

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED) For the fiscal year ended January 1, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 0-1088

\_\_\_\_\_ KELLY SERVICES, INC. \_\_\_\_\_  
(Exact Name of Registrant as specified in its Charter)

\_\_\_\_\_ Delaware \_\_\_\_\_  
(State of Incorporation)

\_\_\_\_\_ 38-1510762 \_\_\_\_\_  
(IRS Employer Identification Number)

\_\_\_\_\_ 999 West Big Beaver Road, Troy, Michigan \_\_\_\_\_  
(Address of Principal Executive Office)

\_\_\_\_\_ 48084 \_\_\_\_\_  
(Zip Code)

\_\_\_\_\_ (810) 362-4444 \_\_\_\_\_  
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common	NASDAQ/NMS
Class B Common	NASDAQ/NMS

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  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the Class B common stock, par value \$1.00, the only class of the registrant's securities with voting rights, held by non-affiliates of the registrant on March 10, 1995, based upon the last price on that date of \$31.50 was \$12,047,585, as reported by the Wall Street Journal.

Registrant had 34,369,035 shares of Class A and 3,601,127 of Class B common stock, par value \$1.00, outstanding as of March 10, 1995.

Documents Incorporated by Reference

The proxy statement of the registrant with respect to the 1995 Annual Meeting of Stockholders is incorporated by reference in Part III.

Dated: March 24, 1995



PART I

ITEM 1. DESCRIPTION OF BUSINESS.

(a) General Development of Business. Registrant, a successor to the business established by William R. Kelly in 1946, was incorporated under the laws of Delaware on August 27, 1952. Throughout its existence, registrant has been engaged in the temporary help service business. During the last fiscal year, registrant continued to provide temporary help services and other staffing and human resources services to a diversified group of customers.

(b) Financial Information about Industry Segments. Registrant operates in a single industry segment of providing temporary help services. The financial information concerning registrant is included in Item 8 in Part II of this filing.

(c) Narrative Description of Business.

(i) Principal Services Rendered. Registrant, and its subsidiaries, which are service organizations, provide temporary office clerical, marketing, professional, technical, light industrial, home care services to those who need help with their daily living needs and personal care, managed services, testing and training and other business services to a diversified group of customers through offices located in major cities of the United States, Australia, Canada, Mexico, England, France, Ireland, The Netherlands, Denmark, New Zealand, Norway, Scotland, Switzerland, and Wales. Although registrant operates in a single industry segment, these services are generally furnished under the name of Kelly Temporary Services, with the following specific services provided: office clerical, marketing, technical, semi-skilled light industrial, managed services, skills testing and computer-based training. Staff leasing services are provided under the name of Your Staff, a wholly owned subsidiary of the registrant. Home care services to those who need help with their daily living needs and personal care are furnished under the name of Kelly Assisted Living Services, Inc., which is a wholly owned subsidiary of registrant. Registrant performs these services through its temporary employees by assigning them to work on the premises of registrant's customers.

The temporary services furnished by registrant afford economies and flexibility in meeting uneven or peak work loads caused by such predictable factors as vacations, inventories, month-end activities, special projects or new promotions and such non-predictable factors as illnesses or emergencies. When work peaks occur which cannot be handled by the customer's normal staff, the customer can temporarily supplement regular personnel by the use of registrant's services. The cost and inconvenience to the customer of hiring additional employees, including advertising, interviewing, screening, testing and training are eliminated. Also, recordkeeping is simplified because the customer pays an hourly rate, based on hours of service furnished by registrant.

Registrant serves a wide cross-section of customers from industry, commerce, the professions, government, and individuals. During recent years approximately 200,000 customers, including the largest industrial corporations in the world, have used registrant's services. There have been no significant changes in the services rendered or in the markets or methods of distribution since the beginning of registrant's fiscal year.



Registrant operates through approximately 1,000 offices located in all 50 states, the District of Columbia, Puerto Rico, Australia, Mexico, Canada, England, France, Ireland, The Netherlands, Denmark, New Zealand, Norway, Scotland, Switzerland, and Wales. Each office provides the services of one or more of the divisions or subsidiaries. At fiscal year-end 1994 approximately ninety-nine percent of the offices were operated directly by the registrant (or one of its wholly owned subsidiaries) with the remaining offices operated by 5 licensees. In February, 1995 the remaining licensed branches were converted to direct operated branches.

(ii) New Services. There are no new industry segments that the registrant is planning to enter or new service areas that will require a material investment of assets.

(iii) Raw Materials. Registrant is involved in a service business and raw materials are nonexistent in the business.

(iv) Service Marks. Registrant is the owner of several service marks, which are registered with the United States Patent and Trade Mark Office and in a number of foreign countries. The most significant mark is "Kelly Girl", which has indeterminate duration.

(v) Seasonal Business Implications. Registrant's business is not seasonal.

(vi) Working Capital. Registrant believes there are no unusual or special working capital requirements in the temporary help industry.

(vii) Customers. The business of registrant and its subsidiaries is not dependent upon either a single customer or a limited number of customers.

(viii) Backlog. Backlog of orders is not material to the business of registrant.

(ix) Government Contracts. Although registrant conducts business under various government contracts, that portion of registrant's business is not significant.

(x) Competition. Registrant is one of the largest suppliers of temporary help services in the United States. Several companies which operate nationally offer services competitive to those provided by registrant, and a large number of organizations operating regionally or locally compete in varying degrees in different localities where registrant operates branch offices. The most significant competitive factors are price and service to customers in the form of timely, efficient and reliable temporary help.

(xi) Research Activities. Registrant's expenditure for research and the number of people involved are not material.

(xii) Environmental Matters. Registrant is involved in a service business and is not affected by federal, state and local provisions regulating the discharge of materials into the environment.



(xiii) Employees. Registrant and subsidiaries employ on a full time basis approximately 900 persons at its headquarters in Troy, Michigan, and approximately 3,900 persons in branch offices operated directly by registrant. Registrant employed in the last fiscal year 665,000 men and women for temporary periods. As the employer, registrant is responsible for and pays Social Security taxes, workers' compensation, federal and state unemployment compensation taxes, liability insurance and other similar costs, and is responsible for payroll deductions of Social Security and income taxes. Although the work may be done in the office of the registrant's customer, registrant retains the right of control over its employees, including their assignment and reassignment.

