

KELLY SERVICES® REPORTS 4th QUARTER AND FULL YEAR 2012 RESULTS

TROY, MI (January 31, 2013) -- Kelly Services, Inc. (NASDAQ: <u>KELYA</u>) (NASDAQ: <u>KELYB</u>), a leader in providing <u>workforce</u> solutions, today announced results for the fourth guarter and full year of 2012.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the fourth quarter of 2012 totaled \$1.4 billion, a 2% decrease compared to the corresponding quarter of 2011. Revenue for the full year totaled \$5.5 billion, a 2% decrease compared to the prior year.

Earnings from operations for the fourth quarter of 2012 totaled \$9.8 million, compared to \$12.7 million reported for the fourth quarter of 2011. Included in the results from operations for the fourth quarter of 2012 are asset impairment charges of \$3.1 million and restructuring charges of \$1.3 million. Excluding these charges, earnings from operations were \$14.2 million in the fourth quarter of 2012 compared to \$12.7 million in 2011.

Earnings from operations for the full year of 2012 totaled \$72.3 million compared to \$57.7 million in 2011. Included in the results from operations for 2012 are asset impairment charges of \$3.1 million and a restructuring benefit of \$900 thousand. Included in the results from operations for 2011 are restructuring charges of \$2.8 million. Excluding these items from both years, earnings from operations were \$74.5 million in 2012 compared to \$60.5 million in 2011.

Diluted earnings per share from continuing operations in the fourth quarter of 2012 were \$0.23 compared to \$0.64 per share in the fourth quarter of 2011. Included in diluted earnings per share from continuing operations for the fourth quarter of 2012 are asset impairment charges of \$0.05 per share, restructuring charges of \$0.02 per share and a loss on the North Asia joint venture of \$0.03 per share. Excluding these charges, diluted earnings per share from continuing operations for the fourth quarter of 2012 were \$0.33 per share compared to \$0.64 in 2011.

Diluted earnings per share from continuing operations for the full year of 2012 were \$1.31 compared to \$1.72 per share in 2011. Included in diluted earnings per share from continuing operations for 2012 are asset impairment charges of \$0.05 per share, a restructuring benefit of \$0.04 per share and a loss on the North Asia joint venture of \$0.03 per share. Included in diluted earnings per share from continuing operations for 2011 are restructuring charges of \$0.07 per share. Excluding these charges from both periods, diluted earnings per share from continuing operations for 2012 were \$1.34 per share compared to \$1.80 in 2011.

Commenting on the fourth quarter and full year results, Camden stated, "Given the challenging fourth quarter and anemic economic growth throughout the year, we're pleased with our performance. Our strategy is clearly yielding results. We kept expenses under control, grew our higher-margin professional and technical business, and delivered four straight quarters of positive earnings in our outsourcing and consulting group."

Camden expects persistent headwinds and mediocre <u>job</u> growth in the months ahead, but feels Kelly is well-positioned. "We're operating more efficiently, and we're investing in flexible solutions that meet the fastest-growing demands in the market. Skilled workers will continue to be in short supply in 2013, and companies will continue to look for ways to better manage their workforce. Kelly's professional and technical <u>staffing</u> capabilities, along with our expertise in talent supply chain management, provide the solution."

In conjunction with its fourth quarter and full year earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on January 31, 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

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, 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, risks associated with conducting business in foreign countries, including foreign currency fluctuations, 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®

Kelly Services, Inc. (NASDAQ: KELYA, KELYB) is a leader in providing workforce solutions. Kelly[®] offers a comprehensive array of <u>outsourcing and consulting</u> services as well as world-class staffing on a temporary, temporary-to-hire, and <u>direct-hire</u> basis. Serving clients around the globe, Kelly provides <u>employment</u> to more than 560,000 employees annually. Revenue in 2012 was \$5.5 billion. Visit <u>kellyservices.com</u> and connect with us on <u>Facebook</u>, <u>LinkedIn</u>, and <u>Twitter</u>. Download <u>The Talent Project</u>, a free iPad app by Kelly Services.

