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Year-to-Date Transactions Volume Remains Strong
De Bellas & Co. Reports 24 Q3 2007 Transactions

October 5, 2007 - Houston - De Bellas & Co., the #1 Staffing Industry M&A investment banking firm for over two decades, reported today that 24 Staffing, IT Services and HRO related M&A transactions were announced in Q3 of 2007 vs. 26 in Q3 of 2006. There have been 105 deals reported during Q1 thru Q3 2007, versus 94 for this time period in 2006.

David DuMay, Managing Director, stated that “We continue to see a robust M&A market for staffing firms. Recent macroeconomic concerns have not reduced buyer interest in the majority of niches within the staffing sector.” He added that “announced and completed deals in the professional sector are up over 25% year-to-date versus the same period in 2006, while commercial staffing has maintained a consistent deal flow.”

SECTOR HIGHLIGHTS

Q1 THRU Q3 2007

	Commercial	IT Staffing / Solutions	Healthcare	Legal & Accounting	Executive Search	Other	Total
Q3 2007	5	3	6	6	0	4	24
Q2 2007	10	5	8	4	2	13	42
Q1 2007	9	6	5	4	4	11	39

Q1 THRU Q3 OF 2007 VERSUS 2006

	Commercial	IT Staffing / Solutions	Healthcare	Legal & Accounting	Executive Search	Other	Total
Q1-Q3 2007	24	14	19	14	6	28	105
Q1-Q3 2006	25	15	13	9	5	27	94

BUYERS

- **Private Equity Groups maintain significant presence** – Private equity [PEG] buyers announced four transactions in Q3 2007 and have accounted for 20% of the deals in 2007 versus less than 10% in Q1 thru Q3 2006.
- **Public Companies continue buying activity** – Spherion, Cross Country Healthcare, Inc., TechTeam Global, and Ciber are among those public firms reporting acquisitions this quarter.
- **Lower transactions per buyer** – There was an average of one transaction per buyer in Q3 2007 vs. 1.1 for both the second quarter of 2007 as well as Q3 2006. This creates a stronger market for sellers because there is little or no dependence on a small group of buyers.

NOTABLE TRANSACTIONS

- **Goldman Sachs Urban Investment Group [UIG] acquires Nursefinders** – This \$250 million transaction represents another large investment in the staffing industry by a private equity firm. UIG already owned National Healthcare Staffing.
- **Spherion acquires Todays Staffing** – This \$160 million division of CDI Corp. was sold for \$40 million in cash. Spherion will expand its retail offerings thru Todays' concentration on small and mid-sized accounts.
- **Cross Country Healthcare acquires Assent Consulting**– Purchase price of \$19.6 million in cash and an earnout provision up to a maximum of \$4.9 million based on 2007 and 2008 performance criteria. In 2006, Assent produced revenues of \$13.2 million and an adjusted EBITDA of \$2.6 million.

VALUATION INFORMATION

- **Price / Revenue** – The following are the Q3 2007 deals in which sales price and the sellers revenue were reported:

Acquired Company	Acquired by (Buyer)	Annual Sales (Seller) - in millions	Est. Price - in millions	Price / Revenue
Candidates on Demand	American Vantage Cos.	10.9	4.0	0.37
RL Phillips, Inc.	TechTeam Global, Inc.	5.3	2.2	0.42
Today's Staffing	Spherion Corp.	160.0	40.0	0.25
AMR ProNurse	Medical Staffing Network Holdings	15.0	11.0	0.73
Assent Consulting	Cross Country Healthcare	13.2	24.5	1.86

Note: The variance in the ratio of price to revenues underscores the low reliability of this ratio as an indicator of value. However, in most cases, that is all that is publicly available concerning the transaction. Estimated prices include any contingent earnout payments.

De Bellas & Co. has monitored nationwide staffing 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.

U.S. STAFFING INDUSTRY										
Merger & Acquisition Activity										
					Twelve	Twelve	Twelve	Twelve	Twelve	Twelve
	3rd Qtr.	2nd Qtr.	1st Qtr.	Months	Months	Months	Months	Months	Months	Months
	2007	2007	2007	2006	2005	2004	2003	2002	2001	
Transactions:										
Disclosed/Completed Transactions	24	42	39	122	151	153	112	142	74	
Buyers	24	38	34	86	103	103	81	91	59	
Transactions/Buyers	1.0	1.1	1.1	1.4	1.5	1.5	1.4	1.6	1.3	
Median Rev. of Seller (millions)	15.0	20.0	15.8	12.4	18.5	10.3	16.7	16.8	21.0	
Mix:										
IT Staffing	1	4	5	13	14	29	8	16	14	
IT Solutions	2	1	1	5	21	14	13	18	5	
A/F	5	4	3	13	4	5	3	3	2	
Legal	1	0	1	1	4	2	3	1	7	
Healthcare	6	8	5	22	43	39	26	28	8	
Other	3	10	9	20	19	13	17	17	2	
Outplacement	0	0	0	0	0	0	0	1	0	
PEO	0	2	1	8	11	10	11	19	14	
Place & Search	0	0	0	1	2	4	1	2	1	
Technical	1	1	1	3	2	8	5	7	3	
Executive Search	0	2	4	6	5	2	5	8	5	
Commercial Staffing	5	10	9	30	26	27	20	22	13	
Total	24	42	39	122	151	153	112	142	74	
Geographics:										
Domestic	23	37	34	114	134	127	99	126	67	
Cross Border	1	5	5	8	17	26	13	16	7	
Total	24	42	39	122	151	153	112	142	74	
Ownership of Buyer:										
Public	10	21	21	62	92	84	60	88	32	
Private Equity Group	4	10	7	17	22	11	n/a	n/a	n/a	
Private - Other	10	11	11	43	37	58	52	54	42	
Total	24	42	39	122	151	153	112	142	74	
Source: De Bellas & Co., SEC filings and Staffing Industry Report										
<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>										

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