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 March 31, 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 April 26, 2013, 33,726,815 shares of Class A and 3,452,585 shares of Class B common stock of the Registrant were outstanding.

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	
	March 31, 2013	April 1, 2012
Revenue from services	$ 1,314.8	$ 1,354.8
Cost of services	1,097.9	1,131.1
Gross profit	216.9	223.7
Selling, general and administrative expenses	209.8	209.0
Earnings from operations	7.1	14.7
Other expense, net	1.0	0.6
Earnings from continuing operations before taxes	6.1	14.1
Income tax (benefit) expense	(6.8)	4.9
Earnings from continuing operations	12.9	9.2
Earnings from discontinued operations, net of tax	-	0.4
Net earnings	$ 12.9	$ 9.6
Basic earnings per share:		
Earnings from continuing operations	$ 0.34	$ 0.24
Earnings from discontinued operations	$ -	$ 0.01
Net earnings	$ 0.34	$ 0.26
Diluted earnings per share:		
Earnings from continuing operations	$ 0.34	$ 0.24
Earnings from discontinued operations	$ -	$ 0.01
Net earnings	$ 0.34	$ 0.26
Dividends per share	$ 0.05	$ 0.05
Average shares outstanding (millions):		
Basic	37.2	36.9
Diluted	37.2	36.9

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	
	March 31, 2013	April 1, 2012
Net earnings	$ 12.9	$ 9.6
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	(7.0)	5.0
Unrealized gains on investment, net of tax expense of $4.4 in 2013	12.3	3.0
Pension liability adjustments	-	0.3
Other comprehensive income	5.3	8.3
Comprehensive Income	$ 18.2	$ 17.9

See accompanying unaudited Notes to Consolidated Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In millions)

ASSETS	March 31, 2013	Dec. 30, 2012
CURRENT ASSETS:		
Cash and equivalents	$ 62.1	$ 76.3
Trade accounts receivable, less allowances of $10.1 and $10.4, respectively	999.8	1,013.9
Prepaid expenses and other current assets	56.8	57.5
Deferred taxes	36.3	44.9
Total current assets	1,155.0	1,192.6
PROPERTY AND EQUIPMENT:		
Property and equipment	336.6	337.6
Accumulated depreciation	(249.1)	(247.7)
Net property and equipment	87.5	89.9
NONCURRENT DEFERRED TAXES	106.6	82.8
GOODWILL, NET	90.3	89.5
OTHER ASSETS	208.6	180.9
TOTAL ASSETS	$ 1,648.0	$ 1,635.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	$ 50.2	$ 64.1
Accounts payable and accrued liabilities	311.8	295.6
Accrued payroll and related taxes	250.2	264.5
Accrued insurance	31.4	32.8
Income and other taxes	61.2	65.3
Total current liabilities	704.8	722.3
NONCURRENT LIABILITIES:		
Accrued insurance	41.6	43.5
Accrued retirement benefits	120.2	111.0
Other long-term liabilities	22.9	17.9
Total noncurrent liabilities	184.7	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	(60.5)	(61.0)
Class B common stock	(0.6)	(0.6)
Paid-in capital	27.8	27.1
Earnings invested in the business	711.0	700.0
Accumulated other comprehensive income	40.7	35.4
Total stockholders' equity	758.5	741.0
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,648.0	$ 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	
	March 31, 2013	April 1, 2012
Capital Stock		
Class A common stock		
Balance at beginning of period	$ 36.6	$ 36.6
Conversions from Class B	-	-
Balance at end of period	36.6	36.6
Class B common stock		
Balance at beginning of period	3.5	3.5
Conversions to Class A	-	-
Balance at end of period	3.5	3.5
Treasury Stock		
Class A common stock		
Balance at beginning of period	(61.0)	(66.3)
Exercise of stock options, restricted stock and other	0.5	0.3
Balance at end of period	(60.5)	(66.0)
Class B common stock		
Balance at beginning of period	(0.6)	(0.6)
Exercise of stock options, restricted stock and other	-	-
Balance at end of period	(0.6)	(0.6)
Paid-in Capital		
Balance at beginning of period	27.1	28.8
Exercise of stock options, restricted stock and other	0.7	1.0
Balance at end of period	27.8	29.8
Earnings Invested in the Business		
Balance at beginning of period	700.0	657.5
Net earnings	12.9	9.6
Dividends	(1.9)	(1.9)
Balance at end of period	711.0	665.2
Accumulated Other Comprehensive Income		
Balance at beginning of period	35.4	16.2
Other comprehensive income, net of tax	5.3	8.3
Balance at end of period	40.7	24.5
Stockholders' Equity at end of period	$ 758.5	$ 693.0