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KELLY SERVICES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS FOR THE 13 WEEKS ENDED DECEMBER 30, 2012 AND JANUARY 1, 2012 (UNAUDITED)

(In millions of dollars except per share data)

	_	2012	_	2011	_	Change	% Change
Revenue from services	\$	1,375.4	\$	1,396.3	\$	(20.9)	(1.5) %
Cost of services		1,153.2		1,172.0	_	(18.8)	(1.6)
Gross profit		222.2		224.3		(2.1)	(0.9)
Selling, general and administrative expenses		209.3		211.6		(2.3)	(1.1)
Asset impairments		3.1		-		3.1	NM
Earnings from operations		9.8		12.7		(2.9)	(22.8)
Other expense, net		(1.7)		-	_	(1.7)	NM
Earnings from continuing operations before taxes		8.1		12.7		(4.6)	(36.2)
Income taxes		(0.8)		(11.4)	_	10.6	93.7
Earnings from continuing operations		8.9		24.1		(15.2)	(63.3)
Earnings from discontinued operations, net of tax		-		-	_	<u> </u>	NM
Net earnings	\$	8.9	\$	24.1	\$	(15.2)	(63.2) %
Basic earnings per share on common stock Earnings from continuing operations Earnings from discontinued operations	\$	0.23	\$	0.64	\$	(0.41)	(64.1) % NM
Net earnings		0.23		0.64		(0.41)	(64.1)
Diluted earnings per share on common stock Earnings from continuing operations Earnings from discontinued operations	\$	0.23	\$	0.64	\$	(0.41)	(64.1) % NM
Net earnings		0.23		0.64		(0.41)	(64.1)
STATISTICS:							
Gross profit rate		16.2	%	16.1	%	0.1 pts.	
Selling, general and administrative expenses:							
% of revenue % of gross profit		15.2 94.2		15.2 94.3		0.0 (0.1)	
% Return:		94.2		34.5		(0.1)	
Earnings from operations		0.7		0.9		(0.2)	
Earnings from continuing operations before taxes		0.6		0.9		(0.3)	
Earnings from continuing operations		0.6		1.7		(1.1)	
Net earnings		0.6		1.7		(1.1)	
Effective income tax rate		(8.9)	%	(89.2)	%	80.3 pts.	
Average number of shares outstanding (millions):							
Basic Diluted		37.1 37.1		36.8 36.8			
Shares adjusted for nonvested restricted awards (millions):							
Basic Diluted		38.3 38.3		37.8 37.8			

KELLY SERVICES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS FOR THE 52 WEEKS ENDED DECEMBER 30, 2012 AND JANUARY 1, 2012 (UNAUDITED) (In millions of dollars except per share data)

		2012	_	2011	Change	% Change
Revenue from services	\$	5,450.5	\$	5,551.0 \$	(100.5)	(1.8) %
Cost of services		4,553.9		4,667.7	(113.8)	(2.4)
Gross profit		896.6		883.3	13.3	1.5
Selling, general and administrative expenses		821.2		825.6	(4.4)	(0.6)
Asset impairments		3.1			3.1	NM
Earnings from operations		72.3		57.7	14.6	25.3
Other expense, net	_	(3.5)	_	(0.1)	(3.4)	NM
Earnings from continuing operations before taxes		68.8		57.6	11.2	19.4
Income taxes		19.1	_	(7.3)	26.4	363.5
Earnings from continuing operations		49.7		64.9	(15.2)	(23.5)
Earnings (loss) from discontinued operations, net of tax		0.4		(1.2)	1.6	NM
Net earnings	\$	50.1	\$	63.7 \$	(13.6)	(21.4) %
Basic earnings per share on common stock Earnings from continuing operations Earnings (loss) from discontinued operations Net earnings	\$	1.31 0.01 1.32	\$	1.72 \$ (0.03) 1.69	(0.41) 0.04 (0.37)	(23.8) % NM (21.9)
Diluted earnings per share on common stock Earnings from continuing operations Earnings (loss) from discontinued operations Net earnings	\$	1.31 0.01 1.32	\$	1.72 \$ (0.03) 1.69	(0.41) 0.04 (0.37)	(23.8) % NM (21.9)
STATISTICS:						
Gross profit rate		16.5	%	15.9 %	0.6 pts.	
Selling, general and administrative expenses: % of revenue % of gross profit		15.1 91.6		14.9 93.5	0.2 (1.9)	
% Return: Earnings from operations Earnings from continuing operations before taxes Earnings from continuing operations Net earnings		1.3 1.3 0.9 0.9		1.0 1.0 1.2 1.1	0.3 0.3 (0.3) (0.2)	
Effective income tax rate		27.8	%	(12.6) %	40.4 pts.	
Average number of shares outstanding (millions): Basic Diluted		37.0 37.0		36.8 36.8		
Shares adjusted for nonvested restricted awards (millions): Basic Diluted		38.0 38.1		37.6 37.6		

