

2007 Employment Forecast
December 6, 2006

TABLE OF CONTENTS

| | |
|--|----|
| <u>Executive Summary</u> | 3 |
| <u>Intent</u> | 4 |
| Industry Breakdown: | |
| <u>Information Technology</u> | 5 |
| <u>Healthcare</u> | 7 |
| <u>Professional Services</u> | 10 |
| <u>Clerical and Light Industrial</u> | 12 |
| <u>About Vedior North America</u> | 14 |

Executive Summary

The American economy has enjoyed a remarkable recovery in the past few years – and American workers are reaping the rewards of that growth. Although not all sectors of the economy have performed to the same level, all indications point to continued gains ahead. To be sure, there are concerns about a housing market collapse, outsourcing and rising living costs. But unemployment is down, qualified workers are in demand and salaries are increasing at a modest pace.

Employment forecasts for the forthcoming year are in and the message is loud and clear – the hunt for qualified employees is fierce. The demand for high quality, trained workers is increasing competition and driving up salaries, giving workers the upper hand when negotiating with employers.

Total employment growth is expected to slow to 1.2% in 2007 according to the Philadelphia Federal Reserve's quarterly survey of economists. Coming after several years of higher annual growth, this prediction indicates that the U.S. economy is further along in the business cycle and well into recovery. In addition, with low unemployment and a tighter job pool, the supply of qualified workers is dwindling, forcing companies to either increase salaries or endure a longer hiring cycle to find the right workers.

Certain sectors of the economy are continually in need of qualified workers. Healthcare, for example, has long needed more nurses and primary care physicians. This will continue to be the case in the near future as the aging baby boomer population is expected to exacerbate a strain on the industry in the coming years. On a related note, the allied health professions are expected to become increasingly important as more baby boomers approach their senior years.

The technology industry is enjoying robust growth as Corporate America begins to invest again in its network infrastructure and front end systems – which has largely been ignored since the late 90s. Although outsourcing to workers in other countries like India continues to lower the number of entry-level and support positions, managerial positions continue to be in demand.

The legal and financial industries are also seeing an increasing demand for professionals who have experience with Sarbanes Oxley to deal with the vast amounts of data that must be collected in order to be compliant with the new legislation. Also, an uptick in merger and acquisition activity is placing a premium on lawyers and accountants that have experience in that area.

Intent

In order to better understand how American workers are faring in today's market conditions, Vedio North America conducted an audit of its 12 divisions which span a variety of sectors including healthcare, professional services, information technology and clerical/light industrial. The purpose of the audit is to identify:

- The industries that are hiring rapidly;
- How salaries are trending;
- The forces that are impacting hiring trends;
- What job titles are in the most demand; and,
- Regional differences in hiring.

The following report seeks to answer the above questions.

Information Technology¹

Trends Affecting IT Employment – The market for IT professionals is strong and demand remains consistent across the board. The tech sector has rebounded from the dot.com bust and a more stable IT job market has emerged. After years of reduced investment in IT, companies are recognizing the need to invest in their fixed capital and are putting money back into their infrastructures and front end applications. Companies are cognizant that a strong corporate IT plan is integral to their success.

As IT spending grows, the demand for IT professionals increases accordingly. Though this is good news, it comes at a time when there are more IT professionals leaving the workplace than entering. The result is a tightening labor market.

In the U.S. there is a substantial pool of highly qualified workers who are on the verge of retirement. Additionally, numerous studies show that there are not enough American students earning degrees in the computer and science fields to cover the growing need for these skills. Companies are already beginning to feel the affects of the labor shortage and need to formulate strategic plans to deal with its repercussions as its affects will continue to increase.

Although finding qualified workers is becoming more difficult, employers are also being very cautious about whom they bring into their organization. Businesses are carefully reviewing hiring processes to ensure the highest quality candidates are secured. Niche expertise is becoming more sought after and IT workers are able to command a premium salary because of their highly differentiated skill set. Consequently, salaries are slowly beginning to increase in order to draw the most qualified workers. Overall, the market for IT careers is healthy and is expected to grow well into 2007 and beyond.

The IT Worker in 2007 – Offshoring is still a factor for consideration, but activities in this arena have cooled. Companies utilizing this resource have in many cases already set up their operations and defined their protocol. And although much of the entry-level IT support type positions are now filled offshore, this has created an increased demand for managerial positions back in the states. American corporations want to keep the higher level IT jobs local so executives can effectively and thoroughly supervise their projects.