(d) Foreign Operations. Registrant operates in major cities in Australia, Canada, Mexico, England, France, Ireland, The Netherlands, Denmark, New Zealand, Norway, Scotland, Switzerland, and Wales; sales of these operations totaled \$357,000,000 in 1994, \$235,000,000 in 1993 and \$225,000,000 in 1992; operating profit totaled \$4,500,000 in 1994 and operating losses totaled \$2,500,000 in 1993 and \$5,600,000 in 1992. Identifiable assets are \$117,600,000, \$70,900,000 and \$69,300,000 at the end of 1994, 1993 and 1992, respectively.

#### ITEM 2. PROPERTIES.

Registrant owns the premises in Troy, Michigan, from which its headquarters, subsidiaries and divisional offices are presently operated. Registrant purchased the original headquarters building in Troy, Michigan, in 1977 and has expanded operations into an adjacent building that was purchased in 1991. The combined floor space for the headquarters complex approximates 206,000 square feet. The buildings are in good condition, are considered to be adequate for the uses to which they are being put and are in regular use. In addition, registrant owns vacant land in Troy and northern Oakland County, Michigan, for future expansion. Registrant's direct operated branches are conducted from premises which are leased. A majority of the leases are for fixed terms, from one to five years. Registrant owns virtually all office furniture and equipment used in its headquarters building and branch offices.

#### ITEM 3. LEGAL PROCEEDINGS.

In 1992 the Internal Revenue Service (IRS) proposed the imposition of an accumulated earnings tax totaling \$49 million for 1988, 1989 and 1990 in connection with an audit of the Company's consolidated federal tax liability. The proposed amount has been subsequently reduced to \$11 million. The Company believes there is no factual or legal basis for the imposition of any accumulated earnings tax and that the Company is fully justified in making provision to meet the present and future needs of its expanding business operations. The Company is defending its position through the IRS appeal process and into the courts if necessary. In the opinion of the Company, the ultimate resolution of this issue will not materially affect its financial statements.

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to a vote of security holders in the fourth quarter of 1994.





PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS.

Kelly Services' stock is traded over-the-counter in the NASDAQ National Market System (NMS). The high and low selling prices for the Class A common stock and Class B common stock as quoted by the National Association of Securities Dealers, Inc. and the dividends paid on the common stock for each quarterly period in the last two fiscal years are reported below:

	Per share amounts (in dollars)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1994					
-----					
Stock Prices					
Class A common					
High . . . . .	\$31 1/4	\$29	\$32	\$30 1/2	\$32
Low . . . . .	23	23	24	25 3/4	23
Class B common					
High . . . . .	34	33 1/2	33 1/2	29 1/2	34
Low . . . . .	28	28	29	27 1/4	27 1/4
Dividends . . . . .	.160	.180	.180	.180	.700
1993					
-----					
Stock Prices					
Class A common					
High . . . . .	\$36 5/8	\$32 5/8	\$33 1/2	\$29 1/2	\$36 5/8
Low . . . . .	30 5/8	24 1/4	23	22	22
Class B common					
High . . . . .	34 1/4	32 7/8	33	31	34 1/4
Low . . . . .	31 5/8	27	27	27	27
Dividends . . . . .	.152	.160	.160	.160	.632

The number of holders of record of the Class A and Class B common stock, par value \$1.00, of registrant were 1,283 and 304, respectively, as of March 10, 1995.



ITEM 6. SELECTED FINANCIAL DATA.

The following table summarizes selected financial information of Kelly Services, Inc. and its subsidiaries for each of the six fiscal years ended January 1, 1995. This table should be read in conjunction with other financial information of the registrant including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and financial statements included elsewhere herein.

(In millions except per share amounts) -----	1994 ----	1993 ----	(1) 1992 ----	1991 ----	1990 ----	1989 ----
Sales of services . . . . .	\$2,362.6	\$1,954.5	\$1,712.7	\$1,424.3	\$1,456.3	\$1,364.9
Earnings before taxes . . . . .	98.5	70.9	61.0	60.2	113.0	112.9
Net earnings. . . . .	61.1	44.6	39.2	38.6	71.2	70.8
Per share data:						
Earnings . . . . .	\$ 1.61	\$ 1.18	\$ 1.04	\$ 1.03	\$ 1.89	\$ 1.89
Dividends . . . . .						
Class A common. . . . .	.70	.63	.58	.57	.53	.46
Class B common. . . . .	.70	.63	.58	.57	.53	.46
Working capital . . . . .	\$ 315.8	\$ 291.2	\$ 279.8	\$ 287.0	\$ 287.2	\$ 243.4
Total assets. . . . .	642.1	542.1	496.1	479.4	443.8	394.3

(1) Fiscal year included 53 weeks.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Results of Operations

1994 versus 1993

Sales reached a record level of \$2.36 billion in 1994, an increase of 21% over 1993. Increases in domestic sales, acquisitions completed during the year, and the strengthening of worldwide economies all contributed to this growth.

Cost of services, representing payroll and related taxes and benefits for temporary employees, increased 21%. Strong sales volume and increases in pay rates and payroll taxes accounted for this change. Gross profit, as a percent of sales, rose from 19.5% in 1993 to 19.6% in 1994. Excluding the effect of our employee leasing business acquired in 1994, gross profit averaged 20.1% during 1994.

Selling, general and administrative expenses rose 17% during 1994. As a percent of sales, expenses declined from 16.2% to 15.7% in 1994. Excluding the effects of the employee leasing business (with its inherently lower cost structure), the expense to sales relationship was 16.1% in 1994. Earnings from operations this year totaled approximately \$92 million, an increase of 44% over 1993.



Interest income for 1994 was \$6.7 million, down 3.6% from the 1993 level of \$7.0 million. The reduction in the interest rates accounted for the slight decline in interest income during the year.

Earnings before taxes were \$98.5 million, an increase of 39%. Pretax margins were 4.2% in 1994, improved from 3.6% in 1993. Income taxes increased 42% over 1993, with an effective tax rate of 38.0%, compared to a 37.1% rate in 1993. The current year tax rate rose primarily as a result of the reduction in tax exempt interest income and the absence of a credit from a change in accounting for taxes which was reflected in the 1993 tax rate.

