UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For The Nine Months Ended July 31, 2005.

Or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from_________ to____________

Commission File No. 1-9232

VOLT INFORMATION SCIENCES, INC.
(Exact name of registrant as specified in its charter)

New York	13-5658129
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

560 Lexington Avenue, New York, New York	10022
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 704-2400

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

The number of shares of the Registrant's common stock, $.10 par value, outstanding as of September 1, 2005 was 15,338,430.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
FORM 10-Q
TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Statements of Operations -
Nine and Three Months Ended July 31, 2005 and August 1, 2004 3

Condensed Consolidated Balance Sheets -
July 31, 2005 and October 31, 2004 5

Condensed Consolidated Statements of Cash Flows -
Nine Months Ended July 31, 2005 and August 1, 2004 6

Notes to Condensed Consolidated Financial Statements 8

Item 2. Management's Discussion and Analysis of Financial Condition
and Results of Operations 17

Item 3. Quantitative and Qualitative Disclosures about Market Risk 47

Item 4. Controls and Procedures 49

PART II - OTHER INFORMATION

Item 6. Exhibits 53

SIGNATURE 53

<TABLE>
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PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Nine Months Ended		Three Months Ended	
	July 31, 2005	August 1, 2004(a)	July 31, 2005	August 1, 2004
		(Restated)		
	(In thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
NET SALES	$ 1,587,395	$ 1,393,170	$ 543,515	$ 500,732
COST AND EXPENSES:				
Cost of sales	1,477,068	1,291,080	502,572	456,993
Selling and administrative	65,964	58,516	22,941	20,564
Depreciation and amortization	22,627	18,832	7,600	6,462
	1,565,659	1,368,428	533,113	484,019
OPERATING PROFIT	21,736	24,742	10,402	16,713
OTHER INCOME (EXPENSE):				
Interest income	1,868	684	746	253
Other expense - net	(2,911)	(3,065)	(1,043)	(1,205)
Foreign exchange (loss) gain - net	(116)	(98)	144	(28)
Interest expense	(1,382)	(1,321)	(428)	(441)
Income from continuing operations before minority interest and income taxes	19,195	20,942	9,821	15,292
Minority interest	(4,704)	--	(1,451)	--

Income from continuing operations before income taxes	14,491	20,942	8,370	15,292
Income tax provision	(5,806)	(8,248)	(3,404)	(6,053)
Income from continuing operations	8,685	12,694	4,966	9,239
Discontinued operations- sale of real estate, net of taxes	--	9,520	--	--
NET INCOME	$ 8,685	$ 22,214	$ 4,966	$ 9,239

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VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)--Continued

	Nine Months Ended		Three Months Ended	
	July 31, 2005	August 1, 2004(a)	July 31, 2005	August 1, 2004
		(Restated)		
		Per Share Data		
<S>	<C>	<C>	<C>	<C>
Basic:				
Income from continuing operations	$ 0.57	$ 0.84	$ 0.32	$ 0.61
Discontinued operations-sale of real estate	--	0.62	--	--
Net income	$ 0.57	$ 1.46	$ 0.32	$ 0.61
Weighted average number of shares	15,314	15,226	15,328	15,233
Diluted:				
Income from continuing operations	$ 0.56	$ 0.83	$ 0.32	$ 0.60
Discontinued operations-sale of real estate	--	0.62	--	--
Net income	$ 0.56	$ 1.45	$ 0.32	$ 0.60
Weighted average number of shares	15,427	15,342	15,392	15,399

</TABLE>

(a) As reported, the Company has restated its previously issued financial statements for fiscal years 2000 through the second quarter of fiscal 2004 as a result of inappropriate application of accounting principles for revenue recognition by its telephone directory publishing operation in Uruguay. The restatement involved only the timing of when certain advertising revenue and related costs and expenses are recognized, and the cumulative results of the Company did not change. Accordingly, sales have been increased by $2.5 million and the net income has been increased by $0.7 million, or $0.05 per share, for the nine months ended August 1, 2004.

See accompanying notes to condensed consolidated financial statements.

<TABLE>
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VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	July 31, 2005	October 31, 2004(a)
ASSETS	(In thousands, except share data)	
CURRENT ASSETS		
<S>	<C>	<C>
Cash and cash equivalents including restricted cash of $24,168 (2005) and $43,722 (2004)	$ 89,023	$ 88,031
Short-term investments	4,183	4,248
Trade accounts receivable less allowances of $9,318 (2005) and $10,210 (2004)	370,682	409,130
Inventories	37,220	32,676
Recoverable income taxes	900	--
Deferred income taxes	9,465	9,385
Prepaid expenses and other assets	19,665	14,847
TOTAL CURRENT ASSETS	531,138	558,317
Investment in securities	139	100
Property, plant and equipment-net	80,052	85,038
Deposits and other assets	2,393	1,439
Goodwill	29,144	29,144
Intangible assets-net of accumulated amortization of $1,114 (2005) and $288 (2004)	15,172	15,998
TOTAL ASSETS	$ 658,038	$ 690,036
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable to banks	$ 8,051	$ 7,955
Current portion of long-term debt	2,367	399
Accounts payable	161,226	192,163
Accrued wages and commissions	52,570	54,200
Accrued taxes other than income taxes	18,013	17,729
Other accruals	30,424	36,036
Deferred income and other liabilities	31,582	36,909
Income tax payable	--	4,270
TOTAL CURRENT LIABILITIES	304,233	349,661
Accrued insurance	3,684	86
Long-term debt	13,409	15,588
Deferred income taxes	9,397	11,764
Minority interest	41,124	36,420
STOCKHOLDERS' EQUITY		
Preferred stock, par value $1.00; Authorized--500,000 shares; issued--none		
Common stock, par value $.10; Authorized--30,000,000 shares; issued--15,338,430 shares (2005) and 15,282,625 shares (2004)	1,534	1,528
Paid-in capital	43,675	42,453
Retained earnings	241,399	232,714
Accumulated other comprehensive loss	(417)	(178)
TOTAL STOCKHOLDERS' EQUITY	286,191	276,517
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 658,038	$ 690,036

(a) The balance sheet at October 31, 2004 has been derived from the audited financial statements at that date.

See accompanying notes to condensed consolidated financial statements.