See accompanying unaudited Notes to Consolidated Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In millions of dollars)

	13 Weeks Ended	
	March 31, 2013	April 1, 2012
Cash flows from operating activities:		
Net earnings	$ 12.9	$ 9.6
Noncash adjustments:		
Depreciation and amortization	5.3	5.7
Provision for bad debts	0.4	0.2
Stock-based compensation	1.2	1.4
Other, net	0.2	-
Changes in operating assets and liabilities	(14.1)	(3.5)
Net cash from operating activities	5.9	13.4
Cash flows from investing activities:		
Capital expenditures	(2.8)	(4.0)
Other investing activities	0.2	(0.4)
Net cash used in investing activities	(2.6)	(4.4)
Cash flows from financing activities:		
Net change in short-term borrowings	(13.7)	(2.3)
Dividend payments	(1.9)	(1.9)
Net cash used in financing activities	(15.6)	(4.2)
Effect of exchange rates on cash and equivalents	(1.9)	2.5
Net change in cash and equivalents	(14.2)	7.3
Cash and equivalents at beginning of period	76.3	81.0
Cash and equivalents at end of period	$ 62.1	$ 88.3

See accompanying unaudited Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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 first fiscal quarter ended on March 31, 2013 (2013) and April 1, 2012 (2012), each of which contained 13 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 for the first quarter 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.

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 as of first quarter-end 2013 and year-end 2012 on the consolidated balance sheet 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 First Quarter-End 2013			
Description	Total	Level 1	Level 2	Level 3
	(In millions of dollars)			
Money market funds	$ 2.7	$ 2.7	$ -	$ -
Available-for-sale investment	52.2	52.2	-	-
Total assets at fair value	$ 54.9	$ 54.9	$ -	$ -

	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	$ -	$ -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(UNAUDITED)

2. Fair Value Measurements (continued)

Money market funds as of first 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 first 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 $12.3 million for the 13 weeks ended 2013 and unrealized gain of $3.0 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.

3. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income by component, net of tax, during the 13 weeks ended 2013 are included in the table below. Amounts in parentheses indicate debits.

	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)	(7.0)	12.3	-	5.3
Ending balance	$ 17.9	$ 25.9	$ (3.1)	$ 40.7

4. Earnings Per Share

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

	13 Weeks Ended	
	2013	2012
Earnings from continuing operations	$ 12.9	$ 9.2
Less: Earnings allocated to participating securities	(0.3)	(0.2)
Earnings from continuing operations available to common shareholders	$ 12.6	$ 9.0
Earnings from discontinued operations	$ -	$ 0.4
Less: Earnings allocated to participating securities	-	-
Earnings from discontinued operations available to common shareholders	$ -	$ 0.4
Net Earnings	$ 12.9	$ 9.6
Less: Earnings allocated to participating securities	(0.3)	(0.2)
Net Earnings available to common shareholders	$ 12.6	$ 9.4
Basic earnings per share on common stock:		
Earnings from continuing operations	$ 0.34	$ 0.24
Earnings from discontinued operations	$ -	$ 0.01
Net earnings	$ 0.34	$ 0.26
Diluted earnings per share on common stock:		
Earnings from continuing operations	$ 0.34	$ 0.24
Earnings from discontinued operations	$ -	$ 0.01
Net earnings	$ 0.34	$ 0.26
Average common shares outstanding (millions)		
Basic	37.2	36.9
Diluted	37.2	36.9

Stock options representing 0.4 million and 0.5 million shares, respectively, for the 13 weeks ended 2013 and 2012 were excluded from the computation of diluted earnings per share due to their anti-dilutive effect.

