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# UBS Global Healthcare Services Conference

February 8, 2011


Peter Dameris
President & CEO

Jim Brill
CFO

# Safe Harbor

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about our future results of operations and operating targets, the size of the markets in which we operate, and our efforts to increase our market share and revitalize our business. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in our annual report on Form 10-K for the year ended December 31, 2009, Form 10-Q for the quarter ended September 30, 2010 and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

# Today's Topics

- Key Investment Highlights
- Industry and Market Overview
- Company Overview
- Operating Focus for 2011 and Beyond
- Financial Results

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# Key Investment Highlights

| | |
|---|---|
| **Large, Attractive End Markets** | • The staffing industry is a large market, with estimated total revenues of $102 billion in 2010 and projected to be $113 billion in 2011[1]<br>• Highly skilled temps are in high demand but short supply, with greater resistance to economic cycles, especially in areas like healthcare and highly specialized professional services |
| **Strong Position in Critical High-End Skill Sets** | • On Assignment ("ASGN" or the "Company") participates in most attractive sub-segments of staffing: Healthcare, Life Sciences, Locum Tenens and IT/Engineering<br>• High-end focus yields higher bill rates, longer assignments and stickier customer relationships<br>• Customer diversification enhances revenue visibility and insulates margins |
| **Attractive Organic and Strategic Growth Opportunities** | • Capture operating leverage<br>• Accelerate growth of newer practices<br>• Execute against strategic five year plan |
| **Attractive Financial Characteristics** | • All segments operate in high demand, high bill rate sub sectors of the broader staffing market, which drives organic revenue growth and stable gross margins<br>• Highly scalable front and back office creates operating margin expansion opportunities<br>• Low working capital and CapEx requirements result in strong conversion of EBITDA to FCF |
| **Experienced Management Team** | • Senior management has extensive experience in the staffing sector and a strong track record with public investors<br>• Veteran cadre of seasoned industry professionals leading each division |

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Source:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)

# Staffing Industry Growth Drivers

## Catalyst For Continued Growth

- An economic slowdown reminds companies of the benefits of using contract labor
- Variable cost structure provides money saving alternative to companies and flexibility to ramp up quickly in periods of expansion
- Temporary help penetration (1.7% in Nov '10) at historic lows compared to full-time employment[1]
- Aging U.S. population may constrain supply of available workforce
- Healthcare reform may stimulate demand for staffing in the long-term

## Recent Market Trends

- Temp penetration rates have increased for 14 of the past 15 months
- Companies may have reduced permanent staff below sustainable levels; firms may look to temp staffing to bridge the gap
- Temp employment has continued accelerating and far outpaced the recovery of full time employment [1]

## Potential for M&A Activity

- 2010 included several large public staffing firm acquisitions
  - The 3rd quarter of 2010 has the highest level of M&A activity since the Q1 2008
  - Deals in 2010 have been concentrated in information technology and healthcare sectors
- Smaller, private companies may look to partner with larger, well capitalized firms or private equity as activity and valuations increase

Source:
[1] Bureau of Labor Statistics ("BLS") and Staffing Industry Analysts (December 2010)

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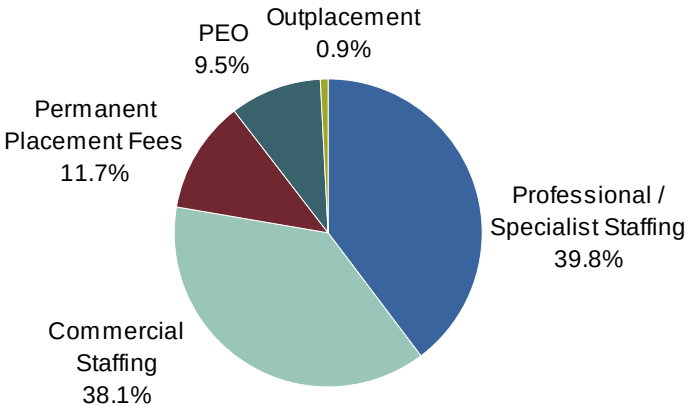
# Staffing Industry Market Opportunity

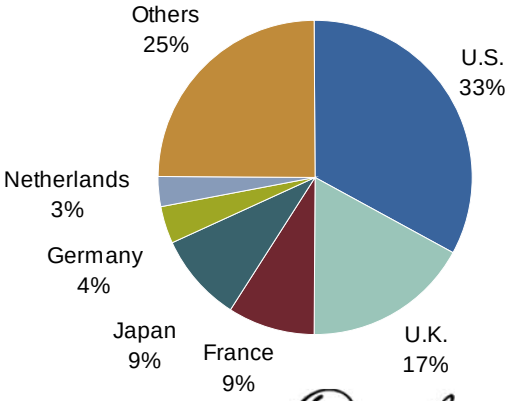
***Total U.S. staffing industry revenues forecasted to be $113 billion in 2011[1]***

- **The U.S. Staffing Market Growth:**
  - The staffing industry is projected to grow at a annual rate of 11% in 2011 and 9% in 2012[1]
  - Within staffing, temporary help is projected to grow at 12% in 2011[1]
- **Geographic Mix:**
  - U.S., U.K., France, Japan and Germany are the largest geographic markets for the staffing industry
  - With the U.S. holding 33% of the global industry in 2008
- **Penetration Rates Remain Low:**
  - U.S. penetration rate is at 1.7% of the total workforce[2]
  - Penetration rates have increased for 14 of the past 15 months

**2010 U.S. Staffing Industry[1]**




**2008 Geographic Breakdown[3]**




Sources:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)
[2] BLS and Staffing Industry Analysts (December 2010)
[3] Staffing Industry Analysts, Inc. (2008)



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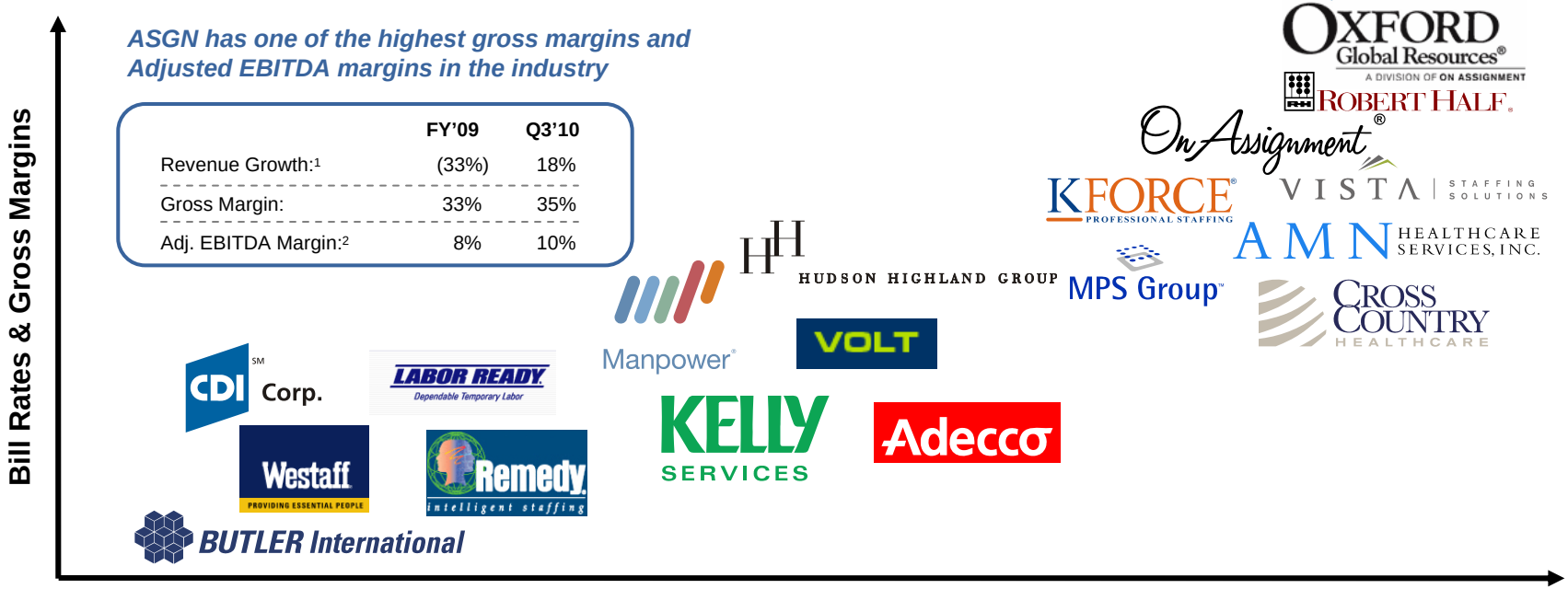
# Competition

*ASGN has one of the highest gross margins and Adjusted EBITDA margins in the industry*

| | FY'09 | Q3'10 |
|---|---|---|
| Revenue Growth:[1] | (33%) | 18% |
| Gross Margin: | 33% | 35% |
| Adj. EBITDA Margin:[2] | 8% | 10% |




| Industrial Staffing | Generalist Staffing | Specialist Staffing |
|---|---|---|
| • Areas of focus: light industrial; clerical/administrative; less specialized skills<br>• Widely available skill sets<br>• Providers seek large placements and compete on price | | • Areas of focus: healthcare, scientific, IT, engineering, accounting, legal<br>• Skills in short supply and critical to revenue potential of clients<br>• Competition based on quality of professional and speed and relevancy of response |

[1] Revenue growth for FY '09 and Q3 '10 is based on year-over-year change

[2] Adjusted EBITDA presented is one of the non-GAAP financial measures used by the Company and is defined as earnings before interest, taxes, depreciation, and amortization of identifiable intangible assets plus equity-based compensation expense, which terms might not be calculated in the same manner as, and thus might not be comparable to, similarly titled measures reported by other companies

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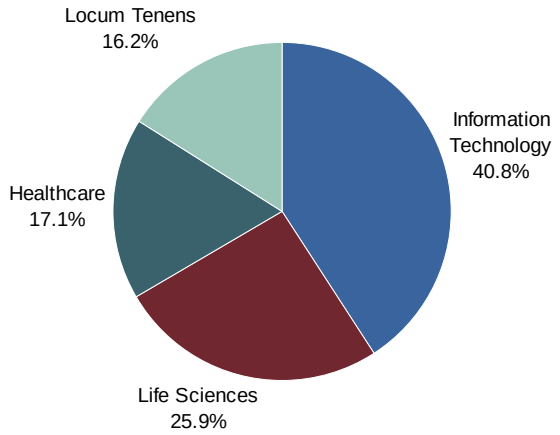
# Overview of On Assignment

***Diversified, "high demand, highly skilled" solutions across large and growing end markets***

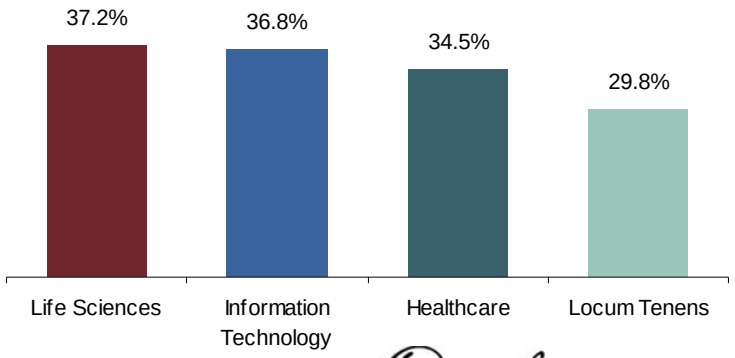
- **Approximately 3,660 contract professionals at approx. 1,940 clients[1]**
  - Employed over 150,000 contract professionals since 1992
  - Execute high gross margin assignments (one of the highest in the industry with a gross margin of 35% in Q3 '10)
  - High gross margin despite low contribution (~4%) from permanent placement / conversion revenue[2]