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VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended	
	July 31, 2005	August 1, 2004 (Restated)
	(In thousands)	
CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 8,685	$ 22,214
Adjustments to reconcile net income to cash provided by (applied to) operating activities:		
Minority interest	4,704	--
Income from discontinued operations-sale of real estate	--	(9,520)
Depreciation and amortization	22,627	18,832
Accounts receivable provisions	3,138	3,809
Loss (gain) on foreign currency translation	48	(13)
Deferred income tax benefit	(2,349)	(4,459)
Loss (gain) on disposition of fixed assets	122	(200)
Changes in operating assets and liabilities:		
Accounts receivable	9,926	(57,439)
Securitization of accounts receivable	25,000	(10,000)
Inventories	(4,544)	5,883
Prepaid expenses and other current assets	(5,106)	1,663
Other assets	(954)	(435)
Accounts payable	(30,319)	15,589
Accrued expenses	(3,364)	13,909
Deferred income and other liabilities	(5,317)	4,348
Income taxes payable	(5,170)	3,908
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,127	8,089

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VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)--Continued

	Nine Months Ended	
	July 31, 2005	August 1, 2004 (Restated)
	(In thousands)	
<S>	<C>	<C>
CASH PROVIDED BY (APPLIED TO) INVESTING ACTIVITIES		
Sales of investments	$ 969	$ 1,183
Purchases of investments	(652)	(1,145)
Proceeds from disposals of property, plant and equipment	444	674
Sale of real estate (discontinued operations)	--	18,500
Acquisitions	--	(385)
Purchases of property, plant and equipment	(17,407)	(24,278)
NET CASH APPLIED TO INVESTING ACTIVITIES	(16,646)	(5,451)
CASH (APPLIED TO) PROVIDED BY FINANCING ACTIVITIES		
Payment of long-term debt	(296)	(276)
Exercise of stock options	1,228	508
Increase in notes payable to bank	124	3,479

NET CASH PROVIDED BY FINANCING ACTIVITIES	1,056	3,711
Effect of exchange rate changes on cash	(545)	330
NET INCREASE IN CASH AND CASH EQUIVALENTS	992	6,679
Cash and cash equivalents, including restricted cash, beginning of period	88,031	62,057
CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH END OF PERIOD	$ 89,023	$ 68,736
SUPPLEMENTAL INFORMATION Cash paid during the period:		
Interest expense	$ 1,422	$ 1,279
Income taxes	$ 13,140	$ 8,874

See accompanying notes to condensed consolidated financial statements.
</TABLE>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note A--Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's consolidated financial position at July 31, 2005 and consolidated results of operations for the nine and three months ended July 31, 2005 and August 1, 2004 and consolidated cash flows for the nine months ended July 31, 2005 and August 1, 2004.

As reported, the Company has restated its previously issued financial statements for fiscal years 2000 through the second quarter of fiscal 2004 as a result of inappropriate application of accounting principles for revenue recognition by its telephone directory publishing operation in Uruguay. The operation in Uruguay printed its Montevideo directory each year during the October - November time frame, and the Company has determined that revenue should have been recognized based upon the distribution of the directories. The restatement involves only the timing of when certain advertising revenue and related costs and expenses are recognized, and the cumulative results of the Company do not change. All prior year information included in these financial statements has been restated to reflect the corrected information.

The Company has elected to follow Accounting Principles Board ("APB") Opinion 25, "Accounting for Stock Issued to Employees," to account for its Non-Qualified Stock Option Plan under which no compensation cost is recognized because the option exercise price is equal to at least the market price of the underlying stock on the date of grant. Had compensation cost for these plans been determined at the grant dates for awards under the alternative accounting method provided for in Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment of FASB Statement No. 123," net income and earnings per share, on a pro forma basis, would have been:
<TABLE>
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	Nine Months Ended		Three Months Ended	
	July 31, 2005	August 1, 2004 (Restated)	July 31, 2005	August 1, 2004
	(Dollars in thousands, except per share data)			

<S>	<C>	<C>	<C>	<C>
Net income as reported	$ 8,685	$ 22,214	$ 4,966	$ 9,239
Pro forma compensation expense, net of taxes	(80)	(97)	(24)	(26)
Pro forma net income	$ 8,605	$ 22,117	$ 4,942	$ 9,213
Pro forma income per share				
Basic	$ 0.56	$ 1.45	$ 0.32	$ 0.60
Diluted	$ 0.56	$ 1.44	$ 0.32	$ 0.60

</TABLE>

The fair value of each option grant is estimated using the Multiple Black-Scholes option pricing model, with the following weighted-average assumptions used for grants in fiscal 2004: risk-free interest rates of 4.5%; expected volatility of .51; an expected life of the options of five years; and no dividends. The weighted-average fair value of stock options granted during fiscal 2004 was $17.50. There were no options granted in fiscal 2005.

Note A--Basis of Presentation--Continued

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123R, "Share-Based Payment," which replaces the superseded SFAS No. 123, "Accounting for Stock-Based Compensation." This Statement requires that all entities apply a fair-value-based measurement method in accounting for share-based payment transactions with employees and suppliers when the entity acquires goods or services. The provisions of this Statement are required to be adopted by the Company beginning October 31, 2005. The Company is currently assessing the impact that the adoption will have on the Company's consolidated financial position and results of operations.

These statements should be read in conjunction with the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended October 31, 2004. The accounting policies used in preparing these financial statements are the same as those described in that Report. The Company's fiscal year ends on the Sunday nearest October 31.

Note B--Securitization Program

In April 2005, the Company amended its $150.0 million accounts receivable securitization program ("Securitization Program") to provide that the expiration date be extended from April 2006 to April 2007. Under the Securitization Program, receivables related to the United States operations of the staffing solutions business of the Company and its subsidiaries are sold from time-to-time by the Company to Volt Funding Corp., a wholly owned special purpose subsidiary of the Company ("Volt Funding"). Volt Funding, in turn, sells to Three Rivers Funding Corporation ("TRFCO"), an asset backed commercial paper conduit sponsored by Mellon Bank, N.A. and unaffiliated with the Company, an undivided percentage ownership interest in the pool of receivables Volt Funding acquires from the Company (subject to a maximum purchase by TRFCO in the aggregate of $150.0 million). The Company retains the servicing responsibility for the accounts receivable. At July 31, 2005, TRFCO had purchased from Volt Funding a participation interest of $95.0 million out of a pool of approximately $268.8 million of receivables.

