

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 22, 2003

TEAMSTAFF, INC.

(Exact name of Registrant as specified in charter)

New Jersey

0-18492

22-1899798

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

300 Atrium Drive, Somerset, N.J.

08873

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (732) 748-1700

(Former name or former address, if changed since last report.)

ITEM 7: FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

The following exhibit is filed herewith:

EXHIBIT NO.	DESCRIPTION
99.1	Press release issued by TeamStaff, Inc. dated December 22, 2003.

ITEM 12: RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On December 22, 2003, TeamStaff, Inc. (the "Registrant") issued a press release announcing results for the fiscal year ended September 30, 2003. A copy of the press release is attached as Exhibit 99.1. The information in this report shall not be deemed to be "filed" for purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. Unless expressly incorporated into a filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, made after the date hereof, the information contained herein shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 23, 2003

TEAMSTAFF, INC.
(Registrant)

By /s/ Edmund C. Kenealy

Edmund C. Kenealy
Vice President, General Counsel
and Secretary

Contact Information:

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TEAMSTAFF ANNOUNCES FOURTH-QUARTER AND FISCAL 2003 FINANCIAL RESULTS AND
POST-RESTRUCTURING GROWTH PLANS

SOMERSET, N.J., December 22, 2003 -- TeamStaff, Inc. (Nasdaq: TSTF) one of the nation's leading providers of healthcare staffing and specialty payroll services, today announced that it has filed its Form 10-K for the fiscal year ended September 30, 2003. Additionally, TeamStaff announced financial results for the fourth quarter and fiscal year ended September 30, 2003. As a result of TeamStaff's sale of its Professional Employer Organization (PEO) segment, all results reported in this release have been reclassified to show PEO and certain related corporate expenses as discontinued operations.

"Fiscal 2003 has been a year of transition for TeamStaff. The key changes we have made within our senior management group, together with the subsequent sale of the PEO division and the competitive advantages that are built into our medical staffing services, including our innovative VIP program, have positioned TeamStaff to expand its leadership role in the medical staffing industry," said TeamStaff's President and CEO, T. Kent Smith. "Now that we have sold the PEO operations in favor of segments with higher margins and more robust growth potential, we have refocused our vision and believe we have sufficient capital to make appropriate investments to grow our business and return to profitability."

"As the third-largest allied healthcare staffing provider, we believe that we are in the right place with the right technology and the right expertise to capitalize on the trend toward vendor consolidation in medical staffing," Mr. Smith continued. "This trend mirrors a similar phenomenon in contract IT staffing over the last several years, but it is still unfolding in our space. Our in-depth knowledge of our customers' needs and the innovative services we have developed to meet those needs position us for significantly improved performance as the medical staffing sector recovers."

TeamStaff's revenues from continuing operations for the three months ended September 30, 2003 were \$13.3 million compared to \$19.6 million in the same quarter last year. The 32% decrease is attributable to decreased revenues in the medical staffing division. Loss before discontinued operations was \$0.2 million or \$0.01 per share in the fourth quarter of 2003 compared to net income before discontinued operations of \$0.3 million or \$0.02 per share in the comparable quarter last year. Net loss was \$0.7 million or \$0.05 per share in the fourth quarter of fiscal 2003 versus breakeven in the fourth quarter of fiscal 2002. Net loss for the fourth quarter was affected by \$0.6 million or \$0.04 per share and \$0.3 million or \$0.02 per share loss from discontinued operations in fiscal year 2003 and fiscal year 2002, respectively.

