

# TeamStaff Rx Growth Initiatives

- ❖ **Forge alliances (e.g., PPR Travel and Nursefinders) and pursue complementary acquisitions**
- ❖ **Expand sales force and relationship selling**
- ❖ **Emphasize VIP to capitalize on vendor consolidation trend**

(Former name or former address, if changed since last report.)

---

## Item 7: Financial Statements, Pro Forma Financial Information and Exhibits.

- (a) Financial Statements.

None

- (b) Pro Forma Financial Information

None

- (c) Exhibits.

The following exhibit is filed herewith:

<b>Exhibit No.</b>	<b>Description</b>
99.1	Investor Presentation

## Item 9: Regulation FD Disclosure.

The slides attached as Exhibit 99.1 to this Form 8-K have been included in TeamStaff, Inc.'s investor relations presentations as of May 27, 2004. The full slide presentation is available in the "Investor Relations" section on our website at [www.teamstaff.com](http://www.teamstaff.com).

The information in this report (including Exhibit 99.1) is furnished pursuant to Item 9 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this report will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD. The furnishing of the slide is not intended to, and does not, constitute a determination or admission by TeamStaff that the information in the slide is material or complete, or that investors should consider this information before making an investment decision with respect to any security of TeamStaff.

This Current Report on Form 8-K includes forward-looking statements and assumptions, which reflect the registrant's current view with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from historical and anticipated results. Specifically, the reported values of the registrant's community development assets are based on projected events, including price growth, sales pace and expected costs. The words "believe," "expect," "anticipate," "hypothetical" and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The registrant undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a discussion of certain factors that could cause actual results to differ materially from historical or anticipated results, the registrant's Form 10-K for the year ended September 30, 2003 and Form 10-Q for quarters ended December 31, 2003 and March 31, 2004.

---

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 27, 2004

TEAMSTAFF, INC.

(Registrant)

By: /s/ Edmund C. Kenealy  
Edmund C. Kenealy,  
Vice President, General Counsel  
and Secretary

---



Investment Community Presentation  
May 2004

### Forward-Looking Statements

*This presentation contains "forward-looking statements" as defined by the Federal Securities Laws. TeamStaff's actual results could differ materially from those described in such forward-looking statements as a result of certain risk factors, including but not limited to: (i) regulatory and tax developments; (ii) changes in direct costs and operating expenses; (iii) the estimated costs and effectiveness of capital projects and investments in technology infrastructure; (iv) ability to effectively implement its business strategies including, but not limited to, its new business strategy for its temporary medical staffing division, and operating efficiency initiatives; (v) the effectiveness of sales and marketing efforts, including TeamStaff's marketing arrangements with other companies; (vi) changes in the competitive environment in the temporary staffing, permanent placement and payroll processing industries; (vii) dependence upon key personnel; and (viii) other one-time events and other important factors disclosed previously and from time to time in TeamStaff's filings with the U.S. Securities and Exchange Commission. These factors are described in further detail in TeamStaff's filings with the U.S. Securities and Exchange Commission.*

### Overview Of TeamStaff

*TeamStaff is a 35-year-old leader in two attractive market segments: Healthcare staffing and payroll administration services*

	HealthCare Staffing Industry Allied Health Travel Segment	Top 3 in Segment \$58 Million Revenue in Fiscal '03
	Payroll Industry Construction Segment	\$5 Million Revenue 34% EBITDA in Fiscal '03

# Our Turnaround Strategy/Agenda

## New top management team

## Divested lower-margin PEO operations

## Focusing on **higher-margin healthcare staffing**

- ❖ **Expanding** sales force and **relationship** selling
- ❖ Cultivating large hospital relationships – **VIP Program** as differentiator
- ❖ **Expanding** allied and travel nursing business via
- ❖ **acquisitions** and **alliances**

## Restructuring and **lowering operating costs**

❖

❖

## The Management Team

### ❖ **T. Kent Smith, President & CEO**

- ❖ Former SVP, Norrell Corporation (\$1.4 billion public staffing company; 350 branches and 450 client sites)
  - Served as VP Finance and Strategic Planning; VP, CIO, and SVP, Service Operations
  - Took Norrell public in 1994, along with CEO and EVP; resulted in 13 straight quarters of hitting earnings targets
- ❖ Former President, The HoneyBaked Ham Company and CEO of Heavenly Ham
  - Turned around 2000 loss of \$3.7 million to \$5.6 and \$6.6 million in 2001-2
  - Doubled sales of \$125 million to \$250 million, and locations from 100 to 350
  - Acquired largest competitor adding \$85 million and 200 locations