5. Other Expense, Net

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

	13 Weeks Ended	
	2013	2012
	(In millions of dollars)	
Interest income	$ 0.1	$ 0.6
Interest expense	(0.7)	(1.0)
Foreign exchange losses	(0.1)	(0.2)
Net loss on equity investment	(0.3)	-
Other expense, net	$ (1.0)	$ (0.6)

6. 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 has recorded an additional reserve of $3.0 million in the first quarter of 2013. The Company expects that the settlement will be paid during the second quarter of 2013.

7. 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 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.

7. 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 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	
	2013	2012
	(In millions of dollars)	
Revenue from Services:		
Americas Commercial	$ 638.3	$ 669.3
Americas PT	251.0	250.1
Total Americas Commercial and PT	889.3	919.4
EMEA Commercial	201.0	213.0
EMEA PT	43.5	42.2
Total EMEA Commercial and PT	244.5	255.2
APAC Commercial	81.5	88.3
APAC PT	10.2	12.8
Total APAC Commercial and PT	91.7	101.1
OCG	99.0	86.7
Less: Intersegment revenue	(9.7)	(7.6)
Consolidated Total	$ 1,314.8	$ 1,354.8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(UNAUDITED)

7. Segment Disclosures (continued)

	13 Weeks Ended	
	2013	2012
	(In millions of dollars)	
Earnings from Operations:		
Americas Commercial gross profit	$ 93.5	$ 98.0
Americas PT gross profit	40.4	40.2
Americas Region gross profit	133.9	138.2
Americas Region SG&A expenses	(109.2)	(102.9)
Americas Region Earnings from Operations	24.7	35.3
EMEA Commercial gross profit	31.1	33.5
EMEA PT gross profit	10.7	11.3
EMEA Region gross profit	41.8	44.8
EMEA Region SG&A expenses	(42.0)	(44.5)
EMEA Region (Loss) Earnings from Operations	(0.2)	0.3
APAC Commercial gross profit	11.6	13.1
APAC PT gross profit	3.3	5.2
APAC Region gross profit	14.9	18.3
APAC Region SG&A expenses	(15.8)	(19.7)
APAC Region Loss from Operations	(0.9)	(1.4)
OCG gross profit	27.1	23.1
OCG SG&A expenses	(25.4)	(22.6)
OCG Earnings from Operations	1.7	0.5
Less: Intersegment gross profit	(0.8)	(0.7)
Less: Intersegment SG&A expenses	0.8	0.7
Net Intersegment Activity	0.0	0.0
Corporate	(18.2)	(20.0)
Consolidated Total	7.1	14.7
Other Expense, Net	1.0	0.6
Earnings from Continuing Operations Before Taxes	$ 6.1	$ 14.1

8. 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. has 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 Group. 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. In addition, we have set a long-term goal to achieve a competitive return on sales of 4%. To attain this, we are focused on the following key areas:

- Maintain our core strengths in commercial staffing and key markets;
- Aggressively grow our professional and technical staffing;
- 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.

The slow and uneven economic growth we saw throughout 2012 continued into 2013, impacting our industry. For Kelly in particular, first quarter revenue was down year over year by 3%. In spite of persistent economic uncertainty and the current state of demand for temporary labor, we exceeded our expectations. During the first quarter of 2013:

- We maintained stable professional and technical business volume despite a 3% decline in total revenue;
- In our OCG segment, we increased revenue by 14% year over year, improved the gross profit rate by 60 basis points and improved earnings from operations by over $1 million;
- While continuing to make strategic investments, we held expenses flat in comparison to the prior year.

At 0.5% for the first quarter of 2013, our return on sales 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 along with growing demand for labor.

Looking ahead, although the U.S. unemployment rate is currently below 8% and declining, one of the primary drivers 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 recessionary conditions that continue to take their toll on the labor market.

