

To Our Shareholders

2017 was a year of change and acceleration at Kelly. We created solid momentum and carried it through all four quarters, delivering strong top-line growth that outpaced the market and profitability

gains that held strong even as we invested in our future. We bid farewell to CEO Carl Camden after a 22-year

career, and welcomed a new company, Teachers On Call, to the Kelly family. We weathered a series of storms

and natural disasters unlike any we'd encountered before, standing strong together and caring for our colleagues

and communities. We introduced new reporting segments, sharpened our focus, accelerated our investments, and

established strategic priorities that yielded strong results for Kelly.

DELIVERING RESULTS

After entering the year at a steady clip, Kelly drove forward with sustained growth quarter after quarter,

achieving a 41% increase in annual operating earnings on a like-for-like basis. Our performance reflects our

efforts to produce higher earnings from both gross profit growth and a balanced approach to expenses. Through

a combination of strong top-line growth and good GP rate improvement, we delivered increased profitability

even as we invested in the talent and technology that will drive our company forward. Our conversion rate* for

2017 was up 160 basis points to 9.0% (excluding restructuring), another clear indicator that confirms we are

creating value along with driving volume.

REFOCUSING OUR STRATEGY

As the world of work continues to evolve, so too does Kelly's strategy. In 2017, we took a fresh look at the labor

environment and defined a path that is at once familiar and ambitious.

Our go-forward strategy is our response to the external realities shaping our industry and the world at large.

Talented people are embracing new ways to work. Modern businesses are looking for ways to adapt and find the

talent they need to move their organizations forward. Kelly is staking its claim as the connection point in a

marketplace marked by disruption. Our go-forward strategy is designed to help our candidates, our clients, and

our company not only withstand those disruptions, but turn them to advantages. In so doing, we will be able to

deliver improved shareholder value and returns from a business that is focused on its strengths and committed to

leading where we know we can win.

Our plan centers on four strategic pillars:

Being the destination for top talent

Leading in our chosen markets via scale or specialty Embracing the future of work

Investing in technology for innovation and efficiency

In 2017, we began aligning our actions to these guideposts, which will inform Kelly's journey and investment

decisions over the next several years. Taken in concert, these focus areas complement each other and drive Kelly

forward into a future where we are not only more profitable, but also better able to fulfill our mission to connect

people with work in ways that enrich their lives.

ACCELERATING ACROSS ALL SEGMENTS

With our APAC joint venture fully in place, we entered 2018 with reporting segments that reflected our new

operating reality: Americas Staffing, International Staffing, and Global Talent Solutions.

*Conversion rate represents earnings from operations as a percentage of gross profit, or return on gross profit.

Growth in Americas Staffing increased as the investments we made in recruiters and sales resources during the

first half of the year fueled results in all

areas. The second half of the year brought additional acceleration as we completed the acquisition of Teachers

On Call to further strengthen Kelly's leading position in K-12 educational staffing — a clear example of

investing where we know we can win, and a notable milestone of our strategy in action. With steadily climbing

revenue growth and a marked improvement in GP rates, Americas Staffing delivered an 18% increase in

full-year operating profit (excluding restructuring). International Staffing, now comprised of our European

staffing operations, added another strong finish to the year. For the full year, International Staffing achieved 44%

growth in earnings from operations (in constant currency).

Global Talent Solutions—the combination of our previously reported Outsourcing and Consulting Group

segment plus our centrally delivered staffing operations—delivered results from our 2016 investments and turned

in strong double-digit growth in 2017. As large clients continue to turn to Kelly for Talent Fulfillment and

Outcome-Based Solutions, Global Talent Solutions is delivering the proven expertise and capabilities our clients

seek. For the full year, the segment achieved a 35% increase in earnings from operations over 2016 (excluding

restructuring).

ADVANCING TALENT & TECHNOLOGY

Nothing is reshaping work more rapidly or precipitously than technology. We believe the digitally powered

future is one of boundless opportunity for the people we serve. Our optimism is rooted in a legacy rich in

innovation

and forward progress. At our inception, we ushered in a newly mobile workforce, and as work evolved, we have

equipped and empowered people to meet the needs of a changing marketplace.

As work is reinvented, our evolution continues. Technology, talent, and work itself are all going mobile —

untethering new generations to define work on their own terms, as something they do, not someplace they go. By

executing our go-forward strategy, we will continually assess where we apply our investments to make the

biggest difference, the largest contribution

to the people and companies who are powering the world forward. Digital transformation will also involve

reimagining our business models, engineering new solutions, and continually sharpening our focus. We

will enable meaningful freedom of choice in the world of work, equipping people to bring their skills to the

market as independent workers, honoring their priorities, advancing their careers, and enriching their lives.

MOVING FORWARD WITH

CLARITY AND CONFIDENCE

We entered 2018 with renewed focus and clear plans to accelerate the progress we have set in motion. As we

look with confidence at the year ahead, we are committed to investing in the talent and technology that will drive

our future. We are focusing on our strengths, accelerating our investments where we know we can win, and

leveraging technology to connect with talent like never before.

I'm proud to stand alongside my Kelly colleagues as

we face the future together with renewed confidence, increased clarity, and a deepened connection to the talent

that has always been at the heart of our business.

GEORGE S. CORONA

President and Chief Executive Officer March 2018