## The Management Team

### ❖ **Rick Filippelli, CFO**

- 26 years of financial accounting experience
- Former CFO of Rediff, A publicly-traded small cap information technology company
- Former CFO of \$2 billion insurance subsidiary of GE Capital
- “Big 4” public accounting experience
- Certified Public Accountant

### ❖ **Tim Nieman, President, TeamStaff Rx**

- 16 years staffing experience: Norrell and Spherion - \$3 billion entity
- Former SVP of Vendor Management/Technology
- Multiple-channel, multiple-geography sales management background

## Sale Of PEO

### Benefits To TeamStaff

Provided \$7.0MM of cash in 1Q '04

Escrow release of \$2.25 MM additional cash in 3Q '04  
 Potential return of \$5 MM workers' compensation premiums  
 as program runs-off

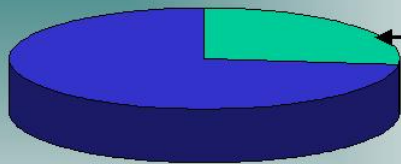
Will free up receivables or cash used as collateral to support  
 workers' compensation program

Reduces earnings volatility associated with PEO

Enables management to focus on growing TeamStaff Rx  
 business



## Healthcare Staffing Industry Overview

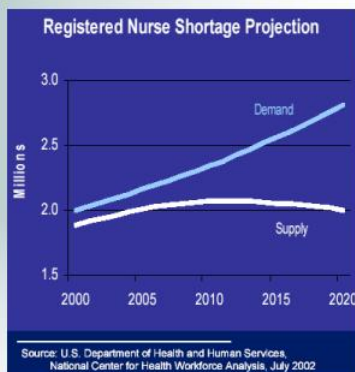


10 largest firms  
 account for less than  
 one third of sector's  
 revenue base

- ❖ \$11.4 billion revenues in 2003
- ❖ Grew 15% annually prior to 2003
- ❖ High-growth industry due to aging population,  
 shortages of skilled staff

## Industry Dynamics Are Very Attractive

- ❖ U.S. population over 65 is  
 expected to grow over  
 14% by 2010, increasing  
 need for healthcare  
 services
- ❖ Legislative mandates on  
 overtime and staffing  
 ratios increase shortage



### Nursing Supply/Demand Imbalance

TeamStaff Rx Participates In Two High-Margin Healthcare  
 Staffing Industry Segments of an \$11.4 Billion Industry

Per Diem  
 Nurses  
 59.7%

Med-Financial  
 5.6%

Locum Tenens

TSTF-20%

TSTF-80%

(Phy 8%)

Travel Nurses  
13.9%

Allied (Travel &  
Per Diem)  
12.5%

Source: Staffing Industry Report

## TeamStaff Rx Is the Third Largest Allied Healthcare Provider

Allied	Nurse	
Travel & Per Diem	Travel	Per Diem (Hourly & Daily)
<ul style="list-style-type: none"> <li>CompHealth</li> <li>Club Staffing</li> <li>TeamStaff Rx (TSTF)</li> </ul>	<ul style="list-style-type: none"> <li>Cross Country (CCRN)</li> <li>AMN HealthCare (AHS)</li> <li>Intelistaff/StarMed (Merging)</li> <li>US Nursing</li> </ul>	<ul style="list-style-type: none"> <li>Medical Staffing Network (MRN)</li> <li>InteliStaff/StarMed Healthcare (Merging)</li> <li>Favorite Nurses</li> <li>Nursefinders</li> </ul>

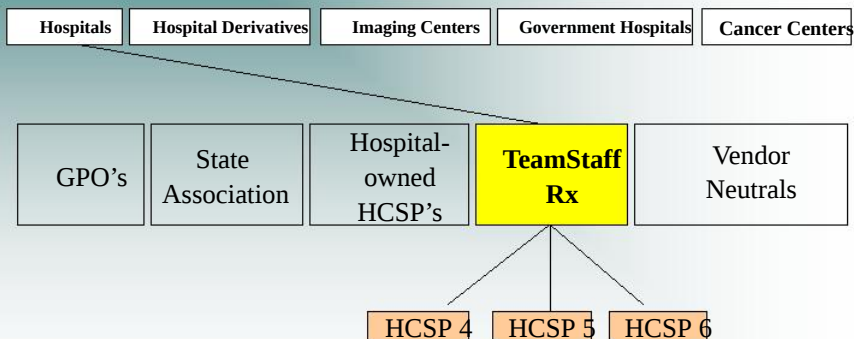
## There Are Three Major Healthcare Staffing Industry Trends, Repeating The 1990s Clerical/Light Industrial Staffing Experience