The Securitization Program is not an off-balance sheet arrangement as Volt Funding is a 100%-owned consolidated subsidiary of the Company. Accounts receivable are only reduced to reflect the fair value of receivables actually sold. The Company entered into this arrangement as it provided a low-cost alternative to other financing.

The Securitization Program is designed to enable the sale of receivables by the Company to Volt Funding to constitute true sales of those receivables. As a result, the receivables are available to satisfy Volt Funding's own obligations to its own creditors before being available, through the Company's residual equity interest in Volt Funding, to satisfy the Company's creditors. TRFCO has no recourse to the Company beyond its interest in the pool of receivables owned by Volt Funding.

In the event of termination of the Securitization Program, new purchases of a participation interest in receivables by TRFCO would cease and collections reflecting TRFCO's interest would revert to it. The Company believes TRFCO's aggregate collection amounts should not exceed the pro rata interests sold. There are no contingent liabilities or commitments associated with the Securitization Program.

The Company accounts for the securitization of accounts receivable in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." At the time a participation interest in the receivables is sold, the receivable representing that interest is removed from the condensed consolidated balance sheet (no debt is recorded) and the proceeds from the sale are reflected as cash provided by operating activities. Losses and expenses associated with the transactions, primarily related to discounts incurred by TRFCO on the issuance of its commercial paper, are charged to the consolidated statement of operations.

The Company incurred charges, related to the Securitization Program, of $2.2 million and $0.9 million in the nine and three months ended July 31, 2005, respectively, compared to $1.3 million and $0.4 million in the nine and three months ended August 1, 2004 respectively, which are included in Other Expense on the condensed consolidated statement of operations. The equivalent cost of funds in the Securitization Program was 4.0% per annum and 2.7% per annum in the nine-month 2005 and 2004 fiscal periods, respectively. The Company's carrying retained interest in the receivables approximated fair value due to the relatively short-term nature of the receivable collection period. In addition, the Company performed a sensitivity analysis, changing various key assumptions, which also indicated that the retained interest in receivables approximated fair value.

At July 31, 2005 and October 31, 2004, the Company's carrying retained interest in a revolving pool of receivables was approximately $171.4 million and $178.2 million, respectively, net of a service fee liability, out of a total pool of approximately $268.8 million and $248.7 million, respectively. The outstanding balance of the undivided interest sold to TRFCO was $95.0 million and $70.0 million at July 31, 2005 and October 31, 2004, respectively. Accordingly, the trade accounts receivable included on the July 31, 2005 and October 31, 2004 balance sheets have been reduced to reflect the participation interest sold of $95.0 million and $70.0 million, respectively.

The Securitization Program is subject to termination at TRFCO's option, under certain circumstances, including the default rate, as defined, on receivables exceeding a specified threshold, the rate of collections on receivables failing to meet a specified threshold or the Company failing to maintain a long-term debt rating of "B" or better, or the equivalent thereof, from a nationally recognized rating organization. At July 31, 2005, the Company was in compliance with all requirements of the Securitization Program.

Note C--Inventories

Inventories of accumulated unbilled costs and materials by segment are as follows:

	July 31, 2005	October 31, 2004
	(Dollars in thousands)	
Telephone Directory	$10,814	$11,313
Telecommunications Services	21,439	14,505
Computer Systems	4,967	6,858
Total	$37,220	$32,676

The cumulative amounts billed under service contracts at July 31, 2005 and October 31, 2004 of $15.6 million and $13.9 million, respectively, are credited against the related costs in inventory.

NOTE D--Short-Term Borrowings

In April 2005, the Company amended its secured, syndicated, revolving credit agreement ("Credit Agreement") which was to expire in April 2005, to, among other things, extend the term for three years to April 2008 and increase the line from $30.0 million to $40.0 million. In July 2004, this program was amended to release Volt Delta Resources, LLC ("Volt Delta") as a guarantor and collateral grantor under the Credit Agreement due to the previously announced agreement between Volt Delta and Nortel Networks Inc. ("Nortel Networks"). At July 31, 2005, the Company had credit lines with domestic and foreign banks which provided for borrowings and letters of credit up to an aggregate of $51.3 million, including $40.0 million under the Credit Agreement.

The Credit Agreement established a secured credit facility ("Credit Facility") in favor of the Company and designated subsidiaries, of which up to $15.0 million may be used for letters of credit. Borrowings by subsidiaries are limited to $25.0 million in the aggregate. The administrative agent for the Credit Facility is JPMorgan Chase Bank. The other banks participating in the Credit Facility are Mellon Bank, N.A., Wells Fargo Bank, N.A., Lloyds TSB Bank PLC and Bank of America, N.A..

Borrowings under the Credit Facility are to bear interest at various rate options selected by the Company at the time of each borrowing. Certain rate options, together with a facility fee, are based on a leverage ratio, as defined. Additionally, interest and the facility fees can be increased or decreased upon a change in the Company's long-term debt rating provided by a nationally recognized rating agency. As amended, in lieu of the previous borrowing base formulation, the Credit Agreement now requires the maintenance of specified accounts receivable collateral in excess of any outstanding borrowings. Based upon the Company's leverage ratio and debt rating at July 31, 2005, if a three-month U.S. Dollar LIBO rate were the interest rate option selected by the Company, borrowings would have borne interest at the rate of 4.3% per annum. At July 31, 2005, the facility fee was 0.3% per annum.

The Credit Agreement provides for the maintenance of various financial ratios and covenants, including, among other things, a requirement that the Company maintain a consolidated tangible net worth, as defined; a limitation on cash dividends, capital stock repurchases and redemptions by the Company in any one fiscal year to 50% of consolidated net income, as defined, for the prior fiscal year; and a requirement that the Company maintain a ratio of EBIT, as defined, to interest expense, as defined, of 1.25 to 1.0 for the twelve months ended as of the last day of each fiscal quarter. The Credit Agreement also imposes limitations on, among other things, the incurrence of additional indebtedness,

the incurrence of additional liens, sales of assets, the level of annual capital expenditures, and the amount of investments, including business acquisitions and investments in joint ventures, and loans that may be made by the Company and its subsidiaries. At July 31, 2005, the Company was in compliance with all covenants in the Credit Agreement.

