



## KELLY SERVICES® REPORTS 2<sup>nd</sup> QUARTER 2015 RESULTS

TROY, MI (August 5, 2015) -- Kelly Services, Inc. (Nasdaq: KELYA) (Nasdaq: KELYB), a leader in providing workforce solutions, today announced results for the second quarter of 2015.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the second quarter of 2015 totaled \$1.4 billion, a 2% decrease (a 4% increase on a constant currency basis) compared to the corresponding quarter of 2014.

Earnings from operations for the second quarter of 2015 totaled \$11.5 million, compared to \$5.9 million reported for the second quarter of 2014. Included in the results of operations in the second quarter of 2014 are restructuring charges of \$1.8 million. Excluding the restructuring charges, earnings from operations were \$7.7 million in the second quarter of 2014.

Diluted earnings per share in the second quarter of 2015 were \$0.18 compared to \$0.07 per share in the second quarter of 2014. Adjusted earnings per share were \$0.10 in the second quarter of 2014.

Commenting on the second quarter, Camden stated, "I'm pleased to report that Kelly once again delivered strong operating leverage and improved returns. On a constant currency basis, we grew second quarter revenue and held our expenses relatively flat, dropping more than half of our gross profit growth to the bottom line. Last year's investments in PT and OCG are yielding results, and we are executing a strategy that clearly aligns with market trends and customer needs."

Kelly also reported that on August 4, its board of directors declared a dividend of \$0.05 per share. The dividend is payable September 8 to shareholders of record as of the close of business on August 18.

In conjunction with its second quarter earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on August 5, to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Telephone:

|               |                |
|---------------|----------------|
| U.S.          | 1 800 288-9626 |
| International | 1 651 291-5254 |

The pass code is Kelly Services

Via the Internet:

The call is also available via the internet through the Kelly Services website:  
[www.kellyservices.com](http://www.kellyservices.com)

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These factors include, 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, the risk of damage to our brand, our ability to successfully develop new service offerings, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, our increasing dependency on third parties for the execution of critical functions, the risks associated with past and future acquisitions, exposure to risks associated with investments in equity affiliates, material changes in demand from or loss of large corporate customers, risks associated with conducting business in foreign countries, including foreign currency fluctuations, availability of full-time employees to lead complex talent supply chain sales and operations, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, the risk of cyber attacks or other breaches of network or information technology security as well as risks associated with compliance on data privacy, 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 maintain adequate financial and management processes and controls, impairment charges triggered by adverse industry or market developments, unexpected changes in claim trends on workers' compensation, disability and medical benefit plans, the impact of the Patient Protection and Affordable Care Act on our business, the impact of changes in laws and regulations (including federal, state and international tax laws and the expiration and/or reinstatement of the U.S. work opportunity credit program), the risk of additional tax or unclaimed property liabilities in excess of our estimates, our ability to maintain specified financial covenants in our bank facilities to continue to access credit markets, and other risks, uncertainties and factors discussed in this release and in the Company's filings with the Securities and Exchange Commission. Actual results may differ materially from any forward looking statements contained herein, and we have no intention to update these statements.

### **About Kelly Services®**

As a global leader in providing workforce solutions, Kelly Services, Inc. (Nasdaq: KELYA, KELYB) and its subsidiaries, offer a comprehensive array of outsourcing and consulting services as well as world-class staffing on a temporary, temporary-to-hire, and direct-hire basis. Kelly® has a role in managing employment opportunities for more than one million workers around the globe by employing 550,000 of these individuals directly with the remaining workers engaged through its talent supply chain network of supplier partners. Revenue in 2014 was \$5.6 billion. Visit [kellyservices.com](http://kellyservices.com) and connect with us on [Facebook](#), [LinkedIn](#), & [Twitter](#).

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**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED JUNE 28, 2015 AND JUNE 29, 2014**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|  | <u>2015</u>    | <u>2014</u>    | <u>Change</u> | <u>%<br/>Change</u> | <u>CC %<br/>Change</u> |
|--|----------------|----------------|---------------|---------------------|------------------------|
| <b>Revenue from services</b>                 | \$ 1,385.0     | \$ 1,410.5     | \$ (25.5)     | (1.8) %             | 3.9 %                  |
| Cost of services                             | <u>1,162.7</u> | <u>1,182.4</u> | <u>(19.7)</u> | (1.7)               |                        |
| <b>Gross profit</b>                          | 222.3          | 228.1          | (5.8)         | (2.5)               | 2.9                    |
| Selling, general and administrative expenses | <u>210.8</u>   | <u>222.2</u>   | <u>(11.4)</u> | (5.2)               | (0.4)                  |
| <b>Earnings from operations</b>              | 11.5           | 5.9            | 5.6           | 99.9                |                        |
| Other expense, net                           | <u>1.0</u>     | <u>0.3</u>     | <u>0.7</u>    | 276.3               |                        |
| <b>Earnings before taxes</b>                 | 10.5           | 5.6            | 4.9           | 91.4                |                        |
| Income tax expense                           | <u>3.7</u>     | <u>2.8</u>     | <u>0.9</u>    | 34.7                |                        |
| <b>Net earnings</b>                          | \$ <u>6.8</u>  | \$ <u>2.8</u>  | \$ <u>4.0</u> | 148.6 %             |                        |
| <b>Basic earnings per share</b>              | \$ 0.18        | \$ 0.07        | \$ 0.11       | 157.1 %             |                        |
| <b>Diluted earnings per share</b>            | \$ 0.18        | \$ 0.07        | \$ 0.11       | 157.1 %             |                        |

