk.

Item 4. Controls and Procedures.

Based on their evaluation as of the end of the period covered by this Form 10-Q, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is continuously engaged in litigation arising in the ordinary course of its business, typically matters alleging employment discrimination, alleging wage and hour violations or enforcing the restrictive covenants in the Company's employment agreements. While there is no expectation that any of these matters will have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is always subject to inherent uncertainty and the Company is not able to reasonably predict if any matter will be resolved in a manner that is materially adverse to the Company.

Item 1A. Risk Factors.

There have been no material changes in the Company's risk factors disclosed in Part I, Item 1A of the Company's Annual Report filed on Form 10-K for year ended December 30, 2012 and Part II, Item 1A of the Company's Quarterly Report filed on Form 10-Q for the fiscal quarter ended March 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) Sales of Equity Securities Not Registered Under the Securities Exchange Act of 1933

None.

(c) Issuer Repurchases of Equity Securities

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs (in millions of dollars)
April 1, 2013 through May 5, 2013	-	$ -	-	$ -
May 6, 2013 through June 2, 2013	750	17.71	-	$ -
June 3, 2013 through June 30, 2013	13	17.71	-	$ -
Total	763	$ 17.71	-	

We may reacquire shares sold to cover taxes due upon the vesting of restricted stock held by employees. Accordingly, 763 shares were reacquired in transactions during the quarter.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 6. Exhibits.

See Index to Exhibits required by Item 601, Regulation S-K, set forth on page 32 of this filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KELLY SERVICES, INC.

Date: August 7, 2013

/s/ Patricia Little
Patricia Little

Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2013

/s/ Michael E. Debs
Michael E. Debs

Senior Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

INDEX TO EXHIBITS
REQUIRED BY ITEM 601,
REGULATION S-K

Exhibit No.	Description
10.1*	Kelly Services, Inc. Short-Term Incentive Plan, as amended and restated February 14, 2013.
31.1	Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act, as amended.
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act, as amended.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Indicates a management contract or compensatory plan or arrangement.

KELLY SERVICES, INC.

SHORT-TERM INCENTIVE PLAN

KELLY SERVICES, INC.

(Amended and Restated February 14, 2013)

Section 1 - Purposes.

This KELLY SERVICES, INC. SHORT-TERM INCENTIVE PLAN (the "Plan") provides for annual incentive compensation payable in cash to those key officers and employees of the Company or any affiliated entity, who, from time to time, may be selected for participation. The Plan is intended to provide incentives and rewards for the contributions of such employees toward the successful achievement of the Company's financial and business goals established for the current year.

Section 2 - Administration.

The Plan shall be administered by the Compensation Committee of the Board of Directors, which for purposes of establishing and administering awards pursuant to Section 8 shall consist of outside directors as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, pursuant to Treasury Regulations or other Internal Revenue Service guidance ("Section 162(m)"). The Committee shall have authority to make rules and adopt administrative procedures in connection with the Plan and shall have discretion to provide for situations or conditions not specifically provided for herein consistent with the overall purposes of the Plan.

Section 3 - Selection of Participants.

Except for awards pursuant to Section 8, the Committee may delegate to the chief executive officer of the Company, if also a director, its authority to select those key officers and employees entitled to participate under the Plan each year. Approval of eligible participants may be made at any time during each award year.

Section 4 - Establishing Performance Objectives.

The Committee annually, no later than the first 90 days of the year, shall establish one or more performance objectives which may consist of quantitatively measurable performance standards or qualitative performance standards, the achievement of which requires subjective assessment, or both. The Committee shall take into account which (if any), types or categories of extraordinary, unusual, non-recurring or other items or events shall be excluded or otherwise not fully taken into account when actual Company or divisional/departmental results are calculated.

With respect to any employee who is the chief executive officer or among the three highest compensated officers (other than the chief executive officer or the chief financial officer) of the Company for any fiscal year, whose compensation is subject to disclosure under the Exchange Act rules, and who is a Section 16 Reporting Person (Named Executive Officer – "NEO"), and any other employee of the Company who is included in the definition of "covered employee" for purposes of Section 162(m) or an individual that the Committee reasonably believes may become a NEO and designates the award as subject to Section 162(m)'s requirements ("Prospective NEO"), the Committee shall apply the special provisions of Section 8.

Section 5 - Establishing Target Awards.

