

Reconciliation of Non-GAAP Items (Unaudited)

| (in thousands) | Three Months Ended | | | Nine Months Ended | |
|--|-----------------------|----------------|------------------|-----------------------|----------------|
| | September 30, 2014 | 2013 | June 30, 2014 | September 30, 2014 | 2013 |
| Revenue | | | | | |
| Nurse and allied healthcare staffing | 174,292 | 170,955 | 165,894 | 503,636 | 517,858 |
| Locum tenens staffing | 78,816 | 75,253 | 74,309 | 219,996 | 213,417 |
| Physician permanent placement services | 11,476 | 10,887 | 10,710 | 32,746 | 31,883 |
| | <u>264,584</u> | <u>257,095</u> | <u>250,913</u> | <u>756,378</u> | <u>763,158</u> |
| Segment operating income | | | | | |
| Nurse and allied healthcare staffing | 21,279 | 20,392 | 22,032 | 63,283 | 62,994 |
| Locum tenens staffing | 8,139 | 7,547 | 7,818 | 22,830 | 17,347 |
| Physician permanent placement services | 2,756 | 2,205 | 2,187 | 7,074 | 6,735 |
| | <u>32,174</u> | <u>30,144</u> | <u>32,037</u> | <u>93,187</u> | <u>87,076</u> |
| Unallocated corporate overhead | 10,396 | 8,595 | 8,694 | 26,958 | 23,085 |
| Adjusted EBITDA ⁽¹⁾ | 21,778 | 21,549 | 23,343 | 66,229 | 63,991 |
| Adjusted EBITDA margin ⁽²⁾ | 8.2% | 8.4% | 9.3% | 8.8% | 8.4% |
| Depreciation and amortization | 4,086 | 3,317 | 4,010 | 11,916 | 9,847 |
| Share-based compensation | 1,791 | 1,487 | 1,751 | 5,361 | 4,667 |
| Interest expense, net, and other | 1,433 | 1,840 | 4,629 | 7,908 | 7,829 |
| Income before income taxes | 14,468 | 14,905 | 12,953 | 41,044 | 41,648 |
| Income tax expense | 5,969 | 6,290 | 5,760 | 17,722 | 17,071 |
| Net income | <u>8,499</u> | <u>8,615</u> | <u>7,193</u> | <u>23,322</u> | <u>24,577</u> |

(1) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income taxes, depreciation and amortization, and share-based compensation expense. Management presents adjusted EBITDA because it believes that adjusted EBITDA is a useful supplement to net income as an indicator of operating performance. Management believes that adjusted EBITDA is an industry wide financial measure that is useful both to management and investors when evaluating the Company's performance. Management also uses adjusted EBITDA for making financial decisions and allocating resources. Management uses adjusted EBITDA to evaluate the Company's performance because it believes that adjusted EBITDA provides an effective measure of the Company's results, as it excludes certain items that management believes are not indicative of the Company's operating performance. However, adjusted EBITDA is not intended to represent cash flows for the period, nor has it been presented as an alternative to income from operations or net income as an indicator of operating performance, and it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. As defined, adjusted EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. While management believes that some of the items excluded from adjusted EBITDA are not indicative of the Company's operating performance, these items do impact the statement of comprehensive income, and management therefore utilizes adjusted EBITDA as an operating performance measure in conjunction with GAAP measures such as net income.

(2) **Adjusted EBITDA margin** represents adjusted EBITDA divided by revenue.

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| | Three Months Ended | | | Nine Months Ended | |
|---|-----------------------|--------|------------------|-----------------------|--------|
| | September 30, 2014 | 2013 | June 30, 2014 | September 30, 2014 | 2013 |
| GAAP based diluted net income per share (EPS) | \$0.18 | \$0.18 | \$0.15 | \$0.49 | \$0.51 |
| Adjustments: | | | | | |
| Loss on debt extinguishment | 0.00 | 0.00 | 0.04 | 0.04 | 0.01 |
| Adjusted diluted EPS ⁽¹⁾ | N/A | N/A | \$0.19 | \$0.53 | \$0.52 |

- (1) **Adjusted diluted EPS** represents GAAP diluted EPS excluding the impact of loss on debt extinguishment during the applicable period. Management presents adjusted diluted EPS because it believes that it is a useful supplement to diluted net income per share as an indicator of operating performance. Management believes such a measure provides a picture of the Company's results that is more comparable among periods since it excludes the impact of items that may recur occasionally, but tend to be irregular as to timing, thereby distorting comparisons between periods. However, investors should note that this non-GAAP measure involves judgment by management (in particular, judgment as to what is classified as a special item to be excluded from adjusted diluted EPS). As defined, adjusted diluted EPS is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. While management believes the item excluded from adjusted diluted EPS is not indicative of the Company's operating performance, this item does impact the statement of comprehensive income, and management therefore utilizes adjusted diluted EPS as an operating performance measure in conjunction with GAAP measures such as GAAP diluted EPS.

Reconciliation of Non-GAAP Items (Unaudited)

| (in thousands) | December 31, 2013 | March 31, 2014 | June 30, 2014 | September 30, 2014 | LTM Q3 2014 (1) |
|--------------------------|-------------------|----------------|---------------|--------------------|--------------------|
| Revenue | 248,658 | 240,881 | 250,913 | 264,584 | 1,005,036 |
| Adjusted EBITDA | 21,181 | 21,108 | 23,343 | 21,778 | 87,410 |
| Adjusted EBITDA Margin % | 8.5% | 8.8% | 9.3% | 8.2% | 8.7% |

(1) LTM Q3 2014 Revenue, Adjusted EBITDA, Adjusted EBITDA Margin % represent the revenue, adjusted EBITDA and adjusted EBITDA margin % for the last twelve months.