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

(1111111	nons or don	u10)			Fourth	۰ ۵۰			
					Fourth	ı Qi	uarter		Constant Currency
	_	2012	_	_	2011	_	Change		Change
AMERICAS Commercial									
Revenue from services (including fee-based income)	\$	662.3		\$	675.6		(2.0)	%	(2.1) %
Fee-based income	Ψ	3.6		Ψ	3.2		13.5	70	13.9
Gross profit		96.1			96.4		(0.3)		(0.4)
Gross profit rate		14.5	%		14.3	%	0.2	pts.	
		14.5	70		14.5	70	0.2	pis.	
PT				_				۰,	
Revenue from services (including fee-based income) Fee-based income	\$	255.6 3.2		\$	243.7 3.6		4.9	%	4.6 %
Gross profit		38.9			38.0		(12.3) 2.4		(12.4) 2.2
·									2.2
Gross profit rate		15.2	%		15.6	%	(0.4)	pts.	
Total Americas									
Revenue from services (including fee-based income)	\$	917.9		\$	919.3		(0.2)	%	(0.4) %
Fee-based income		6.8			6.8		(0.2)		(0.1)
Gross profit		135.0			134.4		0.5		0.4
Total SG&A expenses Earnings from operations		102.4 32.6			100.1 34.3		2.3 (4.8)		2.3
							(4.0)		
Gross profit rate		14.7	%		14.6	%	0.1	pts.	
Expense rates: % of revenue		11.2			10.9		0.3		
% of gross profit		75.8			74.5		1.3		
Operating margin		3.6			3.7		(0.1)		
EMEA									
Commercial									
Revenue from services (including fee-based income)	\$	213.4		\$	238.8		(10.6)	%	(8.9) %
Fee-based income		4.9			6.0		(18.3)		(17.3)
Gross profit		32.7			38.7		(15.6)		(14.0)
Gross profit rate		15.3	%		16.2	%	(0.9)	pts.	
PT									
Revenue from services (including fee-based income)	\$	43.0		\$	44.9		(4.2)	%	(2.1) %
Fee-based income	•	3.7		*	4.2		(12.7)	, 0	(11.3)
Gross profit		10.3			11.3		(9.6)		(7.8)
Gross profit rate		23.9	%		25.3	%	(1.4)	pts.	
Total EMEA							,	•	
Revenue from services (including fee-based income)	\$	256.4		\$	283.7		(9.6)	0/0	(7.8) %
Fee-based income	Ψ	8.6		Ψ	10.2		(16.0)	/0	(14.8)
Gross profit		43.0			50.0		(14.3)		(12.6)
SG&A expenses excluding restructuring charges		42.6			46.4		(8.3)		, ,
Restructuring charges		1.3			-		NM		
Total SG&A expenses		43.9			46.4		(5.6)		(4.1)
Earnings from operations		(0.9))		3.6		NM		
Earnings from operations excluding restructuring charges		0.4			3.6		(91.7)		
Gross profit rate		16.7	%		17.7	%	(1.0)	pts.	
Expense rates (excluding restructuring charges):		40.0			40.4		0.0		
% of revenue % of gross profit		16.6 99.3			16.4 92.8		0.2 6.5		
Operating margin (excluding restructuring charges)		0.1			1.3		(1.2)		
		0.1			1.0		(· · -)		