No later than the first 90 days of each year the Committee shall establish a target award, expressed as a percentage of eligible earnings, for employees selected to participate under the Plan. The Committee may establish target awards by individual employee (e.g., for NEOs/Prospective NEOs) or by category of employee (e.g., senior vice presidents). Eligible earnings are defined as paid base salary and interim/secondment/assignment pay, excluding pay for disability, bonuses, dividends and other reimbursements and allowances. Individual participants may earn an award payout ranging from zero percent to the maximum percent of their target award that the Committee may set in place from time to time. The Committee shall also approve guidelines established annually that determine what portion of the target award, if any, is based on the achievement of the Company performance objective(s) and what portion or portions are based on the achievement of other objectives. The Committee will establish an award payout schedule based upon the extent to which the Company performance objective (or objectives) is or is not achieved or exceeded.

Section 6 - Determining Final Awards.

Except as provided in Section 8, the Committee shall have discretion to adjust final awards up or down from the target award depending on (a) the extent to which the Company performance objective(s) is either exceeded or not met, and (b) the extent to which other objectives, e.g. subsidiary, division, department, unit or other performance objectives are attained. The Committee shall have full discretion to make other adjustments in final awards based on individual performance as it considers appropriate under the circumstances.

Section 7 – Windfalls and Catastrophic Losses

A Windfall is an excessively large potential payment for results not driven by participant actions (e.g., acquisitions, market reconfigurations, significant changes in the Company's business) or due to inequities or errors in the Plan.

Catastrophic Loss is a situation where incentive payments are unexpectedly reduced or eliminated due to business situations that were not foreseeable or preventable by participants (e.g. tornadoes, floods, other natural disasters, etc.).

If any situation is identified as a Windfall or Catastrophic Loss, participants will be notified if there is to be any adjustment in the calculation or payment; provided, however, that no award to a NEO or Prospective NEO may be increased pursuant to this Section 7.

Section 8 - Special Provisions Applicable to NEOs and Prospective NEOs.

No later than the first 90 days of each year the Committee shall consider the establishment of a Plan target award, expressed as a percentage of eligible earnings, for each of the NEOs and Prospective NEOs.

The Committee shall next establish objective performance standards for the Company and/or divisional/departmental portions of the awards, and determine what percentage of the target award, if any, will be based on each such objective performance standard.

The Committee shall select one or a combination of the following as objective performance standards:

(a) Earnings (which includes similar measurements such as net profits, operating profits, operating earnings, and net income, and which may be calculated before or after taxes, interest, depreciation, or amortization, as specified at the time the Performance Award is granted) or earnings per share of Company Stock;
(b) Revenues;
(c) Cash flow;
(d) Return on revenues, sales, assets or equity;
(e) Customer or employee retention;
(f) Customer satisfaction;
(g) Expenses or expense levels;
(h) One or more operating ratios;
(i) Stock price;
(j) Market share;
(k) Capital expenditures;
(l) Net borrowing, debt leverage levels, credit quality or debt ratings;
(m) The accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions;
(n) The Company's Quality Management System;
(o) Shareholder return;
(p) Organizational health/productivity;
(q) Sales volume; and/or
(r) Brand or product recognition/acceptance.

The Committee shall also specify no later than the first 90 days of the year which (if any), types or categories of extraordinary, unusual, non-recurring or other items or events shall be excluded or otherwise not fully taken into account when actual Company or divisional/departmental results are calculated.

The Committee shall finally establish and certify an award payout schedule based upon the extent to which the Company objective performance standard(s) is or is not achieved or exceeded. The Committee retains the right in its discretion to reduce an award based on Company, divisional/departmental or individual performance, but will have no discretion to increase any award so calculated.

In addition to awards based on quantitatively determinable performance standards, the Committee may, in its discretion and acting in the best interests of the Company, set one or more other incentive goals for a portion or all of a NEO's or Prospective NEO's Plan award, the achievement of which need not be quantitatively determinable but, instead, may require subjective assessments of the quality of performance to which the goals relate ("qualitative performance standards"). If a qualitative performance standard is established with respect to a NEO's or Prospective NEO's Plan target award, the Committee shall specify the amount that will be based on that objective. The Committee will have discretion to increase or decrease that portion of an award which does not qualify for the performance-based exclusion from the Section 162(m) cap on compensation deductibility.

In no event shall the total annual Plan award to a NEO or Prospective NEO, including the non-performance-based portion, exceed $2,000,000 a year.

Section 9 - Time of Distribution.

Distribution of awards shall be made as soon as practicable following the close of the year for which earned, but in no event later than 2-1/2 months following the award year unless otherwise determined by the Committee or its designee.

Section 10 - Forfeiture.

