

CONSOLIDATED STATEMENTS OF OPERATIONS

| | Year ended December 31, | | |
|---|-------------------------|--------------|--------------|
| | 2000 | 1999 | 1998 |
| <i>(in thousands, except per share amounts)</i> | | | |
| Revenues | \$ 3,708,531 | \$ 2,260,743 | \$ 1,683,063 |
| Direct costs: | | | |
| Salaries and wages of worksite employees | 3,110,240 | 1,887,231 | 1,399,126 |
| Benefits and payroll taxes | 459,757 | 283,984 | 215,327 |
| Gross profit | 138,534 | 89,528 | 68,610 |
| Operating expenses: | | | |
| Salaries, wages and payroll taxes | 54,477 | 36,690 | 26,522 |
| General and administrative expenses | 35,426 | 23,219 | 17,474 |
| Commissions | 9,278 | 6,429 | 5,968 |
| Advertising | 5,117 | 4,090 | 3,740 |
| Depreciation and amortization | 12,002 | 7,103 | 3,705 |
| Write-off of software development costs | – | 1,438 | – |
| | 116,300 | 78,969 | 57,409 |
| Operating income | 22,234 | 10,559 | 11,201 |
| Other income: | | | |
| Interest income | 4,430 | 2,562 | 3,341 |
| Other, net | (50) | 1,091 | 76 |
| | 4,380 | 3,653 | 3,417 |
| Income before income tax expense | 26,614 | 14,212 | 14,618 |
| Income tax expense | 9,714 | 4,854 | 5,495 |
| Net income | \$ 16,900 | \$ 9,358 | \$ 9,123 |
| Basic net income per share of common stock | \$ 0.62 | \$ 0.34 | \$ 0.32 |
| Diluted net income per share of common stock | \$ 0.58 | \$ 0.34 | \$ 0.31 |

See accompanying notes.