

Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended			Twelve Months Ended	
	December 31, 2014	2013	September 30, 2014	December 31, 2014	2013
Revenue					
Nurse and allied healthcare staffing	191,570	164,121	174,292	695,206	681,979
Locum tenens staffing	76,170	74,067	78,816	296,166	287,484
Physician permanent placement services	11,909	10,470	11,476	44,655	42,353
	<u>279,649</u>	<u>248,658</u>	<u>264,584</u>	<u>1,036,027</u>	<u>1,011,816</u>
Segment operating income					
Nurse and allied healthcare staffing	23,963	19,464	21,279	87,246	82,458
Locum tenens staffing	8,155	7,365	8,139	30,985	24,712
Physician permanent placement services	2,744	2,194	2,756	9,818	8,929
	<u>34,862</u>	<u>29,023</u>	<u>32,174</u>	<u>128,049</u>	<u>116,099</u>
Unallocated corporate overhead	9,601	7,842	10,396	36,559	30,927
Adjusted EBITDA ⁽¹⁾	25,261	21,181	21,778	91,490	85,172
Adjusted EBITDA margin ⁽²⁾	9.0%	8.5%	8.2%	8.8%	8.4%
Depreciation and amortization	4,077	3,698	4,086	15,993	13,545
Share-based compensation	1,796	1,458	1,791	7,157	6,125
Acquisition transaction costs	437	-	-	437	-
Interest expense, net, and other	1,329	1,836	1,433	9,237	9,665
Income before income taxes	<u>17,622</u>	<u>14,189</u>	<u>14,468</u>	<u>58,666</u>	<u>55,837</u>
Income tax expense	7,727	5,833	5,969	25,449	22,904
Net income	<u>9,895</u>	<u>8,356</u>	<u>8,499</u>	<u>33,217</u>	<u>32,933</u>

(1) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income taxes, depreciation and amortization, acquisition transaction costs, and share-based compensation expense. Management presents adjusted EBITDA because it believes that adjusted EBITDA is a useful supplement to net income as an indicator of operating performance. Management believes that adjusted EBITDA is an industry wide financial measure that is useful both to management and investors when evaluating the Company's performance. Management also uses adjusted EBITDA for making financial decisions and allocating resources. Management uses adjusted EBITDA to evaluate the Company's performance because it believes that adjusted EBITDA provides an effective measure of the Company's results, as it excludes certain items that management believes are not indicative of the Company's operating performance. However, adjusted EBITDA is not intended to represent cash flows for the period, nor has it been presented as an alternative to income from operations or net income as an indicator of operating performance, and it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. As defined, adjusted EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. While management believes that some of the items excluded from adjusted EBITDA are not indicative of the Company's operating performance, these items do impact the statement of comprehensive income, and management therefore utilizes adjusted EBITDA as an operating performance measure in conjunction with GAAP measures such as net income.

(2) **Adjusted EBITDA margin** represents adjusted EBITDA divided by revenue.

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	Three Months Ended			Twelve Months Ended	
	December 31,		September 30,	December 31,	
	2014	2013	2014	2014	2013
GAAP based diluted net income per share (EPS)	\$0.20	\$0.17	\$0.18	\$0.69	\$0.69
Adjustments:					
Loss on debt extinguishment	0.00	0.00	0.00	0.04	0.00
Acquisition transaction costs	0.01	0.00	0.00	0.01	0.00
Adjusted diluted EPS ⁽¹⁾	\$0.21	N/A	N/A	\$0.74	\$0.69

- (1) **Adjusted diluted EPS** represents GAAP diluted EPS excluding the impact of loss on debt extinguishment and acquisition transaction costs during the applicable period. Management presents adjusted diluted EPS because it believes that it is a useful supplement to diluted net income per share as an indicator of operating performance. Management believes such a measure provides a picture of the Company's results that is more comparable among periods since it excludes the impact of items that may recur occasionally, but tend to be irregular as to timing, thereby distorting comparisons between periods. However, investors should note that this non-GAAP measure involves judgment by management (in particular, judgment as to what is classified as a special item to be excluded from adjusted diluted EPS). As defined, adjusted diluted EPS is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. While management believes the item excluded from adjusted diluted EPS is not indicative of the Company's operating performance, this item does impact the statement of comprehensive income, and management therefore utilizes adjusted diluted EPS as an operating performance measure in conjunction with GAAP measures such as GAAP diluted EPS.