- **678 Staffing Consultants[1] in 72 branch offices[3] in the U.S., Canada, U.K., Belgium, Ireland, and Netherlands**
  - Deliver fast, quality sales and fulfillment services

**Q3 2010 Revenue by Segment**




**Q3 2010 Gross Margin by Segment**




[1] Q3 2010 Average
[2] Increase from Q2 is partially driven by the acquisition of Sharpstream Life Sciences
[3] As of September 30, 2010



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# Segment Profiles

| | On Assignment® Life Sciences | On Assignment® Healthcare | Oxford Global Resources® IT / Engineering | Vista Staffing Solutions Physician Staffing |
|---|---|---|---|---|
| **Business Description** | • Life Sciences is a leading provider of professionals in the Lab Support, Clinical Research and Engineering fields | • The Healthcare segment is comprised of the Allied Healthcare and Nurse Travel lines of business | • The IT/Engineering segment provides high-end IT and engineering contract professionals in the U.S. and Europe | • The Physician Staffing segment provides temporary physicians (locum tenens) and permanent search |
| **Contract Professionals / Employees** | • Qualified Database: 44,000+<br>• Currently on assignment: ~1,700<br>• Full-Time Employees: ~240 | • Qualified Database: 32,000+<br>• Currently on assignment: ~900<br>• Full-Time Employees: ~180 | • Qualified Database: 35,000+<br>• Currently on assignment: ~900<br>• Full-Time Employees: ~450 | • Qualified Database: 1,300+<br>• Currently on assignment: ~200<br>• Full-Time Employees: ~180 |
| **FY 2009 Revenues** | • $94 million | • $97 million | • $138 million | • $88 million |
| **Key Customers** | Wyeth, Johnson & Johnson, Pfizer, Alcoa, Monsanto, Procter & Gamble, Folgers, Nestlé, Unilever | LabCorp, USC Medical Center, Allina, Quest Diagnostics, Medical College of Wisconsin, Medtronic, Mercy Medical Center, Columbia University in the City of New York, Phoenix Children's Hospital | intel, Samsung, Fujitsu, verizon, ExxonMobil, UPS, Xerox, Microsoft, 3M, Ameritech, Sun microsystems | Central Maine Medical Center, Marshfield Clinic, Department of Veterans Affairs, HealthPartners, Kaiser Permanente, Presbyterian |

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# Management Team

**Peter Dameris**
President & CEO

- 14 years of staffing/public company experience
- Tenure w/ ASGN: 6 years
- Metamor (MMWW) CEO/Chairman
- Quanta (PWR) EVP/COO

**James Brill**
Senior VP Finance & CFO

- 20 years CFO experience, 27 years public company experience
- Tenure w/ ASGN: 3 years
- Diagnostic Products CFO since 1999

**Emmett McGrath**
President
Lab Support & Allied Healthcare

- 24 years of staffing/public company experience
- Tenure w/ ASGN: 5 years
- Yoh Scientific

**Michael McGowan**
President
Oxford Global Resources

- 14 years of staffing industry experience (12 yrs w/ Oxford, 2 yrs w/ KELYA)
- Tenure w/ ASGN: 3 years
- Automatic Data Processing (ADP), The MEDSTAT Group, Kelly Services (KELYA) Middle Markets Division

**Mark Brouse**
President
VISTA Staffing Solutions

- 24 years of staffing industry experience (20 yrs w/ Vista, 4 yrs w/ CHG)
- Tenure w/ ASGN: 3 years
- Founded VISTA in 1990
- Entered the Locum Tenens industry in 1986

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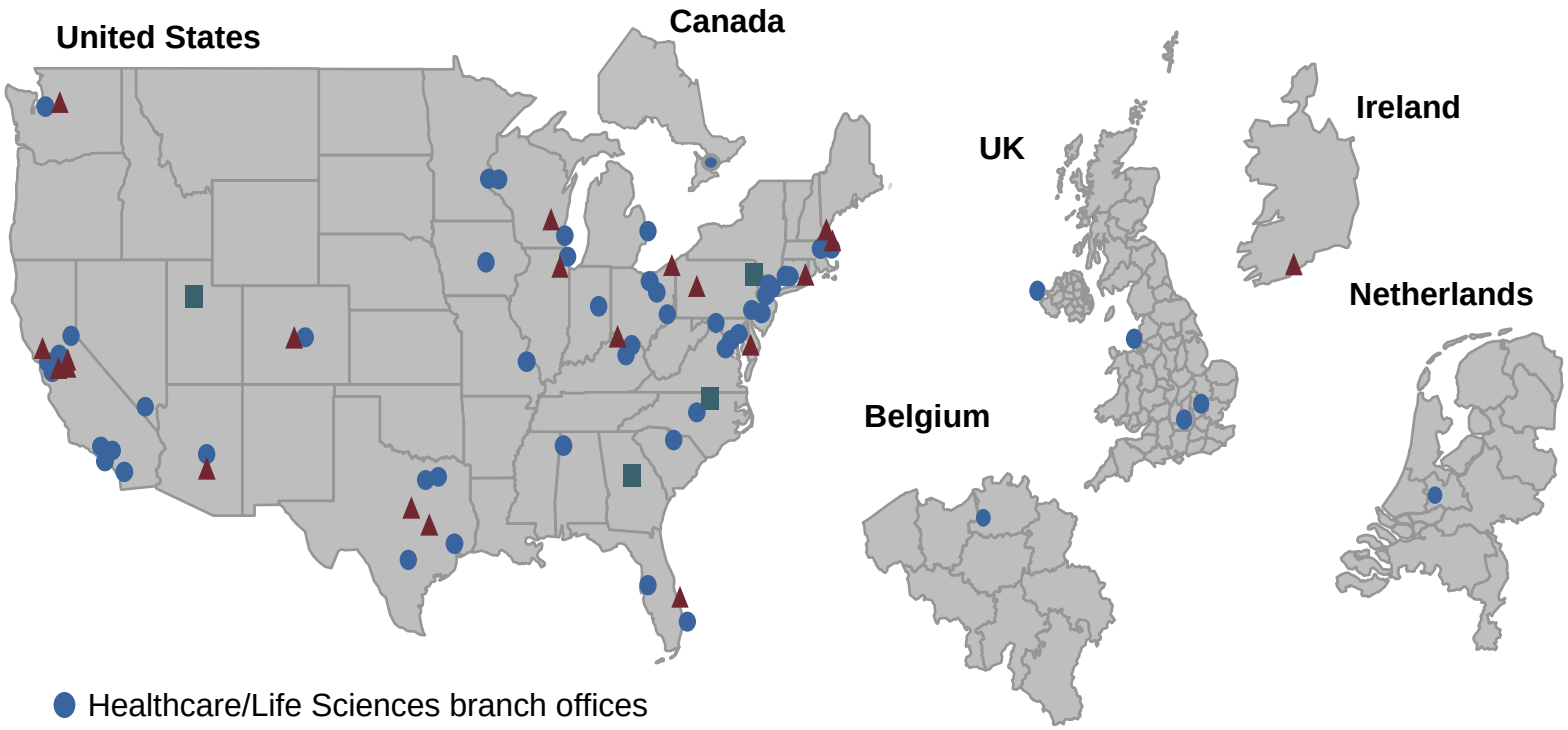
# Geography




- Healthcare/Life Sciences branch offices
- IT/Engineering branch offices
- Physician Staffing branch offices

Note: 72 branches across the United States, Canada, and Europe (as of September 30, 2010)

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# Information Technology

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## *Forecasted IT staffing revenues to be $19.5 billion in 2011[2]*

- IT staffing involves providing temporary professionals and placing full-time employees in areas ranging from multiple platform systems integration to end-user support, including specialists in programming, networking systems integration, database design and help desk support.

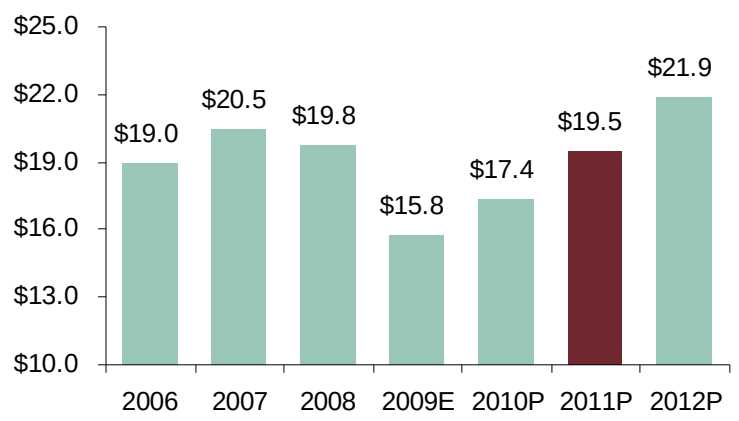
| | |
|---|---|
| **Industry Potential** | • During the IT boom in the late 1990s, IT staffing became a larger part of the staffing industry, generating 20.4% of industry revenues in 1999 versus 15.5% in 2007[1]<br>• More recently, growth was driven in part by a backlog of deferred corporate spending from the last downturn |
| **Shortage of Talent** | • One of the main constraints on growth in this segment is a shortage of talent, and not necessarily demand, due to the exodus of many mid-career professionals following the tech bubble and a steady decline in new computer science graduates |

### Growth Characteristics

- IT segment is estimated to grow by 12% in 2011 and 12% in 2012[2]

### Projected IT Market Size[2]

*($ in billions)*




Source:
[1] Staffing Industry Sourcebook (2006)
[2] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)

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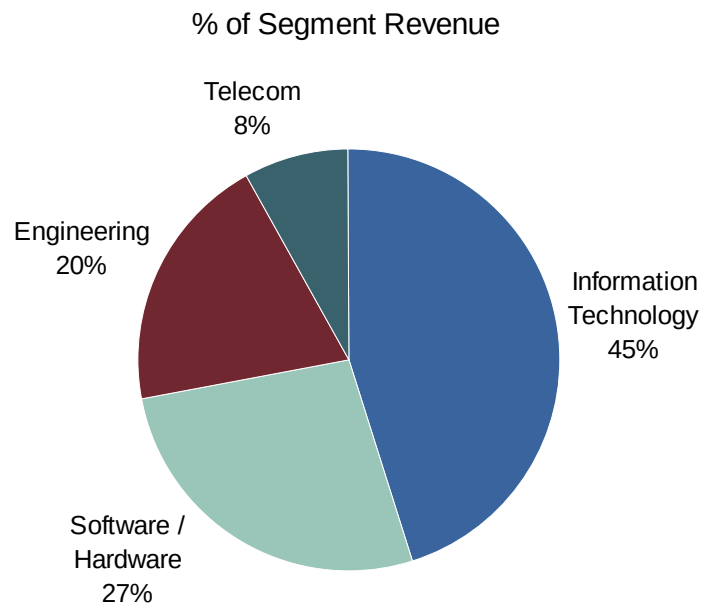
# On Assignment Segment: IT/Engineering

***IT/Engineering's disciplined focus on the high-end of IT and engineering markets yields industry leading bill rates, success rates and margins***

- "The Right Talent. Right now.®"
- Two divisions:
  - Oxford International - nation-wide recruitment for nation-wide vacancies
  - Oxford & Associates - local recruitment through branch network
- High-end IT and engineering focus
  - Time sensitive project requirements
  - Traditional average assignment of approx. 5 months
  - Average bill rate of $108 per hour[1]
- Proactive, recruiting-driven organization
  - Significantly higher success rate filling engagements than competitors
- Attractive financial characteristics
  - Minimal client and industry business concentration; no customer accounts for more than 3% of sales
  - Acquired operations profitable every year since '86
  - Above industry organic revenue growth rate
  - Gross margins >34% for each of the last 10 years
  - Top 10 clients represent 13% of segment revenue