Additionally, as businesses increasingly share information over the Web, it is essential for them to keep top-notch security personnel on board to protect their network from breaches. Therefore, placements for IT security professionals are seen as a corporate priority. In addition, the use of iPods, PDAs and Smartphones has forced businesses to be diligent in monitoring and

¹ Information provided by Sapphire Technologies

safeguarding their networks from internal threats as well. Moreover, a high level of M&A activity is continuing to drive the demand for mid-level IT positions.

Hot Job Titles for 2007:

- Project Manager
- Business Analyst
- Program Manager
- Change Management Specialist
- Security Analyst
- Quality Assurance Personnel

Demographic Areas for Growth in 2007:

The IT industry is experiencing strong, consistent growth across all regions of the country. Following is a breakdown of specific areas of growth per region:

| | Northeast | Mid-Atlantic | Mid-West | West Coast | Southern |
|------------------------------------|------------------|---------------------|-----------------|-------------------|-----------------|
| Media/Telecom/Entertainment | | | | X | X |
| Finance | X | X | X | X | |
| Government | | X | | X | |
| Insurance | X | X | | | |
| Security | | X | | | |
| Manufacturing | | X | X | | |
| Healthcare | X | | X | | |
| Retail | X | | | | |
| Oil and Gas | | | | | X |

Growth in 2006

Vedior North America’s IT division, Sapphire Technologies, has received 59 percent more job orders for IT professionals in the first 9 months of 2006 than in the corresponding time period in 2005.

Healthcare²

Trends Affecting Healthcare Employment – The healthcare industry may be the sector most significantly affected by the tightening labor market. With the combined nursing shortage and retiring baby boomers, jobs are becoming difficult to fill as mature workers with sought after skill sets are leaving the workforce.

The Healthcare Worker in 2007

Nursing – The nursing shortage is a well publicized problem and is only expected to worsen in coming years. As the 55-64 population within the U.S. is expected to increase from 29 million to 40 million by 2014, the boom in demand for hospital services and RN's is looming. However, according to a May 2003 Fitch Ratings Report, the number of retiring nurses will exceed the number of new nurses entering the profession by 2012. This shortage of nurses is compounded by the fact that there is also a shortage of nursing faculties in the country. Tens of thousands of qualified nursing school applicants are turned away every year due to capacity issues.

Although the nursing shortage is widespread across all disciplines, the types of RNs that will be most in demand over the coming year are general medical surgical and critical care nurses. Advances in technology and procedures have also led to a strong demand for operating room nurses. However, nurses able to work in acute care settings such as hospitals are presently in highest demand.

With this shortage, the healthcare sector and hospitals in particular have been pushing to cut costs. One solution has been to increase the patient-to-nurse ratio. However, this leaves less time for individual patient care. Uncomfortable with this shift, many nurses are choosing to move to other sectors of the healthcare industry. For instance, case management is growing in popularity because it allows nurses to focus more on patient needs.

Physicians – One of the hottest areas of growth for physicians is locum tenens, or the practice of placing doctors in a location on a temporary basis. Whether in rural facilities or covering for a doctor that is on vacation, this lifestyle provides an alternative for doctors not wishing to work the hours demanded of an American physician.

An even more prevalent issue facing physicians today is the shortage in primary care doctors. This is due to a number of factors, not the least of which is the aging baby boomer population driving the need for additional time and services administered by doctors – ultimately affecting the number of patients a doctor

² Details provided by Clinical One

can see. Additionally, with long work hours coupled with some of the lowest salaries in medicine, it is not surprising that many medical school graduates pursue other more lucrative avenues within the field.

Allied Health – Allied health will be one of the hottest growth sectors over the course of the next few years. Specifically, as the baby boomer generation matures and medical technology advances, there will be an increase in both the number of patients seen and the treatments available. Therefore, we can expect to see an increasing demand for specialty nurses, therapists and technicians who are qualified to operate advanced medical equipment.

In particular, fields like physical and occupational therapy, home health aides and radiologic technicians will be in big demand in 2007. Specific positions that will see a dramatic increase include respiratory therapists, physical therapists, occupational therapists and MRI technicians. Undoubtedly, individuals interested in these fields will be able to count on steady work and increasing salaries as there will not be enough supply to meet demand in the next 20 years.