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

`		Fourth Quarter								
				Fourtific	guarter	Constant Currency				
		2012	_	2011	Change	Change				
APAC										
Commercial	_		_							
Revenue from services (including fee-based income)	\$	84.9	\$		(9.5) %	(12.4) %				
Fee-based income		2.4		2.9	(18.5)	(19.2)				
Gross profit		11.7		13.2	(11.2)	(13.6)				
Gross profit rate		13.8	%	14.1 %	6 (0.3) pts.					
PT										
Revenue from services (including fee-based income)	\$	11.7	\$	12.3	(4.6) %	(6.8) %				
Fee-based income		2.9		3.1	(5.6)	(8.0)				
Gross profit		4.3		4.4	(1.5)	(4.0)				
Gross profit rate		36.7	%	35.5 %	6 1.2 pts.					
Total APAC										
Revenue from services (including fee-based income)	\$	96.6	\$	106.1	(9.0) %	(11.7) %				
Fee-based income		5.3		6.0	(11.9)	(13.4)				
Gross profit		16.0		17.6	(8.8)	(11.2)				
Total SG&A expenses		15.9		17.9	(11.0)	(13.3)				
Earnings from operations		0.1		(0.3)	NM					
Gross profit rate		16.6	%	16.6 %	6 - pts.					
Expense rates:										
% of revenue		16.5		16.9	(0.4)					
% of gross profit		99.3		101.7	(2.4)					
Operating margin		0.1		(0.3)	0.4					
<u>OCG</u>										
Revenue from services (including fee-based income)	\$	113.3	\$	94.4	20.1 %	20.0 %				
Fee-based income		13.8		10.8	26.9	27.1				
Gross profit		29.0		23.0	26.3	26.3				
Total SG&A expenses		25.8		22.2	16.1	16.2				
Earnings from operations		3.2		0.8	302.0					
Gross profit rate		25.6	%	24.3 %	6 1.3 pts.					
Expense rates:										
% of revenue		22.7		23.5	(8.0)					
% of gross profit		88.7		96.4	(7.7)					
Operating margin		2.9		0.9	2.0					

