

ROMAC INTERNATIONAL

The KnowledgeForce ResourceSM

1998 ANNUAL REPORT

Lightning strikes. Unyielding power and force connect to create a tangible and high impact result. So too are the minds of the KnowledgeForceSM. These intelligent, technically advanced and capable professionals drive the results of today's businesses.

The scope of the KnowledgeForceSM impact spans industries and professional functions. Romac International uniquely offers a mutual benefit to the professional and the organization who benefit from their expertise.

Professionals benefit from career management, education and training. Organizations rely on the ability of this KnowledgeForceSM to deliver the outcomes that drive their business. Romac International is the connection point – the conductor – the power behind these minds that drive the world's businesses. Our relationship with our customers, both organizations and the knowledgeable people who make them successful, results in tangible and impacting results, like a bolt of lightning that touches the earth.



To our customers, employees and fellow shareholders:

By the beginning of 1998, Romac International was well positioned for the accelerated implementation of its growth strategy. A management team capable of driving rapid internal growth and successfully integrating acquisitions was in place. A common stock offering had just raised \$85 million of new capital. The economy was strong and getting stronger. Hence, the timing was right for major expansion.

After an exhaustive analysis of alternative courses of action we concluded that the best opportunity for the advancement of the Romac strategy was the acquisition of Source Services Corporation. The boards of directors of Romac and Source unanimously agreed with this conclusion. On February 2, 1998, we announced that Romac International, Inc. would acquire Source Services Corporation in a pooling of interests business combination. On April 21, 1998, this merger was consummated and the two companies became one. This annual report reflects the combined operations for all of 1998 and prior years.

There were many compelling reasons for a Romac/Source combination. A primary driver of this transaction was the distribution platform which would be created to provide uniform services nationally to our targeted customer base. The combination would propel Romac three to five years ahead of its schedule to be in 25 major and 50 secondary markets in the United States. Secondly, the experienced leadership additions would facilitate the rapid implementation of proven operating and servicing processes. Additionally, there were several opportunities to derive financial benefits and efficiencies from the combination in the form of economies of scale, elimination of redundant expenses and improved productivity. Our belief that the Romac and Source cultures and business operations were similar enough to be rapidly integrated successfully further fueled the decision to combine. In retrospect, it is apparent that our assessment of these and other factors was correct. This was the best course of action for Romac.

We recognized that the cultural and operational integration would not be easy. It would combine two large companies with distinct histories. Romac, founded in 1966, had 1997 sales of \$182 million. Source, founded in 1962, had 1997 sales of \$295 million. Every person in both organizations would be affected. The amount of change would be a significant distraction from our customers. We had learned prior to the announcement of our merger that the most successful mergers were those that focused on the cultural aspects of the integration and where all operations were combined swiftly. We knew that our success was because we were operators, not consolidators. Therefore, we committed to move rapidly in the integration process in order to realize the vision of seamless national distribution for our customers.

As a result of the merger decision and consummation, 1998 will be remembered as the “year of integration.” From announcement through closing, everyone came to grips with the decision and planned the combined future. From closing through year-end, our team fully integrated all aspects of the business. Highlights follow.

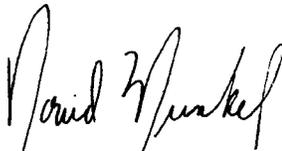
We decided that the brand would be Romac and that the transition from the Source name would be gradual and market driven. We reorganized management around the customers by functional discipline. All market overlaps were resolved. We combined the corporate operations in Tampa. We upgraded the Source computer hardware, operating systems and network to the Romac standard. We standardized all field sales training. Management training commenced and continues. All field sales and management compensation plans were standardized on the basis of similar pay for similar work. We installed a new “front office” technology platform that positions us to add new functionality. Romac now operates as one company.

