

SPHERION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(unaudited, amounts in thousands, except per share amounts)

	Three Months Ended	
	October 2, 2005	September 24, 2004
Revenues (1)	\$ 492,405	\$ 507,728
Cost of services	382,148	401,877
Gross profit (2)	110,257	105,851
Selling, general and administrative expenses	100,963	100,455
Interest expense	1,077	1,475
Interest income	(1,203)	(807)
Restructuring and other charges	159	(238)
Other loss (3)	-	841
	100,996	101,726
Earnings from continuing operations before income taxes and discontinued operations	9,261	4,125
Income tax expense	(2,863)	(1,732)
	6,398	2,393
Discontinued operations:		
Loss from discontinued operations before income taxes	(1,133)	(3,032)
Income tax (expense) benefit	(105)	30,382
(Loss) earnings from discontinued operations	(1,238)	27,350
Net earnings	\$ 5,160	\$ 29,743
Earnings (loss) per share-Basic:		
Earnings from continuing operations before discontinued operations	\$ 0.11	\$ 0.04
(Loss) earnings from discontinued operations	(0.02)	0.45
	\$ 0.08	\$ 0.49
Earnings (loss) per share-Diluted:		
Earnings from continuing operations before discontinued operations	\$ 0.10	\$ 0.04
(Loss) earnings from discontinued operations	(0.02)	0.44
	\$ 0.08	\$ 0.48
Weighted average shares used in computation of earnings (loss) per share:		
Basic	60,723	61,311
Diluted	61,147	62,178

(1) Includes sales of all company-owned and licensed offices and royalties on sales of franchised offices.

(2) Gross profit is revenues less temporary employee wages, employment related taxes such as FICA, federal and state unemployment taxes, medical and other insurance for temporary employees, workers' compensation, benefits, billable expenses and other direct costs.

(3) Loss on redemption of the remaining convertible subordinated notes of \$841 in 2004.

SPHERION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(unaudited, amounts in thousands, except per share amounts)

	Nine Months Ended	
	October 2, 2005	September 24, 2004
Revenues (1)	\$ 1,474,764	\$ 1,460,877
Cost of services	1,154,543	1,151,179
Gross profit (2)	320,221	309,698
Selling, general and administrative expenses	303,892	293,459
Interest expense	2,528	4,559
Interest income	(3,028)	(2,994)
Restructuring and other charges	1,763	8,617
Other loss (3)	-	841
	305,155	304,482
Earnings from continuing operations before income taxes and discontinued operations	15,066	5,216
Income tax expense	(4,953)	(2,792)
	10,113	2,424
Discontinued operations:		
Loss from discontinued operations before income taxes	(4,925)	(13,175)
Income tax benefit	499	35,166
(Loss) earnings from discontinued operations	(4,426)	21,991
Net earnings	\$ 5,687	\$ 24,415
Earnings (loss) per share-Basic:		
Earnings from continuing operations before discontinued operations	\$ 0.16	\$ 0.04
(Loss) earnings from discontinued operations	(0.07)	0.36
	\$ 0.09	\$ 0.40
Earnings (loss) per share-Diluted:		
Earnings from continuing operations before discontinued operations	\$ 0.16	\$ 0.04
(Loss) earnings from discontinued operations	(0.07)	0.36
	\$ 0.09	\$ 0.40
Weighted average shares used in computation of loss per share:		
Basic	61,353	60,914
Diluted	61,753	61,781

(1) Includes sales of all company-owned and licensed offices and royalties on sales of franchised offices.

(2) Gross profit is revenues less temporary employee wages, employment related taxes such as FICA, federal and state unemployment taxes, medical and other insurance for temporary employees, workers' compensation, benefits, billable expenses and other direct costs.

(3) Loss on redemption of the remaining convertible subordinated notes of \$841.

