

Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended		
	March 31, 2015	2014	December 31, 2014
Revenue			
Nurse and allied healthcare staffing	229,046	163,450	191,570
Locum tenens staffing	86,692	66,871	76,170
Physician permanent placement services	11,772	10,560	11,909
	<u>327,510</u>	<u>240,881</u>	<u>279,649</u>
Segment operating income			
Nurse and allied healthcare staffing	31,901	19,972	23,963
Locum tenens staffing	9,110	6,873	8,155
Physician permanent placement services	3,271	2,131	2,744
	<u>44,282</u>	<u>28,976</u>	<u>34,862</u>
Unallocated corporate overhead	10,960	7,868	9,601
Adjusted EBITDA ⁽¹⁾	33,322	21,108	25,261
Adjusted EBITDA margin ⁽²⁾	10.2%	8.8%	9.0%
Depreciation and amortization	5,095	3,820	4,077
Share-based compensation	2,377	1,819	1,796
Acquisition and integration costs	1,065	-	437
Interest expense, net, and other	1,807	1,846	1,329
Income before income taxes	<u>22,978</u>	<u>13,623</u>	<u>17,622</u>
Income tax expense	<u>10,769</u>	<u>5,993</u>	<u>7,727</u>
Net income	<u>12,209</u>	<u>7,630</u>	<u>9,895</u>

(1) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income taxes, depreciation and amortization, acquisition and integration 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		
	March 31,		December 31,
	2015	2014	2014
GAAP based diluted net income per share (EPS)	\$0.25	\$0.16	\$0.20
Adjustments (net of tax):			
Amortization of intangible assets	0.04	0.02	0.02
Acquisition and integration costs	0.01	0.00	0.01
Adjusted diluted EPS ⁽¹⁾	\$0.30	\$0.18	\$0.23

- (1) **Adjusted diluted EPS** represents GAAP diluted EPS excluding the impact of 1) amortization of intangible assets; 2) acquisition and integration expenses; and 3) other non-recurring costs, such as debt extinguishment cost, in each case, net of tax. Adjusted diluted EPS for prior year and prior quarter have been restated to conform to the current year presentation. Management included this non-GAAP measure to provide investors and prospective investors with an alternative method for assessing the Company's operating results in a manner that is focused on its operating performance and to provide a more consistent basis for comparison between quarters. However, investors should note that this non-GAAP measure involves judgment by management (in particular, judgment as to what items are excluded from adjusted diluted EPS). Although management believes the items excluded from adjusted diluted EPS are not indicative of the Company's operating performance, these items do 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.