The real story of 1998 is about the people. We asked the people of Romac heritage and Source heritage to believe in our rich vision of the future, to “scale the mountain” of integration and to continue to add value to our customers in the face of the distractions. Our people responded to the challenge. Everyone grew from the changes. Everyone has participated in forging the foundation for a truly world class company. The heritage of both companies has been preserved and will carry this newly combined entity into the future. We share one set of core values that bind us. We all adhere to one Code of Professional Conduct for the benefit of all who come in contact with us. We now share a passion for what we know we will accomplish together. This is the real value created from the merger.

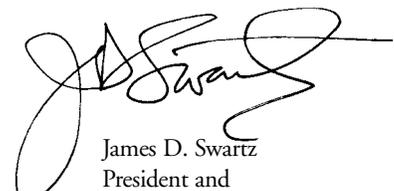
The entire company has now turned its attention externally, to our client organizations and the members of the KnowledgeForceSM. The merger created an environmental vibrancy which has resulted in a recommitment of the operating employees to deliver results at the highest level of excellence. The “passion quotient” is high and powerfully radiates throughout Romac. Our specialists are focused on the delivery of excellent quality service. We feel our new national distribution capability in the high demand, short supply skill disciplines and our growing number of innovative service offerings will add increasing value for our customers and growth for our shareholders.

We think you will agree that the energy of Romac’s KnowledgeForceSM is reflected in the pictures of certain members of our team shared with you in this report.

In summary, 1998 has been a year of dramatic advancement of the Romac strategy. We want to take this opportunity to thank our clients and the members of our KnowledgeForceSM for their contributions to our cause. A special note of thanks is also in order at this time to our loyal shareholders who have endured stock price volatility while we made the changes that we believe will create real long-term value.

