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POSITIVE OUTLOOK FOR M&A EXPECTED IN 2007

De Bellas & Co. Reports 122 Transactions During 2006

January 10, 2007 - Houston - De Bellas & Co., the leading specialty investment banking firm focused on the Staffing Industry for over two decades, reported today that 28 Staffing, IT Services and HRO related M&A transactions were announced in Q4 of 2006 compared with 44 in Q4 of 2005. There were 122 transactions reported in 2006, versus 151 in 2005. Highlights for Q4, calendar 2006 and the De Bellas summary outlook for 2007 follow:

SECTOR HIGHLIGHTS FOR 2006

	Commercial	Healthcare	IT Staffing and Solutions	Specialty
2006	30	22	18	14
2005	26	43	35	8

- **Commercial** – With 30 transactions, clerical and light industrial firms represented the most active M&A sector in 2006. David DuMay, Managing Director of De Bellas & Co., noted that “buyer interest and current activity indicates that transactional volume in this sector will remain high in 2007”.
- **Healthcare** – This sector was the second most active, even though transactions declined to 22 in 2006 from 43 in 2005. DuMay remarked that “an increase in healthcare transactions in 2007 is expected, due in part to their improved results in 2006 and the favorable outlook for 2007”.
- **IT Staffing and Solutions** - IT Services were third, with 18 transactions. DuMay observed that “specialized IT Staffing and IT Solutions firms in general continue to warrant premium multiples”.
- **Specialty firms** – M&A volume within Accounting / Finance and Legal firms rose to fourteen transactions in 2006 from eight in 2005. DuMay noted that “Specialty firms continue to be attractive to buyers because they generate above-average margins and growth rates and have higher barriers to entry”.

BUYER ACTIVITY

- **Private Equity Groups [PEG's]** – These firms continue to be attracted to the staffing industry, for acquisitions as well as investments. Active PEG's in 2006 included Gryphon Investors, who acquired Club Staffing, Staffing Now and DLC, Inc., and J.W. Childs Associates, who purchased CHG Healthcare and EmployBridge.
- **Publicly Owned** – Public companies participating in M&A transactions for 2006 include: Vedior, Computer Horizons, Robert Half, On Assignment, and Compass Diversified Trust.
- **Notable transactions in Q4** –
 - * Crystal Co. Ltd., was acquired in a \$764.6 million deal. Crystal Co. is owned by private equity firm Corinthian Partners LLC, which is controlled by the publicly held Japanese staffing company Goodwill Group. Goodwill now holds 67% of the shares of Crystal Co.
 - * Sun Healthcare Group announced its planned acquisition of Harborside Healthcare Corp. from Investcorp. for \$350 million in cash plus the assumption of \$275 million of debt.
 - * Kforce, Inc. purchased Bradson Corp. for \$73 million, representing over two times expected current fiscal year revenue. DuMay commented that “this valuation was driven by Bradson’s federal government services business”.
 - * Axiom International Inc. announced its planned acquisition of Computer Horizons Chimes VMS unit for \$80 million in cash, representing over 2.5 times revenue.

OUTLOOK FOR 2007

- We believe M&A activity will increase in 2007 because:
 - * There are a record number of well-financed buyers seeking acquisitions.
 - * These buyers represent a number of diverse groups, including: publicly and privately held domestic and international companies, as well as private equity groups.
 - * Private equity interest will continue.
 - * Early activity is extremely high, including:
 - On Assignment acquiring Oxford Global Resources, Inc. for \$190 million in cash plus \$10 million in common stock, which is greater than Oxford’s expected 2006 revenue of \$177 million.
 - Compuware Corp. acquired Proxima Technology for approximately \$31 million.
 - Global Employment Holdings, Inc. announced it will buy Career Blazers.
- Valuation trends:
 - * Valuations should be at a sufficient level to promote continued M&A volume.
 - * Premium valuations will go to a number of sectors, including:
 1. Specialty staffing
 2. HRO
 3. IT Solutions
 4. Consulting firms
 5. BPO
 6. Government Contracts
 7. Large Firms

U.S. STAFFING INDUSTRY											
Merger & Acquisition Activity											
		4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve
		2006	2006	2006	2006	Months	Months	Months	Months	Months	Months
						2006	2005	2004	2003	2002	2001
Transactions:											
Disclosed/Completed Transactions		28	26	35	33	122	151	153	112	142	74
Buyers		25	24	29	26	86	103	103	81	91	59
Transactions/Buyers		1.1	1.1	1.2	1.3	1.4	1.5	1.5	1.4	1.6	1.3
Median Rev. of Seller (millions)		28.0	11.5	11.4	4.0	12.4	18.5	10.3	16.7	16.8	21.0
Mix:											
IT Staffing		2	4	5	2	13	14	29	8	16	14
IT Solutions		1	2	1	1	5	21	14	13	18	5
A/F		5	4	3	1	13	4	5	3	3	2
Legal		0	0	0	1	1	4	2	3	1	7
Healthcare		9	3	8	2	22	43	39	26	28	8
Other ^		4	5	4	7	20	19	13	17	17	2
Outplacement		0	0	0	0	0	0	0	0	1	0
PEO		1	1	1	5	8	11	10	11	19	14
Place & Search		0	0	0	1	1	2	4	1	2	1
Technical		0	2	1	0	3	2	8	5	7	3
Executive Search		1	1	2	2	6	5	2	5	8	5
Commercial Staffing		5	4	10	11	30	26	27	20	22	13
Total		28	26	35	33	122	151	153	112	142	74
Geographics:											
Domestic		26	25	31	32	114	134	127	99	126	67
Cross Border		2	1	4	1	8	17	26	13	16	7
Total		28	26	35	33	122	151	153	112	142	74
Ownership of Buyer:											
Public		13	11	17	21	62	92	84	60	88	32
Private Equity Group		8	4	2	3	17	22	11	n/a	n/a	n/a
Private - Other		7	11	16	9	43	37	58	52	54	42
Total		28	26	35	33	122	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.											
Note: De Bellas & Co. defines a transaction as an announced merger, acquisition or significant equity investment.											
The firm's statistics include domestic, as well as cross border transactions involving a participant with U.S. operations.											
The acquired entity includes staffing firms as well as other businesses.											
IT Solutions transactions are those transactions completed by a buyer having staffing operations and an IT Solutions seller.											

De Bellas & Co. has monitored nationwide M&A activity since 1993 to support its investment banking activities. The firm has completed over 150 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.