SPHERION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited, amounts in thousands, except share data)

Assets	October 2, 2005	December 31, 2004
Current Assets:		
Cash and cash equivalents	\$ 27,932	\$ 5,154
Receivables, less allowance for doubtful accounts of \$5,703 and \$7,077	290,747	352,606
Deferred tax asset	10,203	19,263
Income tax receivable	2,135	12,363
Insurance deposit	24,850	26,436
Other current assets	17,904	18,885
Assets of discontinued operations	2,939	4,772
Total current assets	376,710	439,479
Goodwill	49,981	48,757
Property and equipment, net of accumulated depreciation of \$118,032 and \$104,111	87,802	97,683
Deferred tax asset	157,136	149,436
Insurance deposit	56,374	66,482
Intangibles and other assets	22,258	28,429
	\$ 750,261	\$ 830,266
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and other accrued expenses	\$ 79,833	\$ 108,308
Accrued salaries, wages and payroll taxes	68,807	62,956
Revolving lines of credit	-	32,131
Accrued insurance reserves	30,527	34,135
Accrued income tax payable	57,211	57,765
Current portion of long-term debt and other short-term borrowings	2,326	12,398
Accrued restructuring	1,520	2,420
Other current liabilities	10,398	8,050
Liabilities of discontinued operations	272	1,488
Total current liabilities	250,894	319,651
Long-term debt, net of current portion	4,143	4,766
Accrued insurance reserves	29,143	28,879
Deferred compensation and other long-term liabilities	24,255	32,678
Total liabilities	308,435	385,974
Stockholders' Equity:		
Preferred stock, par value \$.01 per share; authorized, 2,500,000 shares; none issued or outstanding	-	-
Common stock, par value \$.01 per share; authorized, 200,000,000; issued 65,341,609 shares	653	653
Treasury stock, at cost, 5,465,690 and 4,238,678 shares, respectively	(46,993)	(40,430)
Additional paid-in capital	845,435	847,806
Accumulated deficit	(361,084)	(366,771)
Accumulated other comprehensive income	3,815	3,034
Total stockholders' equity	441,826	444,292
	\$ 750,261	\$ 830,266

SPHERION CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION
(unaudited, amounts in thousands, except per share amounts)

	Management Guidance	Three Months Ended		Nine Months Ended	
	Three Months Ended January 1, 2006	October 2, 2005	September 24, 2004	October 2, 2005	September 24, 2004
Adjusted earnings from continuing operations		\$ 6,500	\$ 2,767	\$ 11,241	\$ 8,295
Restructuring and other charges, net of tax benefit (expense) of \$57, \$(90), \$635, and \$3,268, respectively		(102)	148	(1,128)	(5,349)
Other losses, net of tax expense of \$319		-	(522)	-	(522)
Earnings from continuing operations		<u>6,398</u>	<u>2,393</u>	<u>10,113</u>	<u>2,424</u>
(Loss) earnings from discontinued operations		(1,238)	27,350	(4,426)	21,991
Net earnings		<u>\$ 5,160</u>	<u>\$ 29,743</u>	<u>\$ 5,687</u>	<u>\$ 24,415</u>
Per share-Diluted amounts:					
Adjusted earnings from continuing operations	\$0.08 to \$0.12	\$ 0.11	\$ 0.04	\$ 0.18	\$ 0.13
Restructuring and other charges, net of tax	-	(0.00)	0.00	(0.02)	(0.09)
Other losses, net of tax	-	-	(0.01)	-	(0.01)
Earnings from continuing operations	<u>\$0.08 to \$0.12</u>	<u>0.10</u>	<u>0.04</u>	<u>0.16</u>	<u>0.04</u>
(Loss) earnings from discontinued operations		(0.02)	0.44	(0.07)	0.36
Net earnings		<u>\$ 0.08</u>	<u>\$ 0.48</u>	<u>\$ 0.09</u>	<u>\$ 0.40</u>
Diluted weighted average shares used in computation of earnings (loss) per share		61,147	62,178	61,753	61,781

SPHERION CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
(unaudited, dollar amounts in thousands)