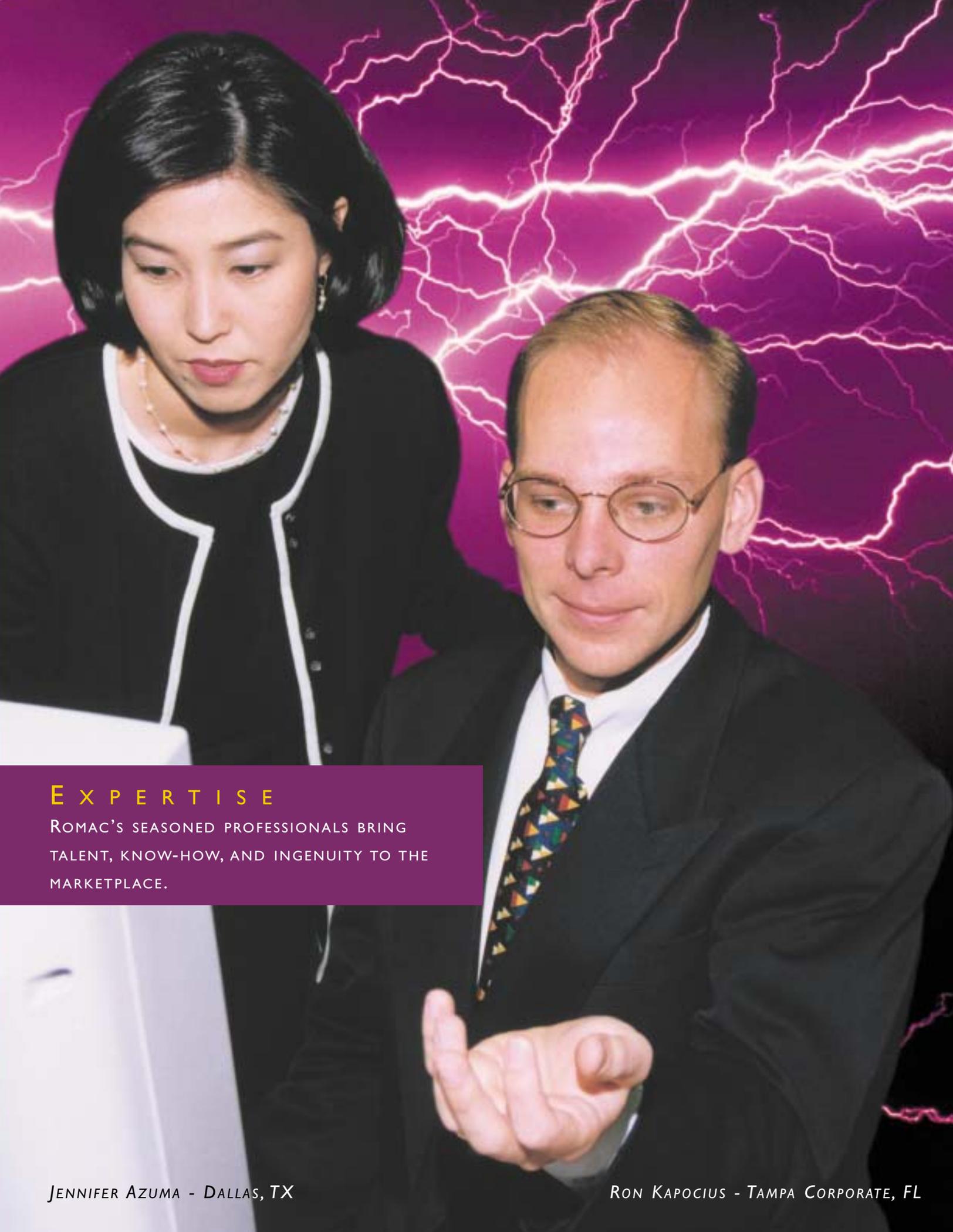


David L. Dunkel
Chairman and
Chief Executive Officer



James D. Swartz
President and
Chief Operating Officer





EXPERTISE

ROMAC'S SEASONED PROFESSIONALS BRING TALENT, KNOW-HOW, AND INGENUITY TO THE MARKETPLACE.

JENNIFER AZUMA - DALLAS, TX

RON KAPOCIUS - TAMPA CORPORATE, FL

1998 in Review

- ❖ Record net service revenues of \$680.1 million, an increase of 42 percent over 1997
- ❖ Net income of \$36.1 million, an increase of 63 percent over 1997, excluding merger, restructuring and integration costs of \$20.7 million, net of tax, associated with the Source merger
- ❖ Completion of successful merger with Source Services Corporation, a transaction valued at approximately \$439 million
- ❖ Substantial integration of Source and Romac operations, including:
 - ◆ Realignment of management to a functional rather than geographic structure
 - ◆ Completion of executive and management appointments
 - ◆ Conversion of the network technology platform with full national connectivity
 - ◆ Alignment of sales compensation plans
 - ◆ Implementation of a new, company-wide benefits plan
 - ◆ Deployment of a fully integrated hardware, desktop software, operating system
 - ◆ Enhancement of mentoring, training and skill building programs to continue to strengthen the core knowledge base
- ❖ Expansion of the Human Resources business unit into five additional markets for a total of seven
- ❖ Expansion into three new markets of Romac Executive Solutions, a service line which provides highly skilled finance and accounting professionals, as well as other key executives, on a contract and permanent basis
- ❖ Rollout of the Education Services Practices within the Emerging Technologies division
- ❖ Expansion of Romac Operating Specialties' HealthCare services into three new markets and Pharmaceutical services into two new markets
- ❖ Increased growth of the Romac presence in all its existing markets through internal growth as well as acquisition