**Q3 2010 IT/Engineering Revenue Mix**

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[1] Q3 2010 Average

# Life Sciences

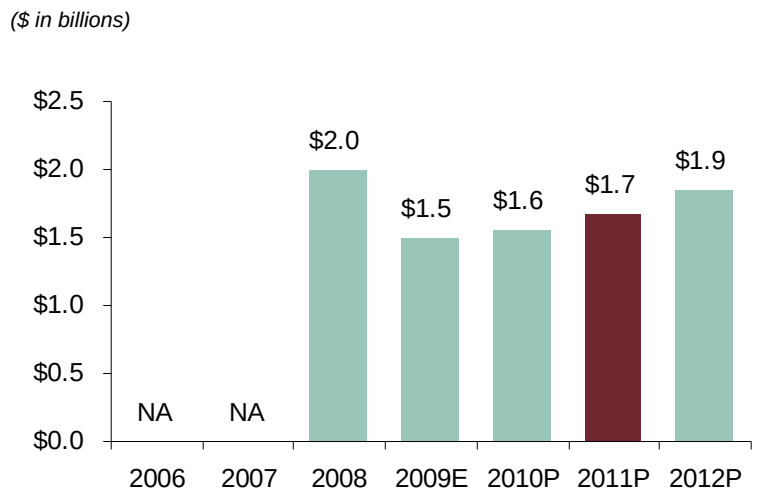
***The U.S. market for outsourced Clinical/Scientific staffing is forecasted to be $1.7 billion in 2011[1]***

- Lab support professionals assist clients in the life sciences industries with research and development, product production, quality control and assurance, regulatory affairs and compliance, engineering, consumer testing and clinical research

## Industry Highlights

- Highly fragmented; market dynamics are favorable
- Middle market, small/medium clients favor personalized service
- Clinical trials already in progress tend to carry through the length of assignments which can last several months or even years
- The industry is saturated with start-up companies with venture capital-back funding that, in many cases, use temporary help or "temp-to-perm" staffing models as a way of managing start-up costs

## Projected Clinical/Scientific Market Size[1]




Sources:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)

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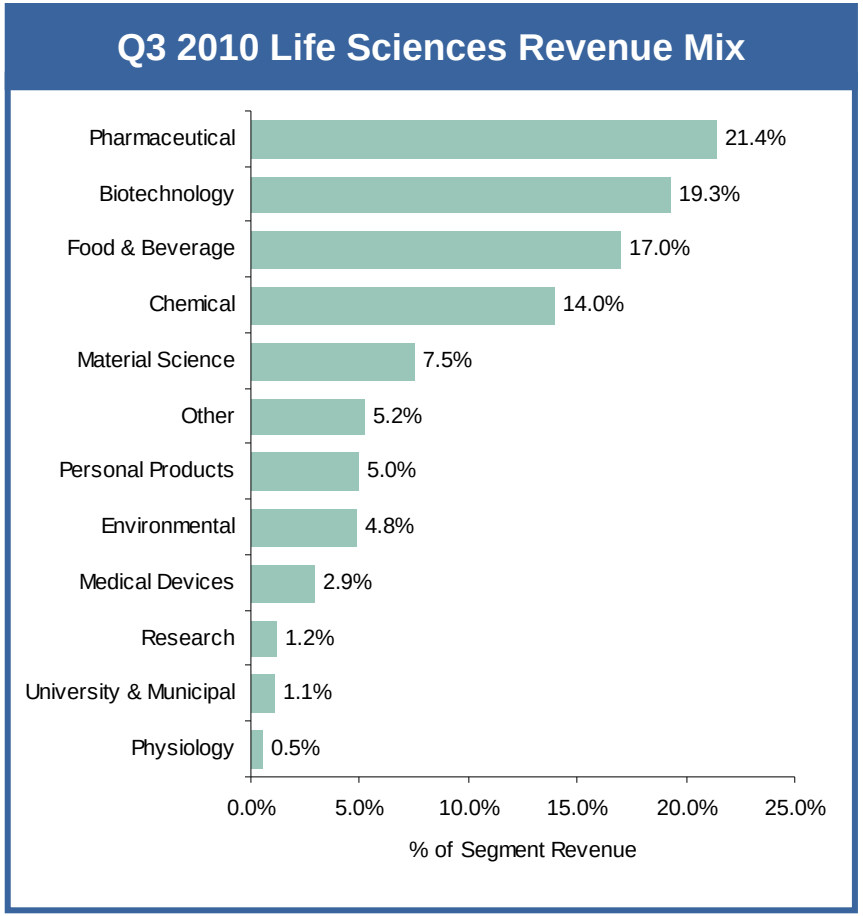
# On Assignment Segment: Life Sciences

- The Life Sciences lines of business:
  - Lab Support
  - Clinical Research
  - Engineering
- Operations in the U.S., Canada, and Europe
- Represents 26% of current quarter revenue
- Service clients in:
  - Biotechnology, pharmaceutical, food and beverage, medical device, personal care, chemical, nutraceutical, materials science, consumer products, environmental, petrochemical and contract manufacturing industries
- Provides highly skilled professionals:
  - Chemists, clinical research associates, clinical lab assistants, engineers, biologists, biochemists, microbiologists, molecular biologists, food scientists, regulatory affairs specialists, lab assistants, and other skilled scientific professionals
- Current statistics:
  - ~1,700 contract professionals at ~800 clients[1]
  - Average bill rate at $33 an hour[1]
  - Top 10 clients represent 17% of segment revenue

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[1] Q3 2010 Average

# Locum Tenens

## *Locum Tenens forecasted revenues to be $1.8 billion in 2011[1]*

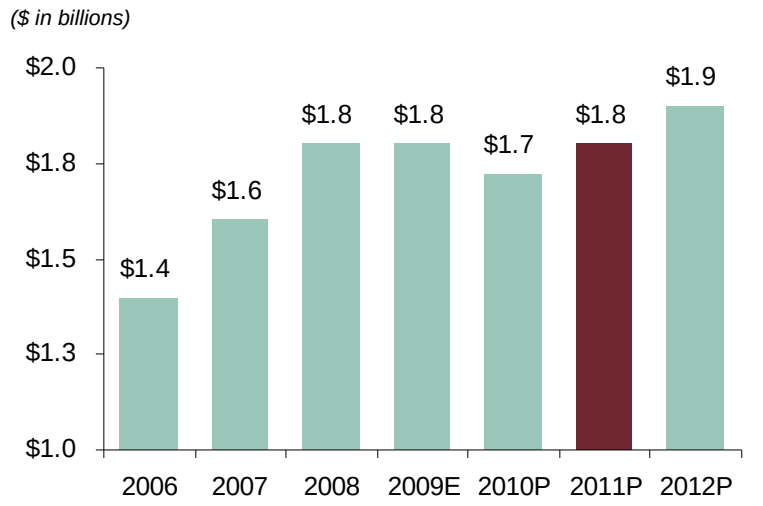
- Locum Tenens: involves placing physicians, which include both general practitioners and specialists, on temporary assignments in a variety of healthcare settings

| | |
|---|---|
| **High Barriers To Entry** | • Need for malpractice insurance<br>• Complexities involved in recruiting and marketing physicians<br>• High level of specialized positions requiring specific training and experience<br>• Lack of licensing reciprocity between states (unlike nursing)<br>• Greater lead time needed to successfully fill positions |
| **Projected Physician Shortage** | • Over the next 15 yrs, the U.S. could face a shortage of 150,000 doctors, according to the Association of American Medical Colleges[2] |
| **Physician Workforce Demographics** | • The proportion of physicians reported as working part-time increased to 19% in 2007 from 13% in 2005[3]<br>• Flexible work hours or part-time options were reported as one of the top three ongoing retention initiatives that medical group leaders have found to be effective[3] |

### Growth Characteristics

- Long-term growth may be fueled by a growing shortage, an aging population, and accessible healthcare insurance to more citizens with healthcare reform
- Physicians are "revenue generators"

### Projected Locum Tenens Market Size[1]




Sources:
[1] Staffing Industry Analysts Insight: Staffing industry Forecast (November 2010)
[2] Wall Street Journal (April 2010)
[3] 2007 Retention Survey, American Medical Group Association and Cejka Search

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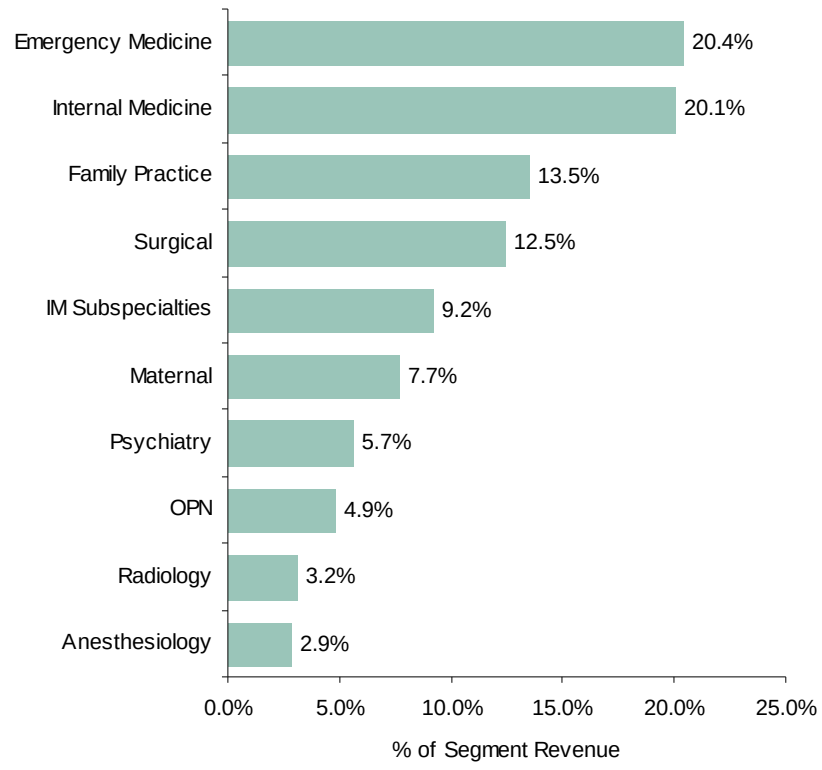
# On Assignment Segment: Physician Staffing

- Full-service physician recruitment and staffing company
  - Headquartered in Salt Lake City and founded in 1990
- Places physicians in all 50 states, Australia and New Zealand
- Summary statistics:
  - Approximately 180 full-time employees
  - Approximately 30 specialties through 13 employee teams
  - Pool of 1,300+ physicians worldwide, with a range of medical specialties
  - Approximately 200 physicians on assignment daily[1]
  - Highest annual growth rate and gross margin of any publicly-traded physician staffing company
- Average domestic locum tenens assignment lasts 6 weeks
  - New line of business for longer engagements