**STATISTICS:**

|  |        |        |             |
|--|--------|--------|-------------|
| Gross profit rate  | 16.1 % | 16.2 % | (0.1) pts.  |
| Selling, general and administrative expenses:                  |        |        |             |
| % of revenue   | 15.2   | 15.8   | (0.6)       |
| % of gross profit  | 94.8   | 97.5   | (2.7)       |
| % Return:  |        |        |             |
| Earnings from operations                                       | 0.8    | 0.4    | 0.4         |
| Earnings before taxes  | 0.8    | 0.4    | 0.4         |
| Net earnings   | 0.5    | 0.2    | 0.3         |
| Effective income tax rate                                      | 35.3 % | 50.2 % | (14.9) pts. |
| Average number of shares outstanding<br>(millions):            |        |        |             |
| Basic  | 37.7   | 37.4   |             |
| Diluted  | 37.8   | 37.4   |             |
| Shares adjusted for nonvested restricted<br>awards (millions): |        |        |             |
| Basic  | 38.8   | 38.5   |             |
| Diluted  | 38.8   | 38.6   |             |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 26 WEEKS ENDED JUNE 28, 2015 AND JUNE 29, 2014**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|  | <u>2015</u>    | <u>2014</u>    | <u>Change</u> | <u>%<br/>Change</u> | <u>CC %<br/>Change</u> |
|--|----------------|----------------|---------------|---------------------|------------------------|
| <b>Revenue from services</b>                 | \$ 2,705.6     | \$ 2,741.3     | \$ (35.7)     | (1.3) %             | 4.1 %                  |
| Cost of services                             | <u>2,263.0</u> | <u>2,290.9</u> | <u>(27.9)</u> | (1.2)               |                        |
| <b>Gross profit</b>                          | 442.6          | 450.4          | (7.8)         | (1.7)               | 3.3                    |
| Selling, general and administrative expenses | <u>419.0</u>   | <u>438.2</u>   | <u>(19.2)</u> | (4.4)               | 0.3                    |
| <b>Earnings from operations</b>              | 23.6           | 12.2           | 11.4          | 96.9                |                        |
| Other expense, net                           | <u>3.5</u>     | <u>2.0</u>     | <u>1.5</u>    | 82.2                |                        |
| <b>Earnings before taxes</b>                 | 20.1           | 10.2           | 9.9           | 99.6                |                        |
| Income tax expense                           | <u>9.6</u>     | <u>4.9</u>     | <u>4.7</u>    | 98.4                |                        |
| <b>Net earnings</b>                          | \$ <u>10.5</u> | \$ <u>5.3</u>  | \$ <u>5.2</u> | 100.8 %             |                        |
| <b>Basic earnings per share</b>              | \$ 0.27        | \$ 0.14        | \$ 0.13       | 92.9 %              |                        |
| <b>Diluted earnings per share</b>            | \$ 0.27        | \$ 0.14        | \$ 0.13       | 92.9 %              |                        |

**STATISTICS:**

|  |        |        |            |
|--|--------|--------|------------|
| Gross profit rate  | 16.4 % | 16.4 % | — pts.     |
| Selling, general and administrative expenses:                  |        |        |            |
| % of revenue   | 15.5   | 16.0   | (0.5)      |
| % of gross profit  | 94.7   | 97.3   | (2.6)      |
| % Return:  |        |        |            |
| Earnings from operations                                       | 0.9    | 0.4    | 0.5        |
| Earnings before taxes  | 0.7    | 0.4    | 0.3        |
| Net earnings   | 0.4    | 0.2    | 0.2        |
| Effective income tax rate                                      | 47.6 % | 47.9 % | (0.3) pts. |
| Average number of shares outstanding<br>(millions):            |        |        |            |
| Basic  | 37.7   | 37.4   |            |
| Diluted  | 37.8   | 37.4   |            |
| Shares adjusted for nonvested restricted<br>awards (millions): |        |        |            |
| Basic  | 38.8   | 38.5   |            |
| Diluted  | 38.8   | 38.6   |            |