The Romac Core Values

Respect Individuals

Uncommon Work Ethic

Stewardship/Community

Inspire Personal Growth

Accountability

Dedication to Family Values

Embrace Change

High Personal Integrity

Professionalism

Trust

Value Diversity

Fun

Financial Highlights

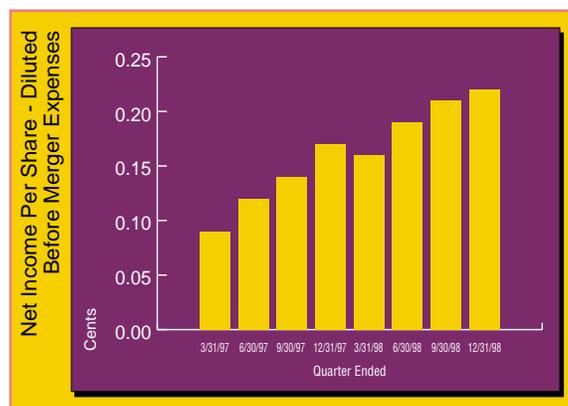
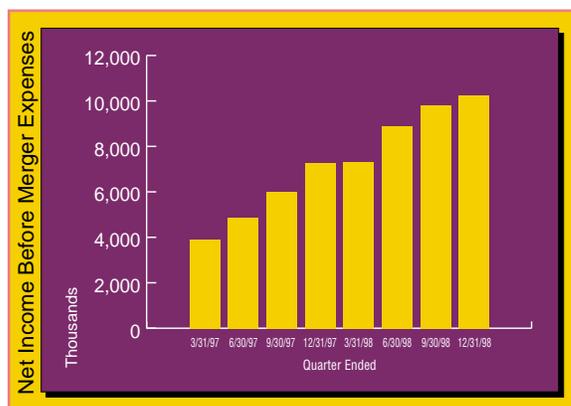
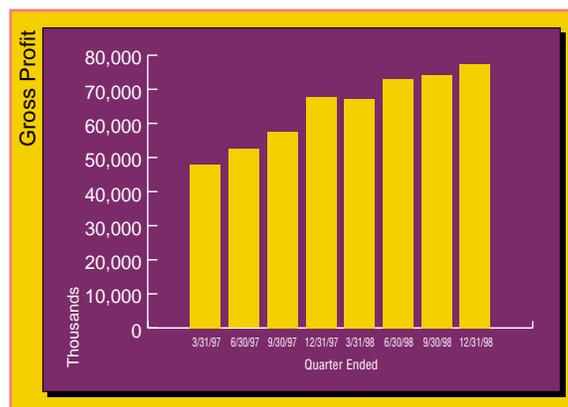
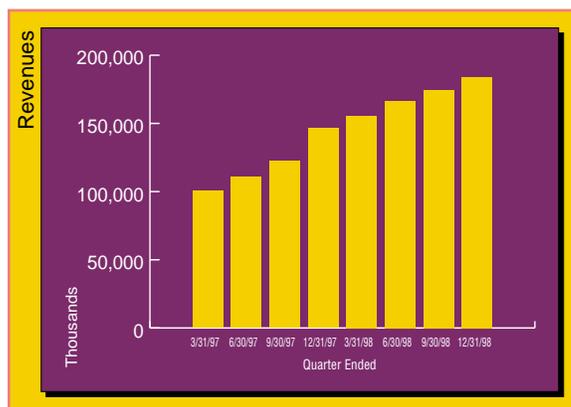
In thousands, except per share amounts

