

# Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended			Twelve Months Ended	
	December 31, 2015	2014	September 30, 2015	December 31, 2015	2014
Revenue					
Nurse and allied healthcare staffing	288,595	191,570	266,279	1,023,936	695,206
Locum tenens staffing	99,256	76,170	101,755	385,091	296,166
Physician permanent placement services	14,701	11,909	14,825	54,038	44,655
	<u>402,552</u>	<u>279,649</u>	<u>382,859</u>	<u>1,463,065</u>	<u>1,036,027</u>
Segment operating income <sup>(1)</sup>					
Nurse and allied healthcare staffing	41,089	23,963	40,873	149,258	87,246
Locum tenens staffing	13,869	8,155	13,321	48,011	30,985
Physician permanent placement services	3,998	2,744	4,555	15,101	9,818
	<u>58,956</u>	<u>34,862</u>	<u>58,749</u>	<u>212,370</u>	<u>128,049</u>
Unallocated corporate overhead	12,101	9,601	13,127	47,194	36,559
Adjusted EBITDA <sup>(2)</sup>	<u>46,855</u>	<u>25,261</u>	<u>45,622</u>	<u>165,176</u>	<u>91,490</u>
Adjusted EBITDA margin <sup>(3)</sup>	11.6%	9.0%	11.9%	11.3%	8.8%
Depreciation and amortization	5,322	4,077	5,304	20,953	15,993
Share-based compensation	3,733	1,796	2,021	10,284	7,157
Acquisition and integration costs	1,472	437	690	5,060	437
Interest expense, net, and other	1,993	1,329	2,013	7,790	9,237
Income before income taxes	<u>34,335</u>	<u>17,622</u>	<u>35,594</u>	<u>121,089</u>	<u>58,666</u>
Income tax expense	<u>14,170</u>	<u>7,727</u>	<u>1,947</u>	<u>39,198</u>	<u>25,449</u>
Net income	<u>20,165</u>	<u>9,895</u>	<u>33,647</u>	<u>81,891</u>	<u>33,217</u>

(1) **Segment operating income** represents net income plus interest expense (net of interest income) and other, income tax expense, depreciation and amortization, unallocated corporate overhead, acquisition and integration costs and share-based compensation.

(2) **Adjusted EBITDA** represents net income plus interest expense (net of interest income) and other, income tax expense, depreciation and amortization, acquisition and integration costs and share-based compensation. Management 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 and is a measure used in credit facilities. 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. Although 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.

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

# Reconciliation of Non-GAAP Items (Unaudited)

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	2014	September 30, 2015	December 31, 2015	2014
GAAP diluted net income per share (EPS)	\$0.41	\$0.20	\$0.69	\$1.68	\$0.69
Adjustments (net of tax):					
Debt extinguishment costs	-	-	-	-	0.04
Amortization of intangible assets	0.04	0.02	0.03	0.15	0.09
Acquisition and integration costs	0.02	0.01	0.01	0.06	0.01
Income tax benefits	-	-	(0.25)	(0.25)	-
Adjusted diluted EPS <sup>(1)</sup>	\$0.47	\$0.23	\$0.48	\$1.64	\$0.83

(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 twelve months ended December 31, 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). 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.