**Q3 2010 Physician Revenue Mix**

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[1] Q3 2010 Average

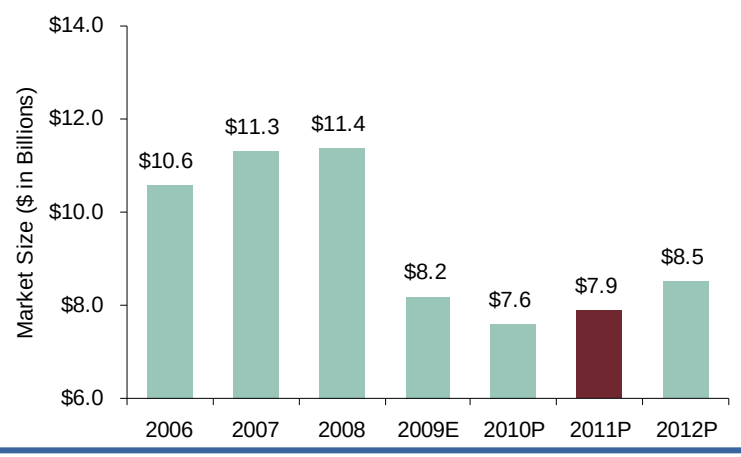
# Healthcare Staffing

***Healthcare Staffing forecasted revenues to be $7.9 billion in 2011[1]***

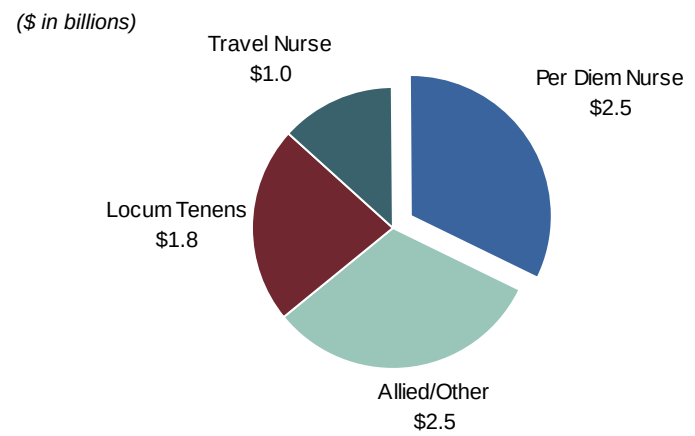
**Industry Highlights**

- Demand for healthcare staffing services is expected to be driven by:
  - An aging U.S. population
  - Continuous shift by healthcare organizations to increased outsourcing
  - Flexible business models to respond to immediate changes in demand
  - An acute shortage of physicians, nurses and other healthcare professionals in the long-term
  - Need for workers with specialized science and medical skills due to advances in technology
  - Accessible healthcare to more individuals provided by healthcare reform

**Healthcare Temporary Staffing Market[1]**




**Healthcare by Segment (2011)**




Source:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)

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# Allied Healthcare

## *Allied Staffing forecasted revenues to be $2.5 billion in 2011[1]*

- Allied healthcare staffing involves placing professionals other than physicians and nurses, such as rehabilitation and respiratory therapists, physician assistants, nurse practitioners, nurse anesthetists, pharmacists, surgical technicians and radiologic technologists, in a variety of healthcare settings

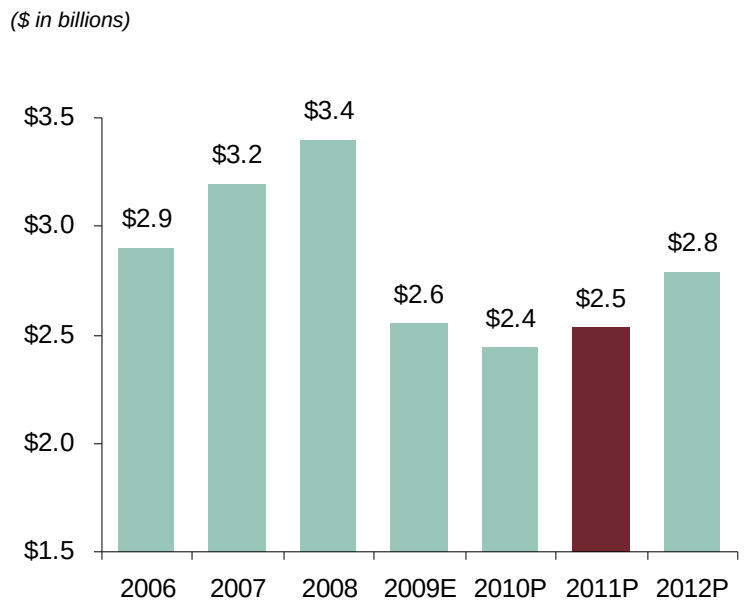
### Industry Highlights

- Allied healthcare staffing assignments generally last 13 weeks
- Allied healthcare staffing consists of higher bill rate modalities, usually requiring specialized skills
- Within these specialties, health information technology is projected to accelerate growth in 2011

### Growth Characteristics

- Allied healthcare staffing is estimated to have contracted 4% in 2010, with revenues of $2.4 billion and is projected to grow 4% in 2011[1]
- The segment still has low temporary penetration rates, which is a driver for long-term growth

### Projected Allied Healthcare Market Size[1]




Source:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)

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# Nurse Travel

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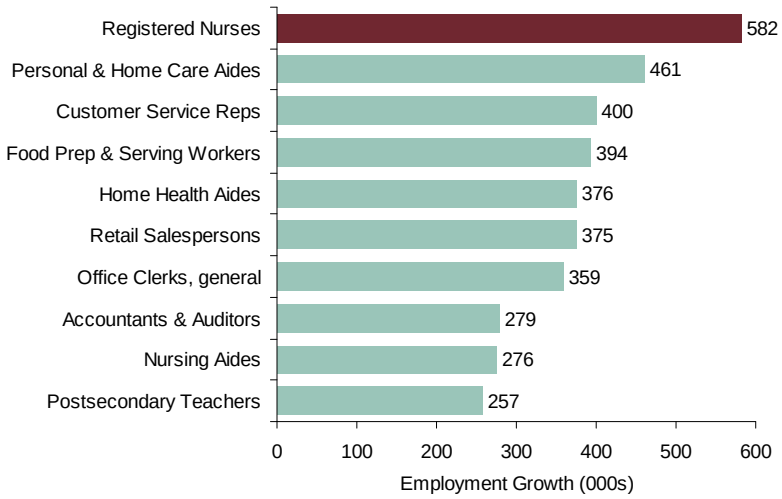
## *Nurse Travel forecasted revenues to be $1.0 billion in 2011[1]*

**Industry Highlights**

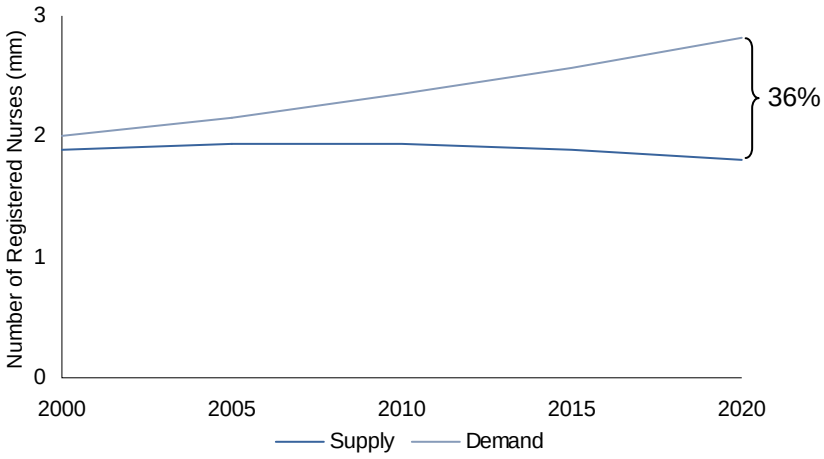
- Nurse Travel is estimated to have contracted 25% in 2010 and is projected to grow by 7% in 2011[1]
- However, a primary long-term growth driver is nurse shortage, which is expected to grow to 36% by 2020[2]

**Occupations with Largest Projected Job Growth '08-'18**




Source: Bureau of Labor Statistics (Dec. 2009)

**Supply & Demand Shortage by Registered Nurses**




Source: U.S. Department of Health and Human Services; HRSA (2004)

Sources:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)
[2] U.S. Department of Health and Human Services, HRSA (2004)

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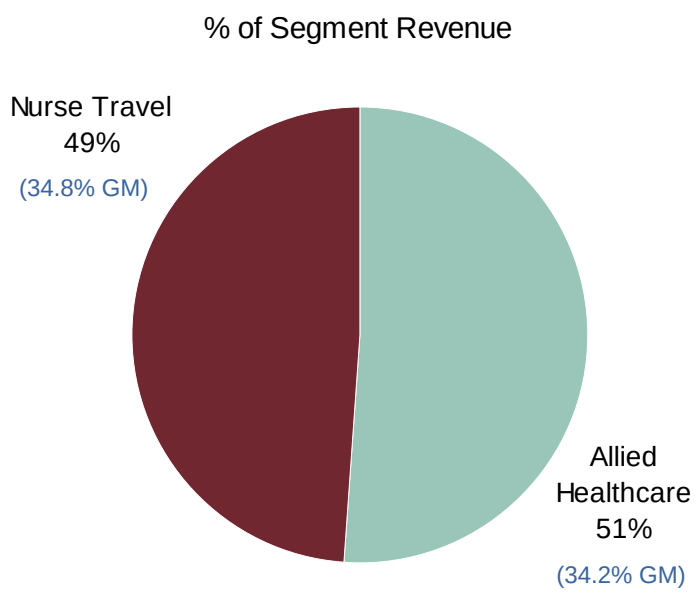
# On Assignment Segment: Healthcare

- The Healthcare lines of business:
  - Nurse Travel
  - Allied Healthcare
- Represents 17% of current quarter revenue
- Nurse Travel
  - Rapid response nurses
  - Critical position focus
  - Average bill rate over $67 an hour[1]
  - Approx. 210 nurses at approx. 100 clients[1]
  - Top 10 clients represented 25% of segment revenue [2]
  - Gross margin was 34.8% for the quarter
- Allied Healthcare
  - Offer contract professionals on both a local and traveling basis ranging from phlebotomists to HIM professionals
  - Average bill rate approx. $36 an hour[1]
  - Approx. 690 contract professionals at approx. 450 clients[1]
  - Top 10 clients represented 23% of segment revenue
  - Gross margin was 34.2% for the quarter

**Q3 2010 Healthcare Revenue Mix**

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[1] Q3 2010 Average
[2] Excluding the revenue from labor disruption in Q3, top 10 clients would have represented 33% of segment revenue



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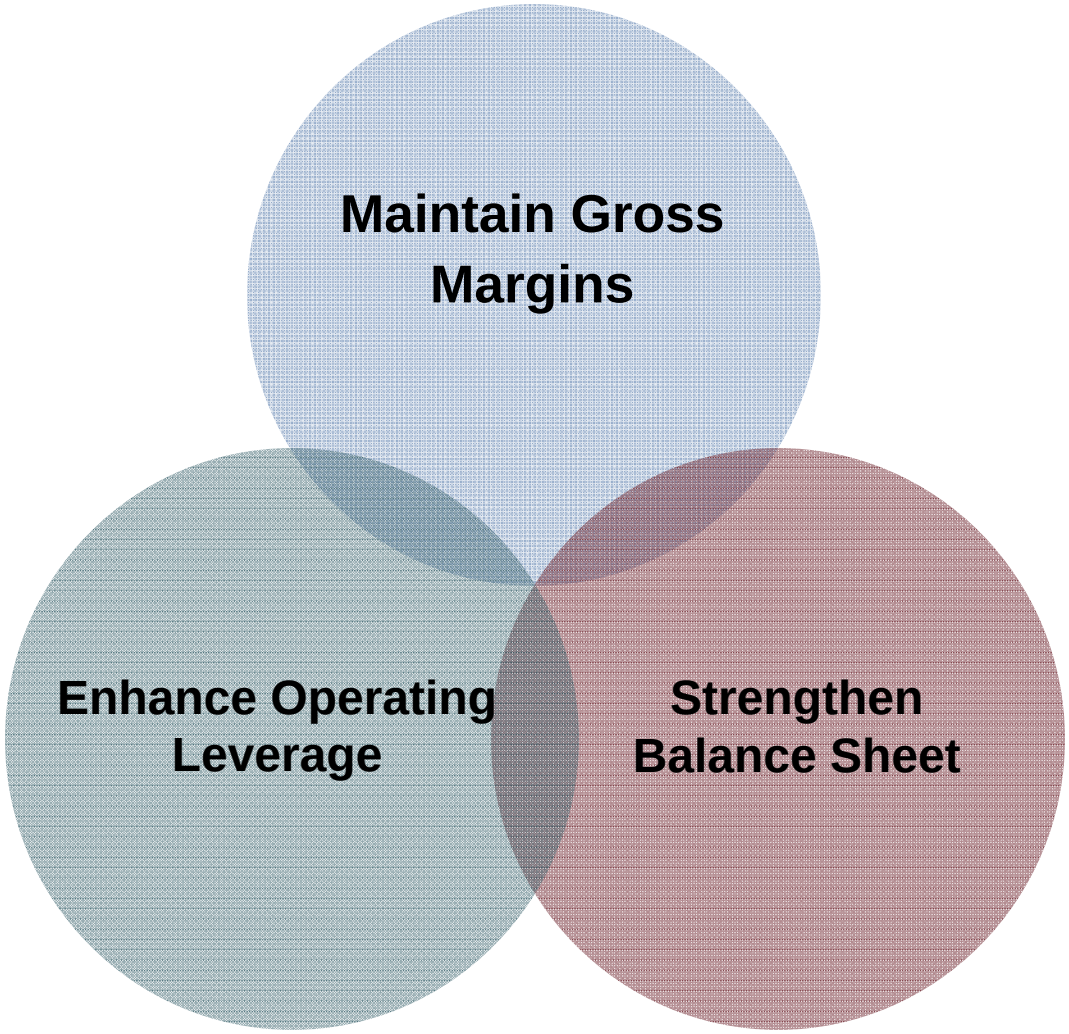
# Activities During Recession Position ASGN Well