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

|   | <b>Second Quarter</b> |             |               |   |
|---|-----------------------|-------------|---------------|---|
|   | <b>2015</b>           | <b>2014</b> | <b>Change</b> | <b>Constant<br/>Currency<br/>Change</b> |
| <b><u>AMERICAS</u></b>                                      |                       |             |               |   |
| <b>Commercial</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 651.3              | \$ 661.1    | (1.5) %       | 0.5 %                                   |
| Staffing fee-based income included in revenue from services | 3.5                   | 3.4         | 4.6           | 7.3                                     |
| Gross profit  | 95.9                  | 96.5        | (0.7)         | 1.1                                     |
| Gross profit rate   | 14.7 %                | 14.6 %      | 0.1 pts.      |   |
| <b>PT</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 246.2              | \$ 244.2    | 0.8 %         | 1.2 %                                   |
| Staffing fee-based income included in revenue from services | 4.9                   | 3.7         | 29.1          | 30.2                                    |
| Gross profit  | 42.1                  | 39.0        | 8.0           | 8.4                                     |
| Gross profit rate   | 17.1 %                | 16.0 %      | 1.1 pts.      |   |
| <b>Total Americas</b>                                       |                       |             |               |   |
| Revenue from services                                       | \$ 897.5              | \$ 905.3    | (0.9) %       | 0.7 %                                   |
| Staffing fee-based income included in revenue from services | 8.4                   | 7.1         | 17.4          | 19.3                                    |
| Gross profit  | 138.0                 | 135.5       | 1.8           | 3.2                                     |
| Total SG&A expenses   | 112.6                 | 112.6       | (0.1)         | 1.2                                     |
| Earnings from operations                                    | 25.4                  | 22.9        | 11.4          |   |
| Gross profit rate   | 15.4 %                | 15.0 %      | 0.4 pts.      |   |
| Expense rates:  |                       |             |               |   |
| % of revenue  | 12.5                  | 12.4        | 0.1           |   |
| % of gross profit   | 81.6                  | 83.1        | (1.5)         |   |
| Return on sales   | 2.8                   | 2.5         | 0.3           |   |
| <b><u>EMEA</u></b>  |                       |             |               |   |
| <b>Commercial</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 195.7              | \$ 237.0    | (17.4) %      | — %                                     |
| Staffing fee-based income included in revenue from services | 3.2                   | 5.0         | (35.9)        | (20.2)                                  |
| Gross profit  | 26.8                  | 34.5        | (22.5)        | (5.9)                                   |
| Gross profit rate   | 13.7 %                | 14.6 %      | (0.9) pts.    |   |
| <b>PT</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 42.9               | \$ 49.7     | (13.6) %      | 4.5 %                                   |
| Staffing fee-based income included in revenue from services | 2.5                   | 3.6         | (30.2)        | (13.3)                                  |
| Gross profit  | 9.1                   | 11.3        | (19.0)        | (1.2)                                   |
| Gross profit rate   | 21.2 %                | 22.6 %      | (1.4) pts.    |   |
| <b>Total EMEA</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 238.6              | \$ 286.7    | (16.8) %      | 0.8 %                                   |
| Staffing fee-based income included in revenue from services | 5.7                   | 8.6         | (33.5)        | (17.3)                                  |
| Gross profit  | 35.9                  | 45.8        | (21.6)        | (4.7)                                   |
| SG&A expenses excluding restructuring charges               | 34.2                  | 42.3        | (19.1)        |   |
| Restructuring charges                                       | —                     | 0.8         | (100.0)       |   |
| Total SG&A expenses   | 34.2                  | 43.1        | (20.6)        | (5.0)                                   |
| Earnings from operations                                    | 1.7                   | 2.7         | (38.1)        |   |
| Earnings from operations excluding restructuring charges    | 1.7                   | 3.5         | (52.4)        |   |
| Gross profit rate   | 15.0 %                | 16.0 %      | (1.0) pts.    |   |
| Expense rates (excluding restructuring charges):            |                       |             |               |   |
| % of revenue  | 14.3                  | 14.7        | (0.4)         |   |
| % of gross profit   | 95.3                  | 92.3        | 3.0           |   |
| Return on sales (excluding restructuring charges)           | 0.7                   | 1.2         | (0.5)         |   |

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

|   | <b>Second Quarter</b> |             |               |   |
|---|-----------------------|-------------|---------------|---|
|   | <b>2015</b>           | <b>2014</b> | <b>Change</b> | <b>Constant<br/>Currency<br/>Change</b> |
| <b>APAC</b>   |                       |             |               |   |
| <b>Commercial</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 90.3               | \$ 86.5     | 4.3 %         | 17.7 %                                  |
| Staffing fee-based income included in revenue from services | 1.8                   | 2.0         | (10.9)        | (0.1)                                   |
| Gross profit  | 11.2                  | 11.7        | (3.8)         | 8.3                                     |
| Gross profit rate   | 12.4 %                | 13.5 %      | (1.1) pts.    |   |
| <b>PT</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 10.3               | \$ 10.0     | 3.5 %         | 17.8 %                                  |
| Staffing fee-based income included in revenue from services | 1.5                   | 2.1         | (29.0)        | (20.9)                                  |
| Gross profit  | 2.7                   | 3.3         | (17.9)        | (7.6)                                   |
| Gross profit rate   | 26.4 %                | 33.2 %      | (6.8) pts.    |   |
| <b>Total APAC</b>   |                       |             |               |   |
| Revenue from services                                       | \$ 100.6              | \$ 96.5     | 4.3 %         | 17.7 %                                  |
| Staffing fee-based income included in revenue from services | 3.3                   | 4.1         | (20.3)        | (10.9)                                  |
| Gross profit  | 13.9                  | 15.0        | (6.9)         | 4.8                                     |
| SG&A expenses excluding restructuring charges               | 12.3                  | 14.8        | (17.0)        |   |
| Restructuring charges                                       | —                     | 1.0         | (100.0)       |   |
| Total SG&A expenses   | 12.3                  | 15.8        | (22.5)        | (12.9)                                  |
| Earnings from operations                                    | 1.6                   | (0.8)       | NM            |   |
| Earnings from operations excluding restructuring charges    | 1.6                   | 0.2         | NM            |   |
| Gross profit rate   | 13.9 %                | 15.5 %      | (1.6) pts.    |   |
| Expense rates (excluding restructuring charges):            |                       |             |               |   |
| % of revenue  | 12.2                  | 15.4        | (3.2)         |   |
| % of gross profit   | 88.3                  | 99.0        | (10.7)        |   |
| Return on sales (excluding restructuring charges)           | 1.6                   | 0.2         | 1.4           |   |
| <b>OCG</b>  |                       |             |               |   |
| Revenue from services                                       | \$ 165.0              | \$ 137.9    | 19.7 %        | 21.6 %                                  |
| Gross profit  | 35.7                  | 32.9        | 8.4           | 11.4                                    |
| Total SG&A expenses   | 32.2                  | 31.1        | 3.6           | 6.4                                     |
| Earnings from operations                                    | 3.5                   | 1.8         | 88.8          |   |
| Gross profit rate   | 21.6 %                | 23.9 %      | (2.3) pts.    |   |
| Expense rates:  |                       |             |               |   |
| % of revenue  | 19.5                  | 22.5        | (3.0)         |   |
| % of gross profit   | 90.2                  | 94.4        | (4.2)         |   |
| Return on sales   | 2.1                   | 1.3         | 0.8           |   |