Net earnings were \$61.1 million in 1994, 37% above the 1993 results of \$44.6 million. The rate of return on sales was 2.6%, up from the 1993 return of 2.3%. Earnings per share were \$1.61 in 1994 and \$1.18 in 1993.

#### 1993 versus 1992

Sales of services reached a record level of nearly \$2 billion in 1993, an increase of 14% over 1992 (a 53-week year). Excluding the 53rd week from the previous year, 1993 sales were up 16%. This improvement was attributable principally to increases in domestic sales volume. The effect of an increase in international sales was moderated by less favorable currency exchange rates.

Cost of services increased 15%. Strong sales volume and increases in pay rates and payroll taxes accounted for this change. Competitive pressures during 1993 were reflected in margins as gross profit rates declined from 19.9% in 1992 to 19.5% in 1993. The trend during the last half of 1993 was positive, however.

Selling, general and administrative expenses rose 10%. As a percent of sales, expenses declined from 16.9% to 16.2% in 1993. Branch automation contributed to this productivity.

Earnings from operations in 1993 totaled \$63.9 million, an increase of 25% over 1992. The 1993 results, after restating the 1992 results to exclude the 53rd week, were up 31%.

Interest income for 1993 was \$7.0 million, down 29% from the 1992 level of \$9.8 million. A smaller investment portfolio and lower interest rates accounted for the decline.

Earnings before taxes were \$70.9 million, an increase of 16%. Pretax margins were 3.6% in both 1993 and 1992. Income taxes increased 21% over 1992, with an effective tax rate of 37.1%, compared to a 35.7% rate in 1992. The 1993 tax rate rose as a result of the federal statutory rate increase and a reduction in tax exempt interest income.

Net earnings were \$44.6 million for 1993, 14% above the 1992 results of \$39.2 million. The rate of return on sales was 2.3% in both years. Earnings per share, adjusted for the stock split in 1993, were \$1.18 in 1993 and \$1.04 in 1992. The 53rd week added \$.04 to earnings per share in 1992.



## Liquidity and Capital Resources

Cash flow from operations in 1994 was \$67 million. Funds were used for additional working capital, dividends, the purchase of capital equipment and investments in acquisitions. Net cash from operations totaled \$45 million in 1993 and \$12 million in 1992.

The Company's working capital of \$316 million increased 8% during the year, after a 4% increase in 1993 and a 2.5% decline in 1992. The current ratios were 2.5, 2.9 and 3.2 in 1994, 1993 and 1992, respectively. The current ratios have declined, primarily because of expanding business activity, including acquisitions, and the resulting effect upon working capital requirements.

Stockholders' equity grew 12% in 1994, compared to the 5% increase in 1993 and the 3% increase of 1992. The return on average stockholders' equity was 14.9% this year, an improvement over the previous two years' rates of 11.8% in 1993 and 10.9% in 1992. Equity per share increased to \$11.37 in 1994 from \$10.23 in 1993 and \$9.74 in 1992. Dividends per share over the past three years were \$.70 in 1994, \$.63 in 1993 and \$.58 in 1992. The Company believes that its strong financial position, including the absence of any long-term debt, will allow it to meet capital requirements as well as to aggressively pursue growth opportunities.

### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements and supplementary data required by this Item are set in the accompanying index on page 14 of this filing and are presented in pages 15-25.

### ITEM 9. DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

## PART III

Information required by Part III with respect to Directors and Executive Officers of the registrant, except as set forth under the title "Executive Officers of the Registrant" which is included on page 9, (Item 10), Executive Compensation (Item 11), Security Ownership of Certain Beneficial Owners and Management (Item 12), and Certain Relationships and Related Transactions (Item 13) is to be included in a definitive proxy statement filed by the registrant not later than 120 days after the close of its fiscal year and such proxy statement, when filed, is incorporated herein by reference.





ITEM 10  
EXECUTIVE OFFICERS OF THE REGISTRANT  
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----- Name/Office -----	----- Age -----	----- Served as an Officer Since (2) -----	----- Business Experience During Last 5 Years -----
William R. Kelly Chairman of the Board	89	1952	Served as officer of registrant.
Terence E. Adderley (1) President and Chief Executive Officer	61	1961	Served as officer of registrant.
Christopher A. Arnette Senior Vice President	38	1995	Served as officer of registrant since January, 1995. Prior thereto, served as Vice President and Chief Information Officer of Ameritech Advertising Services since 1992. Prior thereto, served as Vice President, Information Systems of Dun & Bradstreet Corporation.
Robert G. Barranco Executive Vice President	54	1989	Served as officer of registrant since May, 1994. Served as officer of operating division from March, 1991 until May, 1994. Prior thereto, served as officer of registrant.
Donald A. Bobo Senior Vice President and General Manager, Kelly Temporary Services Division	53		Served as officer of operating division since April, 1992. Prior thereto, served as Vice President of Staff Services at John Labatt Foods.
Carolyn R. Fryar Senior Vice President and General Manager, Kelly Temporary Services Division	52		Served as officer of operating division.



ITEM 10  
EXECUTIVE OFFICERS OF THE REGISTRANT  
-----  
(continued)

Name/Office -----	Age -----	Served as an Officer Since (2) -----	Business Experience During Last 5 Years -----
Paul K. Geiger Senior Vice President	61	1993	Served as officer of registrant since April, 1993. Served as Vice President and Chief Financial Officer of the University of Detroit Mercy from September, 1990 until April, 1992. Prior thereto, served as Partner with Ernst & Young.
Eugene L. Hartwig Senior Vice President, General Counsel and Secretary	61	1990	Served as officer of registrant.
Michael J. McGowan Senior Vice President and General Manager, Kelly Temporary Services Division	41		Served as officer of operating division since January, 1995. Prior thereto, served as Vice President and General Manager and in other capacities of Employer Systems and Services business unit of The MEDSTAT Group since 1992. From 1977 to 1992 served as Acting General Manager and in other capacities of divisions of Automated Data Processing, including ADP Employer Services Division, ADP Automotive Information Services Division and ADP Dealer Services Division.
Robert H. McNabb Senior Vice President and General Manager, Kelly Temporary Services Division	47		Served as officer of operating division since September, 1994. From 1991, served as President of the Central Division and National Accounts of Talent Tree Personnel Services. Prior thereto, served as employee of James River Corporation.