Until such time as the full amount of an award has been paid, a participant's right to receive any unpaid amount shall be wholly contingent and shall be forfeited if, prior to payment, the participant is no longer in the employ of the Company, provided, however, that the Committee may in its discretion waive such condition of continued employment. A participant on an approved leave of absence as of the payment date is not eligible to receive payment of an award until the participant returns to active status. It shall be an overriding precondition to the payment of any award (a) that the participant not engage in any activity that, in the opinion of the Committee, is in competition with any activity of the Company or any affiliated entity or otherwise inimical to the best interests of the Company and (b) that the participant furnish the Committee with all such information confirming satisfaction of the foregoing condition as the Committee shall reasonably request. If the Committee makes a determination that a participant has engaged in any such competitive or otherwise inimical activity, such determination shall operate to immediately cancel all then unpaid award amounts.

Section 11 - Death.

Any award remaining unpaid, in whole or in part, at the death of a participant shall be paid to the participant's legal representative or to a beneficiary designated by the participant in accord with rules established by the Committee. Such payment will be made no later than 2-1/2 months following the award year.

Section 12 – Compliance with Section 409A of the U.S. Internal Revenue Code.

It is intended that awards made under the STIP shall not constitute the deferral of compensation under Section 409A of the U.S. Internal Revenue Code ("Code"). STIP shall be construed, administered, and governed in a manner that effects such intent, and the Committee shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the STIP payment shall not be deferred, accelerated, extended, paid out, settled, adjusted, substituted, exchanged or modified in a manner that would cause the payment to fail to satisfy the conditions of an applicable exception from the requirements of Section 409A of the Code or otherwise would subject the Grantee to the additional tax imposed under Section 409A of the Code.

Section 13 - No Right to Employment or Award.

No employee shall have any claim or right to receive an award, and participation in the Plan shall not confer upon any employee a right to continued employment by the Company. Further, the Company and each affiliated entity reaffirms its at-will relationship with its employees and expressly reserves the right at any time to terminate an employee for any reason or no reason at any time except as modified by an authorized written agreement or if prohibited by applicable law.

Section 14 - Amendment or Termination.

The Board of Directors of the Company reserves the right at any time to make any changes in the Plan as it may consider desirable or may discontinue or terminate the Plan at any time, except that Section 8 cannot be changed in any way which would violate IRS regulations under Internal Revenue Code Section 162(m) without stockholder approval.

Section 15 – Sources.

The Company's operating statements, human resources and payroll records will be used to determine eligible participants, eligible earnings and applicable business results used in all incentive calculations.

Section 16 - Compensation Changes/Transfers.

If a participant's eligible earnings or STIP target percentage changes during the year, or if an employee transfers into or out of STIP during the year, any STIP award will be pro-rated appropriately, provided that any adjustments to awards pursuant to Section 8 will be adjusted as permitted under Section 162(m).

Section 17 – Assignment.

No funds, assets or other property of Kelly, and no obligation or liability of Kelly under any incentive plan, will be subject to any claim of any participant, nor will any participant have any right or power to pledge, encumber or assign an incentive payment.

Section 18 - Unauthorized Representations.

No director, officer, employee or other person has the authority to enter into any agreement, either written or oral, with any person or participant concerning the Plan or payment of an incentive, or to make any representation or warranty with respect to any incentive award. Only the President/CEO or the Senior Vice President of Global Human Resources will have such authority.

Section 19 - Tax-Related Liabilities.

The federal supplemental income tax withholding rate will be applied to all STIP payments for U.S. participants and appropriate tax withholdings will be applied in the other countries outside of U.S. Participants are responsible for determining the tax consequences of incentive payments and arranging for appropriate withholding. The Company will not be responsible for and will be held harmless and indemnified by participants from liability for payments, interest, penalties, costs, or expenses incurred as a result of not arranging for sufficient withholding or deductions from incentive payments.

Section 20 – Interpretation and Construction.

If an Award is intended to qualify as performance-based compensation under Section 162(m), any provision of the Plan that would prevent such Award from so qualifying shall be administered, interpreted and construed to carry out such intention and any provision that cannot be so administered, interpreted and construed shall to that extent be disregarded.

Exhibit 31.1

CERTIFICATIONS

I, Carl T. Camden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kelly Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2013

/s/ Carl T. Camden
Carl T. Camden

President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Patricia Little, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kelly Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2013

/s/ Patricia Little
Patricia Little

Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kelly Services, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carl T. Camden, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2013

/s/ Carl T. Camden
Carl T. Camden

President and
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Kelly Services, Inc. and will be retained by Kelly Services, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kelly Services, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Patricia Little, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2013

/s/ Patricia Little
Patricia Little

Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Kelly Services, Inc. and will be retained by Kelly Services, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.