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

|   | June Year to Date |            |            | Constant<br>Currency<br>Change |
|---|-------------------|------------|------------|--------------------------------|
|   | 2015              | 2014       | Change     |                                |
| <b><u>AMERICAS</u></b>                                      |                   |            |            |                                |
| <b>Commercial</b>   |                   |            |            |                                |
| Revenue from services                                       | \$ 1,292.7        | \$ 1,274.3 | 1.4 %      | 3.2 %                          |
| Staffing fee-based income included in revenue from services | 7.0               | 6.6        | 5.3        | 7.8                            |
| Gross profit  | 193.7             | 188.3      | 2.9        | 4.4                            |
| Gross profit rate   | 15.0 %            | 14.8 %     | 0.2 pts.   |                                |
| <b>PT</b>   |                   |            |            |                                |
| Revenue from services                                       | \$ 479.0          | \$ 480.6   | (0.3) %    | 0.1 %                          |
| Staffing fee-based income included in revenue from services | 8.4               | 7.3        | 13.5       | 14.3                           |
| Gross profit  | 81.0              | 78.8       | 2.9        | 3.3                            |
| Gross profit rate   | 16.9 %            | 16.4 %     | 0.5 pts.   |                                |
| <b>Total Americas</b>                                       |                   |            |            |                                |
| Revenue from services                                       | \$ 1,771.7        | \$ 1,754.9 | 1.0 %      | 2.4 %                          |
| Staffing fee-based income included in revenue from services | 15.4              | 13.9       | 9.6        | 11.2                           |
| Gross profit  | 274.7             | 267.1      | 2.9        | 4.1                            |
| Total SG&A expenses   | 226.1             | 222.1      | 1.8        | 3.0                            |
| Earnings from operations                                    | 48.6              | 45.0       | 8.4        |                                |
| Gross profit rate   | 15.5 %            | 15.2 %     | 0.3 pts.   |                                |
| Expense rates:  |                   |            |            |                                |
| % of revenue  | 12.8              | 12.7       | 0.1        |                                |
| % of gross profit   | 82.3              | 83.2       | (0.9)      |                                |
| Return on sales   | 2.7               | 2.6        | 0.1        |                                |
| <b><u>EMEA</u></b>  |                   |            |            |                                |
| <b>Commercial</b>   |                   |            |            |                                |
| Revenue from services                                       | \$ 374.0          | \$ 458.9   | (18.5) %   | (0.9) %                        |
| Staffing fee-based income included in revenue from services | 6.7               | 9.8        | (31.5)     | (13.8)                         |
| Gross profit  | 51.4              | 67.4       | (23.8)     | (7.3)                          |
| Gross profit rate   | 13.7 %            | 14.7 %     | (1.0) pts. |                                |
| <b>PT</b>   |                   |            |            |                                |
| Revenue from services                                       | \$ 83.2           | \$ 97.4    | (14.5) %   | 3.4 %                          |
| Staffing fee-based income included in revenue from services | 5.1               | 7.2        | (29.5)     | (12.1)                         |
| Gross profit  | 17.8              | 22.4       | (20.4)     | (2.8)                          |
| Gross profit rate   | 21.4 %            | 23.0 %     | (1.6) pts. |                                |
| <b>Total EMEA</b>   |                   |            |            |                                |
| Revenue from services                                       | \$ 457.2          | \$ 556.3   | (17.8) %   | (0.1) %                        |
| Staffing fee-based income included in revenue from services | 11.8              | 17.0       | (30.7)     | (13.1)                         |
| Gross profit  | 69.2              | 89.8       | (23.0)     | (6.2)                          |
| SG&A expenses excluding restructuring charges               | 67.7              | 84.2       | (19.6)     |                                |
| Restructuring charges                                       | —                 | 0.8        | (100.0)    |                                |
| Total SG&A expenses   | 67.7              | 85.0       | (20.3)     | (4.1)                          |
| Earnings from operations                                    | 1.5               | 4.8        | (69.1)     |                                |
| Earnings from operations excluding restructuring charges    | 1.5               | 5.6        | (73.5)     |                                |
| Gross profit rate   | 15.1 %            | 16.1 %     | (1.0) pts. |                                |
| Expense rates (excluding restructuring charges):            |                   |            |            |                                |
| % of revenue  | 14.8              | 15.1       | (0.3)      |                                |
| % of gross profit   | 97.8              | 93.7       | 4.1        |                                |
| Return on sales (excluding restructuring charges)           | 0.3               | 1.0        | (0.7)      |                                |