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

					December	Yea	ar to Date	
	_	2042			2014		Change	Constant Currency
MERICAS	_	2012	-	_	2011	-	Change	Change
Commercial								
Revenue from services (including fee-based income)	\$	2,642.4		\$	2,660.9		(0.7) %	- %
Fee-based income		15.7			12.0		30.7	33.3
Gross profit		388.2			375.3		3.4	4.1
Gross profit rate		14.7	%		14.1	%	0.6 pts.	
РТ								
Revenue from services (including fee-based income)	\$	1,029.7		\$	982.8		4.8 %	4.8
Fee-based income		14.5			13.3		8.5	8.6
Gross profit		159.7			147.8		8.0	8.1
Gross profit rate		15.5	%		15.0	%	0.5 pts.	
Total Americas								
Revenue from services (including fee-based income)	\$	3,672.1		\$	3,643.7		0.8 %	1.3
Fee-based income		30.2			25.3		19.0	20.3
Gross profit		547.9			523.1		4.7	5.2
Total SG&A expenses		405.8			396.4		2.4	3.0
Earnings from operations		142.1			126.7		12.0	
Gross profit rate		14.9	%		14.4	%	0.5 pts.	
Expense rates:		44.4			40.0		0.0	
% of revenue		11.1			10.9		0.2	
% of gross profit Operating margin		74.1 3.9			75.8 3.5		(1.7) 0.4	
MEA								
Commercial								
Revenue from services (including fee-based income)	\$	854.6		\$	990.1		(13.7) %	(8.0)
Fee-based income		22.4			24.9		(10.1)	(4.2)
Gross profit		133.8			160.3		(16.6)	(10.9)
Gross profit rate		15.7	%		16.2	%	(0.5) pts.	
РТ								
Revenue from services (including fee-based income)	\$	168.3		\$	178.9		(5.9) %	0.4
Fee-based income		16.8			19.2		(12.7)	(7.3)
Gross profit		43.0			47.4		(9.4)	(3.4)
Gross profit rate		25.5	%		26.5	%	(1.0) pts.	
Total EMEA								
Revenue from services (including fee-based income)	\$	1,022.9		\$	1,169.0		(12.5) %	(6.7)
Fee-based income		39.2			44.1		(11.2)	(5.5)
Gross profit		176.8			207.7		(14.9)	(9.2)
SG&A expenses excluding restructuring charges		169.0			186.9		(9.7)	
Restructuring charges		(0.9) 168.1)		2.8 189.7		(132.3)	(6.0)
Total SG&A expenses		8.7					(11.5)	(6.0)
Earnings from operations Earnings from operations excluding restructuring charges		7.8			18.0 20.8		(51.6) (62.5)	
			0/			0/		
Gross profit rate Expense rates (excluding restructuring charges):		17.3	70		17.8	70	(0.5) pts.	
% of revenue		16.5			16.0		0.5	
% of gross profit		95.6			90.1		5.5	
Operating margin (excluding restructuring charges)		0.8			1.8		(1.0)	

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

				December Ye	ar to Date	
						Constant Currency
	_	2012		2011	Change	Change
PAC						
Commercial	•	040.0	Φ.	397.6	(40.7) 0/	(40.0)
Revenue from services (including fee-based income)	\$	343.2 11.7	\$		(13.7) %	(13.2)
Fee-based income		50.1		13.9	(15.7)	(13.4)
Gross profit		50.1		55.7	(10.0)	(9.3)
Gross profit rate		14.6	%	14.0 %	0.6 pts.	
т						
Revenue from services (including fee-based income)	\$	51.6	\$	51.4	0.5 %	1.2
Fee-based income		15.8		15.3	3.1	2.9
Gross profit		21.0		20.6	1.9	2.0
Gross profit rate		40.6	%	40.1 %	0.5 pts.	
otal APAC						
Revenue from services (including fee-based income)	\$	394.8	\$	449.0	(12.1) %	(11.5)
Fee-based income		27.5		29.2	(5.8)	(4.8)
Gross profit		71.1		76.3	(6.8)	(6.3)
Total SG&A expenses		73.4		77.0	(4.7)	(4.1)
Earnings from operations		(2.3))	(0.7)	(207.4)	
Gross profit rate		18.0	%	17.0 %	1.0 pts.	
Expense rates:						
% of revenue		18.6		17.2	1.4	
% of gross profit		103.3		101.0	2.3	
Operating margin		(0.6))	(0.2)	(0.4)	
<u>cg</u>						
Revenue from services (including fee-based income)	\$	396.1	\$	317.3	24.8 %	25.5
Fee-based income		51.4		39.5	30.0	32.1
Gross profit		104.0		78.8	32.0	33.5
Total SG&A expenses		95.4		81.4	17.0	18.6
Earnings from operations		8.6		(2.6)	NM	
Gross profit rate		26.3	%	24.8 %	1.5 pts.	
Expense rates:						
% of revenue		24.1		25.7	(1.6)	
% of gross profit		91.6		103.4	(11.8)	
Operating margin		2.2		(8.0)	3.0	

