

# Reconciliation of Non-GAAP Items (Unaudited)

(in thousands)	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2015	2014	2015	2015	2014
Revenue					
Nurse and allied healthcare staffing	240,016	165,894	229,046	469,062	329,344
Locum tenens staffing	97,388	74,309	86,692	184,080	141,180
Physician permanent placement services	12,740	10,710	11,772	24,512	21,270
	<u>350,144</u>	<u>250,913</u>	<u>327,510</u>	<u>677,654</u>	<u>491,794</u>
Segment operating income					
Nurse and allied healthcare staffing	35,395	22,032	31,901	67,296	42,004
Locum tenens staffing	11,711	7,818	9,110	20,821	14,691
Physician permanent placement services	3,277	2,187	3,271	6,548	4,318
	<u>50,383</u>	<u>32,037</u>	<u>44,282</u>	<u>94,665</u>	<u>61,013</u>
Unallocated corporate overhead	11,006	8,694	10,960	21,966	16,562
Adjusted EBITDA <sup>(1)</sup>	39,377	23,343	33,322	72,699	44,451
Adjusted EBITDA margin <sup>(2)</sup>	11.2%	9.3%	10.2%	10.7%	9.0%
Depreciation and amortization	5,232	4,010	5,095	10,327	7,830
Share-based compensation	2,153	1,751	2,377	4,530	3,570
Acquisition and integration costs	1,833	-	1,065	2,898	-
Interest expense, net, and other	1,977	4,629	1,807	3,784	6,475
Income before income taxes	28,182	12,953	22,978	51,160	26,576
Income tax expense	12,312	5,760	10,769	23,081	11,753
Net income	<u>15,870</u>	<u>7,193</u>	<u>12,209</u>	<u>28,079</u>	<u>14,823</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.

# Reconciliation of Non-GAAP Items (Unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2015	2014	March 31, 2015	June 30, 2015	2014
GAAP diluted net income per share (EPS)	\$0.32	\$0.15	\$0.25	\$0.58	\$0.31
Adjustments (net of tax):					
Debt extinguishment costs	-	0.04	-	-	0.04
Amortization of intangible assets	0.04	0.02	0.04	0.07	0.05
Acquisition and integration costs	0.02	-	0.01	0.04	-
Adjusted diluted EPS <sup>(1)</sup>	\$0.38	\$0.21	\$0.30	\$0.69	\$0.40

(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, in each case, net of tax. Adjusted diluted EPS for the three and six months ended June 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.