The Company is liable on all loans made to it and all letters of credit issued at its request, and is jointly and severally liable as to loans made to subsidiary borrowers. However, unless also a guarantor of loans, a subsidiary borrower is not liable with respect to loans made to the Company or letters of credit issued at the request of the Company, or with regard to loans made to any other subsidiary borrower. Under the April 2005 amendment, five subsidiaries of the Company remain as guarantors of all loans made to the Company or to subsidiary borrowers under the Credit Facility. At July 31, 2005, four of those guarantors have pledged approximately $47.6 million of accounts receivable, other than those in the Securitization Program, as collateral for the guarantee obligations. Under certain circumstances, other subsidiaries of the Company also may be required to become guarantors under the Credit Facility.

At July 31, 2005, the Company had total outstanding foreign currency bank borrowings of $8.1 million, $4.2 million of which were under the Credit Agreement. These bank borrowings provide a hedge against devaluation in foreign currency denominated assets.

NOTE E--Long-Term Debt and Financing Arrangements

Long-term debt consists of the following:
<TABLE>
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	July 31, 2005	October 31, 2004
	(Dollars in thousands)	
<C>	<C>	<C>
8.2% term loan (a)	$13,833	$14,130
Payable to Nortel Networks (b)	1,943	1,857
	15,776	15,987
Less amounts due within one year	2,367	399
Total long-term debt	$13,409	$15,588

</TABLE>

(a) In September 2001, a subsidiary of the Company entered into a $15.1 million loan agreement with General Electric Capital Business Asset Funding Corporation. Principal payments have reduced the loan to $13.8 million at July 31, 2005. The 20-year loan, which bears interest at 8.2% per annum and requires principal and interest payments of $0.4 million per quarter, is secured by a deed of trust on certain land and buildings that had a carrying amount at July 31, 2005 of $10.3 million. The obligation is guaranteed by the Company.

(b) Represents the present value of a $2.0 million payment due to Nortel Networks in February 2006, discounted at 6% per annum, as required in an agreement closed on August 2, 2004.

NOTE F--Stockholders' Equity

Changes in the major components of stockholders' equity for the nine months ended July 31, 2005 are as follows:

<TABLE>
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<S>	Common Stock <C>	Paid-In Capital <C>	Retained Earnings <C>
	(In thousands)		
Balance at October 31, 2004	$1,528	$42,453	$232,714
Stock options exercised - 55,805 shares	6	1,222	-
Net income for the nine months	-	-	8,685
Balance at July 31, 2005	$1,534	$43,675	$241,399

</TABLE>

NOTE F--Stockholders' Equity--Continued

Another component of stockholders' equity, the accumulated other comprehensive loss, consists of cumulative unrealized foreign currency translation losses, net of taxes, of $477,000 and $214,000 at July 31, 2005 and October 31, 2004, respectively, and an unrealized gain, net of taxes, of $60,000 and $36,000 in marketable securities at July 31, 2005 and October 31, 2004, respectively. Changes in these items, net of income taxes, are included in the calculation of comprehensive loss as follows:

<TABLE>
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	Nine Months Ended		Three Months Ended	
	July 31, 2005	August 1, 2004	July 31, 2005	August 1, 2004
		(Restated)		
	(In thousands)			
<S>	<C>	<C>	<C>	<C>
Net income	$ 8,685	$ 22,214	$ 4,966	$ 9,239
Foreign currency translation adjustments-net	(263)	18	(32)	99
Unrealized gain (loss) on marketable securities-net	24	(20)	30	(22)
Total comprehensive income	$ 8,446	$ 22,212	$ 4,964	$ 9,316

</TABLE>

NOTE G--Per Share Data

In calculating basic earnings per share, the dilutive effect of stock options is excluded. Diluted earnings per share are computed on the basis of the weighted average number of shares of common stock outstanding and the assumed exercise of dilutive outstanding stock options based on the treasury stock method.

<TABLE>
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	Nine Months Ended		Three Months Ended	
	July 31, 2005	August 1, 2004	July 31, 2005	August 1, 2004

<S>	<C>	<C>	<C>	<C>
Denominator for basic earnings per share:				
Weighted average number of shares	15,314,088	15,225,936	15,327,506	15,232,638
Effect of dilutive securities:				
Employee stock options	112,639	115,743	64,565	166,072
Denominator for diluted earnings per share:				
Adjusted weighted average number of shares	15,426,727	15,341,679	15,392,071	15,398,710

</TABLE>

Options to purchase 133,785 and 49,400 shares of the Company's common stock were outstanding at July 31, 2005 and August 1, 2004, respectively but were not included in the computation of diluted earnings per share because the effect of inclusion would have been antidilutive.

NOTE H--Segment Disclosures

Financial data concerning the Company's sales and segment operating profit (loss) by reportable operating segment for the nine and three months ended July 31, 2005 and August 1, 2004, included on page 28 of this Report, are an integral part of these condensed consolidated financial statements.

During the nine months ended July 31, 2005, consolidated assets decreased by $32.0 million primarily due to an increase in the use of the Company's Securitization Program.

NOTE I--Derivative Financial Instruments, Hedging and Restricted Cash

The Company enters into derivative financial instruments only for hedging purposes. All derivative financial instruments, such as interest rate swap contracts, foreign currency options and exchange contracts, are recognized in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in income or in stockholders' equity as a component of comprehensive income, depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or cash flow hedge. Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in income along with the portions of the changes in the fair values of the hedged items that relate to the hedged risks. Changes in fair values of derivatives accounted for as cash flow hedges, to the extent they are effective as hedges, are recorded in other comprehensive income, net of deferred taxes. Changes in fair values of derivatives not qualifying as hedges are reported in the results of operations. At July 31, 2005, the Company had an outstanding foreign currency option contract (purchased on October 29, 2004) in the notional amount equivalent to $2.9 million, which approximated its net investment in foreign operations and is accounted for as a hedge under SFAS No. 52, "Foreign Currency Translation."

