TeamStaff, Inc (TSTF)
LD Micro Conference
December 8, 2011
“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:
This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this presentation, the words “believe,” “anticipate,” “think,” “intend,” “plan,” “will be,” “expect,” “estimates,” and statements in this presentation regarding TeamStaff, Inc.’s business which are not historical facts, are “forward-looking statements” that involve risks and uncertainties which could cause actual events or the actual future results of the company to differ materially from any forward-looking statement. Such risks and uncertainties include, among other things our ability to secure contract awards, including the ability to secure renewals of contracts under which we currently provide services; our ability to enter into contracts with United States Government facilities and agencies on terms attractive to us and to secure orders related to those contracts; changes in the timing of orders for and our placement of professionals and administrative staff; the overall level of demand for the services we provide; the variation in pricing of the contracts under which we place professionals; our ability to manage growth effectively; the performance of our management information and communication systems; the effect of existing or future government legislation and regulation; changes in government and customer priorities and requirements (including changes to respond to the priorities of Congress and the Administration, budgetary constraints, and cost-cutting initiatives); economic, business and political conditions domestically; the impact of medical malpractice and other claims asserted against us; the disruption or adverse impact to our business as a result of a terrorist attack; the loss of key officers, and management personnel; the competitive environment for our services; the effect of recognition by us of an impairment to goodwill and intangible assets; other tax and regulatory issues and developments; the effect of adjustments by us to accruals for self-insured retentions; our ability to obtain any needed financing; our ability to attract and retain sales and operational personnel; and the effect of other events and important factors disclosed previously and from time-to-time in TeamStaff’s filings with the U.S. Securities Exchange Commission.
For a discussion of such risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the company’s periodic reports filed with the SEC. In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the company or any other person that the objectives and plans of the Company will be achieved. The forward-looking statements contained in this presentation are made as of the date hereof and may become outdated over time. The Company does not assume any responsibility for updating any forward-looking statements.
Agenda

- Business Overview
- Key Financials
- Business Outlook
- Creating Value
- Questions & Answers
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Recap **Strategic Plan Objectives**

- **Enhance Shareholder Value**
  - Strategic growth
  - Profitable growth
  - Sustainable growth

- **Core business and relationships**
  - Healthcare and Logistics
  - VA and DoD
  - Well-placed primes

- Organic with some acquisition
- Create contract backlog
- Build new business pipeline

**Strategic Plan Selected Elements**

1. Leverage "**Outstanding Performance**" track record in existing core business areas
2. Refine, enhance and integrate unique technology and process "**Differentiators**"
3. "**Focus**" on adjacent market segments (new clients) within government services sector
4. Focus on primarily on profitable "**Organic Growth**" in strategic market segments
5. Must create stronger contract backlog and robust New business pipeline

<table>
<thead>
<tr>
<th>Est. Today</th>
<th>Targeted Near-term</th>
<th>Targeted Long-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy Customer Percentage</td>
<td>10%</td>
<td>75%</td>
</tr>
<tr>
<td>Adjacent Market Percentage</td>
<td>90%</td>
<td>25%</td>
</tr>
</tbody>
</table>
### Strategic Lines of Business

#### Logistics & Technical Services
- Supply Chain Management
- Performance based Logistics
- Integrated Logistics Support
- Engineering Services

#### Healthcare Delivery Solutions
- Combat Trauma Care
- Primary and Tertiary Care
- Case/Records Management
- Pharmaceutical Services

#### Contingency / Staff Augmentation
- Disaster Response Teams
- Surge and Steady-state Staff
- Resource Allocation Tools

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![Seal of the United States Department of Veterans Affairs (DVA)](image)
![Seal of the United States Army (ARMY)](image)
![Seal of the United States Navy (NAVY)](image)
![Seal of the United States Air Force (USAF)](image)
![Seal of the United States Department of Agriculture (USDA)](image)
For over a decade, DLH has been a leading provider of specialized, mission-critical outsourced professional and technical support services.

TeamStaff, Inc.

DLH Solutions, Inc.

Healthcare Delivery Solutions
- Pharmaceutical services
- Comprehensive clinical services
- Combat trauma care
- Case management
- Diagnosis, labs, treatment
- Physical and psych counsel

Logistics & Technical Services
- High volume materials handling
- Inventory management
- Performance Based Logistics
- Supply Chain Management
- Engineering support services
- Project management

Contingency & Staff Augmentation
- Emergency Response
- Help Desk / Call Center
- Disaster Relief
- Recruitment Process Outsource
- Supply Chain Management
- Workforce augmentation

Company Facts:
100% of Revenue Generated from Government Operating in over 20 states
Launched DLH Re-branding initiative in FY2011
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FY2011 Key Results

 Won 10 Major Contract Bids
  – including all four re-compete contracts

 23% Gross Profit Improvement
  – 5 consecutive quarters of increase

 Backlog approximates 4x Revenue
  – excluding sole-source and multi-client/multi-award ID/IQ contracts
## Unusual Items in Q4 and FY2011

![TeamStaff, Inc. Logo](image)

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>Impairment Charges</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Strategic Legal Expenses</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.1</strong></td>
<td><strong>3.2</strong></td>
</tr>
</tbody>
</table>
Financial Metrics