TeamStaff's revenues from continuing operations for the fiscal year ended September 30, 2003 were \$62.8 million compared to \$79.8 million last year. The decrease is primarily attributable to decreased revenues in the medical staffing division as noted above. Loss before discontinued operations was \$1.6 million compared to income before discontinued operations of \$3.0 million last year. Loss from continuing operations in fiscal 2003 was affected by \$2.5 million of expense accruals related to severance and supplemental retirement plan obligations to TeamStaff's former Chief Executive Officer and former Chief Financial Officer. Net loss was \$28.9 million or \$1.84 per share in fiscal year 2003 versus net income of \$3.1 million or \$0.19 per share in fiscal year 2002. Net loss in fiscal year 2003 was affected by a \$27.3 million loss or \$1.74 per share from discontinued operations. This loss was predominately due to the previously disclosed after-tax write-down of impaired goodwill and intangibles totaling \$25.4 million. Net income in fiscal year 2002 was favorably impacted by \$0.1 million or \$0.01 per share from discontinued operations.

Commenting on TeamStaff's results and restructuring, Mr. Smith stated, "Our fiscal year results were significantly and negatively affected by our determination to write down impaired goodwill and intangibles associated with our PEO division in the second and third quarters. Additionally, in recent quarters the entire industry has experienced reduced

demand for traveling nurses and allied health professionals. However, we believe the demand for temporary medical staffing will increase, driven by an improving economy, rising hospital admissions, an aging population and a chronically deepening shortage in the supply of registered nurses."

Mr. Smith continued, "As we continue the restructuring of TeamStaff, the sale of our PEO division not only has strengthened our balance sheet and improved our free cash position significantly, but has also given us the ability to focus on the strategic development of our TeamStaff Rx division. As we previously disclosed, we will be investing heavily in the development of our TeamStaff Rx sales team with a 'relationship' emphasis, with both inside and outside sales professionals who maintain constant interaction with existing and prospective clients. Additionally, our product development efforts have resulted in the introduction of our Vendor Integration Program (VIP), which provides both large and middle-market clients the opportunity to manage the entirety of their medical staffing needs quickly and efficiently through a web-based application. VIP centralizes management of our customers' multiple orders, vendors and locations while freeing them of much of the traditional associated paperwork and time-of-staff burdens, and not coincidentally, also provides them with significant savings in both hard and soft costs. While we feel confident in the direction of our revised TeamStaff Rx business strategy and the continued steady contribution to revenues provided by our DSI Payroll Services division, we believe it will take a few quarters for us to realize the positive benefits of our new efforts."

About TeamStaff:

Headquartered in Somerset, New Jersey, TeamStaff serves clients and their employees throughout the United States as a full-service provider of payroll and medical staffing solutions.

TeamStaff Rx provides medical allied health professionals and nurses to doctors' offices and medical facilities throughout the United States on a temporary or permanent basis and offers programs and services designed to assist medical facilities in managing their temporary staffing costs. DSI Payroll Services, TeamStaff's payroll processing division, provides customized payroll management and tax filing services to select industries, such as construction and general contracting.

For more information, visit the TeamStaff web site at www.teamstaff.com.

This press release contains "forward-looking statements" as defined by the Federal Securities Laws. TeamStaff's actual results could differ materially from those described in such forward-looking statements as a result of certain risk factors, including but not limited to: (i) regulatory and tax developments; (ii) changes in direct costs and operating expenses; (iii) the estimated costs and effectiveness of capital projects and investments in technology infrastructure; (iv) ability to effectively implement its business strategies and operating efficiency initiatives, including, but not limited to, its new business strategy for TeamStaff Rx; (v) the effectiveness of sales and marketing efforts, including TeamStaff's marketing arrangements with other companies; (vi) changes in the competitive environment in the temporary staffing and payroll processing industry; and (vii) other one-time events and other important factors disclosed previously and from time to time in TeamStaff's filings with the U.S. Securities and Exchange Commission. These factors are described in further detail in TeamStaff's filings with the U.S. Securities and Exchange Commission.

For further information please contact: T. Kent Smith, President & CEO of TeamStaff, Inc., +1-732-748-1700; or Christi Mottola, Managing Partner, CCG Investor Relations, +1-949-851-1109, cmottola@aol.com, for TeamStaff, Inc.