Included in cash and cash equivalents at July 31, 2005 and October 31, 2004 were approximately $24.2 million and $43.7 million, respectively, restricted to cover obligations that were reflected in accounts payable at such dates. These amounts primarily relate to contracts with customers in which the Company manages the customers' alternative staffing requirements, including the payment of associate vendors.

NOTE J--Acquisition and Sales of Businesses and Subsidiaries

On August 2, 2004, Volt Delta, a wholly-owned subsidiary of the Company, closed a Contribution Agreement (the "Contribution Agreement") with Nortel Networks under which Nortel Networks contributed certain of the assets (consisting principally of a customer base and contracts, intellectual property and inventory) and certain specified liabilities of its directory and operator services ("DOS") business to Volt Delta in exchange for a 24% minority equity interest in Volt Delta. Together with its subsidiaries, Volt Delta is reported as the Company's Computer Systems segment. Volt Delta is using the assets acquired from Nortel Networks to enhance the operation of its DOS business. The acquisition enables Volt Delta to provide the newly combined customer base with new solutions, an expanded suite of products, content and enhanced services. As a result of this transaction, approximately 155 DOS business employees in North America joined VoltDelta.

In addition, the companies entered into a ten-year relationship agreement to maintain the compatibility and interoperability between future releases of Nortel Networks' Traffic Operator Position System ("TOPS") switching platform and Volt Delta's IWS/MWS operator workstations and associated products. Nortel Networks and Volt Delta will work together developing feature content and release schedules for, and to ensure compatibility between, any TOPS changes that require a change in Volt Delta's products or workstations.

NOTE J--Acquisition and Sales of Businesses and Subsidiaries--Continued

Also, on August 2, 2004, the Company and certain subsidiaries entered into a Members' Agreement (the "Members' Agreement") with Nortel Networks which defined the management of Volt Delta and the respective rights and obligations of the equity owners thereof. The Members' Agreement provides that, commencing two years from the date thereof, Nortel Networks may exercise a put option or Volt Delta may exercise a call option, in each case to affect the purchase by Volt Delta of Nortel Networks' minority interest in Volt Delta ("Contingent Liability"). If either party exercises its option between the second and third year from the date of the Members' Agreement, the price paid to Nortel Networks for its 24% minority equity interest will be the product of the revenue of Volt Delta for the twelve-month period ended as of the fiscal quarter immediately preceding the date of option exercise (the "Volt Delta Revenue Base") multiplied by 70% of the enterprise value-to-revenue formula index of specified comparable companies (which index shall not exceed 1.8), times Nortel Networks' ownership interest in Volt Delta (the amount so calculated would not exceed 30.24% of the Volt Delta Revenue Base), with a minimum payment of $25.0 million and a maximum payment of $70.0 million. Based on the pro forma financial results of Volt Delta for the year ended July 31, 2005, the Contingent Liability for this put/call would be $50.6 million at July 31, 2005. If the option is exercised after three years from the date of the Members' Agreement, the price paid will be a mutually agreed upon amount.

The Company engaged an independent valuation firm to assist in the determination of the purchase price (the value of the 24% equity interest in Volt Delta) of the acquisition and its allocation. The allocation was completed at the end of fiscal 2004.

The assets and liabilities of the acquired business are accounted for under the purchase method of accounting at the date of acquisition, recorded at their fair values, with the recognition of a minority interest to reflect Nortel Networks' 24% investment in Volt Delta. The results of operations have been included in the Consolidated Statements of Operations since the acquisition date.

Purchase Allocation Fair Value of Assets Acquired and Liabilities Assumed	
	(In thousands)
Cash	$ 3,491
Inventories	1,551

Deposits and other assets	404
Goodwill	20,162
Intangible assets	15,900

Total assets	$41,508
	=======

Accrued wages and commissions	$700
Other accrued expenses	2,189
Other liabilities	2,791
Long-term debt	1,828
Minority interest	34,000

Total liabilities	$41,508
	=======

The intangible assets represent the fair value of customer relationships ($15.1 million) and product technology ($0.8 million), and are being amortized over 16 years and 10 years, respectively. Since the members' interests in Volt Delta are treated as partnership interests, the tax deduction for amortization will not commence until the Contingent Liability is final and determined.

NOTE K--Goodwill and Intangibles

Goodwill and intangibles with indefinite lives are no longer amortized, but are subject to annual testing using fair value methodology. An impairment charge is recognized for the amount, if any, by which the carrying value of an indefinite-life intangible asset exceeds its fair value. The test for goodwill, which is performed in the Company's second fiscal quarter, primarily uses comparable multiples of sales and EBITDA and other valuation methods to assist the Company in the determination of the fair value of the goodwill and the reporting units measured.

The following table represents the balance of intangible assets subject to amortization:

	July 31, 2005	October 31, 2004
	(Dollars in thousands)	
Intangible assets	$16,286	$16,286
Accumulated amortization	(1,114)	(288)
	-------	-------
Net Carrying Value	$15,172	$15,998
	=======	=======

Note L--Primary Insurance Casualty Program

The Company is insured with a highly rated insurance company under a program that provides primary workers' compensation, employer's liability, general liability and automobile liability insurance under a loss sensitive program. In certain mandated states, the Company purchases workers' compensation insurance through participation in state funds and the experience-rated premiums in these state plans relieve the Company of additional liability. In the loss sensitive program, initial premium accruals are established based upon the underlying exposure, such as the amount and type of labor utilized, number of vehicles, etc. The Company establishes accruals utilizing actuarial methods to estimate the undiscounted future cash payments that will be made to satisfy the claims, including an allowance for incurred-but-not-reported claims. This process also includes establishing loss development factors, based on the historical claims

experience of the Company and the industry, and applying those factors to current claims information to derive an estimate of the Company's ultimate premium liability. In preparing the estimates, the Company also considers the nature and severity of the claims, analyses provided by third party actuaries, as well as current legal, economic and regulatory factors. The insurance policies have various premium rating plans that establish the ultimate premium to be paid. Adjustments to premium are made based upon the level of claims incurred at a future date up to three years after the end of the respective policy period. At July 31, 2005 and October 31, 2004, the Company's liability for the outstanding plan years was $1.9 and $8.3 million, respectively.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements
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This report and other reports and statements issued by the Company and its officers from time to time contain certain "forward-looking statements." Words such as "may," "should," "likely," "could," "seek," "believe," "expect," "anticipate," "estimate," "project," "intend," "strategy," "design to," and similar expressions are intended to identify forward-looking statements about the Company's future plans, objectives, performance, intentions and expectations. These forward-looking statements are subject to a number of known and unknown risks and uncertainties including, but are not limited to, those set forth below under "Factors That May Affect Future Results." Such risks and uncertainties could cause the Company's actual results, performance and achievements to differ materially from those described in or implied by the forward-looking statements. Accordingly, readers should not place undue reliance on any forward-looking statements made by or on behalf of the Company. The Company does not assume any obligation to update any forward-looking statements after the date they are made.