Trends

Note: (1) See definition of EBITDA and reconciliation to GAAP in Form 10-K and under additional material in this presentation
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Business Outlook

Government gridlock to remain
- Continuing Resolutions
- Sequestration and Budget Control Act ($250B)

Government/DoD budget impacts
- Major weapons programs restructuring and delays
- Top Priorities: healthcare, cyberspace and sustainment

TeamStaff strategic new business pipeline
- Aligned with budget priorities
- Strong “qualified” pipeline developed in FY2011

Position for Growth
Healthcare Delivery Solutions

Care Across the Continuum

Combat Trauma Care/Force Readiness

- Clinical coordination of trauma care for wounded while in theatre
- Liaison with trauma multi-disciplinary team; Fleet & troops
- Remote care plan via tele-medical VTC; provide clinical direction
- Review patient records; create clinical abstract
- Conduct research and provide performance improvement

Military Hospitals / Soldier Readiness Ctr

- Care of routine illnesses & injuries / major illnesses & injuries
- Code “Blue” and emergency response
- Diagnosis and treatment; prescribe pharmaceuticals
- Evaluate results of lab reports and examinations
- Perform / record physical assessment and review with patient

Retired Armed Forces VA Hospitals / Clinics

- Comprehensive professional clinical services for geriatrics
- Recommend drug therapy; implement medical plan
- Physical and psychosocial counseling and treatment
- Evaluate medical orders for appropriateness based upon profile
- Dispense medications in accordance with dosage requirements
Healthcare Deliver Solutions (Cont’d)

Pharmacy and Medical Logistics

High Volume Mail Order Pharmacy

- Perform drug-order cross match; Bio hazard management
- Verification and filling of “Controlled Substances”
- Provide pharmaceutical quality assurance functions

On-site /Client-site Pharmacy Services

- Recommend drug therapy; consult to physicians
- Perform sterile compounding
- Prescribe pharmaceuticals and dispense medications

Medical Third-Party Logistics Services 3PL

- Evaluate hospital or site formulary; acquisition support
- Inventory management, stocking, shipping/receiving/packing
- Medical equipment procurement, operation and maintenance
Logistics & Technical Services
Readiness & Logistics Planning

Program Management

• Highly effective process control implementation
• Lean Six Sigma Management
• Real-Time Human Factor Performance Analysis
• Cost Savings Implementation - 10% reduction in customer costs

Material Management

• Accurate Receipt/Issue Management on Controlled Materials
• High Volume Materials Handling
• Packaging Operations
• Inventory Management and Reutilization Support

Systems Engineering

• Gold LEED Certification Implementation
• Mechanical, Electrical, Instrument Control Engineering
• Industrial Engineering Techniques and Maintenance
• RFID Technology
• Statistical Process Control
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M&A EBITDA Multiples

Diverse Buyer Universe Across Key Market Segments

Source: Houlihan Lokey
Stock Price Highlights

TSTF Performance vs. Market

Source: Houlihan Lokey
Why TeamStaff?

Performing in accordance with LRSP
- Aligned with federal government priorities
- Market remains healthy despite market gridlock
- Excellent past performance ratings

“Diamond in the rough”
- Publicly traded, defense services, small cap (< $500M)

Results Driven
- Key Performance Indicators
- Executive are rewarded to drive shareholder value only!
Question and Answer Session
Additional Material
EBITDA Reconciliation to GAAP

(1) Reconciliation of EBITDA (a non-GAAP financial measure) to net loss from continuing operations

We present EBITDA as a supplemental non-GAAP measure of our performance. We define EBITDA as net loss from continuing operations plus (i) interest and other expenses, net, (ii) provision for or benefit from income taxes, (iii) depreciation and amortization, and (iv) impairment charges. This non-GAAP measure of our performance was used by management to conduct and evaluate its business during its regular review of operating results for the periods presented. Management and the Company’s Board utilized this non-GAAP measure to make decisions about the use of the Company’s resources, analyze performance between periods, develop internal projections and measure management performance. In addition, the compensation committee of the Company’s Board used this non-GAAP measure when setting and assessing achievement of incentive compensation goals. We believe that this non-GAAP measure is useful to investors in evaluating the Company’s ongoing operating and financial results and understanding how such results compare with the Company’s historical performance. By providing this non-GAAP measure, as a supplement to GAAP information, we believe we are enhancing investors’ understanding of our business and our results of operations. This non-GAAP financial measure is limited in its usefulness and should be considered in addition to, and not in lieu of, U.S. GAAP financial measures. Further, this non-GAAP measure may be unique to the Company, as it may be different from the definition of non-GAAP measures used by other companies. A reconciliation of EBITDA with net loss from continuing operations is as follows:

<table>
<thead>
<tr>
<th>For the twelve months ended September 30</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) from continuing operations</td>
<td>$ (4,590)</td>
<td>$ (4,598)</td>
</tr>
<tr>
<td>(i) Interest and other expenses (net)</td>
<td>367</td>
<td>261</td>
</tr>
<tr>
<td>(ii) income tax benefit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(iii) amortization and depreciation</td>
<td>113</td>
<td>118</td>
</tr>
<tr>
<td>(iv) impairment charges</td>
<td>2,583</td>
<td>1,341</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ (1,527)</td>
<td>$ (2,878)</td>
</tr>
</tbody>
</table>