	Three Months Ended			Nine Months Ended	
	October 2, 2005	September 24, 2004	July 3, 2005	October 2, 2005	September 24, 2004
Revenues:					
Staffing Services	\$ 376,304	\$ 404,016	\$ 362,384	\$ 1,140,770	\$ 1,161,703
Professional Services	116,101	103,712	114,434	333,994	299,174
Segment revenue	<u>\$ 492,405</u>	<u>\$ 507,728</u>	<u>\$ 476,818</u>	<u>\$ 1,474,764</u>	<u>\$ 1,460,877</u>
Gross profit:					
Staffing Services	\$ 73,296	\$ 71,794	\$ 67,375	\$ 214,090	\$ 215,082
Professional Services	36,961	34,057	37,464	106,131	94,616
Segment gross profit	<u>\$ 110,257</u>	<u>\$ 105,851</u>	<u>\$ 104,839</u>	<u>\$ 320,221</u>	<u>\$ 309,698</u>
Segment operating profit:					
Staffing Services	\$ 7,794	\$ 4,337	\$ 2,412	\$ 13,577	\$ 16,774
Professional Services	4,555	6,946	5,438	13,517	16,960
Segment operating profit	<u>12,349</u>	<u>11,283</u>	<u>7,850</u>	<u>27,094</u>	<u>33,734</u>
Unallocated corporate costs	(2,951)	(5,764)	(3,937)	(10,439)	(17,072)
Amortization of intangibles	(104)	(123)	(104)	(326)	(423)
Interest expense	(1,077)	(1,475)	(652)	(2,528)	(4,559)
Interest income	1,203	807	966	3,028	2,994
Restructuring and other charges	(159)	238	168	(1,763)	(8,617)
Other loss	-	(841)	-	-	(841)
Earnings from continuing operations before income taxes and discontinued operations	<u>\$ 9,261</u>	<u>\$ 4,125</u>	<u>\$ 4,291</u>	<u>\$ 15,066</u>	<u>\$ 5,216</u>
MEMO:					
Gross profit margin:					
Staffing Services	19.5%	17.8%	18.6%	18.8%	18.5%
Professional Services	31.8%	32.8%	32.7%	31.8%	31.6%
Total Spherion	22.4%	20.8%	22.0%	21.7%	21.2%
Segment operating profit margin:					
Staffing Services	2.1%	1.1%	0.7%	1.2%	1.4%
Professional Services	3.9%	6.7%	4.8%	4.0%	5.7%
Total Spherion	2.5%	2.2%	1.6%	1.8%	2.3%

SPHERION CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
(unaudited, dollar amounts in thousands)

	Three Months Ended			Nine Months Ended	
	October 2, 2005	September 24, 2004	July 3, 2005	October 2, 2005	September 24, 2004
Staffing Services					
Revenue by Skill:					
Clerical	\$ 224,071	\$ 249,373	\$ 220,277	\$ 703,967	\$ 737,823
Light Industrial	152,233	154,643	142,107	436,803	423,880
Segment Revenue	<u>\$ 376,304</u>	<u>\$ 404,016</u>	<u>\$ 362,384</u>	<u>\$ 1,140,770</u>	<u>\$ 1,161,703</u>
Revenue by Service:					
Temporary Staffing	\$ 330,580	\$ 332,130	\$ 316,090	\$ 979,573	\$ 922,236
Managed Services	41,244	68,363	42,326	148,605	228,499
Permanent Placement	4,480	3,523	3,968	12,592	10,968
Segment Revenue	<u>\$ 376,304</u>	<u>\$ 404,016</u>	<u>\$ 362,384</u>	<u>\$ 1,140,770</u>	<u>\$ 1,161,703</u>
Gross Profit Margin by Service: (As % of Applicable Revenue)					
Temporary Staffing	17.0%	15.3%	16.6%	16.6%	15.4%
Managed Services	30.3%	25.6%	25.8%	26.3%	27.2%
Permanent Placement	100.0%	100.0%	100.0%	100.0%	100.0%
Total Staffing Services	19.5%	17.8%	18.6%	18.8%	18.5%
Professional Services					
Revenue by Skill:					
Information Technology	\$ 75,349	\$ 65,285	\$ 73,009	\$ 213,951	\$ 196,557
Finance & Accounting	27,168	24,353	26,320	77,697	67,913
Other	13,584	14,074	15,105	42,346	34,704
Segment Revenue	<u>\$ 116,101</u>	<u>\$ 103,712</u>	<u>\$ 114,434</u>	<u>\$ 333,994</u>	<u>\$ 299,174</u>
Revenue by Service:					
Temporary Staffing	\$ 103,510	\$ 91,907	\$ 100,993	\$ 297,643	\$ 268,328
Permanent Placement	12,591	11,805	13,441	36,351	30,846
Segment Revenue	<u>\$ 116,101</u>	<u>\$ 103,712</u>	<u>\$ 114,434</u>	<u>\$ 333,994</u>	<u>\$ 299,174</u>
Gross Profit Margin by Service: (As % of Applicable Revenue)					
Temporary Staffing	23.5%	24.2%	23.8%	23.4%	23.8%
Permanent Placement	100.0%	100.0%	100.0%	100.0%	100.0%
Total Professional Services	31.8%	32.8%	32.7%	31.8%	31.6%