FACTORS THAT MAY AFFECT FUTURE RESULTS

THE COMPANY'S BUSINESS IS DEPENDENT UPON GENERAL ECONOMIC, COMPETITIVE AND OTHER BUSINESS CONDITIONS INCLUDING THE EFFECTS OF THE UNITED STATES AND EUROPEAN ECONOMIES AND OTHER GENERAL CONDITIONS, SUCH AS CUSTOMERS OFF-SHORING ACTIVITIES TO OTHER COUNTRIES.

The demand for the Company's services in all segments is dependent upon general economic conditions. Accordingly, the Company's business tends to suffer during economic downturns. In addition, in the past few years major United States companies, many of which are customers of the Company, have increasingly outsourced business to foreign countries with lower labor rates, less costly employee benefit requirements and fewer regulations than the United States. There could be an adverse effect on the Company if customers and potential customers continue to move manufacturing and servicing operations off-shore, reducing their need for temporary workers within the United States. It is also important for the Company to diversify its pool of available temporary workers to offer greater support to the service sector of the economy and other businesses that have more difficulty in moving off-shore. In addition, the Company's other segments may be adversely affected if they are required to compete from the Company's United States based operations against competitors based in such other countries. Although the Company has begun to expand its operations to certain additional countries, in a limited manner and to serve existing customers in such countries, and has established subsidiaries in some foreign countries, doing so is more difficult than expansion within the United States and there can be no assurance that this effort will be successful or that the Company can successfully compete with competitors based overseas or who have established foreign operations.

The Company's business is dependent upon the continued financial strength of its customers. Customers that experience economic downturns or other negative factors are less likely to use the Company's services.

In the staffing services segment, a weakened economy results in decreased demand for temporary and permanent personnel. When economic activity slows down, many of the Company's customers reduce their use of temporary workers before they reduce the number of their regular employees. There is less need for temporary workers by all potential customers, who are less inclined to add to their costs. Since employees are reluctant to risk changing employers, there are fewer openings and reduced activity in permanent placements as well. In addition, while in many fields there are ample applicants for available positions, variations in the rate of

unemployment and higher wages sought by temporary workers in certain technical fields particularly characterized by labor shortages, could affect the Company's ability to meet its customers' demands in these fields and the Company's profit margins. The segment has also experienced margin erosion caused by increased competition, electronic auctions and customers leveraging their buying power by consolidating the number of vendors with which they deal. In addition, increased payroll and other taxes, some of which the Company is unable to pass on to customers, place pressure on margins.

Customer use of the Company's telecommunications services is similarly affected by a weakened economy in that some of the Company's customers reduce their use of outside services in order to provide work to their in-house departments and, in the aggregate, because of the current downturn in the telecommunications industry and continued overcapacity, there is less available work. In addition, the reduction in telecommunications companies' capital expenditure projects during the current economic climate has significantly reduced the segment's operating margins and minimal improvement can be expected until the telecommunications industry begins to increase its capital expenditures. Actions by major long-distance telephone companies to reduce marketing of local residential service and consolidation in the telecommunications industry could also negatively impact both sales and margins of the segment. Despite an emphasis on cost controls, the results of the segment continue to be affected by the decline in capital spending by telephone companies caused by the depressed conditions within the segment's telecommunications industry customer base which has also increased competition for available work, pressuring pricing and gross margins throughout the segment. The continued delay in telecommunications companies' capital expenditure projects has significantly reduced the segment's revenue and resulted in continuing operating losses. Although there has been a modest increase in customer backlog and installation of broadband services by local telephone companies and there is expected to be increased work available as a result of hurricane damage in the southern part of the United States, a return to material profitability will be difficult until the telecommunications industry begins to increase its capital expenditures.

Additionally, the degree and timing of customer acceptance of systems and of obtaining new contracts and the rate of renewals of existing contracts, as well as customers' degree of utilization of the Company's services, could adversely affect the Company's businesses.

MANY OF THE COMPANY'S CONTRACTS EITHER PROVIDE NO MINIMUM PURCHASE REQUIREMENTS OR ARE CANCELABLE DURING THE TERM.

In all segments, many of the Company's contracts, even those master service contracts whose duration spans a number of years, provide no assurance of any minimum amount of work that will actually be available under any contract. Most staffing services contracts are not sole source, so the segment must compete for

each placement at the customer. Similarly many telecommunications master contracts require competition in order to obtain each individual work project. In addition, many of the Company's long-term contracts contain cancellation provisions under which the customer can cancel the contract or award no further work, even if the Company is not in default under the contract. Therefore, these contracts do not give the assurances that long-term contracts typically provide.

THE COMPANY'S STAFFING SERVICES BUSINESS AND ITS OTHER SEGMENTS SUBJECT IT TO EMPLOYMENT-RELATED AND OTHER CLAIMS.

The Company's staffing services business employs individuals on a temporary basis and places them at a customer's workplace. The Company's ability to control the customer workplace is limited, and the Company risks incurring liability to its employees for injury or other harm that they suffer at the customer's workplace. Although the Company has not historically suffered materially for such harm suffered by its employees, there can be no assurance that future claims will not materially adversely affect the Company.

Additionally, the Company risks liability to its customers for certain actions of the Company's temporary employees that may result in harm to the Company's customers. Such actions may be the result of negligence or misconduct on the part of the Company's employees. These same factors apply to all of the Company's business units, although the risk is reduced where the Company itself controls the workplace. Nevertheless, the risk is present in all segments.