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

	Dec.	30, 2012	Jar	n. 1, 2012
Current Assets Cash and equivalents Trade accounts receivable, less allowances of	\$	76.3	\$	81.0
\$10.4 and \$13.4, respectively		1,013.9		944.9
Prepaid expenses and other current assets		57.5		50.6
Deferred taxes		44.9		38.2
Total current assets		1,192.6		1,114.7
Property and Equipment, Net		89.9		90.6
Noncurrent Deferred Taxes		82.8		94.1
Goodwill, Net		89.5		90.2
Other Assets		180.9		152.1
Total Assets	\$	1,635.7	\$	1,541.7
Current Liabilities				
Short-term borrowings	\$	64.1	\$	96.3
Accounts payable and accrued liabilities		295.6		237.2
Accrued payroll and related taxes Accrued insurance		264.5 32.8		271.4 31.5
Income and other taxes		65.3		61.3
Total current liabilities		722.3		697.7
Noncurrent Liabilities				
Accrued insurance		43.5		53.5
Accrued retirement benefits		111.0		91.1
Other long-term liabilities		17.9		23.7
Total noncurrent liabilities		172.4		168.3
Stockholders' Equity				
Common stock		40.1		40.1
Treasury stock Paid-in capital		(61.6) 27.1		(66.9) 28.8
Earnings invested in the business		700.0		657.5
Accumulated other comprehensive income		35.4		16.2
Total stockholders' equity		741.0		675.7
Total Liabilities and Stockholders' Equity	\$	1,635.7	\$	1,541.7
STATISTICS:				
Working Capital	\$	470.3	\$	417.0
Current Ratio		1.7		1.6
Debt-to-capital %		8.0 %		12.5 %
Global Days Sales Outstanding		53		52

KELLY SERVICES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 52 WEEKS ENDED DECEMBER 30, 2012 AND JANUARY 1, 2012 (UNAUDITED)

	_	2012	_	2011
Cash flows from operating activities				
Net earnings	\$	50.1	\$	63.7
Noncash adjustments:				
Impairment of assets		3.1		-
Depreciation and amortization		22.3		31.4
Provision for bad debts		1.1		4.3
Stock-based compensation		4.8		4.6
Other, net		1.3		(2.6)
Changes in operating assets and liabilities	_	(21.6)	_	(82.3)
Net cash from operating activities	_	61.1	_	19.1
Cash flows from investing activities				
Capital expenditures		(21.5)		(15.4)
Investment in equity affiliate		(6.6)		-
Acquisition of companies, net of cash received		-		(6.5)
Other investing activities	-	-	_	1.2
Net cash from investing activities	_	(28.1)	_	(20.7)
Cash flows from financing activities				
Net change in short-term borrowings		(31.9)		79.2
Repayment of debt		-		(68.3)
Dividend payments		(7.6)		(3.8)
Other financing activities	-	0.1	_	(1.0)
Net cash from financing activities	-	(39.4)	_	6.1
Effect of exchange rates on cash and equivalents	_	1.7	_	(4.0)
Net change in cash and equivalents		(4.7)		0.5
Cash and equivalents at beginning of period	-	81.0	_	80.5
Cash and equivalents at end of period	\$	76.3	\$	81.0
שמטון שווש טקעוויעוטוונט ענ טווע טו אַטווטע	Ψ=	70.0	Ψ=	01.0

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

Fourth Quarter	(Commercial,	PT	and	OCG)

	 	Jartin Quarter (OOI	% Char	nge
				Constant
	 2012	2011	US\$	Currency
Americas				
United States	\$ 877.9	\$ 883.8	(0.7) %	(0.7) %
Canada	60.5	60.9	(8.0)	(3.9)
Mexico	35.3	26.2	34.8	27.7
Puerto Rico	23.4	25.9	(9.6)	(9.6)
Brazil	14.0	-	NM	NM
Total Americas	 1,011.1	996.8	1.4	1.3
EMEA				
France	58.8	71.2	(17.3)	(14.1)
Switzerland	61.2	62.0	(1.4)	0.9
Russia	33.9	33.4	1.7	1.2
United Kingdom	25.6	29.1	(11.9)	(13.8)
Portugal	19.0	21.6	(12.2)	(8.8)
Germany	16.4	20.1	(18.5)	(15.2)
Norway	15.5	17.8	(12.9)	(13.9)
Italy	14.6	17.7	(17.6)	(14.3)
Other	19.0	17.7	7.1	9.3
Total EMEA	 264.0	290.6	(9.2)	(7.4)
APAC				
Australia	33.9	35.1	(3.4)	(5.8)
Singapore	26.5	24.4	8.4	2.9
Malaysia	18.0	17.6	2.6	(0.5)
New Zealand	12.9	13.0	(0.4)	(6.0)
Other	9.0	18.8	(52.6)	(50.3)
Total APAC	 100.3	108.9	(7.9)	(10.7)
Total Kelly Services, Inc.	\$ 1,375.4	\$1,396.3	(1.5) %	(1.5) %