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

|   | <b>June Year to Date</b> |             |               |   |
|---|--------------------------|-------------|---------------|---|
|   | <b>2015</b>              | <b>2014</b> | <b>Change</b> | <b>Constant<br/>Currency<br/>Change</b> |
| <b><u>APAC</u></b>  |                          |             |               |   |
| <b>Commercial</b>   |                          |             |               |   |
| Revenue from services                                       | \$ 175.9                 | \$ 169.5    | 3.8 %         | 15.1 %                                  |
| Staffing fee-based income included in revenue from services | 3.3                      | 3.9         | (16.2)        | (7.7)                                   |
| Gross profit  | 24.2                     | 24.0        | 0.9           | 11.6                                    |
| Gross profit rate   | 13.8 %                   | 14.2 %      | (0.4) pts.    |   |
| <b>PT</b>   |                          |             |               |   |
| Revenue from services                                       | \$ 20.8                  | \$ 18.6     | 12.1 %        | 25.4 %                                  |
| Staffing fee-based income included in revenue from services | 3.1                      | 3.8         | (18.1)        | (10.3)                                  |
| Gross profit  | 5.6                      | 6.1         | (7.6)         | 2.2                                     |
| Gross profit rate   | 26.9 %                   | 32.7 %      | (5.8) pts.    |   |
| <b>Total APAC</b>   |                          |             |               |   |
| Revenue from services                                       | \$ 196.7                 | \$ 188.1    | 4.6 %         | 16.2 %                                  |
| Staffing fee-based income included in revenue from services | 6.4                      | 7.7         | (17.1)        | (9.0)                                   |
| Gross profit  | 29.8                     | 30.1        | (0.8)         | 9.7                                     |
| SG&A expenses excluding restructuring charges               | 24.4                     | 29.1        | (16.3)        |   |
| Restructuring charges                                       | —                        | 1.0         | (100.0)       |   |
| Total SG&A expenses   | 24.4                     | 30.1        | (19.2)        | (10.7)                                  |
| Earnings from operations                                    | 5.4                      | —           | NM            |   |
| Earnings from operations excluding restructuring charges    | 5.4                      | 1.0         | NM            |   |
| Gross profit rate   | 15.2 %                   | 16.0 %      | (0.8) pts.    |   |
| Expense rates (excluding restructuring charges):            |                          |             |               |   |
| % of revenue  | 12.4                     | 15.5        | (3.1)         |   |
| % of gross profit   | 82.0                     | 97.0        | (15.0)        |   |
| Return on sales (excluding restructuring charges)           | 2.7                      | 0.5         | 2.2           |   |
| <b><u>OCG</u></b>   |                          |             |               |   |
| Revenue from services                                       | \$ 314.5                 | \$ 272.3    | 15.5 %        | 17.1 %                                  |
| Gross profit  | 71.2                     | 65.5        | 8.6           | 10.7                                    |
| Total SG&A expenses   | 64.9                     | 62.5        | 3.8           | 6.4                                     |
| Earnings from operations                                    | 6.3                      | 3.0         | 108.3         |   |
| Gross profit rate   | 22.6 %                   | 24.1 %      | (1.5) pts.    |   |
| Expense rates:  |                          |             |               |   |
| % of revenue  | 20.6                     | 22.9        | (2.3)         |   |
| % of gross profit   | 91.1                     | 95.4        | (4.3)         |   |
| Return on sales   | 2.0                      | 1.1         | 0.9           |   |



**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(In millions of dollars)

|  | <b>June 28, 2015</b> | <b>Dec. 28, 2014</b> | <b>June 29, 2014</b> |
|--|----------------------|----------------------|----------------------|
| <b>Current Assets</b>  |                      |                      |                      |
| Cash and equivalents   | \$ 48.7              | \$ 83.1              | \$ 62.8              |
| Trade accounts receivable, less allowances of<br>\$9.4, \$10.7 and \$9.2, respectively | 1,152.3              | 1,122.8              | 1,132.9              |
| Prepaid expenses and other current assets  | 50.6                 | 47.9                 | 57.6                 |
| Deferred taxes   | 35.8                 | 34.4                 | 31.5                 |
| Total current assets   | 1,287.4              | 1,288.2              | 1,284.8              |
| <b>Property and Equipment, Net</b>   | 88.6                 | 93.0                 | 91.4                 |
| <b>Noncurrent Deferred Taxes</b>   | 144.6                | 146.3                | 130.8                |
| <b>Goodwill, Net</b>   | 90.3                 | 90.3                 | 90.3                 |
| <b>Other Assets</b>  | 321.7                | 300.1                | 295.7                |
| <b>Total Assets</b>  | \$ 1,932.6           | \$ 1,917.9           | \$ 1,893.0           |
| <b>Current Liabilities</b>   |                      |                      |                      |
| Short-term borrowings  | \$ 89.9              | \$ 91.9              | \$ 89.5              |
| Accounts payable and accrued liabilities   | 380.4                | 364.0                | 328.4                |
| Accrued payroll and related taxes  | 296.5                | 308.5                | 300.5                |
| Accrued insurance  | 27.1                 | 26.9                 | 25.2                 |
| Income and other taxes   | 62.8                 | 68.8                 | 74.9                 |
| Total current liabilities  | 856.7                | 860.1                | 818.5                |
| <b>Noncurrent Liabilities</b>  |                      |                      |                      |
| Accrued insurance  | 44.3                 | 43.9                 | 44.7                 |
| Accrued retirement benefits  | 146.5                | 140.8                | 147.4                |
| Other long-term liabilities  | 40.6                 | 39.4                 | 41.9                 |
| Total noncurrent liabilities   | 231.4                | 224.1                | 234.0                |
| <b>Stockholders' Equity</b>  |                      |                      |                      |
| Common stock   | 40.1                 | 40.1                 | 40.1                 |
| Treasury stock   | (49.0)               | (49.8)               | (55.5)               |
| Paid-in capital  | 27.5                 | 24.9                 | 29.0                 |
| Earnings invested in the business  | 774.1                | 767.4                | 752.8                |
| Accumulated other comprehensive income   | 51.8                 | 51.1                 | 74.1                 |
| Total stockholders' equity   | 844.5                | 833.7                | 840.5                |
| <b>Total Liabilities and Stockholders' Equity</b>                                      | \$ 1,932.6           | \$ 1,917.9           | \$ 1,893.0           |
| <b>STATISTICS:</b>   |                      |                      |                      |
| Working Capital  | \$ 430.7             | \$ 428.1             | \$ 466.3             |
| Current Ratio  | 1.5                  | 1.5                  | 1.6                  |
| Debt-to-capital %  | 9.6 %                | 9.9 %                | 9.6 %                |
| Global Days Sales Outstanding  | 56                   | 54                   | 57                   |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE 26 WEEKS ENDED JUNE 28, 2015 AND JUNE 29, 2014**  
**(UNAUDITED)**  
(In millions of dollars)