The Company may incur fines or other losses and negative publicity with respect to any litigation in which it becomes involved. Although the Company maintains insurance for many such actions, there can be no assurance that its insurance will cover future actions or that the Company will continue to be able to obtain such insurance on acceptable terms, if at all.

NEW AND INCREASED GOVERNMENT REGULATION COULD HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY'S BUSINESS, ESPECIALLY ITS CONTINGENT STAFFING BUSINESS.

Certain of the Company's businesses are subject to licensing and regulation in many states and certain foreign jurisdictions. Although the Company has generally not had any difficulty complying with these requirements in the past, there can be no assurance that the Company will continue to be able to do so, or that the cost of compliance will not become material. Additionally, the jurisdictions in which the Company does or intends to do business may:

- create new or additional regulations that prohibit or restrict the types of services that the Company currently provides;

- impose new or additional employee benefit requirements, thereby increasing costs that may not be able to be passed on to customers or which would cause customers to reduce their use of the Company's services, especially in its staffing services segment, which would adversely impact the Company's ability to conduct its business;

- require the Company to obtain additional licenses to provide its services; or

- increase taxes (especially payroll and other employment related taxes) or enact new or different taxes payable by the providers of services such as those offered by the Company, thereby increasing costs, some of which may

not be able to be passed on to customers or which would cause customers to reduce their use of the Company's services, especially in its staffing services segment, which would adversely impact the Company's ability to conduct its business.

In addition, certain private and governmental entities have focused on the contingent staffing industry in particular and, in addition to their potential to impose additional requirements and costs, they and their supporters could cause changes in customers' attitudes toward the use of outsourcing and temporary personnel in general. This could have an adverse effect on the Company's contingent staffing business.

THE COMPANY IS DEPENDENT UPON ITS ABILITY TO ATTRACT AND RETAIN CERTAIN TECHNOLOGICALLY QUALIFIED PERSONNEL.

The Company's future success is dependent upon its ability to attract and retain certain classifications of technologically qualified personnel for its own use, particularly in the areas of research and development, implementation and upgrading of internal systems, as well as in its staffing services segment. The availability of such personnel is dependent upon a number of economic and demographic conditions. The Company may in the future find it difficult or more costly to hire such personnel in the face of competition from other companies.

THE INDUSTRIES IN WHICH THE COMPANY DOES BUSINESS ARE VERY COMPETITIVE.

The Company operates in very competitive industries with, in most cases, limited barriers to entry. Some of the Company's principal competitors are larger and have substantially greater financial resources than the Company. Accordingly, these competitors may be better able than the Company to attract and retain qualified personnel and may be able to offer their customers more favorable pricing terms than the Company. In many businesses, small competitors can offer similar services at lower prices because of lower overheads.

The Company, in all segments, has experienced intense price competition and pressure on margins and lower renewal markups for customers' contracts than previously obtained. While the Company has and will continue to take action to meet competition in its highly competitive markets with minimal impact on margins, there can be no assurance that the Company will be able to continue to do so.

The Company, in certain businesses in all segments, must obtain or produce products and systems, principally in the IT environment, to satisfy customer requirements and to remain competitive. While the Company has been able to do so in the past, there can be no assurance that in the future the Company will be able to foresee changes and to identify, develop and commercialize innovative and competitive products and systems in a timely and cost effective manner and to achieve customer acceptance of its products and systems in markets characterized by rapidly changing technology and frequent new product introductions. In addition, the Company's products and systems are subject to risks inherent in new product introductions, such as start-up delays, cost overruns and uncertainty of customer acceptance, the Company's dependence on third parties for some product components and in certain technical fields particularly characterized by labor shortages, the Company's ability to hire and retain such specialized employees, all of which could affect the Company's ability to meet its customers' demands in these fields and the Company's profit margins.

In addition to these general statements, the following information applies to the specific segments identified below.

The Company's Staffing Services segment is in a very competitive industry with few significant barriers to entry. There are many temporary service firms in the United States and Europe, many with only one or a few offices that service only a small market. On the other hand, some of this segment's principal competitors are larger and have substantially greater financial resources than the Company and service the multinational accounts whose business the Company solicits. Accordingly, these competitors may be better able than the Company to

attract and retain qualified personnel and may be able to offer their customers more favorable pricing terms than the Company. Furthermore, all of the staffing industry is subject to the fact that contingent workers are provided to customers and most customers are more protective of their full-time workforce than of contingent workers.

The results of the Company's Computer Systems segment are highly dependent on the volume of calls to this segment's customers which are processed by the segment under existing contracts, the segment's ability to continue to secure comprehensive listings from others at acceptable pricing, its ability to obtain additional customers for these services and its continued ability to sell products and services to new and existing customers. The volume of transactions with this segment's customers is subject to reduction as consumers utilize listings offered on the Internet. This segment's position in its market depends largely upon its reputation, quality of service and ability to develop, maintain and implement information systems on a cost competitive basis. Although the Company continues its investment in research and development, there is no assurance that this segment's present or future products will be competitive, that the segment will continue to develop new products or that present products or new products can be successfully marketed.

The Company's Telecommunications Services segment faces substantial competition with respect to all of its telecommunications services from other suppliers and from in-house capabilities of present and potential customers. Since many of our customers provide the same type of services as the segment, the segment faces competition from its own customers and potential customers as well as from third parties. The Telecommunications Services segment performs much of its services outdoors, and its business can be adversely affected by the degree and effects of inclement weather. Some of this segment's significant competitors are larger and have substantially greater financial resources than the Company. There are relatively few significant barriers to entry into certain of the markets in which the segment operates, and many competitors are small, local companies that generally have lower overhead. In August 2005, the Company restructured the Telecommunications Services segment which is expected to result in a reduction of future overhead within the segment, reducing its overhead headcount, consolidating two business units and closing and consolidating several of its leased locations. The Company's results in this segment are dependent upon its ability to successfully reorganize the segment and reduce overhead while retaining profitable business in this highly competitive market. The Company's ability to compete in this segment depends upon its reputation, technical capabilities, pricing, quality of service and ability to meet customer requirements in a timely manner. The Company believes that its competitive position in this segment is augmented by its ability to draw upon the expertise and resources of the Company's other segments.