ITEM 10  
EXECUTIVE OFFICERS OF THE REGISTRANT

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(continued)

----- Name/Office	----- Age	----- Served as an Officer Since (2)	----- Business Experience During Last 5 Years
Joanne E. Start Senior Vice President	50	1989	Served as officer of registrant.
Robert F. Stoner Senior Vice President	61	1969	Served as officer of registrant.
Robert E. Thompson Executive Vice President	52	1982	Served as officer of registrant.
Tommi A. White Senior Vice President	44	1993	Served as officer of registrant since November, 1993. From 1992, served as Vice President Rollout Operations of Automated Data Processing. Prior thereto, held senior positions at Skandia Direct Operations Corporation, American Express, Ryder System and National Bank of Detroit.

(1) Mr. Adderley is Mr. William R. Kelly's son.

(2) Each officer serves continuously until removed by the Board of Directors.



PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Financial statements -

Report of Independent Accountants

Balance Sheets at January 1, 1995, January 2, 1994 and  
January 3, 1993

Statements of Earnings for the three fiscal years ended  
January 1, 1995

Statements of Cash Flows for the three fiscal years ended  
January 1, 1995

Statements of Stockholders' Equity for the three fiscal years ended  
January 1, 1995

Notes to Financial Statements

2. Financial Statement Schedule -

For the three fiscal years ended January 1, 1995:

II - Valuation Reserves

3. The Exhibits are listed in the Index to Exhibits Required by Item 601  
of Regulation S-K at Item (c) below and included at page 26 which is  
incorporated herein by reference.

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

No additional financial information has been provided for the registrant as an individual company since the total amount of net assets of subsidiaries which are restricted as to transfer to the registrant through intercompany loans, advances or cash dividends does not exceed 25 percent of total consolidated net assets at January 1, 1995.

(b) No reports on Form 8-K were filed during the last quarter of the period covered by this report.

(c) The Index to Exhibits and required Exhibits are included following the Financial Statement Schedule beginning at page 26 of this filing.

(d) The Index to Financial Statements and Supplemental Schedule is included following the signatures beginning at page 14 of this filing.





SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 24, 1995 KELLY SERVICES, INC.  
Registrant  
By /s/ R. F. Stoner  
-----  
R. F. Stoner  
Senior Vice President and  
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 24, 1995 \* W. R. Kelly  
-----  
W. R. Kelly  
Chairman of the Board

Date: March 24, 1995 \* T. E. Adderley  
-----  
T. E. Adderley  
President, Chief Executive Officer  
and Director  
(Principal Executive Officer)

Date: March 24, 1995 \* C. V. Fricke  
-----  
C. V. Fricke  
Director

Date: March 24, 1995 \* H. E. Guenther  
-----  
H. E. Guenther  
Director

Date: March 24, 1995 \* V. G. Istock  
-----  
V. G. Istock  
Director

Date: March 24, 1995 /s/ R. F. Stoner  
-----  
R. F. Stoner  
Senior Vice President and  
Chief Financial Officer  
(Principal Financial Officer and  
Principal Accounting Officer)

Date: March 24, 1995 \*By /s/ R. F. Stoner  
-----  
R. F. Stoner  
Attorney-in-Fact



INDEX TO FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE

Kelly Services, Inc. and Subsidiaries

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Balance Sheets at January 1, 1995, January 2, 1994 and January 3, 1993	16
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Financial Statement Schedule - Schedule II - Valuation Reserves	25



REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors,  
Kelly Services, Inc.

In our opinion, the accompanying consolidated financial statements as listed in Item 14(a) 1 and 2 of this Form 10-K present fairly, in all material respects, the financial position of Kelly Services, Inc. and its subsidiaries at January 1, 1995, January 2, 1994 and January 3, 1993, and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP

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Price Waterhouse LLP  
Detroit, Michigan  
February 1, 1995



BALANCE SHEETS  
Kelly Services, Inc. and Subsidiaries

	1994	1993	1992
	-----	-----	-----
	(In thousands of dollars)		
<b>ASSETS</b>			
Current Assets			
Cash and equivalents . . . . .	\$ 49,207	\$ 36,020	\$ 29,700
Short-term investments . . . . .	142,723	144,988	154,602
Accounts receivable, less allowances of \$5,660, \$4,735 and \$3,325, respectively. .	307,478	248,161	209,045
Prepaid expenses and other current assets. .	27,018	17,881	15,225
	-----	-----	-----
Total current assets. . . . .	526,426	447,050	408,572
Property and Equipment			
Land and buildings . . . . .	34,044	29,882	23,794
Equipment, furniture and leasehold improvements . . . . .	90,868	82,227	83,475
Accumulated depreciation . . . . .	(54,731)	(43,827)	(37,920)
	-----	-----	-----
Total property and equipment. . . . .	70,181	68,282	69,349
Intangibles and Other Assets . . . . .			
	45,491	26,768	18,154
	-----	-----	-----
Total Assets . . . . .	\$ 642,098	\$ 542,100	\$ 496,075
	=====	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current Liabilities			
Accounts payable . . . . .	\$ 33,716	\$ 24,621	\$ 13,100
Payroll and related taxes . . . . .	102,911	68,451	53,986
Accrued insurance. . . . .	57,390	51,841	48,855
Income and other taxes . . . . .	16,565	10,968	12,875
	-----	-----	-----
Total current liabilities . . . . .	210,582	155,881	128,816
Stockholders' Equity			
Capital stock, \$1.00 par value			
Class A common stock, shares issued 36,507 in 1994, 36,507 in 1993 and 29,195 in 1992 . . . . .	36,507	36,507	29,195
Class B common stock, shares issued 3,609 in 1994, 3,609 in 1993 and 2,898 in 1992 . . . . .	3,609	3,609	2,898
Treasury stock, at cost			
Class A common stock, 2,153 shares in 1994, 2,361 in 1993 and 1,928 in 1992. .	(6,186)	(6,702)	(6,736)
Paid-in capital. . . . .	5,868	679	3,629
Earnings invested in the business. . . . .	391,718	352,126	338,273
	-----	-----	-----
Total stockholders' equity. . . . .	431,516	386,219	367,259
	-----	-----	-----
Total Liabilities and Stockholders' Equity . .	\$ 642,098	\$ 542,100	\$ 496,075
	=====	=====	=====

See accompanying Notes to Financial Statements.