|   | <b>2015</b>    | <b>2014</b>    |
|---|----------------|----------------|
| <b>Cash flows from operating activities:</b>            |                |                |
| Net earnings  | \$ 10.5        | \$ 5.3         |
| Noncash adjustments:                                    |                |                |
| Depreciation and amortization                           | 11.0           | 10.8           |
| Provision for bad debts                                 | 2.1            | 2.6            |
| Stock-based compensation                                | 3.1            | 3.5            |
| Other, net  | (0.3)          | 0.7            |
| Changes in operating assets and liabilities             | (52.9)         | (130.4)        |
| <b>Net cash used in operating activities</b>            | <b>(26.5)</b>  | <b>(107.5)</b> |
| <b>Cash flows from investing activities:</b>            |                |                |
| Capital expenditures                                    | (6.7)          | (8.9)          |
| Investment in equity affiliate                          | (0.5)          | (5.4)          |
| Other investing activities                              | (0.1)          | 0.4            |
| <b>Net cash used in investing activities</b>            | <b>(7.3)</b>   | <b>(13.9)</b>  |
| <b>Cash flows from financing activities:</b>            |                |                |
| Net change in short-term borrowings                     | (1.4)          | 61.2           |
| Dividend payments                                       | (3.8)          | (3.8)          |
| <b>Net cash (used in) from financing activities</b>     | <b>(5.2)</b>   | <b>57.4</b>    |
| <b>Effect of exchange rates on cash and equivalents</b> | <b>4.6</b>     | <b>1.1</b>     |
| <b>Net change in cash and equivalents</b>               | <b>(34.4)</b>  | <b>(62.9)</b>  |
| <b>Cash and equivalents at beginning of period</b>      | <b>83.1</b>    | <b>125.7</b>   |
| <b>Cash and equivalents at end of period</b>            | <b>\$ 48.7</b> | <b>\$ 62.8</b> |

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

|                                   | <b>Second Quarter (Commercial, PT and OCG)</b> |                   |                 |                              |
|-----------------------------------|--|-------------------|-----------------|------------------------------|
|                                   | <b>2015</b>                                    | <b>2014</b>       | <b>% Change</b> |                              |
|                                   |  |                   | <b>US\$</b>     | <b>Constant<br/>Currency</b> |
| <b>Americas</b>                   |  |                   |                 |                              |
| United States                     | \$ 923.6                                       | \$ 888.3          | 4.0 %           | 4.0 %                        |
| Canada                            | 41.6   | 49.6              | (16.0)          | (5.5)                        |
| Mexico                            | 32.0   | 34.6              | (7.9)           | 8.5                          |
| Puerto Rico                       | 26.6   | 27.6              | (3.7)           | (3.7)                        |
| Brazil                            | 9.9  | 13.7              | (27.8)          | (1.5)                        |
| <b>Total Americas</b>             | <u>1,033.7</u>                                 | <u>1,013.8</u>    | 2.0             | 3.4                          |
| <b>EMEA</b>                       |  |                   |                 |                              |
| France                            | 60.9   | 69.3              | (12.1)          | 9.0                          |
| Switzerland                       | 54.6   | 66.7              | (18.3)          | (13.4)                       |
| Portugal                          | 33.9   | 32.5              | 4.2             | 29.0                         |
| United Kingdom                    | 27.1   | 28.4              | (4.3)           | 5.2                          |
| Russia                            | 22.2   | 32.8              | (32.3)          | 1.7                          |
| Germany                           | 14.3   | 16.5              | (13.3)          | 7.5                          |
| Italy                             | 13.0   | 16.6              | (21.8)          | (3.3)                        |
| Norway                            | 10.0   | 14.4              | (31.0)          | (10.8)                       |
| Other                             | 10.3   | 18.0              | (42.9)          | (29.3)                       |
| <b>Total EMEA</b>                 | <u>246.3</u>                                   | <u>295.2</u>      | (16.6)          | 0.9                          |
| <b>APAC</b>                       |  |                   |                 |                              |
| Singapore                         | 33.0   | 31.1              | 6.3             | 14.0                         |
| Australia                         | 32.9   | 30.0              | 9.5             | 31.3                         |
| Malaysia                          | 15.9   | 16.8              | (5.1)           | 7.2                          |
| New Zealand                       | 10.3   | 13.2              | (21.9)          | (8.3)                        |
| Other                             | 12.9   | 10.4              | 24.3            | 33.1                         |
| <b>Total APAC</b>                 | <u>105.0</u>                                   | <u>101.5</u>      | 3.6             | 17.1                         |
| <b>Total Kelly Services, Inc.</b> | <u>\$ 1,385.0</u>                              | <u>\$ 1,410.5</u> | (1.8) %         | 3.9 %                        |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE FROM SERVICES**  
**(UNAUDITED)**