Vendor Consolidation	One-Stop Shopping	Industry Consolidation
<ul style="list-style-type: none"> <li>Narrowing to about 10 Providers;</li> <li>Then to 3-5 Providers;</li> <li>In some cases, down to 1</li> <li>Timeframe: minimum 3-5 years, possibly faster</li> </ul>	<ul style="list-style-type: none"> <li>Travel Nursing adding Travel Allied and vice versa;</li> <li>'Per Diem' firms adding Travel and vice versa;</li> <li>Later, Med-Financial and Locum Tenens added</li> </ul>	<ul style="list-style-type: none"> <li>Purchase additional service offerings to reach critical mass for selling Vendor Management;</li> <li>Purchases to add scale to leverage infrastructures;</li> <li>Roll-ups begin; and finally</li> <li>Purchases to realize Top 5 size objectives</li> </ul>
<ul style="list-style-type: none"> <li>Larger providers benefit and survive</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition possibilities</li> <li>Alliances struck</li> </ul>	<ul style="list-style-type: none"> <li>Roll-up potential early</li> </ul>

## In Hospitals, The 'Rules of the Game' are Changing For Healthcare Staffing Providers . . .

Hospitals    Hospital Derivatives    Imaging Centers    Government Hospitals    Cancer Centers

## And TeamStaff Rx Must Participate As An Intermediary/Vendor Manager . . .



. . . as well as a subcontractor for Allied

### "Beyond Compare": TeamStaff Rx Trade Advertising Campaign

*Cost-Saving Solutions For A First-Class Mess!*

Our New "VIP" Staffing Services Are Truly **BEYOND Compare**

- Cost-Containment Model Saves 5%-20%
- Optimized Vendor Management Technologies
- Automated 'One-Click' Reporting
- Onsite & 'Virtual' Account Managers
- Streamlined Procedures & More

Learn more about the new Vendor Integration Program (VIP) now being offered by TeamStaff Rx. Talk to us today!

**TEAMSTAFF Rx**

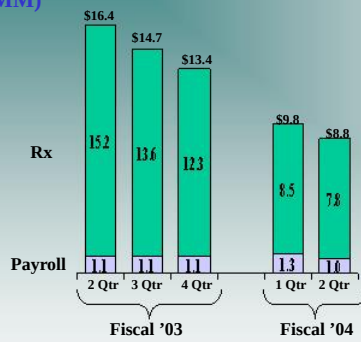
- Cost-Containment Model Saves 5% to 20%
- Optimized Vendor Management Technologies
- Automated 'One-Click' Reporting
- Onsite & 'Virtual' Account Managers
- Streamlined Procedures & More



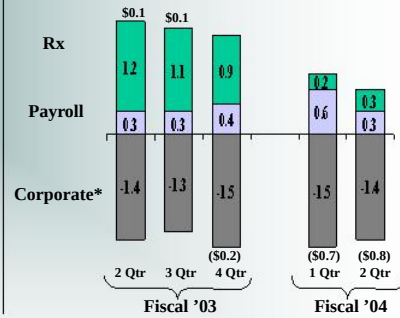
- ❖ **Construction industry niche market with client retention in excess of 90%**
- ❖ **FY'03 revenues \$5.0 million with 34% EBITDA margin**
- ❖ **Expanding into new geographic territories**
- ❖ **Services are now available through a user-friendly, online customer interface**

## Continuing Operations: Quarterly Revenues/EBITDA

### Revenues (\$MM)



### EBITDA (\$MM)



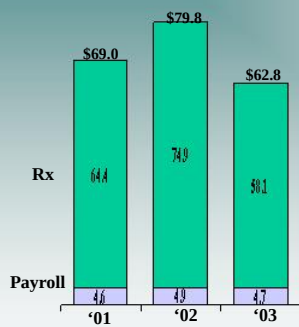
\*Excludes former CEO and CFO severance and supplemental retirement plan obligations

**New Management Team, Investment in Sales and Marketing, Introduction of "VIP" Coupled With an Improving Economy Will Drive TeamStaff's Return to Profitability**

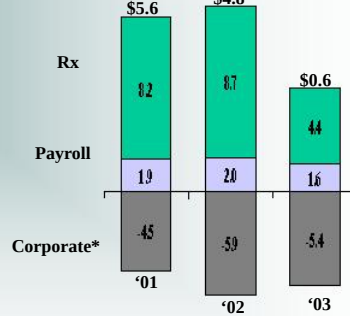
Note: a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP and a reconciliation of the differences between the non-GAAP financial measures presented above and the most directly comparable financial measures calculated and presented in accordance with GAAP are available at the investor relations section of our web site: [www.teamstaff.com](http://www.teamstaff.com).