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

		Dec	embe	December Year to Date (Commercial, PT and OCG)												
					% Chan	ge										
						Constant										
		2012		2011	US\$	Currency										
Americas																
United States	Φ.	2.404.0	•	2 445 4	0.5.0/	0.5.0/										
	\$	3,464.2	\$	3,445.4	0.5 %	0.5 %										
Canada		243.9		247.7	(1.6)	(0.5)										
Mexico		117.7		106.0	11.0	16.7										
Puerto Rico		99.7		96.6	3.3	3.3										
Brazil		60.7	_	- 0.005.7	NM	NM										
Total Americas		3,986.2		3,895.7	2.3	2.8										
EMEA																
France		243.0		295.9	(17.9)	(11.0)										
Switzerland		235.6		239.8	(1.8)	4.7										
Russia		131.0		141.8	(7.6)	(2.4)										
United Kingdom		104.9		121.6	(13.8)	(12.7)										
Portugal		75.0		87.7	(14.5)	(7.3)										
Germany		70.3		82.8	(15.1)	(7.9)										
Norway		66.3		68.7	(3.5)	0.5										
Italy		59.1		71.0	(16.7)	(9.9)										
Other		67.4		85.1	(20.8)	(14.5)										
Total EMEA		1,052.6		1,194.4	(11.9)	(6.0)										
APAC																
Australia		135.5		145.4	(6.9)	(7.2)										
Singapore		101.6		103.0	(1.4)	(2.0)										
Malaysia		72.9		72.1	1.2	2.1										
New Zealand		52.4		50.8	3.2	1.0										
Other		49.3		89.6	(45.0)	(40.2)										
Total APAC		411.7		460.9	(10.7)	(10.1)										
Total Kelly Services, Inc.	\$	5,450.5	\$	5,551.0	(1.8) %	(0.2) %										

KELLY SERVICES, INC. AND SUBSIDIARIES RECONCILIATION OF NON-GAAP MEASURES FOR THE 13 WEEKS ENDED DECEMBER 30, 2012 AND JANUARY 1, 2012 (UNAUDITED)

(In millions of dollars except per share data)

		2012									2011	
	As reported	_	Restructuring Charges (Note 1)		Asset Impairments (Note 2)	•	Loss on Equity Investment (Note 3)		Adjusted Earnings		Earnings	% Change
Revenue from services	\$ 1,375.4	5	-	\$	-	\$	- 9	\$	1,375.4	5	1,396.3	(1.5) %
Cost of services	1,153.2	_	-	_	-			_	1,153.2	_	1,172.0	(1.6)
Gross profit	222.2		-		-		-		222.2		224.3	(0.9)
Selling, general and administrative expenses	209.3		(1.3)		-		-		208.0		211.6	(1.7)
Asset impairments	3.1	_	-	_	(3.1)			_		_		
Earnings from operations	9.8		1.3		3.1		-		14.2		12.7	11.8
Other expense, net	(1.7)	_		_	-		0.7	_	(1.0)	_		NM
Earnings from continuing operations before taxes	8.1		1.3		3.1		0.7		13.2		12.7	4.1
Income taxes	(0.8)	_	0.5	_	1.2		(0.3)	_	0.6	_	(11.4)	(106.5)
Earnings from continuing operations	\$ 8.9	§ _	0.8	\$_	1.9	\$	1.0	\$_	12.6	§ _	24.1	(48.1) %
Earnings per share from continuing operations:												
Basic	\$ 0.23		\$ 0.02		\$ 0.05		\$ 0.03		\$ 0.33		\$ 0.64	(48.4) %
Diluted	\$ 0.23		\$ 0.02		\$ 0.05		\$ 0.03		\$ 0.33	;	\$ 0.64	(48.4) %