(In millions of dollars)

|                                   | <b>June Year to Date (Commercial, PT and OCG)</b> |                   |                 |                              |
|-----------------------------------|---|-------------------|-----------------|------------------------------|
|                                   | <b>2015</b>                                       | <b>2014</b>       | <b>% Change</b> |                              |
|                                   |   |                   | <b>US\$</b>     | <b>Constant<br/>Currency</b> |
| <b>Americas</b>                   |   |                   |                 |                              |
| United States                     | \$ 1,806.6  | \$ 1,728.2        | 4.5 %           | 4.5 %                        |
| Canada                            | 84.3  | 96.3              | (12.4)          | 1.7                          |
| Mexico                            | 63.9  | 65.3              | (2.3)           | 12.8                         |
| Puerto Rico                       | 51.4  | 52.7              | (2.3)           | (2.3)                        |
| Brazil                            | 23.8  | 29.6              | (19.6)          | (1.2)                        |
| <b>Total Americas</b>             | <u>2,030.0</u>                                    | <u>1,972.1</u>    | 2.9             | 4.2                          |
| <b>EMEA</b>                       |   |                   |                 |                              |
| France                            | 117.3   | 132.1             | (11.3)          | 8.8                          |
| Switzerland                       | 102.7   | 129.0             | (20.4)          | (15.4)                       |
| Portugal                          | 65.2  | 59.1              | 10.3            | 35.4                         |
| United Kingdom                    | 50.7  | 56.2              | (9.7)           | (1.1)                        |
| Russia                            | 40.4  | 67.7              | (40.3)          | (2.5)                        |
| Germany                           | 27.7  | 33.2              | (16.5)          | 2.2                          |
| Italy                             | 25.5  | 31.5              | (18.9)          | (0.6)                        |
| Norway                            | 19.4  | 28.8              | (32.9)          | (13.9)                       |
| Other                             | 21.3  | 35.1              | (39.4)          | (25.7)                       |
| <b>Total EMEA</b>                 | <u>470.2</u>                                      | <u>572.7</u>      | (17.9)          | (0.4)                        |
| <b>APAC</b>                       |   |                   |                 |                              |
| Singapore                         | 64.3  | 61.4              | 4.8             | 12.1                         |
| Australia                         | 63.3  | 56.5              | 12.0            | 31.2                         |
| Malaysia                          | 31.4  | 33.3              | (5.9)           | 4.8                          |
| New Zealand                       | 20.8  | 25.5              | (18.4)          | (6.8)                        |
| Other                             | 25.6  | 19.8              | 29.3            | 34.8                         |
| <b>Total APAC</b>                 | <u>205.4</u>                                      | <u>196.5</u>      | 4.5             | 16.2                         |
| <b>Total Kelly Services, Inc.</b> | <u>\$ 2,705.6</u>                                 | <u>\$ 2,741.3</u> | (1.3) %         | 4.1 %                        |

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**FOR THE 13 WEEKS ENDED JUNE 28, 2015 AND JUNE 29, 2014**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|                                 | 2015        |                                |                   | 2014              |          |
|---------------------------------|-------------|--------------------------------|-------------------|-------------------|----------|
|                                 | As reported | Restructuring Charges (Note 1) | Adjusted Earnings | Adjusted Earnings | % Change |
| <b>Revenue from services</b>    | \$ 1,385.0  | \$ —                           | \$ 1,385.0        | \$ 1,410.5        | (1.8) %  |
| Cost of services                | 1,162.7     | —                              | 1,162.7           | 1,182.4           | (1.7)    |
| <b>Gross profit</b>             | 222.3       | —                              | 222.3             | 228.1             | (2.5)    |
| SG&A expenses                   | 210.8       | —                              | 210.8             | 220.4             | (4.4)    |
| <b>Earnings from operations</b> | 11.5        | —                              | 11.5              | 7.7               | 50.7     |
| Other expense, net              | 1.0         | —                              | 1.0               | 0.3               | 276.3    |
| <b>Earnings before taxes</b>    | 10.5        | —                              | 10.5              | 7.4               | 42.8     |
| Inc. tax expense (benefit)      | 3.7         | —                              | 3.7               | 3.4               | 9.1      |
| <b>Net earnings</b>             | \$ 6.8      | \$ —                           | \$ 6.8            | \$ 4.0            | 71.7 %   |
| <b>Earnings per share:</b>      |             |                                |                   |                   |          |
| Basic                           | \$ 0.18     | \$ —                           | \$ 0.18           | 0.10              | 80.0 %   |
| Diluted                         | \$ 0.18     | \$ —                           | \$ 0.18           | 0.10              | 80.0 %   |