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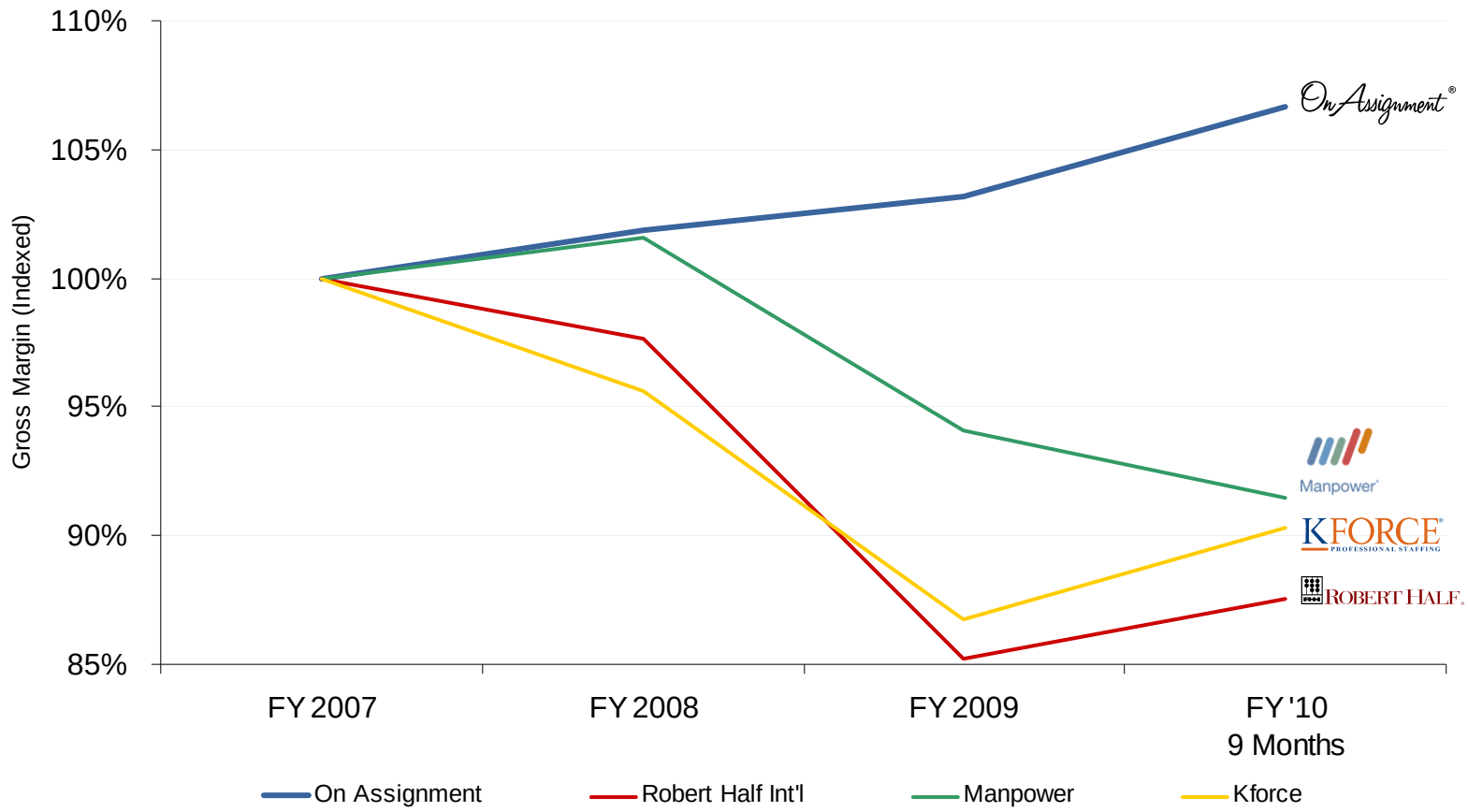
# Gross Margins Improved During The Recession…

## Gross Margin Trend (Indexed To FY 2007)




Source: Company press releases and public filings

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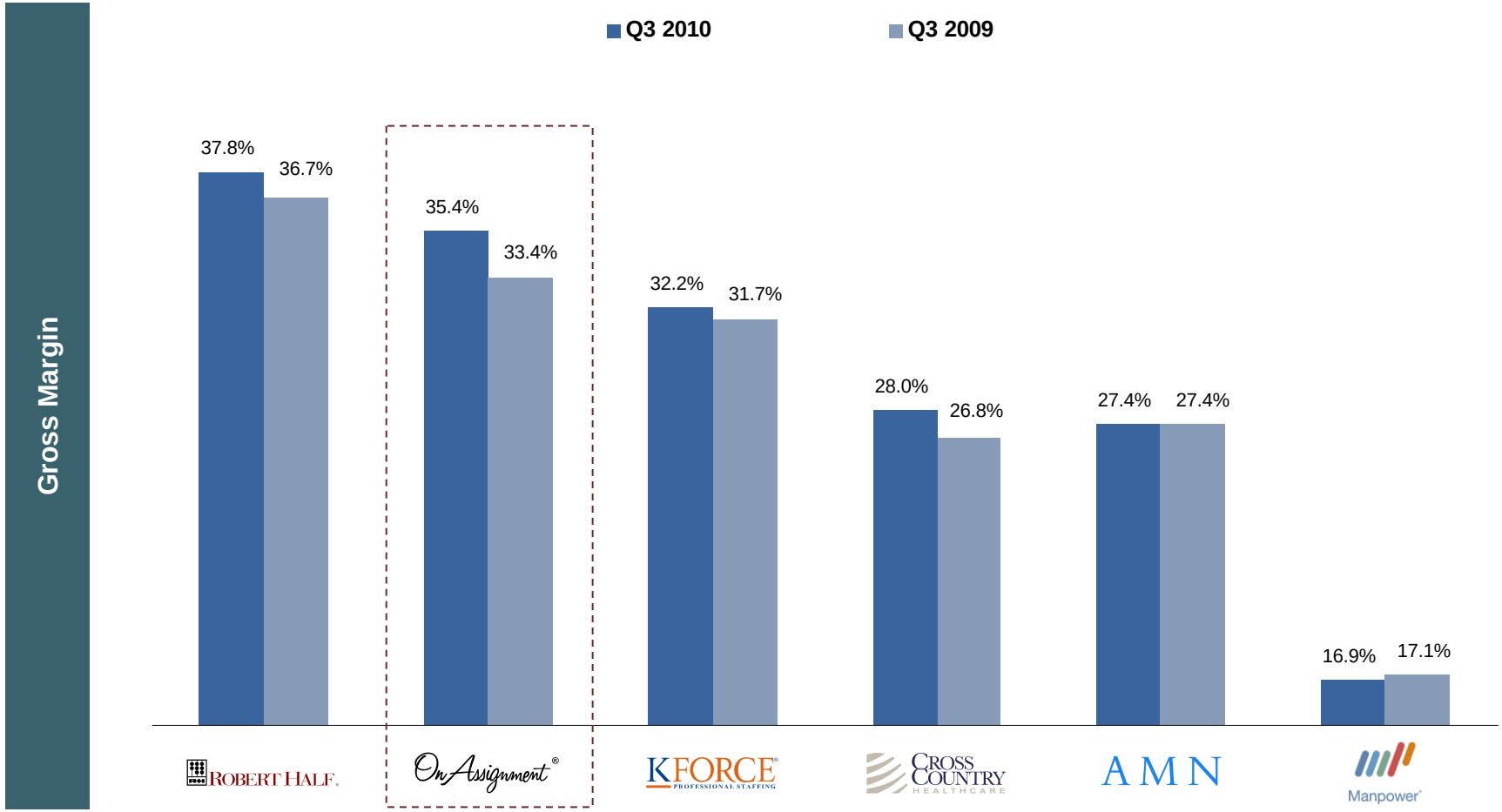
# …And Compare Well To Peers

| | | | | | | |
|---|---|---|---|---|---|---|
| % of Revenue from Perm Fees | 7.0% | 4.1% | 4.1% | N/A | 4.9% | ~1.7%[1] |




Source: Company press releases, public filings, and equity research estimates. Some non-cash adjustments (i.e. stock-based compensation expense) are not available and are estimated based on prior quarter averages

[1] Based on equity research estimates



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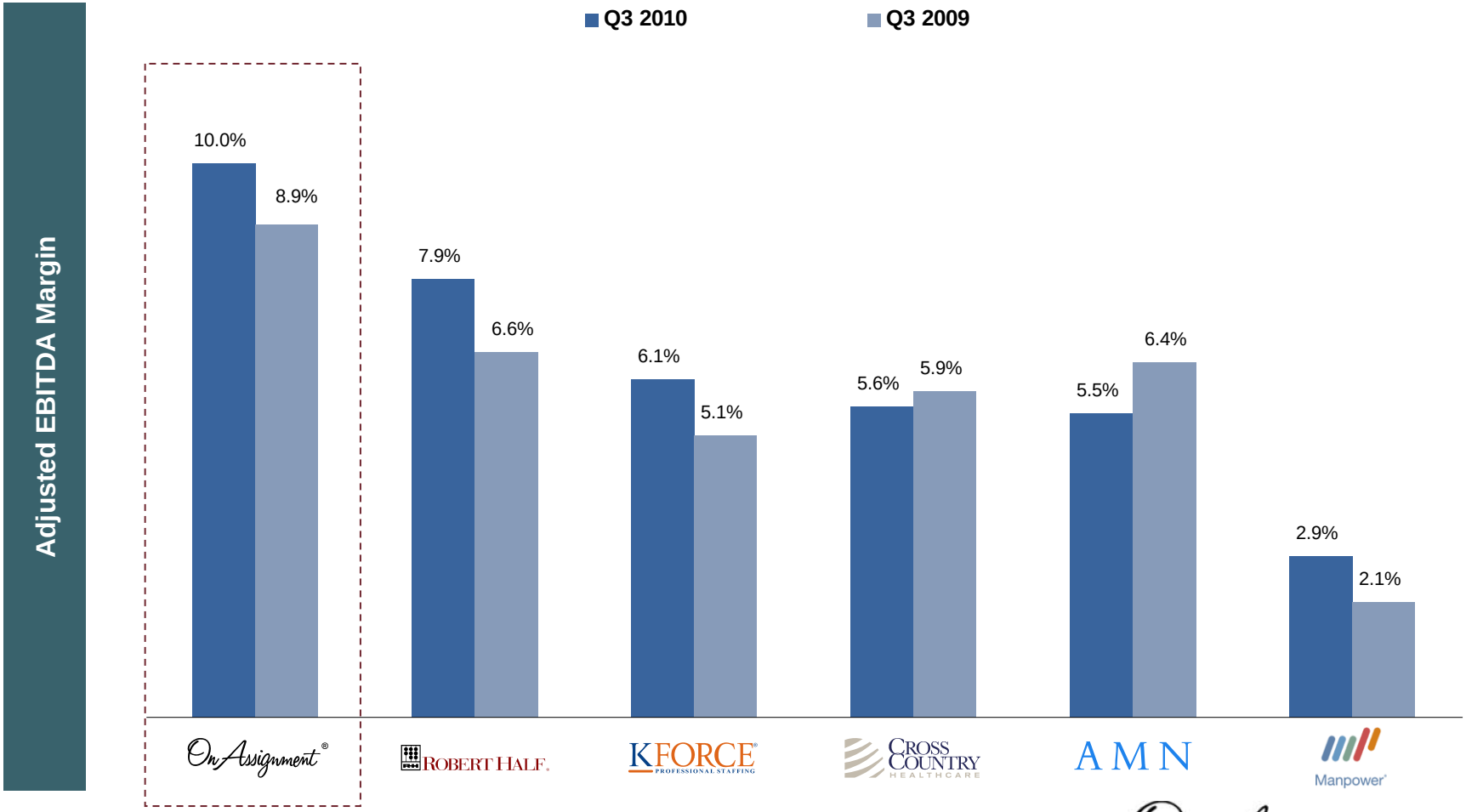
# EBITDA Profitability Leads Peer Group

