

STAFFING M&A INCREASES OVER Q1 2005

De Bellas & Co. Reports 32 Q1 2006 Transactions

April 5, 2006 - Houston - De Bellas & Co., the leading specialty investment banking firm focused on the Staffing, IT Services and Human Resource Outsourcing (HRO) sectors for the last 20 years, reported today that 32 staffing and related IT and HRO M&A transactions were announced in the first quarter of 2006 compared to 30 transactions in the first quarter of 2005. While certain staffing sub-sectors show material increases or decreases, overall acquisition interest continues to be strong. Both strategic and private equity buyers are aggressively pursuing opportunities. Professional niches within healthcare, finance/accounting and legal are highest in demand. Our specific comments on the quarter follow:

- **Commercial Staffing rebounds** – Ten commercial staffing deals were announced, which continues the uptick in activity begun in Q4 2005. However, there were several smaller transactions including distressed sales and franchise buybacks.
- **Professional Employer Organizations (PEO) show increased activity** – Five deals involving PEO sellers make this the most active quarter for this sub-sector since Q4 2002. Two of the larger PEO transactions involved the sale of Oasis Outsourcing and Resolve Staffing's pending merger with ELS Human Resource Solutions, Inc.
- **Healthcare pauses** – The decline in acquisitions of healthcare staffing businesses is not unexpected, given the active fourth quarter in 2005. In a notable distressed transaction, Jackson Healthcare was selected as the 'stalking horse' bidder in a Section 363 bankruptcy sale of World Health Alternatives. We expect activity to increase in healthcare staffing.
- **IT slows** – IT Service company activity slowed, but Kforce's acquisition of Pinkerton Computer Consultants, Inc. was notable. This decline is believed to be temporary.

De Bellas & Co. has monitored nationwide M&A activity since 1993 to support its investment banking activities. The firm 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
		Months	Months	Months	Months	Months	Months
		2006	2005	2004	2003	2002	2001
Transactions:							
Disclosed/Completed Transactions		32	151	153	112	142	74
Buyers		25	103	103	81	91	59
Transactions/Buyers		1.3	1.5	1.5	1.4	1.6	1.3
Median Rev. of Seller (millions)		4.0	18.5	10.3	16.7	16.8	21.0
Mix:							
IT Staffing		2	14	29	8	16	14
IT Solutions		1	21	14	13	18	5
A/FS		1	4	5	3	3	2
Legal		1	4	2	3	1	7
Healthcare		2	43	39	26	28	8
Other ^		7	19	13	17	17	2
Outplacement		0	0	0	0	1	0
PEO		5	11	10	11	19	14
Place & Search		1	2	4	1	2	1
Technical		0	2	8	5	7	3
Executive Search		2	5	2	5	8	5
Commercial Staffing		10	26	27	20	22	13
	Total	32	151	153	112	142	74
Geographics:							
Domestic		31	134	127	99	126	67
Cross Border		1	17	26	13	16	7
	Total	32	151	153	112	142	74
Ownership of Buyer:							
Public		21	92	84	60	88	32
Private Equity Group		3	22	11	n/a	n/a	n/a
Private - Other		8	37	58	52	54	42
	Total	32	151	153	112	142	74
Source: De Bellas & Co., SEC filings and Staffing Industry Report							
^ Beginning in 2005, De Bellas & Co. began tracking acquisitions by staffing firms of non-staffing businesses.							
<i>Note: De Bellas & Co. defines a transaction as an announced 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>The acquired entity includes staffing firms as well as other businesses.</i>							
<i>IT Solutions transactions are those transactions completed by a buyer having staffing operations and an IT Solutions seller.</i>							