

Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2015	2014	2015	2015	2014
Revenue					
Nurse and allied healthcare staffing	266,279	174,292	240,016	735,341	503,636
Locum tenens staffing	101,755	78,816	97,388	285,835	219,996
Physician permanent placement services	14,825	11,476	12,740	39,337	32,746
	<u>382,859</u>	<u>264,584</u>	<u>350,144</u>	<u>1,060,513</u>	<u>756,378</u>
Segment operating income					
Nurse and allied healthcare staffing	40,873	21,279	35,395	108,169	63,283
Locum tenens staffing	13,321	8,139	11,711	34,142	22,830
Physician permanent placement services	4,555	2,756	3,277	11,103	7,074
	<u>58,749</u>	<u>32,174</u>	<u>50,383</u>	<u>153,414</u>	<u>93,187</u>
Unallocated corporate overhead	13,127	10,396	11,006	35,093	26,958
Adjusted EBITDA ⁽¹⁾	45,622	21,778	39,377	118,321	66,229
Adjusted EBITDA margin ⁽²⁾	11.9%	8.2%	11.2%	11.2%	8.8%
Depreciation and amortization	5,304	4,086	5,232	15,631	11,916
Share-based compensation	2,021	1,791	2,153	6,551	5,361
Acquisition and integration costs	690	-	1,833	3,588	-
Interest expense, net, and other	2,013	1,433	1,977	5,797	7,908
Income before income taxes	35,594	14,468	28,182	86,754	41,044
Income tax expense	1,947	5,969	12,312	25,028	17,722
Net income	<u>33,647</u>	<u>8,499</u>	<u>15,870</u>	<u>61,726</u>	<u>23,322</u>

(1) **Adjusted EBITDA** represents net income plus interest expense, net, and other, income tax expense, depreciation and amortization, acquisition and integration costs and share-based compensation. 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			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2015	2014	2015	2015	2014
GAAP diluted net income per share (EPS)	\$0.69	\$0.18	\$0.32	\$1.27	\$0.49
Adjustments (net of tax):					
Debt extinguishment costs	-	-	-	-	0.04
Amortization of intangible assets	0.03	0.02	0.04	0.11	0.07
Acquisition and integration costs	0.01	-	0.02	0.04	-
Income tax benefits	(0.25)	-	-	(0.25)	-
Adjusted diluted EPS ⁽¹⁾	\$0.48	\$0.20	\$0.38	\$1.17	\$0.60

(1) **Adjusted diluted EPS** represents GAAP diluted EPS excluding the impact of 1) amortization of intangible assets; 2) acquisition and integration costs; and 3) other non-recurring costs, such as debt extinguishment costs and income tax benefits in connection with the reversal of reserves for uncertain tax positions, in each case, net of tax. Adjusted diluted EPS for the three and nine months ended September 30, 2014 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 periods. However, investors and prospective 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). 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.