

## De Bellas & Co. Reports Staffing Industry M&A Activity Up Slightly in Q2 vs. Q1 2011 Despite Uncertainty Buyers Actively Pursue Acquisitions

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August 10, 2011 - Irvine, CA - De Bellas & Co., the #1 Staffing Industry M&A investment banking firm, reported today that 18 Staffing, IT Services and HRO related M&A transactions were announced in Q2 of 2011 vs. 16 in Q1 of 2011. The total for the first half of 2011 was 34 transactions as compared with 46 transactions in the first half of 2010. There was a significant increase in transactions involving HRO firms with five such firms being sold during Q2. Transactions for Commercial, IT Services, Healthcare, PEO and Executive Search firms accounted for the remainder of this quarter's M&A activity.

"Despite recent negative events in the economy and markets, buyers are continuing to actively pursue acquisitions" said Akash Taneja, Vice President at De Bellas & Co. Taneja also commented that, "De Bellas & Co. expects M&A activity to increase, as more prospective sellers report several consecutive quarters of improving revenues and margins. This means that more sellers will be able to achieve their valuation targets with multiples that are being offered by buyers."

M & A ACTIVITY BY SEGMENT OF COMPANY SOLD							
	Commercial	Healthcare	IT Staffing/Solutions	Legal & Accounting	PEO	Other	Total
Q1 2010	8	4	6	1	1	3	23
Q1 2011	1	4	7	0	0	4	16
Q2 2011	3	3	3	0	1	8(a)	18

(a) Primarily HRO

M & A ACTIVITY BY BUYER GROUP							
	Commercial	Healthcare	IT Staffing/Solutions	Legal & Accounting	PEO	Other	Total
Private Equity Group	1	0	0	0	0	1	2
Strategic Buyers							
Publicly Owned	1	3	1	0	0	5	10
Privately Held	0	0	2	0	1	3	6
Total Strategic Buyers	1	3	3	0	1	8	16
Totals	2	3	3	0	1	9	18

**NOTABLE TRANSACTIONS AND ANNOUNCEMENTS**

- Morgan Stanley Private Equity acquired Atlanta based EmployBridge Holding Co. EmployBridge operates primarily under the ResourceMFG, ProLogistix and ProDrivers brands, providing skilled personnel to three specific industry verticals: specialty manufacturing, warehousing/logistics and transportation. Headquartered in Atlanta, EmployBridge operates in 30 states through 146 branch and on-site locations.
- TrueBlue Inc. (NYSE: TBI) acquired A-1 Staffing, an industrial staffing provider with eight branches located in Kansas, Missouri, Nebraska, and Iowa. Terms of the deal were not disclosed.
- Taleo Corp. (NASDAQ: TLEO), a Dublin, Calif.-based provider of human resources software, Tuesday announced it signed a definitive agreement to acquire Jobpartners, a London-based software firm, for approximately \$38 million.
- ZeroChaos, an Orlando-based firm, announced in Q2, that in December 2010, it had been acquired by Snow Phipps Group. The sellers were an investor group led by AP Capital Partners. The price was more than \$200 million. ZeroChaos provides a full suite of Workforce Solutions.

Publicly owned buyers were the most active in Q2 both foreign and domestic.

- ManpowerGroup (NYSE: MAN) acquired two firms in China and a majority interest in a firm based in India.
  - Xi'an Fesco has more than 10,000 associates and serves the Shaanxi Province. The firm provides a variety of services from quality assurance managers, skilled trades and professional workers. Terms of the acquisition were not announced.
  - Reach HR, a human resources provider in China's Guangdong Province and employer of more than 100,000 associates. Reach HR specializes in providing a variety of HR related functions to the manufacturing industries.
  - ManpowerGroup acquired a 74 percent stake in Web Development Company Ltd. (WDC). WDC is located in Kolkata, India and provides IT Staffing and Services.

## SUMMARY OF ACTIVITY

U.S. STAFFING INDUSTRY										
Merger & Acquisition Activity										
				Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve
	2nd Qtr	1st Qtr	Months	Months	Months	Months	Months	Months	Months	Months
	2011	2011	2010	2009	2008	2007	2006	2005	2004	2004
<b>Transactions:</b>										
Disclosed/Completed Transactions	18	16	91	57	87	141	122	151	153	
Buyers	15	14	87	50	79	104	86	103	103	
Transactions/Buyers	1.1	1.1	1.0	1.1	1.1	1.4	1.4	1.5	1.5	
Median Rev. of Seller (millions)	22	141.0	102	5.75	16.2	20.0	12.4	18.5	10.3	
<b>Mix:</b>										
IT Staffing	2	4	22	7	10	17	13	14	29	
IT Solutions	1	3	3	2	3	4	5	21	14	
A/F	0	0	2	6	8	16	13	4	5	
Legal	0	0	0	1	4	3	1	4	2	
Healthcare	3	4	21	9	20	25	22	43	39	
Other	8	3	16	6	12	24	20	19	13	
Outplacement	0	0	0	0	0	0	0	0	0	
PEO	1	0	7	4	7	3	8	11	10	
Place & Search	0	0	1	0	1	0	1	2	4	
Technical	0	0	1	5	7	6	3	2	8	
Executive Search	1	1	1	2	2	7	6	5	2	
Commercial Staffing	2	1	17	15	13	36	30	26	27	
Total	18	16	91	57	87	141	122	151	153	
<b>Geographics:</b>										
Domestic	12	12	81	54	72	123	114	134	127	
Cross Border	6	4	10	3	15	18	8	17	26	
Total	18	16	91	57	87	141	122	151	153	
<b>Ownership of Buyer:</b>										
Public	10	7	32	14	32	69	62	92	84	
Private Equity Group	2	1	10	5	3	21	17	22	11	
Private - Other	6	8	49	38	52	51	43	37	58	
Total	18	16	91	57	87	141	122	151	153	

**Source: De Bellas & Co., SEC filings and Staffing Industry Report**

*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.

De Bellas & Co. has monitored nationwide M&A activity since 1993 to support its investment banking activities. The firm has completed over 170 Staffing, IT Service and HRO transactions. For more information on M&A services or to enter your criteria as a buyer, please visit our website at [www.debellas.com](http://www.debellas.com) or contact us.