| | | | | | | |
|---|---|---|---|---|---|---|
| % of Revenue from Perm Fees | 4.1% | 7.0% | 4.1% | N/A | 4.9% | ~1.7%[1] |




Source: Company press releases, public filings, and equity research estimates. Some non-cash adjustments (i.e. stock-based compensation expense) are not available and are estimated based on prior quarter averages

[1] Based on equity research estimates



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# Financial Strength Is Also Vastly Improved

## Focus On Cash Generation During Downturn

- Reduced Days Sales Outstanding (DSO) from 50.6 in 2007 to 47.4 in Q3 ’10
- Gross Margin maintenance enabled strong free cash flow

## Deleveraged Balance Sheet

- Free cash flow primarily dedicated to debt repayment
- **Reduced total debt outstanding from $136 million in 2007 to $78 million in Q3 ‘10**
- Reduced debt-to-capital from 41% in 2007 to 25% in Q3 ‘10

## Restructured Credit Facility

- In Dec ‘10, ASGN refinanced its existing term loan facility and revolving line of credit
- New facility includes a $50 million term loan and $75 million revolving line of credit
- Facility can be increased by up to $50 million
- **Reduced borrowing costs by 350 basis points**
- Currently $67 million drawn, for available incremental borrowings of over $100 million

***Ample Financial Flexibility For Growth Through Acquisitions***

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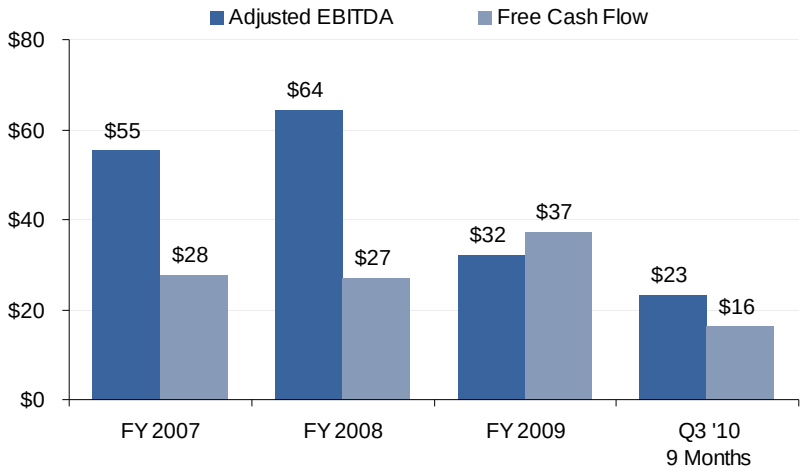
# Free Cash Flow And Financial Leverage

***Strong free cash flow generation allows for focus on quick deleveraging of balance sheet***

## Free Cash Flow Generation

| Conversion %: | *50%* | *42%* | *117%* | *70%* |
|---|---|---|---|---|

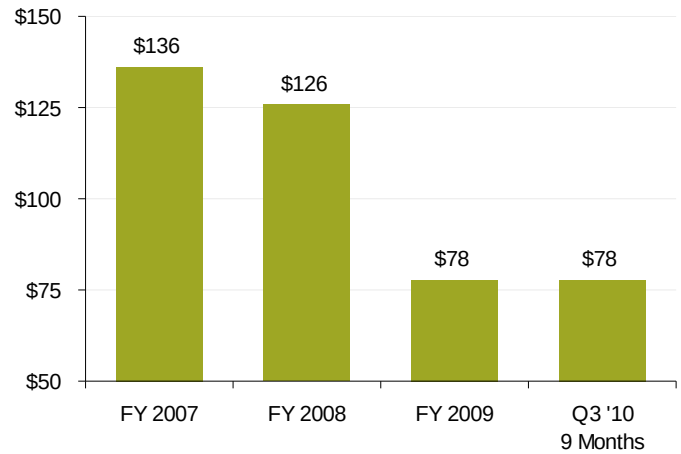
*($ in millions)*




## Bank Debt Outstanding

| Debt-to-Capital: | *41%* | *37%* | *26%* | *25%* |
|---|---|---|---|---|

*($ in millions)*

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# 2010 Trends Augur Well For 2011 And Beyond

***Indicators give positive outlook for continued growth this year…***

## Monthly revenue is growing for sectors of staffing

- IT/Engineering and Life Sciences staffing continue to show strong growth and gain momentum as companies begun to spend on capital expenditures and R&D projects
- However, healthcare remains challenging for all market participants
- Volume of temps working and average hours worked per week continues to increase

## Positive outlook for 2011

- Real GDP increased at an annual rate of 3.2% in Q4 of 2010, according to the BEA[1]
- Annual growth for 2011 was upgraded by The Conference Board in December 2010[2]
- The staffing industry, and particularly temporary help, is highly dependent on GDP growth

## Employment data

- Unemployment rate continues to stabilize; yet, some sectors are experiencing growth
- Temp penetration rates and temp payrolls have risen in 14 of the past 15 months

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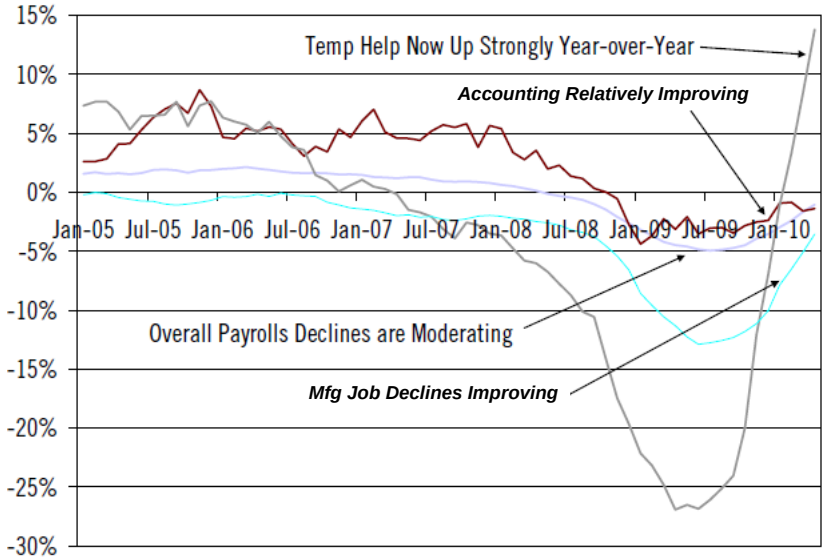
[1] Bureau of Economic Analysis – January 28, 2011
[2] Staffing Industry Analysts – U.S. economic indicators and projections (January 2011)

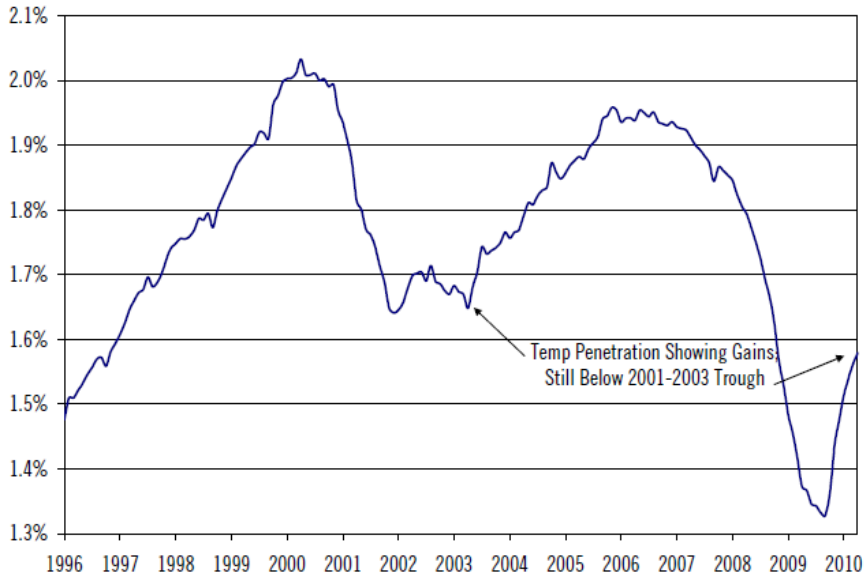
# Recent Industry Trends

- Private payrolls are up but U.S. employment has shown little movement
  - The unemployment rate remains in the 9% range
- Temp Help payrolls rose another 39,500 to 2.2 million jobs in November, according to the Bureau of Labor Statistics, a 494,000 increase since the September 2009 lows
  - The temp penetration rate has increased for 14 of the past 15 months, following 2 years of continued declines
  - November's penetration rate was 1.70%, up from 1.67% in October