An additional challenge for us will be to meet the 2014 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 a potential penalty 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 in 2014 to all temporary employees eligible for coverage under the Acts.

Estimating the costs of complying with the Acts is difficult due to a variety of factors associated with our temporary employee population, including: the number of employees who are eligible for coverage; the percentage of eligible employees who will enroll for health care coverage; the number of months during the following year that those employees who accept coverage remain an employee; determination of the appropriate employee contribution share for affordability purposes; the cost and availability of health care coverage that meets the Acts’ requirements; and the cost of implementation and ongoing administrative costs of compliance. Taking these factors into consideration, we preliminarily estimate compliance costs to approximate one percent of U.S. cost of services. Although we intend to pass ongoing 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, 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.

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

	2013	2012	Change	CC Change
Revenue from Services	$ 1,314.8	$ 1,354.8	(3.0) %	(2.7) %
Fee-based income	36.7	36.6	0.2	0.6
Gross profit	216.9	223.7	(3.1)	(2.8)
Total SG&A expenses	209.8	209.0	0.4	0.6
Earnings from Operations	7.1	14.7	(51.8)	
Gross profit rate	16.5%	16.5%	- pts.	
Expense rates:				
% of revenue	16.0	15.4	0.6	
% of gross profit	96.7	93.4	3.3	
Operating margin	0.5	1.1	(0.6)	

Total Company revenue for the first quarter of 2013 was down 3% in comparison to the prior year and down 3% on a CC basis. This reflected a 9% decrease in hours worked, partially offset by a 6% 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 the business we exited in India with very low average bill rates.

Compared to the first quarter of 2012, the gross profit rate was flat. An increase in the gross profit rate in OCG and slight increase in the Americas region was offset by decreases in the EMEA and APAC regions.

Selling, general and administrative (“SG&A”) expenses increased slightly year over year. Included in SG&A expenses in the first quarter is $3 million for a settlement with the state of Delaware related to unclaimed property examinations.

Income tax benefit for the first quarter of 2013 was $7 million (-110.9%), compared to tax expense of $5 million (34.6%) for the first quarter of 2012. The first quarter 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 $10 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 quarter of 2013 were $0.34, as compared to $0.24 for the first quarter of 2012.

Earnings from discontinued operations for the first quarter 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 - First Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from Services	$ 889.3	$ 919.4	(3.3) %	(3.0) %
Fee-based income	7.8	6.9	13.4	14.0
Gross profit	133.9	138.2	(3.1)	(2.9)
Total SG&A expenses	109.2	102.9	6.1	6.3
Earnings from Operations	24.7	35.3	(30.0)	
Gross profit rate	15.1%	15.0%	0.1 pts.	
Expense rates:				
% of revenue	12.3	11.2	1.1	
% of gross profit	81.6	74.5	7.1	
Operating margin	2.8	3.8	(1.0)	

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. During the first quarter of 2013, the PT segment revenue was relatively flat, while Commercial segment revenue declined 4%. The PT segment result was due to increases in hours and revenues in our engineering and health care services, offset by decreases in our science, IT and finance practices. Many of our customers in the higher-end PT market are completing projects, then delaying new project implementations. The decrease in Commercial segment revenue was driven primarily by decreases in our office-clerical and electronic assembly service lines, somewhat offset by growth in our educational staffing business due to new customer wins. We believe this slowing demand continues to be a reflection of economic uncertainties in the region. Americas represented 68% of total Company revenue in the first quarter of both 2013 and 2012.

The increase in our gross profit rate was due to the effect of increased fee-based income. Fee-based income, which is included in revenue from services, 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.

Americas SG&A expenses increased 6% over the prior year. Included in Americas SG&A expenses for the first quarter of 2013 is the $3 million unclaimed property settlement noted above. The remainder of the increase in SG&A expenses is due to continued investments in PT, our centralized operations staff to support our largest customers and investments in our technology infrastructure.