## Continuing Operations: Fiscal Years '01-'03

### Revenues (\$MM)



### EBITDA (\$MM)



\*Excludes former CEO and CFO severance and supplemental retirement plan obligations

Note: a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP and a reconciliation of the differences between the non-GAAP financial measures presented above and the most directly comparable financial measures calculated and presented in accordance with GAAP are available at the investor relations section of our web site: [www.teamstaff.com](http://www.teamstaff.com).

## Balance Sheets

(\$MM)	3/31/04 (unaudited)	9/30/03
Cash	\$3.4	\$4.3
Restricted Cash	1.9	1.2
Accounts Receivable	3.2	4.9
Prepaid Workers' Compensation	5.0	3.7
Other Current Assets	3.5	1.5
<b>Total Current Assets</b>	<b>17.0</b>	<b>15.6</b>
Fixed Assets, Net	1.1	1.2
Intangibles	5.9	5.9
Other	17.5	15.5
Assets Held For Sale	1.1	22.4
<b>Total Assets</b>	<b>\$42.6</b>	<b>\$60.6</b>
Current Liabilities	\$6.4	\$7.3
Other Liabilities	1.4	1.8
Liabilities Held for Sale	2.5	16.4
<b>Total Liabilities</b>	<b>10.3</b>	<b>25.5</b>
Stockholders' Equity	32.3	35.1
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$42.6</b>	<b>\$60.6</b>

# Summary Of Strategic Objectives And Why To Invest In TeamStaff

Long-term growth of Healthcare Staffing

Economy and job creation to return

Alliance potential with Nursing firms

❖ Sales force expansion and relationship selling

❖ Vendor consolidation benefits: Subcontractor & VIP

❖ Sales

❖ Liquidity available for Allied acquisitions to

❖ strengthen #3 position

Experienced staffing management team who

❖ understands the industry dynamics

❖

	2001	2002	2003
EBITDA before SERP & Severance	\$ 5,560	\$ 4,825	\$ 551
Depreciation	(379)	(198)	(328)
Fee Income	(669)	(886)	(502)
(Loss)/Income from operations before SERP & Severance	4,512	3,741	(279)
SERP & Severance (a)	—	—	(2,517)
Income/(Loss) from operations	<u>\$ 4,512</u>	<u>\$ 3,741</u>	<u>\$ (2,796)</u>

(a) Relates to TeamStaff's former CEO & CFO additional cost associated from SERP & severance cost

(b) 2003 Income/(loss) from operations adjusted from numbers originally reported due to reclass of certain items to discontinued operations.

TeamStaff Inc.  
Reconciliation of income/(loss) from operations to EBITDA before SERP & Severance  
Fiscal year 2003 and 2004 by Quarter  
(\$ in 000's)

	2003					2004	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total Year	1st Qtr	2nd Qtr
EBITDA before SERP & Severance	\$ 566	\$ 109	\$ 62	\$ (186)	\$ 551	\$ (671)	\$ (755)
Depreciation	(74)	(77)	(86)	(91)	(328)	(73)	(115)
Fee Income	(163)	(110)	(120)	(109)	(502)	(68)	(48)
(Loss)/Income from operations before SERP & Severance	329	(78)	(144)	(386)	(279)	(812)	(918)
SERP & Severance (a)	—	(1,102)	(1,415)	—	(2,517)	(105)	(158)
Income/(Loss) from operations	<u>\$ 329</u>	<u>\$ (1,180)</u>	<u>\$ (1,559)</u>	<u>\$ (386)</u>	<u>\$ (2,796)</u>	<u>\$ (917)</u>	<u>\$ (1,076)</u>

(a) Relates to TeamStaff's former CEO & CFO additional cost associated from SERP & severance cost

(b) 2003 Income/(loss) from operations adjusted from numbers originally reported due to reclass of certain items to discontinued operations.