KELLY SERVICES, INC. AND SUBSIDIARIES RECONCILIATION OF NON-GAAP MEASURES FOR THE 52 WEEKS ENDED DECEMBER 30, 2012 AND JANUARY 1, 2012 (UNAUDITED) (In millions of dollars except per share data)

		2012								2011		
	As reported	_	Restructuring Charges (Note 1)	_	Asset Impairments (Note 2)		Loss on Equity Investment (Note 3)		Adjusted Earnings		Adjusted Earnings	% Change
Revenue from services	\$ 5,450.5	\$	- \$;	-	\$	- 9	\$	5,450.5	\$	5,551.0	(1.8) %
Cost of services	4,553.9	_	-	_	-			_	4,553.9	_	4,667.7	(2.4)
Gross profit	896.6		-		-		-		896.6		883.3	1.5
Selling, general and administrative expenses	821.2		0.9		-		-		822.1		822.8	(0.1)
Asset impairments	3.1		-	_	(3.1)			_	-	_		
Earnings from operations	72.3		(0.9)		3.1		-		74.5		60.5	23.2
Other expense, net	(3.5)	_	-		-		0.7	_	(2.8)	_	(0.1)	NM
Earnings from continuing operations before taxes	68.8		(0.9)		3.1		0.7		71.7		60.4	18.8
Income taxes	19.1	-	0.5	_	1.2		(0.3)	_	20.5	_	(7.3)	(383.6)
Earnings from continuing operations	\$ 49.7	\$	(1.4)	; =	1.9	\$	1.0	\$ _	51.2	\$	67.7	(24.4) %
Earnings per share from continuing operations:												
Basic	\$ 1.31		\$ (0.04)		\$ 0.05		\$ 0.03		\$ 1.34		\$ 1.80	(25.6) %
Diluted	\$ 1.31		\$ (0.04)		\$ 0.05		\$ 0.03		\$ 1.34		\$ 1.80	(25.6) %

	2011						
	As reported	Restruc Char (Not	turing ges		Adjusted Earnings		
Revenue from services	\$ 5,551.0	5	-	\$	5,551.0		
Cost of services	4,667.7			_	4,667.7		
Gross profit	883.3		-		883.3		
Selling, general and administrative expenses	825.6		(2.8)		822.8		
Asset impairments			-				
Earnings from operations	57.7		2.8		60.5		
Other expense, net	(0.1)		-		(0.1)		
Earnings from continuing operations before taxes	57.6		2.8		60.4		
Income taxes	(7.3)		-		(7.3)		
Earnings from continuing operations	\$ 64.9	<u> </u>	2.8	\$	67.7		
Earnings per share from continuing operations:							
Basic	\$ 1.72	\$	0.07	\$			
Diluted	\$ 1.72	\$	0.07	\$	1.80		

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, asset impairment charges and loss on equity investment is useful to understand the Company's fiscal 2012 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) In 2012, restructuring charges relate to severance and lease termination costs for EMEA Commercial branches which are in the process of closing, along with revisions of the estimated lease termination costs for EMEA Commercial branches that closed in prior years. In 2011, restructuring costs relate primarily to revisions of the estimated lease termination costs for EMEA Commercial branches that closed in prior years.
- (2) Asset impairment charges relate to the write-off of previously capitalized costs associated with the PeopleSoft billing system.
- (3) Loss on equity investment represents the difference between the fair value and book value of the North Asia entities contributed by the Company to the investment in TS Kelly Workforce Solutions.