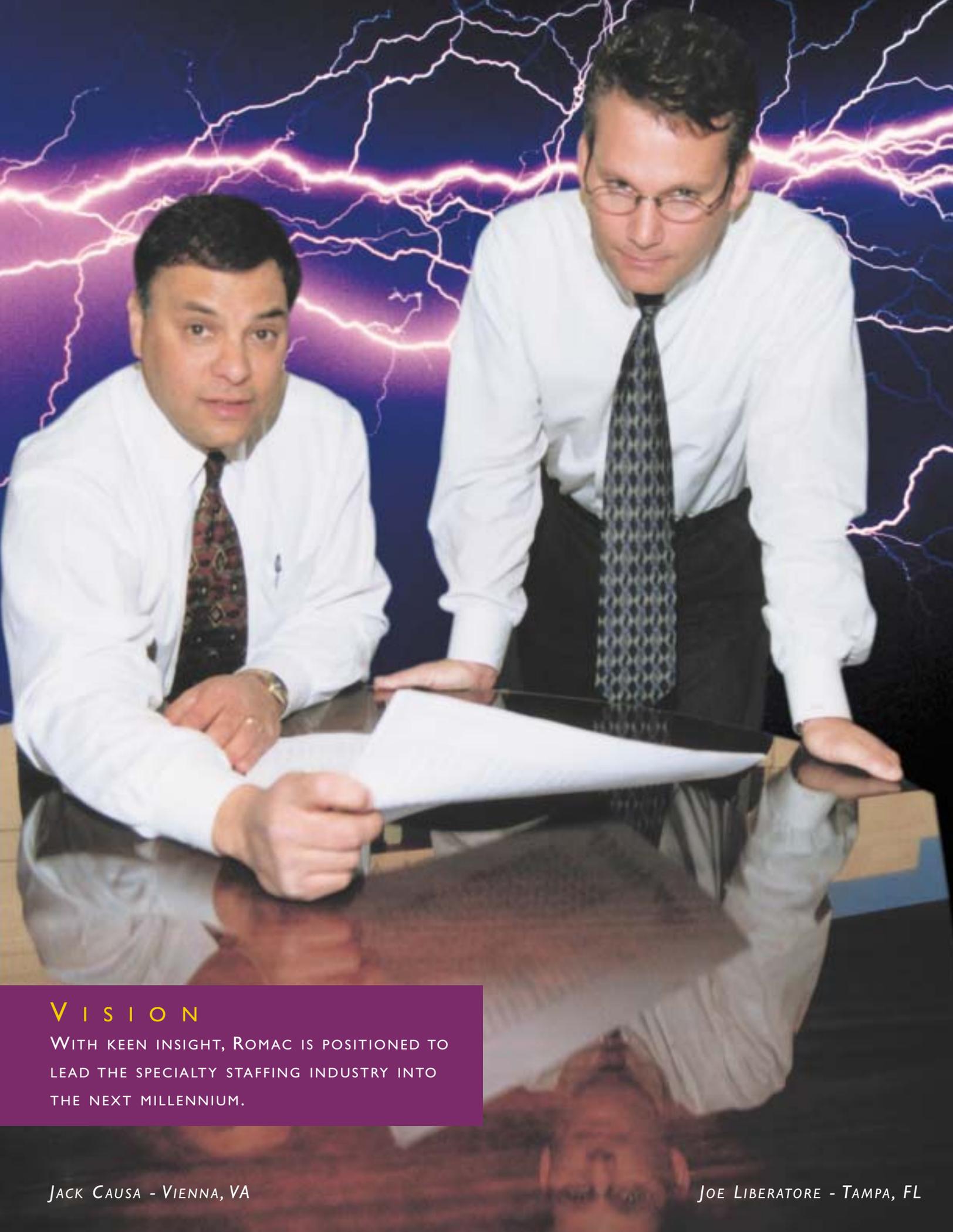
Operations:

	3/31/97	6/30/97	9/30/97	12/31/97	3/31/98	6/30/98	9/30/98	12/31/98
Revenues	\$100,344	\$110,609	\$122,326	\$146,464	\$155,402	\$166,321	\$174,361	\$184,002
Gross Profit	47,904	52,386	57,522	67,799	67,101	72,984	74,179	77,317
Net Income (loss)	3,920	4,867	5,995	7,289	6,249	(3,688)	6,192	6,686
Net income before merger and integration expenses	3,920	4,867	5,995	7,289	7,313	8,887	9,820	10,275
Net income per share-diluted	0.09	0.12	0.14	0.17	0.13	(0.08)	0.13	0.15
Net income per share-diluted before merger and integration expenses	\$0.09	\$0.12	\$0.14	\$0.17	\$0.16	\$0.19	\$0.21	\$0.22

Financial Position:

	3/31/97	6/30/97	9/30/97	12/31/97	3/31/98	6/30/98	9/30/98	12/31/98
Cash, cash equivalents and short-term investments	\$50,094	\$52,627	\$24,899	\$103,622	\$96,074	\$100,212	\$91,218	\$80,821
Working Capital	90,836	94,779	61,281	149,459	154,799	133,252	128,086	135,348
Total Assets	151,831	165,409	190,930	283,098	291,687	319,080	336,666	333,812
Long Term Debt	0	1,636	1,276	1,260	870	870	686	461
Shareholders' Equity	\$124,323	\$130,264	\$138,325	\$232,704	\$240,511	\$238,041	\$246,323	\$255,022





VISION

WITH KEEN INSIGHT, ROMAC IS POSITIONED TO LEAD THE SPECIALTY STAFFING INDUSTRY INTO THE NEXT MILLENNIUM.