STATEMENTS OF EARNINGS  
Kelly Services, Inc. and Subsidiaries

	1994	1993	(1) 1992
	-----	-----	-----
	(In thousands of dollars except per share items)		
Sales of services . . . . .	\$ 2,362,561	\$ 1,954,534	\$ 1,712,726
Cost of services . . . . .	1,899,552	1,573,797	1,372,387
	-----	-----	-----
Gross profit . . . . .	463,009	380,737	340,339
Selling, general and administrative expenses . .	371,262	316,838	289,114
	-----	-----	-----
Earnings from operations . . . . .	91,747	63,899	51,225
Interest income . . . . .	6,710	6,960	9,800
	-----	-----	-----
Earnings before income taxes . . . . .	98,457	70,859	61,025
Income taxes:			
Federal . . . . .	29,915	20,595	16,840
State and other . . . . .	7,485	5,705	4,960
	-----	-----	-----
Total income taxes . . . . .	37,400	26,300	21,800
	-----	-----	-----
Net earnings . . . . .	\$ 61,057	\$ 44,559	\$ 39,225
	=====	=====	=====
Earnings per share . . . . .	\$1.61	\$1.18	\$1.04
Dividends per share . . . . .	\$ .70	\$ .63	\$ .58
Average shares outstanding (thousands) . . . . .	37,956	37,728	37,668

See accompanying Notes to Financial Statements.  
(1) Fiscal year included 53 weeks.



STATEMENTS OF CASH FLOWS  
Kelly Services, Inc. and Subsidiaries

	1994	1993	(1) 1992
	-----	-----	-----
	(In thousands of dollars)		
Cash flows from operating activities			
Net earnings . . . . .	\$ 61,057	\$ 44,559	\$ 39,225
Noncash adjustments:			
Depreciation . . . . .	17,309	16,614	13,977
Changes in certain working capital components.	(11,000)	(16,300)	(41,023)
	-----	-----	-----
Net cash from operating activities . . . . .	67,366	44,873	12,179
Cash flows from investing activities			
Capital expenditures . . . . .	(18,433)	(16,056)	(32,449)
Short-term investments . . . . .	2,265	9,614	31,571
Increase in intangibles and other assets . . . . .	(11,814)	(9,296)	(2,419)
	-----	-----	-----
Net cash from investing activities . . . . .	(27,982)	(15,738)	(3,297)
Cash flows from financing activities			
Dividend payments . . . . .	(26,570)	(23,846)	(21,999)
Exercise of stock options . . . . .	373	1,049	1,617
Fractional shares paid . . . . .	--	(18)	--
Purchase of treasury stock . . . . .	--	--	(83)
	-----	-----	-----
Net cash from financing activities . . . . .	(26,197)	(22,815)	(20,465)
Net change in cash and equivalents . . . . .	13,187	6,320	(11,583)
Cash and equivalents at beginning of year . . . . .	36,020	29,700	41,283
	-----	-----	-----
Cash and equivalents at end of year . . . . .	\$ 49,207	\$ 36,020	\$ 29,700
	=====	=====	=====

See accompanying Notes to Financial Statements.  
(1) Fiscal year included 53 weeks.



STATEMENTS OF STOCKHOLDERS' EQUITY  
Kelly Services, Inc. and Subsidiaries

	1994	1993	1992
	-----	-----	-----
	(In thousands of dollars)		
<b>Capital Stock</b>			
Class A common stock			
Balance at beginning of year . . . . .	\$ 36,507	\$ 29,195	\$ 29,187
Five-for-four stock split . . . . .	--	7,301	--
Conversions from Class B . . . . .	--	11	8
	-----	-----	-----
Balance at end of year . . . . .	36,507	36,507	29,195
Class B common stock			
Balance at beginning of year . . . . .	3,609	2,898	2,906
Five-for-four stock split . . . . .	--	722	--
Conversions to Class A . . . . .	--	(11)	(8)
	-----	-----	-----
Balance at end of year . . . . .	3,609	3,609	2,898
<b>Treasury Stock</b>			
Balance at beginning of year . . . . .	(6,702)	(6,736)	(6,462)
Treasury stock issued for acquisition . . . . .	529	--	--
Exercise of stock options . . . . .	(13)	34	(191)
Purchase of treasury stock . . . . .	--	--	(83)
	-----	-----	-----
Balance at end of year . . . . .	(6,186)	(6,702)	(6,736)
<b>Paid-in Capital</b>			
Balance at beginning of year . . . . .	679	3,629	1,821
Treasury stock issued for acquisition . . . . .	4,803	--	--
Exercise of stock options . . . . .	386	1,015	1,808
Five-for-four stock split . . . . .	--	(3,965)	--
	-----	-----	-----
Balance at end of year . . . . .	5,868	679	3,629
<b>Earnings Invested in the Business</b>			
Balance at beginning of year . . . . .	352,126	338,273	327,505
Net earnings . . . . .	61,057	44,559	39,225
Cash dividends . . . . .	(26,570)	(23,846)	(21,999)
Five-for-four stock split . . . . .	--	(4,058)	--
Fractional shares paid . . . . .	--	(18)	--
Equity adjustment for foreign currency translation; cumulative charge of \$1,408 in 1994, \$6,513 in 1993 and \$3,729 in 1992 . . . . .	5,105	(2,784)	(6,458)
	-----	-----	-----
Balance at end of year . . . . .	391,718	352,126	338,273
Stockholders' Equity at end of year . . . . .	\$431,516	\$386,219	\$367,259
	=====	=====	=====

See accompanying Notes to Financial Statements.

(1) Fiscal year included 53 weeks.



