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PRIVATELY-HELD BUYERS DOMINATE Q3

De Bellas & Co. Reports 33 Q3'05 Transactions

September 30, 2005 - Houston - De Bellas & Co., the leading specialty investment banking firm focused on the Staffing, IT Services and HRO sectors for the last 20 years, reported today that 33 staffing and related IT M&A transactions were announced for the third quarter of 2005. This compares with 41 in the second quarter of 2005.

Our thoughts on the quarter follow:

- **Private companies are active** – Privately-held firms and private equity groups were the purchasers in 55% of the staffing related deals for Q3 compared to 38% for the first half of 2005. Publicly-held companies are actively evaluating opportunities, and we do expect this group to remain active acquirers.
- **Healthcare leads the pack** – There were nine healthcare related transactions in Q3, of which four were nursing providers. We expect this segment of the market to retain its momentum through year-end.
- **IT sector catches its breath** – After a busy Q2 with fourteen transactions, the IT space has slowed this quarter with four deals reported. This decline is due to a decrease in IT solutions transactions. We believe this is a temporary decline rather than a trend, as demand for IT services continues to rise.
- **Notable transactions** – The most notable transaction of the quarter was American Crystal Inc.'s acquisition of TAC Worldwide Companies. TAC was the 22nd largest U.S. staffing firm according to Staffing Industry Report, with \$600M in revenue last year. Another notable transaction was the “significant” investment in SeatonCorp, the parent company of Staff Management and PeopleScout by private equity firm Leeds Weld & Co. We expect that private equity groups will continue to view the staffing sector as an attractive investment opportunity.

De Bellas & Co. has monitored nationwide consolidation activity since 1993 to support its investment banking activities and has completed over 140 Staffing, IT Services and HRO transactions. For more information on M&A activity or to enter your criteria as a buyer, please visit our website at www.debellas.com or contact us.

U.S. STAFFING INDUSTRY													
Merger & Acquisition Activity													
		Three	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve
	1st Qtr.	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
	2005	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1995
Transactions:													
Disclosed/Completed Transactions	28	28	153	112	142	74	160	264	439	416	343	157	
Buyers	24	24	103	81	91	59	86	128	146	149	109	68	
Transactions/Buyers	1.2	1.2	1.5	1.4	1.6	1.3	1.9	2.1	3.0	2.8	3.1	2.3	
Median Rev. of Seller (millions)	15.5	15.5	10.3	16.7	16.8	21.0	16.0	11.5	8.8	9.0	8.7	9.0	
Mix:													
IT Staffing	14.3%	14.3%	19.0%	7.1%	11.3%	18.9%	18.8%	14.0%	22.1%	12.5%	4.7%	3.2%	
IT Solutions	14.3%	14.3%	9.2%	11.6%	12.7%	6.8%	11.3%	27.3%	25.1%	28.4%	33.2%	11.5%	
A/FS	0.0%	0.0%	3.3%	2.7%	2.1%	2.7%	5.0%	2.7%	2.3%	4.6%	1.5%	2.5%	
Legal	3.6%	3.6%	1.3%	2.7%	0.7%	9.5%	1.9%	0.8%	1.8%	2.6%	2.0%	6.4%	
Healthcare	28.6%	28.6%	25.5%	23.2%	19.7%	10.8%	11.3%	11.7%	7.5%	9.9%	6.4%	11.5%	
Other	10.7%	10.7%	8.5%	15.2%	12.0%	2.7%	2.5%	3.4%	4.1%	1.2%	1.2%	0.0%	
Outplacement	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	1.9%	4.2%	0.9%	2.2%	2.0%	3.2%	
PEO	14.3%	14.3%	6.5%	9.8%	13.4%	18.9%	5.6%	5.7%	5.5%	8.4%	7.3%	5.1%	
Place & Search	0.0%	0.0%	2.6%	0.9%	1.4%	1.4%	3.8%	0.8%	1.4%	1.2%	1.5%	7.0%	
Technical	0.0%	0.0%	5.2%	4.5%	4.9%	4.1%	1.3%	3.4%	3.2%	2.6%	5.2%	9.6%	
Executive Search	0.0%	0.0%	1.3%	4.5%	5.6%	6.8%	12.5%	8.3%	3.6%	1.0%	0.0%	2.5%	
Commercial Staffing	14.3%	14.3%	17.6%	17.9%	15.5%	17.6%	24.4%	17.8%	22.6%	25.5%	35.0%	37.6%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Geographics:													
Domestic	89.3%	89.3%	83.0%	88.4%	88.7%	90.5%	84.4%	76.5%	83.8%	87.3%	85.4%	80.9%	
Cross Border	10.7%	10.7%	17.0%	11.6%	11.3%	9.5%	15.6%	23.5%	16.2%	12.7%	14.6%	19.1%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Ownership of Buyer:													
Public	60.7%	60.7%	51.6%	53.6%	62.0%	43.2%	50.6%	65.2%	78.4%	77.4%	78.7%	67.5%	
Private	39.3%	39.3%	48.4%	46.4%	38.0%	56.8%	49.4%	34.8%	21.6%	22.6%	21.3%	32.5%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Source: De Bellas & Co., SEC filings, Staff Facts and Staffing Industry Report													
<i>Note: De Bellas & Co. defines a transaction as a completed merger, acquisition or significant equity investment.</i>													
<i>The firm's statistics include domestic, as well as cross border transactions involving a participant with U.S. operations.</i>													
<i>Note: IT Solutions transactions are those transactions completed by a buyer having staffing operations and an IT Solutions seller.</i>													

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	2005	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Mix:												
IT Staffing	4	4	29	8	16	14	30	37	97	52	16	5
IT Solutions	4	4	14	13	18	5	18	72	110	118	114	18
A/ES	0	0	5	3	3	2	8	7	10	19	5	4
Legal	1	1	2	3	1	7	3	2	8	11	7	10
Healthcare	8	8	39	26	28	8	18	31	33	41	22	18
Other	3	3	13	17	17	2	4	9	18	5	4	0
Outplacement	0	0	0	0	1	0	3	11	4	9	7	5
PEO	4	4	10	11	19	14	9	15	24	35	25	8
Place & Search	0	0	4	1	2	1	6	2	6	5	5	11
Technical	0	0	8	5	7	3	2	9	14	11	18	15
Executive Search	0	0	2	5	8	5	20	22	16	4	0	4
Commercial Staffing	4	4	27	20	22	13	39	47	99	106	120	59
Total	28	28	153	112	142	74	160	264	439	416	343	157
Geographics:												
Domestic	25	25	127	99	126	67	135	202	368	363	293	127
Cross Border	3	3	26	13	16	7	25	62	71	53	50	30
Total	28	28	153	112	142	74	160	264	439	416	343	157
Ownership of Buyer:												
Public	17	17	79	60	88	32	81	172	344	322	270	106
Private	11	11	74	52	54	42	79	92	95	94	73	51
Total	28	28	153	112	142	74	160	264	439	416	343	157
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