General Healthcare – Growing scrutiny from the Food and Drug Administration (FDA) as well as consumers concerned with safety following several high profile drug recalls is causing pharmaceutical and medical device companies to hire more professionals to ensure compliance with a host of regulations. Preparing to file for FDA review is a meticulous, often painstaking process. There are endless details to look over and it is imperative that the research is prepared to stand up under even the harshest of light. In order to meet this requirement some organizations are hiring additional scientists to examine all the research to ensure that it is ready. With this, we can expect to see an increase in demand for medical writers, study managers, CRA's, validation analysts and safety reviewers.

Companies are feeling pressure across each of these sectors and are now adjusting their salary offerings to help speed up their hiring and decision making process. It's no surprise that workers trying to break in to the healthcare field are finding it viciously competitive.

Growth in 2006:

Vedior North America's healthcare division, Clinical One, has received 20 percent more job orders for healthcare professionals in the first 9 months of 2006 than in the corresponding time period in 2005.

Vedior North America's life sciences division, Delta-Pharma, has also experienced a dramatic increase in the job orders received for the first 9 month of this year than the same time period in 2005.

Demographic Areas for Growth in 2007:

Demand for healthcare professionals is increasing nationally, though there is a particular surge of growth within the pharmaceutical and bio-tech hotbed areas of the Northeast and West coasts. Additionally, the states of California, Texas and Virginia are also seeing an increase in healthcare positions due to the legislation from both the U.S. Senate and House of Representatives regarding minimum levels of nurse staffing required in care facilities.

In addition, Alaska, Florida, Hawaii, Iowa, Michigan, New Hampshire, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, Wisconsin, and Texas all enacted legislation prohibiting or limiting the use of mandatory nurse overtime, increasing the demand for qualified workers.

Overall, there is a clear demand across the board for healthcare professionals, as illustrated in the figure below.

| | Northeast | Mid-Atlantic | Mid-West | West Coast | Southern |
|-----------------------|------------------|---------------------|-----------------|-------------------|-----------------|
| Pharmaceutical | X | | | X | |
| Bio-Tech | X | | | X | |
| Nursing | X | X | X | X | X |
| Physicians | X | X | X | X | X |
| Allied Health | X | X | X | X | X |

Professional Services³

Trends Affecting Professional Services – While finding qualified talent continues to be a challenge across all sectors, the Accounting and Finance, Legal and HR fields are feeling the tightening of the labor market at full force due to a fervent increase in corporate regulations. Coupled with the impending talent gap as seasoned baby boomers leave the work force, the hunt for skilled professionals to assist companies with compliance and accountability demands remains strong.

Accounting and Finance – The Sarbanes-Oxley Act (SOA) has created the fastest growing category of project assignments for financial professionals. The 2002 legislation included sweeping revisions to SEC reporting and disclosure requirements and major changes to corporate governance standards. With this, there has been a surge in demand for accounting and finance professionals who can assist companies with a host of projects ranging from restatement of earnings to stabilizing overall operations. In addition, the hot job market has created a surge in demand in the contract-to-hire sector.

As the job market continues to improve and many companies opt to recruit candidates on a direct hire basis, qualified accounting and financial professionals can expect multiple job offers and competitive compensation packages. The increased demand comes at all levels from entry-level accounting to senior-level positions across most industry sectors and precipitated by positive economic indicators and the tightening talent market.

Legal – In recent years, legislation has been passed to increase corporate accountability. But that means mountains of paper work – all of which needs approval from lawyers before it can be submitted. This has created a huge strain on legal departments and forced organizations to hire legal professionals with honed expertise. Moreover, as traditional legal assistant responsibilities become outsourced to technology, the need for qualified attorneys continues to surge.

Human Resources – HR professionals are increasingly viewed as strategic leaders and change agents within organizations. Organizations are investing in the human resources function as they struggle to recruit the talent they need as well as hold on to their existing employees. No longer perceived as personnel or administrative staff in corporations, HR workers are proven to serve an integral role in a company's bottom line. Executives are coming to rely more and more on their HR professionals to serve as a strategic link between management and the rest of the organization.