NOTES TO FINANCIAL STATEMENTS  
Kelly Services, Inc. and Subsidiaries  
(In thousands of dollars except share and per share items)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's fiscal year ends on the Sunday nearest to December 31. The three most recent years ended on January 1, 1995 (1994), January 2, 1994 (1993) and January 3, 1993 (1992). The fiscal years 1994 and 1993 were 52-week periods and fiscal 1992 was a 53-week period.

The Company operates in the single industry segment of providing temporary help services to a diversified group of customers.

The financial statements consolidate the accounts and operations of the Company and its subsidiaries, all of which are wholly owned, after elimination of all intercompany accounts and transactions. The accounts of the Company's international operations are translated at appropriate rates of exchange. International operations are conducted in Canada, Europe, Australia, New Zealand and Mexico. Sales of these operations totaled \$357,000 in 1994, \$235,000 in 1993 and \$225,000 in 1992; operating profit totaled \$4,500 in 1994 and operating losses totaled \$2,500 in 1993 and \$5,600 in 1992. Identifiable assets are \$117,600, \$70,900 and \$69,300 at the end of 1994, 1993 and 1992, respectively.

Certain prior year amounts have been reclassified to conform with the current presentation.

CURRENT ASSETS

Cash and equivalents are stated at cost, which approximates market. Included are highly liquid debt instruments with original maturities of three months or less.

Short-term investments are debt instruments having original maturities of more than three months. Approximately 80% are federal, state and local government obligations and \$119,000 are due within one year. The balance is due within two years and is available for sale. The difference between carrying amounts and market is not material at January 1, 1995.

PROPERTY AND EQUIPMENT

Properties are stated at cost and include expenditures for additions and major improvements. Fully depreciated assets are eliminated from the accounts. For financial reporting purposes, assets are depreciated over their estimated useful lives, principally by the straight-line method.

The Company conducts its field operations primarily from leased facilities. The following are future minimum lease commitments for the five-year period commencing in 1995: \$25,700, \$19,600, \$14,300, \$9,300 and \$5,800. Lease expense for 1994, 1993, and 1992 amounted to \$26,700, \$24,900, and \$24,400, respectively.





NOTES TO FINANCIAL STATEMENTS (continued)  
Kelly Services, Inc. and Subsidiaries  
(In thousands of dollars except share and per share items)

INTANGIBLES AND OTHER ASSETS

Intangibles and other assets include \$34,500, \$17,900 and \$12,100 of intangibles at year-end 1994, 1993 and 1992, respectively. These intangible assets represent primarily the excess of cost over net assets of businesses acquired, amortized over periods not exceeding 40 years. Other assets include deposits and cash values of life insurance on the lives of officers and key employees.

CAPITALIZATION AND STOCK SPLITS

The authorized capital stock of the Company is 100,000,000 shares of Class A common stock and 10,000,000 shares of Class B common stock. Class A shares have no voting rights and are not convertible. Class B shares have voting rights and are convertible into Class A shares on a share-for-share basis at any time. Both classes of stock have identical rights in the event of liquidation.

In May 1993, the Board of Directors declared a five-for-four split of the Class A and Class B common stock. At the same time, the stockholders approved an increase in the number of authorized Class A shares to 100,000,000, from 50,000,000. All per share and share data in the accompanying financial statements and notes have been restated to give effect to stock splits.

Earnings per share are based on the average number of Class A and Class B common shares outstanding during the year.

PERFORMANCE INCENTIVE PLAN

In May 1992, the stockholders approved the Performance Incentive Plan (the "Plan") to replace the Incentive Stock Option Plan which expired earlier that year. Under the Plan, stock options (both incentive and nonqualified), Stock Appreciation Rights (SARs), restricted awards, and performance awards may be granted to key employees, utilizing the Company's Class A stock. Stock options may not be granted at prices less than the fair market value on the date of grant, nor for a term to exceed 10 years.

The Plan provides that the maximum number of shares available for grants is five percent of the outstanding Class A stock, adjusted for Plan activity over the preceding five years.

During 1994, restricted awards totaling 53,000 shares were granted under the Plan and remain outstanding. No SARs or performance awards were granted in 1994.



NOTES TO FINANCIAL STATEMENTS (continued)  
Kelly Services, Inc. and Subsidiaries  
(In thousands of dollars except share and per share items)

The combined 1994 activity under the two plans identified above is as follows:

Activity	Number of Class A Shares	Exercise Price Range Per Share
-----	-----	-----
Outstanding at beginning		
of year . . . . .	455,358	\$21.92 - \$33.80
Granted . . . . .	307,929	\$24.50 - \$30.25
Exercised . . . . .	(19,150)	\$21.92 - \$24.80
Cancelled . . . . .	(46,123)	\$24.75 - \$33.80
	-----	
Outstanding at end of year . .	698,014	\$22.60 - \$33.80
	=====	

At the end of 1994, 1,060,947 shares were available for future grants.

RETIREMENT BENEFITS

The Company provides a qualified defined contribution plan covering substantially all full-time employees, except officers and certain other management employees. Upon approval by the Board of Directors, a contribution based on eligible wages is funded annually. The plan offers a savings feature with Company matching contributions. Assets of this plan are held by an independent trustee for the sole benefit of participating employees.

A nonqualified defined contribution plan is provided for officers and certain other management employees. Upon approval by the Board of Directors, a contribution based on eligible wages is set aside annually. This plan also includes provisions for salary deferrals and Company matching contributions.

The total amounts provided for retirement benefits amounted to \$3,916 in 1994, \$3,430 in 1993 and \$3,365 in 1992.

INCOME TAXES

In January 1993, the Company adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Financial statements for prior years have not been restated and the cumulative effect of the accounting change was not material.



NOTES TO FINANCIAL STATEMENTS (continued)  
Kelly Services, Inc. and Subsidiaries  
(In thousands of dollars except share and per share items)

The following summarizes the differences between income taxes for financial reporting purposes and the United States statutory tax rate for the years 1994, 1993 and 1992.