**YoY Comparison for US Payrolls**




**US Temporary Help Penetration since 1996**




Source: Bureau of Labor Statistics and Citi Investment Research



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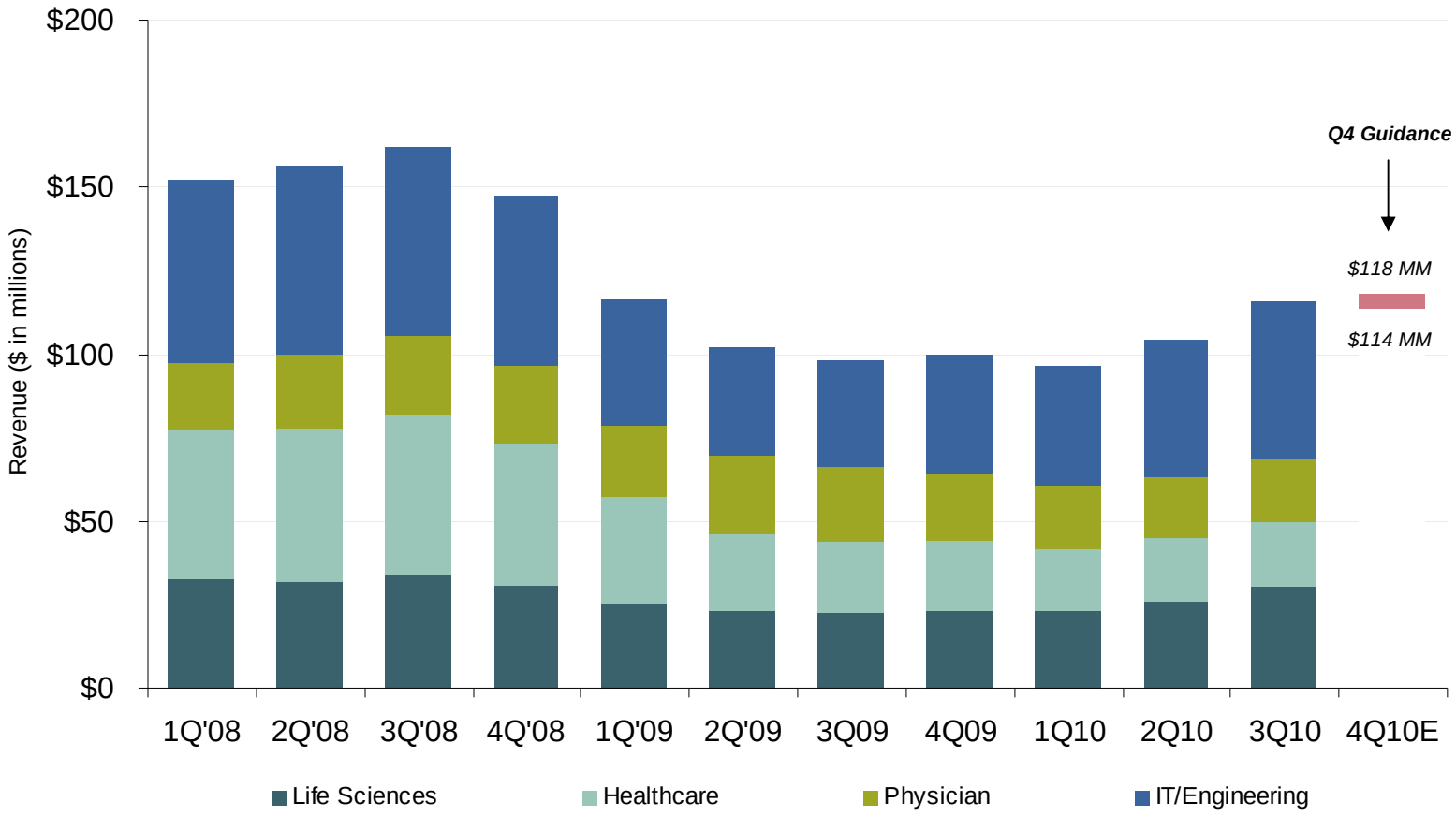
# Growth Rebounding Despite Healthcare Weakness

## Revenue by Business Segment

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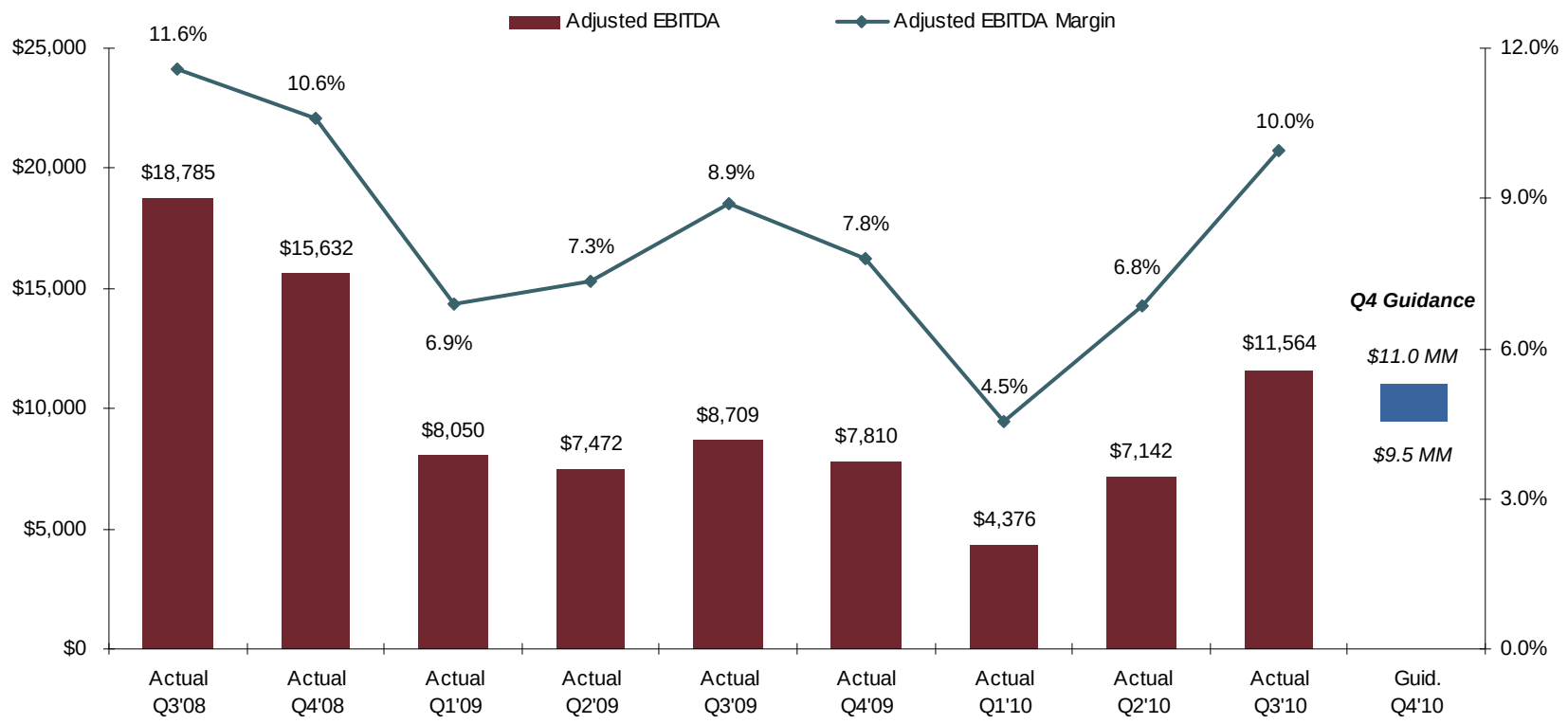
# EBITDA Leveraged To Revenue Growth

## Adjusted EBITDA & Margin[1]




Note: $ in thousands

[1] Adjusted EBITDA presented is one of the non-GAAP financial measures used by the Company and is defined as earnings before interest, taxes, depreciation, and amortization of identifiable intangible assets plus equity-based compensation expense, which terms might not be calculated in the same manner as, and thus might not be comparable to, similarly titled measures reported by other companies

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# On Assignment's Strategic Growth Opportunities

| | |
|---|---|
| **Cyclical Stabilization and Growth** | • Temporary help penetration at historic lows compared to full-time employment[1]<br>• But penetration rates have increased for 14 of the past 15 months<br>• Companies will look to temporary staffing to meet cyclical recovery in demand |
| **Secular Trends Will Favor On Assignment** | • Aging U.S. population may constrain supply of available workforce<br>• Healthcare reform should stimulate demand for staffing in the long term<br>• On Assignment focuses on the highly-skilled component of the labor force, which companies typically have the hardest time staffing |
| **Numerous Areas of Opportunity for Incremental Revenues** | • Permanent placement<br>• Healthcare IT<br>• GSA contracts<br>• Clinical research |
| **Acquisition Environment Is Favorable** | • M&A activity continues to increase during 2010; closer to 2008 levels<br>• Smaller, private companies may look to partner with larger, well capitalized firms or private equity as activity and valuations increase<br>• On Assignment is well positioned to enhance its market position and/or add new capabilities |
| **Significant Sources of EPS Leverage** | • EBITDA profitability remains toward low end of historical trends<br>• Revenue growth vs. fixed costs creates margin opportunity<br>• Strong cash flow generation provides liquidity for acquisitive growth<br>• 338(h)(10) election yields an estimated $4.8 million in annual cash tax savings<br>• Credit facility refinancing will reduce interest costs |

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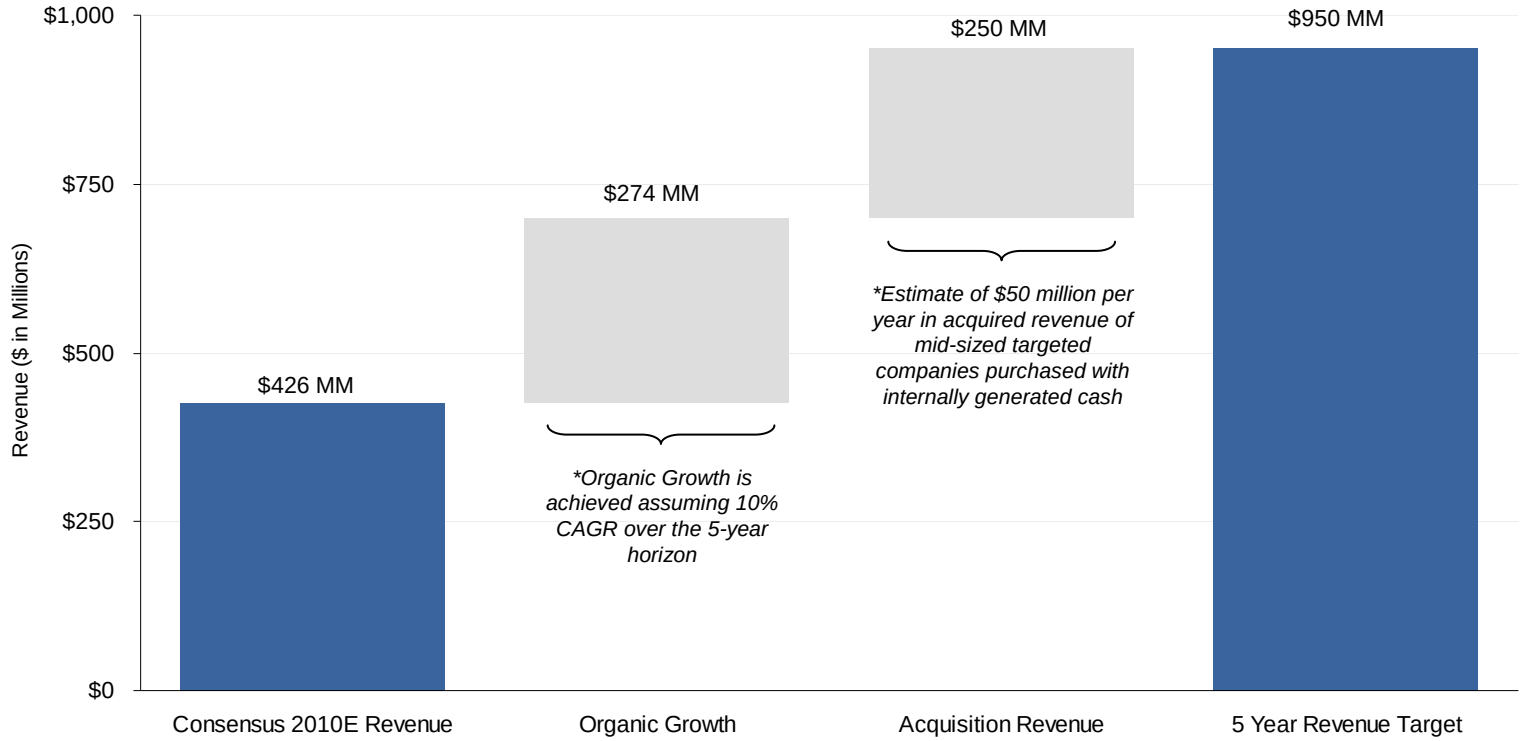
Source:
[1] Bureau of Labor Statistics ("BLS") and Staffing Industry Analysts (December 2010)