This past year, organizations have begun funding business expansion plans to increase productivity and promote retention. Businesses are now primarily

³ Details provided by Vedior Professional Services

concerned with retaining top performers and attracting new talent to assist in growing their organization. Across all industries, business expansion is requiring companies to reinvest in HR departments by bringing on additional sourcing specialists and human resource generalists.

Growth in 2006:

In the first 9 months of 2006, Vedior Professional Services received the following increase in job orders:

- Accounting & Finance staffing increased 10%
- HR staffing increased 39%
- HR direct hire increased 29%
- Legal staffing increased 25%

Hot Job Titles for 2007:

- Accountants
- Internal Auditors
- FCC Managers
- Financial Reporting Managers
- Recruiters
- Contract Recruiters
- HR Managers
- HR Directors

Demographic Areas for Growth in 2007:

The professional services industry is primarily seeing growth amongst the nation's financial hubs, including the Northeast, Mid-Atlantic and West Coast. Specifically, Boston, New York, Washington D.C. and Los Angeles are expected to see the largest boom.

Clerical & Light Industrial⁴

A continued challenge for the clerical and light industrial sector of the labor market is the dwindling number of qualified candidates in the job pool. As the positions within this area of the workforce typically require less skill, employees increasingly show little loyalty to their jobs and tend to move to different positions quickly. The decision to leave one job for another is commonly based on the desire for increased hourly pay rather than job satisfaction or career growth. Potential candidates within this division of the labor market are often moving into unknown situations that have no guarantee of long-term stability.

Companies are demanding more background and reference checks than ever before. Potential candidates within this sector of the labor market can expect employers to conduct drug tests as an additional means toward screening applicants. The number of tests performed has nearly doubled in the past year.

Clearly, employers want to ensure they are attracting and retaining top-notch talent and not a candidate that will likely leave after a short engagement.

Year over year growth for the Clerical and Light Industrial industry:

Vedior North America's clerical and light industrial division, Placement Pros, has received 17 percent more job orders in the first 9 months of 2006 than in the corresponding time period in 2005.

Hot Job Titles for 2007:

- Clerical
- Customer Service
- Security
- Insurance Claims Adjusters

Clerical

Some clerical positions are back in demand after a long period of time where companies were using people within their organizations to multi-task thus allowing them to eliminate positions and reduce overhead costs. This has begun to change recently as companies start to reinstate these positions. Despite this, the demand for clerical positions is expected to stay flat.

Customer Service

The demand for workers with customer service-oriented experience remains high as businesses continue to seek high-quality employees that can interact with their customers in a professional manner.

⁴ Details provided by Placement Pros

Security

Companies in all industries have raised their security and safety awareness. The number one concern has become their people and their assets; protecting them has become a priority. The demand for security personnel remains at a high.

Insurance

Insurance claims adjusters demand has been created by the competitive insurance market and the dwindling pool of qualified candidates from which to choose. Consequently, we can expect to see an increased demand for workers with expertise within this field as the fight for high quality, skilled employees' continues.

Demographic Areas for Growth in 2007:

The demand for clerical and light industrial professionals is seeing growth in the Mid-West due to the affordable cost of living and inexpensive cost of labor. The Western regions of the country are also seeing a surge in demand, specifically the states of California, Texas, Washington and Arizona, as outlined below.

- **California:** The demand for clerical and light industrial professionals is on the rise due to both the resurgence of the technology market and year-round production in agriculture.
- **Phoenix, Arizona, Dallas, TX and Seattle, WA:** These areas are fast becoming a hotbed of corporate activity and as a result, the local economy is improving, driving the demand for workers to fill a host of newly available positions.

ABOUT VEDIOR NORTH AMERICA

As the third largest staffing company, Vedior North America places 10,000 – 12,000 workers in any given week.

Vedior NA is able to flexibly tap into all of the specialized skills required to quickly adapt to every business condition. Unlike “general purpose” staffing companies, Vedior NA’s staff possesses the market sector experience needed to ensure the optimal fit between its clients’ needs and their experienced talent pool. Vedior NA is part of the Netherlands-based Vedior, NV, encompassing a diversified portfolio of brands targeting a broad range of industry sectors in 43 countries.

Vedior’s shares are listed on the Euronext Amsterdam stock exchange and included in the AEX index of most actively traded securities under the symbol VDR. It can be found on Google under the symbol VDOR.

For more information on Vedior NA, visit www.VediorNA.com. For more information on Vedior, NV, visit www.Vedior.com.