Total EMEA - First Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from Services	$ 244.5	$ 255.2	(4.2) %	(4.1) %
Fee-based income	9.5	10.7	(11.3)	(11.2)
Gross profit	41.8	44.8	(6.7)	(6.6)
SG&A expenses excluding restructuring charges	42.2	44.5	(5.2)	
Restructuring charges	(0.2)	-	NM	
Total SG&A expenses	42.0	44.5	(5.6)	(5.5)
Earnings from Operations	(0.2)	0.3	NM	
Gross profit rate	17.1%	17.6%	(0.5) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	17.2	17.4	(0.2)	
% of gross profit	100.8	99.2	1.6	
Operating margin	(0.1)	0.1	(0.2)	

The change in EMEA revenue from services reflected a 7% decrease in hours worked. The decrease primarily reflects the difficult economic environment in the European Union, mainly in France, Portugal, Germany and Italy. However, we also saw a decrease in our hours in Russia and the U.K., where we were focused on gaining higher-margin customers. The decrease in volume was partially offset by a 3% increase in average bill rates on a CC basis. This was the result of average bill rate increases in Switzerland and France, due to favorable customer mix and Russia and the U.K. where, as noted above, we were focused on higher-margin customers. EMEA represented 19% of total Company revenue in the first quarter 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 a tax credit related to a new law in France, the CICE tax credit, which has been introduced to enhance the competitiveness of businesses in France. The effect of this credit, which is recorded in cost of services, accounted for 60 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 quarter of 2013 reflect the adjustments to prior restructuring costs in the U.K., France and Italy.

Total APAC - First Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from Services	$ 91.7	$ 101.1	(9.4) %	(9.0) %
Fee-based income	4.7	7.3	(36.2)	(35.4)
Gross profit	14.9	18.3	(18.7)	(18.1)
SG&A expenses excluding restructuring charges	15.6	19.7	(20.9)	
Restructuring charges	0.2	-	NM	
Total SG&A expenses	15.8	19.7	(19.9)	(19.3)
Earnings from Operations	(0.9)	(1.4)	35.7	
Gross profit rate	16.2%	18.1%	(1.9) pts.	
Expense rates (excluding restructuring charges):				
% of revenue	17.0	19.4	(2.4)	
% of gross profit	104.7	107.6	(2.9)	
Operating margin	(1.0)	(1.4)	0.4	

The change in total APAC revenue reflected a 30% decrease in hours worked, partially offset by a 34% increase in average bill rates on a CC basis. Excluding the 2012 results from the North Asia operations which were deconsolidated in the fourth quarter of 2012, APAC revenue declined 7% on a constant currency basis. The change in hours worked was due to: the decrease in hours worked in Australia and New Zealand, which were impacted by the loss of large customers and fewer temporary employees in the automotive sector in Australia; the move to exit low-margin customers as well as the subsequent loss of certain customers in India; and a reduction in the number of temporary employees in Malaysia and New Zealand related to the conversion of employees from temporary to permanent and management of such employees in-house. The increase in average bill rates was the result of the customer mix changes from last year's exits of low-margin customers in India, as well as higher billing rates per hour related to overtime from the seasonal projects in Singapore and Malaysia. APAC revenue represented 7% of total Company revenue in the first quarter of 2013 and 8% in the first quarter of 2012.

Excluding the North Asia operations from 2012 results, the APAC gross profit rate decreased 60 basis points, due to a decrease in fee-based income. Fee-based income decreased 17% on a constant currency basis excluding the North Asia operations, with all APAC countries, excluding India, experiencing declines. The decrease in fees is attributed to the weakening economic climate in Australia and New Zealand and lower productivity levels in Singapore and Malaysia, due to high turnover in consultants.

SG&A expenses declined 10% on a constant currency basis, excluding the North Asia operations from 2012 results. This change was the result of lower salaries due to a decision to intentionally hold positions open in response to volume pressures in the region, particularly in Australia and New Zealand, where there has been a 22% drop in full-time headcount.