# Growth Opportunities Create Long Term Revenue

## *$1 Billion Revenue Opportunity Through Organic Growth and Strategic Acquisitions of Mid-Sized Companies*

- At our historical average Adjusted EBITDA margin of 10%, Adjusted EBITDA of $100 million in five years is obtainable




Notes: Consensus 2010 revenue estimate is based on equity research consensus estimates
Source: Thomson One



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# Staffing Consultant Productivity Potential

## *Significant Upside Potential From Increasing Staffing Consultant Productivity [1]*

- Our operating leverage provides for an opportunity to generate additional revenue with minimal increases in SG&A

| | | *Illustrative Example: Increase in Temps* | |
|---|---|---|---|
| Temps: | | 1 | 2 |
| Bill Rate (per Hr): | | $62.22 | $62.22 |
| Hrs / Week: | | 35.70 | 35.70 |
| Weeks: | | 51 | 51 |
| Total SCs: | | 678 | 678 |
| **Incremental Sales per Year** | | **$76.8 MM** | **$153.5 MM** |
| *Income Stat. Impact:* | | | |
| Revenue | | $76.8 | $153.5 |
| Gross Profit @ | 34% | 26.1 | 52.2 |
| Commissions/Bonus | 12% | (3.0) | (6.0) |
| Mgmt & Exec. Comp | | (4.2) | (4.2) |
| **Incremental Oper. Inc.** | | **$18.9** | **$42.0** |
| Tax @ | 45% | (8.5) | (18.9) |
| Incremental Net Inc. | | $10.4 | $23.1 |
| Est. Shares Out. | | 37.1 | 37.1 |
| **Incremental EPS** | | **$0.28** | **$0.62** |

**Current Metrics vs. Peak Metrics [2]**

| | Q3 '08 | Q3 '10 |
|---|---|---|
| Revenue | $161.9 | $116.1 |
| Bill Rate | 64.43 | 62.22 |
| Avg. Hrs. Worked | 36.62 | 35.70 |
| Avg. Temps | 5,115 | 3,704 |
| Gross Margin | 32.6% | 35.4% |
| SCs | 742 | 678 |

SC = Staffing Consultants
Assumes 51 working weeks in a year
[1] For Illustrative purposes only
[2] Comparing current vs. Q3 '08 as third quarter is the strongest revenue generating quarter

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# Q3 2010 Financial Results

| | Actual Q3 '10 | Actual Q3 '09 | YOY Growth |
|---|---|---|---|
| Healthcare | $ 19,863 | $ 21,019 | (5.5%) |
| Life Sciences | 30,060 | 22,590 | 33.1% |
| Locum Tenens | 18,789 | 22,594 | (16.8%) |
| Information Technology | 47,429 | 31,850 | 48.9% |
| **Consolidated Revenues** | **$ 116,141** | **$ 98,053** | **18.4%** |
| Healthcare | 34.5% | 29.9% | |
| Life Sciences | 37.2% | 33.6% | |
| Locum Tenens | 29.8% | 33.4% | |
| Information Technology | 36.8% | 35.7% | |
| **Consolidated Gross Margin** | **35.4%** | **33.4%** | |
| **Adjusted EBITDA** | **$ 11,564** | **$ 8,708** | |
| ***Adjusted EBITDA Margin*** | ***10.0%*** | ***8.9%*** | |
| **Productivity ($GP/SC)** | **$ 61,000** | **$ 57,000** | |
| **EPS** | **$ 0.09** | **$ 0.04** | |

Note: $ in thousands, except per share data

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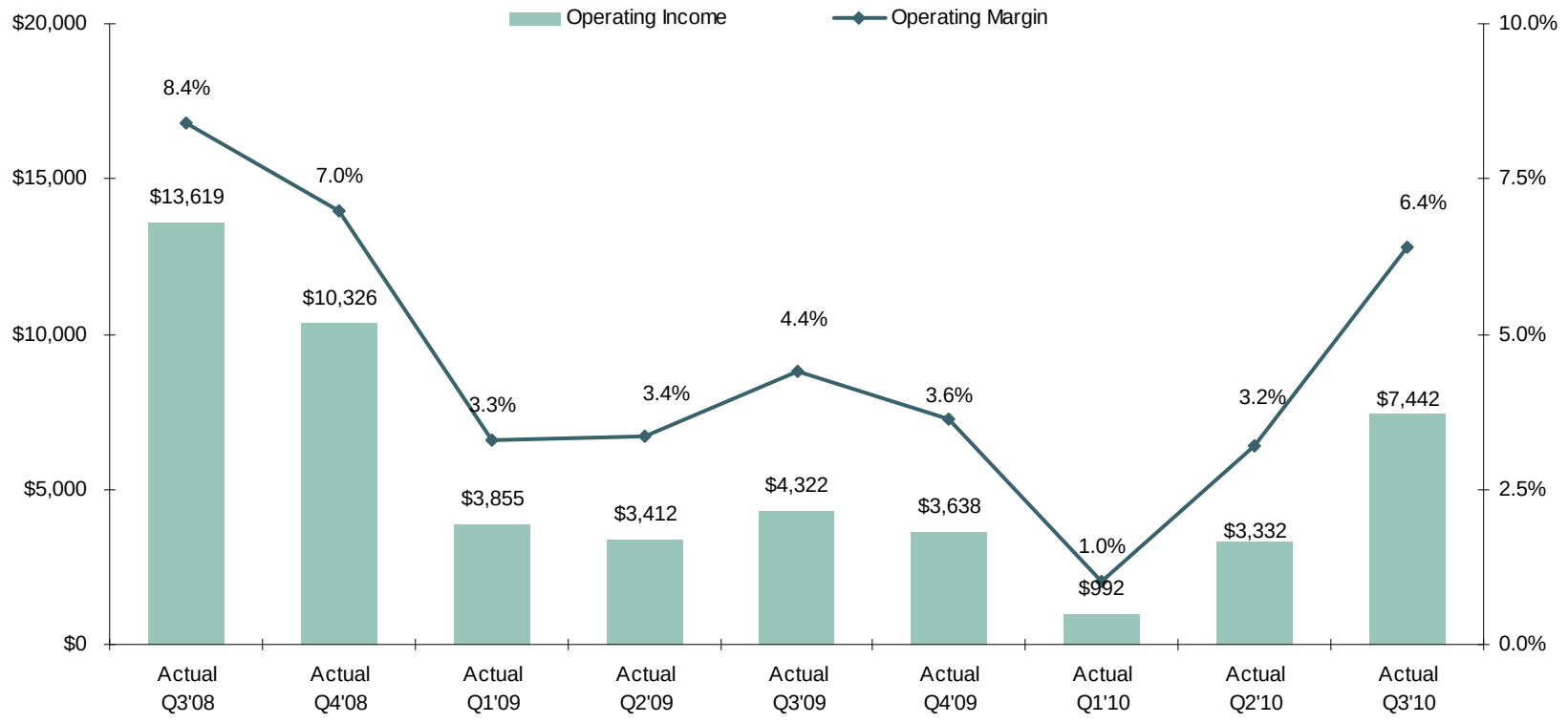
# Selected Historical Financial Results

## Operating Income & Margin




Note: $ in thousands



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# Consolidated Balance Sheet Data

| | For Period Ending | | |
|---|---|---|---|
| | Sep 30, 2010 | Sep 30, 2009 | Jun 30, 2010 |
| **Assets** | | | |
| Cash and Cash Equivalents | $30,278 | $35,068 | $30,483 |
| Accounts Receivable, net | 60,546 | 49,386 | 52,237 |
| Intangible Assets | 240,056 | 229,654 | 234,405 |
| Total Assets | 362,537 | 350,128 | 351,194 |
| **Liabilities & Equity** | | | |
| Bank Debt – Current Portion | - | - | - |
| Current Liabilities | 40,755 | 38,769 | 35,827 |
| Bank Debt – Long Term | 77,913 | 82,913 | 77,913 |
| Other Long Term Liabilities | 10,359 | 2,872 | 9,552 |
| Stockholders' Equity | 233,510 | 225,574 | 227,902 |
| **Days Sales Outstanding** | **47.4** | **45.8** | **45.5** |

Note: $ in thousands



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# Strong Financial Position and Cash Generation

**Leverage**

- 2.5x LTM 9/30/10 Adjusted EBITDA of: $30.9 million

($ in millions)

**ASGN Capitalization Summary**

| | As of 9/30/10 | |
|---|---|---|
| | **$ Amount** | **% of Total** |
| Cash and Cash Equivalents | $30.3 | |
| Bank Debt | 77.9 | 25.0% |
| Stockholder's Equity | 233.5 | 75.0% |
| **Total Capitalization** | **$311.4** | **100.0%** |

**Cash Generation (12 months 12/31/09 - 9/30/10)**

| ($ in millions) | Cash | Increase in Cash | Total Debt | Decrease In Debt | Acquisitions | Earn Out Payments | Cash Generation |
|---|---|---|---|---|---|---|---|
| **12/31/2009** | 26.0 | (9.1) | 77.9 | (5.0) | - | (4.9) | |
| **3/31/2010** | 30.3 | 4.3 | 77.9 | - | - | - | |
| **6/30/2010** | 30.5 | 0.2 | 77.9 | - | (5.4) | - | |
| **9/30/2010** | 30.3 | (0.2) | 77.9 | - | (5.2) | - | |
| **TTM** | | **($4.8)** | | **$5.0** | **$10.6** | **$4.9** | **$15.7** |

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# Q4 2010 Estimate

**($ in millions, except per share data)**

| | Q4 2010 |
|---|---|
| Revenue[1] | $114.0 - $118.0 |
| *% Growth (y/y)* | *14.1% - 18.1%* |
| SG & A *(excl. D&A and Equity-Based Compensation Expense)* | $30.0 |
| Depreciation & Amortization | $2.0 |
| Equity-Based Compensation Expense | $2.0 |
| EPS *(incl. Equity-Based Compensation Expense)* | $0.06 - $0.08 |
| Adjusted EBITDA[2] | $9.5 - $11.0 |

Note: Achievement of these goals is subject to the various risk factors set forth in our public filings

[1] Low 40% year-over-year growth in IT/Engineering; high 20% year-over-year growth in Life Sciences; year-over-year declines in the low teens in healthcare; and a decline in the mid teens in physician staffing

[2] Adjusted EBITDA presented is defined as earnings before interest, taxes, depreciation, and amortization of identifiable intangible assets plus equity-based compensation expense

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# Key Investment Highlights

| | |
|---|---|
| **Large, Attractive End Markets** | • The staffing industry is a large market, with estimated total revenues of $102 billion in 2010 and projected to be $113 billion in 2011[1]<br>• Highly skilled temps are in high demand but short supply, with greater resistance to economic cycles, especially in areas like healthcare and highly specialized professional services |
| **Strong Position in Critical High-End Skill Sets** | • On Assignment ("ASGN" or the "Company") participates in most attractive sub-segments of staffing: Healthcare, Life Sciences, Locum Tenens and IT/Engineering<br>• High-end focus yields higher bill rates, longer assignments and stickier customer relationships<br>• Customer diversification enhances revenue visibility and insulates margins |
| **Attractive Organic and Strategic Growth Opportunities** | • Capture operating leverage<br>• Accelerate growth of newer practices<br>• Execute against strategic five year plan |
| **Attractive Financial Characteristics** | • All segments operate in high demand, high bill rate sub sectors of the broader staffing market, which drives organic revenue growth and stable gross margins<br>• Highly scalable front and back office creates operating margin expansion opportunities<br>• Low working capital and CapEx requirements result in strong conversion of EBITDA to FCF |
| **Experienced Management Team** | • Senior management has extensive experience in the staffing sector and a strong track record with public investors<br>• Veteran cadre of seasoned industry professionals leading each division |

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Source:
[1] Staffing Industry Analysts Insight: Staffing Industry Forecast (November 2010)

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NASDAQ: ASGN

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