JACK CAUSA - VIENNA, VA

JOE LIBERATORE - TAMPA, FL

About Romac...

Market Position

Romac International is a national provider of specialty staffing, innovative business solutions, training and career management. Romac places technical and professional experts with college degrees and increasing depth of skills in organizations in flexible and permanent positions.

Market Incumbency

Romac is distinguished by its market incumbency. Romac heritage dates back to 1966. Source heritage dates back to 1962. The combined Romac organization benefits from a refined level of expertise that can only come from depth of experience.

Multidimensional Growth Strategy

Romac focuses on growth in four dimensions: function (or skill discipline); time; geography; and industry.

With respect to **Function**, Romac provides a balanced mix of service offerings and is continually adding, on a measured basis, an increasing number of skill sets in which we specialize. Examples of skill niches added in 1998 include e-commerce and Java within the Romac Information Technology business unit and electronic component engineers for the telecommunications industry within the Romac Operating Specialties business unit. This approach creates continuing growth opportunities as well as a hedge against a downturn in any particular skill set.

With respect to **Time**, Romac places people with the selected specialty skills on a flexible and permanent basis. This unique capability facilitates more consultative relationships with our clients and career-long relationships with members of our KnowledgeForceSM. As organizations consider the mix of core (permanent) and contract (flexible) personnel, Romac advises and then supplies members of our KnowledgeForceSM for the optimal duration to maximize success. Contemporaneously, Romac advises the members of its KnowledgeForceSM about the relative merits of core and contract assignments compared to career objectives and the stage of career growth the member has achieved. Romac then acts as agent on the member's behalf.

With respect to **Geography**, Romac operates from physical locations in 25 major metropolitan markets and 20 secondary markets domestically and one international market. In addition to the 25 major markets, a total of 50 secondary markets and 15 international markets had previously been identified in the original articulation of the Romac strategy. Local presence is a key element of the Romac approach. Even as Romac and the world become more virtual by the day, our local market expertise in developing meaningful customer relationships is enhanced by the ability to associate with people on the physical plane. This is an important contributor in our current and future success.

With respect to **Industry**, the world is becoming more specialized at a rapid pace. Knowledge of specific industries, the specialty skill sets most critical to success within those industries and the points of crossover of the specialty skill sets to other specific industries can add significant value in a KnowledgeForceSM supply-constrained market. Romac continued to build this competency in 1998. An example is the identification of the "portability" of certain pharmaceutical industry skills to the R&D labs of other life science-related industries. This recognition resulted in the start-up of Romac Scientific. Romac believes that industry alignment is the highest order of specialization and therefore it will continue to invest in this growing expertise.

Services

Romac offers services in the areas of specialty staffing, consulting and training.

With respect to **Specialty Staffing**, Romac places professionals within the functional disciplines of information technology (IT), finance and accounting (F&A), human resources (HR) and operating specialties (OS). Within IT, Romac places specialists in the higher skill areas. Of particular note is Romac's Source EDP, the largest IT permanent placement operation in the nation.

KNOWLEDGE FORCE

A UNIQUELY EXPERIENCED AND ACCOMPLISHED
GROUP OF PROFESSIONALS REPRESENTS THE CORE
OF THE ROMAC VISION.



ROSE FARAH - ATLANTA, GA



DIRECTION

AT ROMAC, WE ARE TAKING YOU INTO THE
FUTURE WITH CONFIDENCE AND A CLEAR VISION.

APRIL WILSON - PHILADELPHIA, PA

Romac is also now the largest national provider of IT staffing that places flexible and permanent employees. Within F&A, Romac places the full range of skilled professionals, from degreed bookkeepers to CFO's; all on a flexible or permanent basis. Romac HR places a number of specialty disciplines within the HR function on a flexible and permanent basis. This key functional area opens access to the decision-makers regarding all specialty skills. Romac OS focuses on the micro-niches of high demand, short supply, mission critical skill sets in the operational functions of organizations.