OCG - First Quarter
(Dollars in millions)

	2013	2012	Change	CC Change
Revenue from Services	$ 99.0	$ 86.7	14.2 %	14.4%
Fee-based income	14.6	11.6	25.8	26.3
Gross profit	27.1	23.1	17.0	17.3
Total SG&A expenses	25.4	22.6	12.2	12.5
Earnings from Operations	1.7	0.5	233.4	
Gross profit rate	27.3%	26.7%	0.6 pts.	
Expense rates:				
% of revenue	25.6	26.1	(0.5)	
% of gross profit	93.8	97.8	(4.0)	
Operating margin	1.7	0.6	1.1	

Revenue from services in the OCG segment increased during the first quarter of 2013 due to growth in BPO of 30% and CWO growth of 13%. Fee-based income represents primarily the CWO practice area. The revenue growth in BPO and CWO was due to expansion of programs with existing customers. OCG revenue represented 8% of total Company revenue in the first quarter of 2013 and 6% in the first quarter of 2012.

The OCG gross profit rate increased primarily due to increased volume mix in the higher-margin BPO and CWO practice areas. 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.

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 $62 million at the end of the first quarter of 2013 and $76 million at year-end 2012. As further described below, we generated $6 million in cash from operating activities, used $3 million of cash for investing activities and used $16 million of cash for financing activities.

Operating Activities

In the first three months of 2013, we generated $6 million in cash from operating activities, as compared to $13 million in the first three months of 2012. The decrease in cash generated was due to higher additional working capital requirements.

Trade accounts receivable totaled $1 billion at the end of the first quarter of 2013. Global days sales outstanding were 54 days at the end of the first quarter of both 2013 and 2012.

Our working capital position was $450 million at the end of the first quarter of 2013, a decrease of $20 million from year-end 2012. The current ratio was 1.6% at the end of the first quarter of 2013 and 1.7% at year-end 2012.

Investing Activities

In the first three months of 2013, we used $3 million of cash for investing activities, compared to $4 million in the first three 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 three months of 2013, we used $16 million of cash for financing activities, compared to using $4 million in the first three months of 2012. Debt totaled $50 million at the end of the first quarter of 2013 and $64 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 6.2% at the end of the first quarter of 2013 and 8.0% at year-end 2012.

The net change in short-term borrowings in the first three months of 2013 was primarily due to payments on our securitization facility. The net change in short-term borrowings in the first three months of 2012 was primarily due to payments on our revolving credit facility.

We made dividend payments of $2 million in the first quarter of 2013 and first quarter of 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 first quarter end, we had $150 million of available capacity on our $150 million revolving credit facility and $46 million of available capacity on our $150 million securitization facility. The securitization facility carried $48 million of short-term borrowings and $56 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 first 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 first 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 first quarter end, our total exposure to European receivables from our customers was $275 million, which represents 28% 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 $39 million as of the 2013 first 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 first 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 (the "Exchange Act")) are effective.

During the first quarter of 2013, the Company implemented the PeopleSoft payroll system for payroll processing in the southern and western regions of the U.S. Management has reviewed the internal controls impacted by the implementation of the PeopleSoft payroll system and has made changes to these internal controls as appropriate.

There were no other 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, except to update the following:

The net financial impact of recent U.S. healthcare legislation on our results of operations could be significant.

In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the "Acts") were signed into U.S. law. The Acts represent comprehensive healthcare reform legislation that, in addition to other provisions, will subject us to a potential penalty unless we offer to our employees minimal essential coverage that is affordable and provides minimum value. Although we intend to pass these 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. Based on an approximation of the net impact of the Acts, we believe the net financial impact on our results of operations could be significant.

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)
December 31, 2012 through February 3, 2013	10,163	$ 16.01	-	$ -
February 4, 2013 through March 3, 2013	297	17.10	-	$ -
March 4, 2013 through March 31, 2013	-	-	-	$ -
Total	10,460	$ 16.04	-	

We may reacquire shares sold to cover taxes due upon the vesting of restricted stock held by employees. Accordingly, 10,460 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 26 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: May 8, 2013

/s/ Patricia Little
Patricia Little

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

Date: May 8, 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
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

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: May 8, 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: May 8, 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 March 31, 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: May 8, 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 March 31, 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: May 8, 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.