TEAMSTAFF, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE THREE MONTHS ENDED		FOR THE YEARS ENDED	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
REVENUES	\$13,316	\$19,635	\$62,805	\$79,820
DIRECT EXPENSES	10,713	15,993	50,615	63,796
Gross profit	2,603	3,642	12,190	16,024
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,942	3,268	14,766	12,085
DEPRECIATION AND AMORTIZATION	91	3	329	198
(Loss) income from continuing operations	(430)	371	(2,905)	3,741
OTHER INCOME (EXPENSE)				
Interest and other income	125	230	601	1,117
Interest and other expense	(26) 99	(75) 155	(220) 381	(167) 950
(Loss) income before tax	(331)	526	(2,524)	4,691
INCOME TAX BENEFIT (EXPENSE)	140	(229)	930	(1,717)
(Loss) income before discontinued operations	(191)	297	(1,594)	2,974
(Loss) from discontinued operations, net of tax benefit	(558)	(331)	(27,291)	101
Net (loss) income	\$ (749)	\$ (34)	\$ (28,885)	\$ 3,075
EARNINGS PER SHARE - BASIC & DILUTED				
(Loss) income before discontinued operations	\$ (0.01)	\$ 0.02	\$ (0.10)	\$ 0.18
(Loss) income from discontinued operations	(0.04)	(0.02)	(1.74)	0.01
Net (loss) income	\$ (0.05)	\$ (0.00)	\$ (1.84)	\$ 0.19
BASIC AVERAGE SHARES OUTSTANDING	15,701	15,972	15,732	16,014
DILUTED AVERAGE SHARES OUTSTANDING	15,701	16,028	15,732	16,183

TEAMSTAFF, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS)

	September 30, 2003	September 30, 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$4,329	\$12,455
Restricted cash	1,264	129
Accounts receivable, net of allowance for doubtful accounts of \$142 and \$17 at September 30, 2003 and 2002	4,926	7,617
Current deferred tax asset	--	1,791
Prepaid workers' compensation	3,645	2,341
Other current assets	1,447	3,069
Total current assets	15,611	27,402
EQUIPMENT AND IMPROVEMENTS		
Furniture and equipment	2,628	2,603
Computer equipment	1,073	1,025
Computer software	1,060	606
Leasehold improvements	146	129
	4,907	4,363
Accumulated depreciation and amortization	(3,689)	(3,341)
	1,218	1,022
DEFERRED TAX ASSET	14,875	6,680
TRADENAME	4,199	4,199
AMORTIZED INTANGIBLES - PENSION	--	612
GOODWILL	1,710	1,710
OTHER ASSETS	555	915
ASSETS HELD FOR SALE	22,449	51,426
TOTAL ASSETS	\$60,617	\$93,966

TEAMSTAFF, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS)

September 30, September 30,
2003 2002

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Current portion of long-term debt	\$61	\$59
Accounts payable	669	1,400
Accrued payroll	2,856	1,784
Deferred tax liability	538	--
Accrued expenses and other current liabilities	3,181	6,222
Total current liabilities	7,305	9,465

LONG-TERM DEBT, net of current portion	94	147
ACCRUED PENSION LIABILITY	1,724	1,271
LIABILITIES HELD FOR SALE	16,384	18,344
Total liabilities	25,507	29,227

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY

Preferred stock, \$.10 par value; authorized 5,000 shares; 0 issued and outstanding	--	--
Common Stock, \$.001 par value; authorized 40,000 shares; issued 16,267 and 16,229; outstanding 15,714 and 15,899	16	16
Additional paid-in capital	65,256	65,200
Retained (deficit) earnings	(27,572)	1,313
Accumulated comprehensive losses	(273)	(142)
Treasury Stock, 533 and 330 shares at cost	(2,317)	(1,648)
Total shareholders' equity	35,110	64,739

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$60,617	\$93,966
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Source: TeamStaff, Inc.