	1994	1993	1992
	----	----	----
Statutory rate . . . . .	35.0%	35.0%	34.0%
State and local taxes, net of federal benefit. . . . .	4.9	5.2	5.4
Tax exempt income and other tax credits. . . . .	(2.2)	(2.6)	(4.1)
Other. . . . .	0.3	(0.5)	0.4
	-----	-----	-----
Effective tax rate . . . . .	38.0%	37.1%	35.7%
	=====	=====	=====

Deferred taxes are provided for the effect of temporary differences between financial and tax reporting. These differences are related principally to depreciation, benefit plan costs and provision for workers' compensation claims.

In 1992 the Internal Revenue Service (IRS) proposed the imposition of an accumulated earnings tax totaling \$49 million for 1988, 1989 and 1990 in connection with an audit of the Company's consolidated federal tax liability. The proposed amount has been subsequently reduced to \$11 million. The Company believes there is no factual or legal basis for the imposition of any accumulated earnings tax and that the Company is fully justified in making provision to meet the present and future needs of its expanding business operations. The Company is defending its position through the IRS appeal process and into the courts if necessary. In the opinion of the Company, the ultimate resolution of this issue will not materially affect its financial statements.

The Company paid income taxes of \$43,300 in 1994, \$34,800 in 1993 and \$21,402 in 1992.



NOTES TO FINANCIAL STATEMENTS (continued)  
Kelly Services, Inc. and Subsidiaries

SELECTED QUARTERLY FINANCIAL DATA (unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
	-----	-----	-----	-----	-----
	(In thousands of dollars except per share items)				
Sales of services					
1994 . . . . .	\$530,191	\$570,813	\$630,196	\$631,361	\$2,362,561
1993 . . . . .	450,654	482,034	517,585	504,261	1,954,534
1992 . . . . .	374,538	413,182	450,061	474,945	1,712,726
Cost of services					
1994 . . . . .	428,374	461,093	505,668	504,417	1,899,552
1993 . . . . .	364,724	388,906	416,904	403,263	1,573,797
1992 . . . . .	298,270	332,458	361,835	379,824	1,372,387
Selling, general and administrative					
1994 . . . . .	88,424	88,111	95,070	99,657	371,262
1993 . . . . .	77,196	79,178	79,541	80,923	316,838
1992 . . . . .	69,440	69,965	72,843	76,866	289,114
Net earnings					
1994 . . . . .	9,233	14,420	19,289	18,115	61,057
1993 . . . . .	6,879	10,009	14,028	13,643	44,559
1992 . . . . .	6,209	8,505	11,411	13,100	39,225
Earnings per share					
1994 . . . . .	.24	.38	.51	.48	1.61
1993 . . . . .	.18	.27	.37	.36	1.18
1992 . . . . .	.16	.23	.30	.35	1.04
Dividends per share					
1994 . . . . .	.160	.180	.180	.180	.700
1993 . . . . .	.152	.160	.160	.160	.632
1992 . . . . .	.144	.144	.144	.152	.584





SCHEDULE II - VALUATION RESERVES  
 Kelly Services, Inc. and Subsidiaries  
 JANUARY 1, 1995  
 (In thousands of dollars)

Description -----	Balance at beginning of year (B) -----	Additions -----		Deductions - uncollectible accounts (B) -----	Balance at end of year -----
		Charged to costs and expenses -----	Charged to other accounts (A) -----		
Fifty-two weeks ended January 1, 1995:					
Reserve deducted in the balance sheet from the assets to which it applies -					
Allowance for doubtful accounts	\$4,735 =====	\$4,005 =====	\$280 =====	\$3,360 =====	\$5,660 =====
Fifty-two weeks ended January 2, 1994:					
Reserve deducted in the balance sheet from the assets to which it applies -					
Allowance for doubtful accounts	\$3,325 =====	\$4,345 =====	--	\$2,935 =====	\$4,735 =====
Fifty-three weeks ended January 3, 1993:					
Reserve deducted in the balance sheet from the assets to which it applies -					
Allowance for doubtful accounts	\$2,730 =====	\$4,115 =====	--	\$3,520 =====	\$3,325 =====

(A) Allowance of companies acquired.  
 (B) Certain amounts have been reclassified  
 to conform with the current presentation.



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

Exhibit No. -----	Description -----	Page ----
3.1	Certificate of Incorporation. (Reference is made to Exhibit 3.2 to the Form 10-Q for the quarterly period ended October 3, 1993, filed with the Commission in November, 1993, which is incorporated herein by reference).	
3.2	By-laws. (Reference is made to Exhibit 3.3 to the Form 10-Q for the quarterly period ended October 3, 1993, filed with the Commission in November, 1993, which is incorporated herein by reference).	
4	Rights of security holders are defined in Articles Fourth, Fifth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth and Fifteenth of the Certificate of Incorporation. (Reference is made to Exhibit 3.2 to the Form 10-Q for the quarterly period ended October 3, 1993, filed with the Commission in November, 1993, which is incorporated herein by reference).	
10.1	Forms of Branch Office Agreements. (Reference is made to Exhibit 13(a) to registrant's registration statement filed with the Commission in October, 1961, which are incorporated herein by reference).	
10.2	Short-Term Incentive Plan. (Reference is made to Exhibit 10.3 to the Form 10-K for the fiscal year ended January 3, 1993, filed with the Commission in March, 1993, which is incorporated herein by reference.)	
10.3	Kelly Services, Inc. 1982 Incentive Stock Option Plan. (Reference is made to Exhibit 10.3 to the Form 10-K for the fiscal year ended January 2, 1994, filed with the Commission in March, 1994, which is incorporated herein by reference.)	
10.4	Kelly Services, Inc. Performance Incentive Plan. (Reference is made to Appendix to the Definitive Proxy for the fiscal year ended December 30, 1991, filed with the Commission in April, 1992, which is incorporated herein by reference).	
11	Additional Earnings Per Share Information.	1 (Document 2)
21	Subsidiaries of Registrant.	1 (Document 3)
23	Consent of Independent Accountants.	1 (Document 4)
24	Powers of Attorney.	1 (Document 5)
27	Financial Data Schedule	1 (Document 6)



ADDITIONAL EARNINGS PER SHARE INFORMATION

Kelly Services, Inc. and Subsidiaries

Details of the common shares used to compute earnings per share are as follows in thousands except per share items:

	FISCAL YEAR ENDED		
	Jan. 1, 1995	Jan. 2, 1994	Jan. 3, 1993
Weighted average shares outstanding	37,956	37,728	37,668
Adjustment for dilutive shares from stock options under the treasury stock method:			
Shares assumed issued	431	473	188
Less - Shares assumed repurchased	364	408	123
Additional shares assumed outstanding	67	65	65
Applicable shares as adjusted	<u>38,023</u>	<u>37,793</u>	<u>37,733</u>
Net earnings	<u>\$61,057</u>	<u>\$44,559</u>	<u>\$39,225</u>
Earnings per common share	<u>\$1.61</u>	<u>\$1.18</u>	<u>\$1.04</u>
Percent dilution of earnings per share	<u>0.2%</u>	<u>0.2%</u>	<u>0.2%</u>

This calculation is submitted in accordance with Regulation S-K item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.