With respect to **Consulting**, Romac entered the consulting market through the offering of Information Technology solutions by Romac Emerging Technologies (ET). Specialty practices include networking, ERP, e-commerce, and application development. ET also specifically addresses the telecommunications industry. A growing team of full-time Romac employees act as consultants and deliver results from "time and materials" projects involving deliverables. An internally developed, proprietary methodology is employed by project teams and distinguishes the value added by ET. Our clients have acknowledged that ET employees are among the "elite" of the industry.

The genesis of Romac Emerging Technologies was grounded in focused, directly applicable **Training**. Carefully profiled candidates were selected, put through "boot camp" training to reengineer their skills, then assigned to Romac client organizations under the tutelage of a Romac project leader/mentor. This built a training core competency that flourishes today under the Romac Education Services banner. Today, Romac provides technical training to information technology professionals and end-user training to functional professionals from our client organizations. Graduates earn certifications in several leading technologies. Software development companies outsource training to Romac while maintaining control over the content of the curriculum. Romac also provides curriculum development on a consulting basis.

Commitment To Technology

Romac has made a significant investment in its information technology platform. We view ourselves as an information driven company and have always leveraged our success through these technology investments. As of the end of 1998, we had a company-wide, fully integrated, three tier, client server architecture with powerful Pentium processor personal computers on everyone's desk. We have company-wide email, the complete Microsoft Office '97 office suite and complete internet and intranet connectivity at every desk. Each field office salesperson and all of management uses our proprietary contact management and relational data base system. Our back office system is standardized on PeopleSoft. We believe we are positioned for high impact in the rapidly evolving, web-driven economy.

Customers

Romac pursues relationships with two distinct customer groups – client organizations and the KnowledgeForceSM. Business processes are continually refined to further organize around these two different groups. Our centralizing theme of customer intimacy drives us to become an extension of the agendas of our customers.

Romac does business with a growing number of customers. Romac also continues to develop more meaningful relationships with a growing number of major and national accounts. These profitable relationships are made possible by our national distribution system, our seamless communications technology and our dedicated team of major accounts-focused professionals.

Stewardship

In 1998, Romac increased its commitment to the less fortunate in the communities we serve. Several new commitments of time and resources to worthy charities were added in the past year. In addition, a national program was announced wherein Romac seeks to align with and commit time and resources to a national charitable organization with a presence in the local markets we serve. Several organizations have applied and are being considered at this writing. We believe these activities improve our community, enrich the Romac experience for the KnowledgeForceSM and are also good for business. Most importantly, it is the right thing to do.

Directors

David L. Dunkel

Chairman
Chief Executive Officer
Romac International

John N. Allred

President
ARG, Incorporated

W.R. Carey, Jr.

Chief Executive Officer
Corporate Resource Development

Richard M. Cocchiaro

Director
Romac International

Wayne D. Emigh

Former Chairman and past CEO
Source Services Corporation

Todd W. Mansfield

Managing Director
Security Capital Global Realty, Inc.

Howard W. Sutter

Vice President, Acquisitions
Romac International

James D. Swartz

President
Chief Operating Officer
Romac International

A. Gordon Tunstall

Chief Executive Officer
Tunstall Consulting

Karl A. Vogeler

Former Partner
Thompson, Coe, Cousins & Irons, LLP

Transfer Agent

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P.O. Box 8200
Boston, MA 02266-8200

Independent Accountants

Price Waterhouse, LLP.
Tampa, Florida

Corporate Counsel

Holland & Knight LLP.
Tampa, Florida

Stock Listing

The Company's stock is traded on the NASDAQ National Market System under the symbol ROMC.

Shareholder Inquiries

Romac International welcomes inquiries from its shareholders and other interested investors. For further information contact Pete Dominici, Treasurer at Romac International • 120 West Hyde Park Place • Suite 120 • Tampa, Florida 33606

Annual Meeting

The annual meeting of shareholders of the Company will be held on May 28, 1999 at 10:00 am. Wyndham Harbour Island Hotel in Tampa, Florida.