

To Our Shareholders,

COMFORCE'S proactive strategy for creating, rather than reacting to change has once again been rewarded. While the temporary staffing industry has declined by 8% in 2008, COMFORCE revenues and profits have shown reasonable growth.

Our creation of Pro Unlimited in 1991, our Human Capital Management Subsidiary, was ahead of the curve, at the forefront of the accelerated demand for Vendor Managed Services (VMS). PrO has grown its revenues at a compounded growth rate of 15.2% for the last seven years. We are still seeing accelerating client demand, which indicates that we may be able to achieve growth even in the current economic climate. PrO revenues now account for over 60% of our total sales.

Another revolutionary, ahead of its time entry into VMS, is our RightSourcing® Division. We believe this service, provided principally to hospital systems, adheres to the basic model of business principles of PrO. Our early entry has given us a leadership position in this unique space. Due to our reputation for quality and successful implementations to over 14 hospital systems, some of which represent chains, expansion is very probable. Our success has prompted leading medical staffing vendors to subcontract through COMFORCE, which services hospitals as a single source provider of temporary staffing.

Financial results for 2008 showed revenues of \$606.6 million, modestly increasing from \$586.7 in 2007. In light of the current economic conditions, we are pleased with our results. Income from continuing operations before taxes was \$10.4 million, an improvement over 2007's \$8.3 million. Net income for 2008 was \$5.9 million compared to \$6.0 million for 2007

On another positive note, we reduced our interest expense by \$3.3 million in 2008 due to repurchases and redemptions of \$22.9 million principal amount of 12% Senior Notes from June 2007 through August 2008 and to lower interest rates on our borrowings. It is noteworthy to highlight that we have completely eliminated our \$138.8 million of long-term public debt since June of 2001. The elimination of the outstanding high yield 12% Senior Notes will further strengthen our financial foundation going forward.

While our gross margin has increased slightly, it has not been reflected in the bottom line because of increased operating expenses due to overseas expansion and PrO's new client implementation costs. We still plan to cautiously continue to expand our global presence through our government services division and PrO Unlimited. In spite of the complexity and challenges of overseas expansion we feel the reward will be adequate enough to continue to forge ahead.

We see the economic slowdown as a unique opportunity to add talented human resources to our sales, service and contract staff. In the past few years the shortage of skilled, experienced people has been a major deterrent to increasing revenues. In recent years, a good portion of job orders from our clients has gone unfilled because of recruiting difficulties. We anticipate the percentage of job orders filled for our clients will increase in 2009 due to the increased available pool of workers.

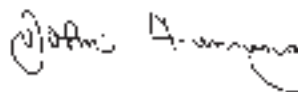
Our diverse business mix in healthcare support services, information technology, aerospace, technical/engineering, general administrative and permanent placements makes COMFORCE adequately poised to weather the current economic storm, perhaps in a better position than those companies who are highly specialized. Our client base also touches a broad range of industries and our hope is that this will further buffer us from the recessionary economy. Only time will tell if our vision and positioning will have the payoff we expect.

We see another positive on the horizon for the staffing industry. As companies become increasingly expense conscious, we foresee the use of temporary staffing as their antidote to fixed salary expenses and rising benefits costs. Currently, temporary staffing accounts for 13.1% of the workforce. It is forecasted to grow by 10.4% in 2009. Contingent staffing is an attractive option in an economic downturn. While productivity requirements are lowered they must still be achieved. Temporary staffing can be the most economical way to maintain productivity.

The challenges for us and most other business are fairly obvious in a sliding economy, but we have seen many recessions in our more than 50 year history. We are proud to say we have not only survived, but thrived through each one. We are wary of downturns, but confident that we can weather them.

We are appreciative of your confidence in COMFORCE. We work diligently each day to maintain a high quality of service, retain our unblemished ethical standards and to achieve growth and profitability. I believe that this year we will have to work twice as hard to forge ahead. But, that's our role and our commitment is stronger than ever. Thank you for your ongoing support.

Yours truly,



John Fanning
Chairman of the Board and
Chief Executive Officer