|                                 | 2014        |                                |                   |
|---------------------------------|-------------|--------------------------------|-------------------|
|                                 | As reported | Restructuring Charges (Note 1) | Adjusted Earnings |
| <b>Revenue from services</b>    | \$ 1,410.5  | \$ —                           | \$ 1,410.5        |
| Cost of services                | 1,182.4     | —                              | 1,182.4           |
| <b>Gross profit</b>             | 228.1       | —                              | 228.1             |
| SG&A expenses                   | 222.2       | (1.8)                          | 220.4             |
| <b>Earnings from operations</b> | 5.9         | 1.8                            | 7.7               |
| Other expense, net              | 0.3         | —                              | 0.3               |
| <b>Earnings before taxes</b>    | 5.6         | 1.8                            | 7.4               |
| Inc. tax expense (benefit)      | 2.8         | 0.6                            | 3.4               |
| <b>Net earnings</b>             | \$ 2.8      | \$ 1.2                         | \$ 4.0            |
| <b>Earnings per share:</b>      |             |                                |                   |
| Basic                           | \$ 0.07     | \$ 0.03                        | \$ 0.10           |
| Diluted                         | \$ 0.07     | \$ 0.03                        | \$ 0.10           |

Note: Earnings per share amounts for each quarter are required to be computed independently and may not equal the amounts computed for the total year.

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**FOR THE 26 WEEKS ENDED JUNE 28, 2015 AND JUNE 29, 2014**  
**(UNAUDITED)**

(In millions of dollars except per share data)

|                                 | 2015        |                                |                   | 2014              |          |
|---------------------------------|-------------|--------------------------------|-------------------|-------------------|----------|
|                                 | As reported | Restructuring Charges (Note 1) | Adjusted Earnings | Adjusted Earnings | % Change |
| <b>Revenue from services</b>    | \$ 2,705.6  | \$ —                           | \$ 2,705.6        | \$ 2,741.3        | (1.3) %  |
| Cost of services                | 2,263.0     | —                              | 2,263.0           | 2,290.9           | (1.2)    |
| <b>Gross profit</b>             | 442.6       | —                              | 442.6             | 450.4             | (1.7)    |
| SG&A expenses                   | 419.0       | —                              | 419.0             | 436.4             | (4.0)    |
| <b>Earnings from operations</b> | 23.6        | —                              | 23.6              | 14.0              | 70.2     |
| Other expense, net              | 3.5         | —                              | 3.5               | 2.0               | 82.2     |
| <b>Earnings before taxes</b>    | 20.1        | —                              | 20.1              | 12.0              | 68.2     |
| Inc. tax expense (benefit)      | 9.6         | —                              | 9.6               | 5.5               | 74.9     |
| <b>Net earnings</b>             | \$ 10.5     | \$ —                           | \$ 10.5           | \$ 6.5            | 62.6 %   |
| <b>Earnings per share:</b>      |             |                                |                   |                   |          |
| Basic                           | \$ 0.27     | \$ —                           | \$ 0.27           | 0.17              | 58.8 %   |
| Diluted                         | \$ 0.27     | \$ —                           | \$ 0.27           | 0.17              | 58.8 %   |

|                                 | 2014        |                                |                   |
|---------------------------------|-------------|--------------------------------|-------------------|
|                                 | As reported | Restructuring Charges (Note 1) | Adjusted Earnings |
| <b>Revenue from services</b>    | \$ 2,741.3  | \$ —                           | \$ 2,741.3        |
| Cost of services                | 2,290.9     | —                              | 2,290.9           |
| <b>Gross profit</b>             | 450.4       | —                              | 450.4             |
| SG&A expenses                   | 438.2       | (1.8)                          | 436.4             |
| <b>Earnings from operations</b> | 12.2        | 1.8                            | 14.0              |
| Other expense, net              | 2.0         | —                              | 2.0               |
| <b>Earnings before taxes</b>    | 10.2        | 1.8                            | 12.0              |
| Inc. tax expense (benefit)      | 4.9         | 0.6                            | 5.5               |
| <b>Net earnings</b>             | \$ 5.3      | \$ 1.2                         | \$ 6.5            |
| <b>Earnings per share:</b>      |             |                                |                   |
| Basic                           | \$ 0.14     | \$ 0.03                        | \$ 0.17           |
| Diluted                         | \$ 0.14     | \$ 0.03                        | \$ 0.17           |

Note: Earnings per share amounts for each quarter are required to be computed independently and may not equal the amounts computed for the total year.

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

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the restructuring charges is useful to understand the Company's fiscal 2015 financial performance and increases comparability. Specifically, Management believes that excluding these items allows for a more meaningful comparison of current period operating performance with the operating results of prior periods. These non-GAAP measures may have limitations as analytical tools because they exclude items which can have a material impact on cash flow and earnings per share. As a result, Management considers these measures, along with reported results, when it reviews and evaluates the Company's financial performance. Management believes that these measures provide greater transparency to investors and provide insight into how Management is evaluating the Company's financial performance. Non-GAAP measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

(1) Restructuring charges in 2014 relate to costs incurred for exiting the staffing business in Sweden and closing branches in Australia.