SUBSIDIARIES OF REGISTRANT

Kelly Services, Inc.

Subsidiary	State/Jurisdiction of Incorporation	Business Name
Kelly Services (Canada), Ltd.	Canada	Kelly Temporary Services
Les Services Kelly (Quebec) Inc. (a subsidiary of Kelly Services (Canada), Ltd.)	Quebec	Les Services Kelly
Lenore Simpson Personnel, Ltd. (a subsidiary of Kelly Services (Canada), Ltd.)	Ontario	Lenore Simpson Personnel
Societe Services Kelly	Delaware	Kelly Services
Kelly Properties, Inc.	Michigan	Kelly Properties
Kelly Services (Ireland), Ltd. (a subsidiary of Kelly Properties, Inc.)	Delaware	Kelly Temporary Services
Kelly Services (UK), Ltd. (a subsidiary of Kelly Services (Ireland), Ltd.)	Delaware	Kelly Temporary Services
Kelly Assisted Living Services, Inc.	Delaware	Kelly Assisted Living Services
Kelly Services (Australia), Ltd.	Delaware	Kelly Temporary Services
Kelly Services (New Zealand), Ltd.	Delaware	Kelly Temporary Services
Kelly Professional Services, Inc.	Delaware	Kelly Professional Services
Kelly Professional Services (France), Inc.	Delaware	Kelly Professional Services
Kelly Services of Denmark, Inc.	Delaware	Kelly Bemanningslosninger Karin Lannig Kelly
Kelly Services (Nederland), B.V.	The Netherlands	Kelly Uitzendburo
Kelly Services Norge A.S. (a subsidiary of Kelly Services (Nederland), B.V.)	Norway	Kelly Personal Byraet
Kelly de Mexico, S.A. de C.V.	Mexico	Kelly Temporary Services
KSI Acquisition Corporation	California	Your Staff
OK Personnel Service Holding SA	Switzerland	OK Personnel
Kelly Pinpoint, Inc.	Delaware	Kelly PinPoint

/TABLE





CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statements on Forms S-8 Number 2-85867, 33-48782 and 33-51239 of Kelly Services, Inc. of our report dated February 1, 1995, appearing on page 15 of this Annual Report on Form 10-K.

/s/ Price Waterhouse LLP

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Price Waterhouse LLP

Detroit, Michigan

March 24, 1995



POWER OF ATTORNEY

The undersigned director of Kelly Services, Inc. does hereby appoint each of Eugene L. Hartwig and Robert F. Stoner, signing singly, his true and lawful attorneys, to execute for and on behalf of the undersigned the Form 10-K Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended January 1, 1995, to be filed with the Securities and Exchange Commission in Washington, D.C. under the provisions of the Securities Exchange Act of 1934, as amended, and any and all amendments to said Form 10-K whether said amendments add to, delete from or otherwise alter the Form 10-K, or add to or withdraw any exhibit or exhibits, schedule or schedules to be filed therewith, and any and all instruments necessary or incidental in connection therewith, hereby granting unto said attorneys and each of them full power and authority to do and perform in the name and on behalf of each of the undersigned, and in any and all capacities, every act and thing whatsoever required or necessary to be done in the exercise of any of the rights and powers herein granted, as fully and to all intents and purposes as each of the undersigned might or could do in person, hereby ratifying and approving the acts of said attorneys and each of them.

IN WITNESS WHEREOF the undersigned have caused this Power of Attorney to be executed as of this 15th day of February, 1995.

/s/ William R. Kelly  
-----  
William R. Kelly



POWER OF ATTORNEY

Each of the undersigned directors of Kelly Services, Inc. does hereby appoint each of Eugene L. Hartwig and Robert F. Stoner, signing singly, his true and lawful attorneys, to execute for and on behalf of the undersigned the Form 10-K Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended January 1, 1995, to be filed with the Securities and Exchange Commission in Washington, D.C. under the provisions of the Securities Exchange Act of 1934, as amended, and any and all amendments to said Form 10-K whether said amendments add to, delete from or otherwise alter the Form 10-K, or add to or withdraw any exhibit or exhibits, schedule or schedules to be filed therewith, and any and all instruments necessary or incidental in connection therewith, hereby granting unto said attorneys and each of them full power and authority to do and perform in the name and on behalf of each of the undersigned, and in any and all capacities, every act and thing whatsoever required or necessary to be done in the exercise of any of the rights and powers herein granted, as fully and to all intents and purposes as each of the undersigned might or could do in person, hereby ratifying and approving the acts of said attorneys and each of them.

IN WITNESS WHEREOF the undersigned have caused this Power of Attorney to be executed as of this 15th day of February, 1995.

/s/ Terence E. Adderley  
-----  
Terence E. Adderley

/s/ Cedric V. Fricke  
-----  
Cedric V. Fricke

/s/ Harold E. Guenther  
-----  
Harold E. Guenther

/s/ Verne G. Istock  
-----  
Verne G. Istock



THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND STATEMENT OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR			
	JAN-01-1995		
	JAN-01-1995		
		49,207	
		142,723	
		313,138	
		5,660	
		0	
	526,426		
		124,912	
		54,731	
		642,098	
	210,582		
		0	
		40,116	
	0		
		0	
		391,400	
642,098			
		0	
	2,362,561		
			0
		1,899,552	
		0	
		0	
		0	
		98,457	
		37,400	
	61,057		
		0	
		0	
			0
		61,057	
		1.61	
		0	