THE COMPANY MUST CONTINUE TO SUCCESSFULLY INTEGRATE THE PURCHASED DIRECTORY AND OPERATOR SERVICES BUSINESS INTO THE COMPANY'S COMPUTER SYSTEMS SEGMENT

On August 2, 2004, Volt Delta Resources, LLC ("Volt Delta"), a wholly-owned subsidiary of the Company, acquired from Nortel Networks, Inc. ("Nortel Networks") certain of the assets (consisting principally of customer base and

contracts, intellectual property and inventory) and certain specified liabilities of Nortel Networks directory and operator services ("DOS") business, in exchange for a 24% minority equity interest in Volt Delta. Together with its subsidiaries, Volt Delta is reported as the Company's Computer Systems segment. In addition to the factors described elsewhere herein, the Company's results in this segment are dependent upon the Company's ability to continue the successful integration of the acquisition into Volt Delta's business with minimal interference with the segment's business.

THE COMPANY MUST STAY IN COMPLIANCE WITH ITS SECURITIZATION PROGRAM AND OTHER LOAN AGREEMENTS

The Company is required to maintain a sufficient credit rating to enable it to continue its $150 million Securitization Program and other loan agreements and maintain its existing credit rating in order to avoid any increase in fees under these credit agreements, as well as to comply with the financial and other covenants applicable under the credit agreements and other borrowing instruments.

While the Company was in compliance with all such requirements at the end of the fiscal quarter and believes it will remain in compliance through the next twelve months, there can be no assurance that will be the case or that waivers may not be required.

THE COMPANY'S PRINCIPAL SHAREHOLDERS OWN A SIGNIFICANT PERCENTAGE OF THE COMPANY AND WILL BE ABLE TO EXERCISE SIGNIFICANT INFLUENCE OVER THE COMPANY AND THEIR INTERESTS MAY DIFFER FROM THOSE OF OTHER SHAREHOLDERS.

As of July 31, 2005, William Shaw, Jerome Shaw, Steven A. Shaw and members of their families own in excess of 47% of the Company's outstanding common stock. Accordingly, these shareholders are able to control the composition of the Company's board of directors and many other matters requiring shareholder approval and will continue to have significant influence over the Company's affairs. This concentration of ownership also could have the effect of delaying or preventing a change in control of the Company or otherwise discouraging a potential acquirer from attempting to obtain control of the Company.

THE COMPANY'S STOCK PRICE COULD BE EXTREMELY VOLATILE AND, AS A RESULT, INVESTORS MAY NOT BE ABLE TO RESELL THEIR SHARES AT OR ABOVE THE PRICE THEY PAID FOR THEM.

Among the factors that could affect the Company's stock price are:

- limited float and a low average daily trading volume, notwithstanding that the Company's stock is traded on the New York Stock Exchange;
- industry trends and the business success of the Company's customers;
- loss of a key customer;
- fluctuations in the Company's results of operations;
- the Company's failure to meet the expectations of the investment community and changes in investment community recommendations or estimates of the Company's future results of operations;
- strategic moves by the Company's competitors, such as product announcements or acquisitions;
- regulatory developments;
- litigation;
- general market conditions; and
- other domestic and international macroeconomic factors unrelated to the Company's performance.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS--Continued

Factors That May Affect Future Results --Continued

The stock market has and may in the future experience extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's common stock.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. If a securities class action suit is filed against the Company, it would incur substantial legal fees and management's attention and resources would be diverted from operating its business in order to respond to the litigation.

Critical Accounting Policies

Management's discussion and analysis of its financial position and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates, judgments, assumptions and valuations that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Future reported results of operations could be impacted if the Company's estimates, judgments, assumptions or valuations made in earlier periods prove to be wrong. Management believes the critical accounting policies and areas that require the most significant estimates, judgments, assumptions or valuations used in the preparation of the Company's financial statements are as follows:

Revenue Recognition - The Company derives its revenues from several sources. The revenue recognition methods, which are consistent with those prescribed in Staff Accounting Bulletin 104 ("SAB 104"), "Revenue Recognition in Financial Statements," are described below in more detail for the significant types of revenue within each of its segments.

Staffing Services:

Staffing: Sales are derived from the Company's Staffing Solutions Group supplying its own temporary personnel to its customers, for which the Company assumes the risk of acceptability of its employees to its customers, and has credit risk for collecting its billings after it has paid its employees. The Company reflects revenues for these services on a gross basis in the period the services are rendered. In the first nine months of fiscal 2005, this revenue comprised approximately 76% of net consolidated sales.

Managed Services: Sales are generated by the Company's E-Procurement Solutions subsidiary, ProcureStaff, and for certain contracts, sales are generated by the Company's Staffing Solutions Group's managed services operations. The Company receives an administrative fee for arranging for, billing for and collecting the billings related to staffing companies ("associate vendors") who have supplied personnel to the Company's customers. The administrative fee is either charged to the customer or subtracted from the Company's payment to the associate vendor. The customer is typically responsible for assessing the work of the associate vendor, and has responsibility for the acceptability of its personnel, and in most instances the customer and associate vendor have agreed that the Company does not pay the associate vendor until the customer pays the Company. Based upon the revenue recognition principles in Emerging Issues Task Force

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS--Continued

Critical Accounting Policies -- Continued
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("EITF") 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," revenue for these services, where the customer and the associate vendor have agreed that the Company is not at risk for payment, is recognized net of associated costs in the period the services are rendered. In the first nine months of fiscal 2005, this revenue comprised approximately 2% of net consolidated sales.

Outsourced Projects: Sales are derived from the Company's Information Technology Solutions operation providing outsource services for a customer in the form of project work, for which the Company is responsible for deliverables. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period the services are rendered when on a time and material basis, and when the Company is responsible for project completion, revenue is recognized when the project is complete and the customer has approved the work. In the first nine months of fiscal 2005, this revenue comprised approximately 6% of net consolidated sales.

Shaw & Shaw: Sales of the Company's Shaw & Shaw subsidiary, which ceased operations in the second quarter of fiscal 2005, were generated when the Company provided professional employer organizational services ("PEO") to certain customers. Generally, the customers transferred their entire workforce or employees of specific departments or divisions to the Company, but the customers maintained control over the day-to-day job duties of the employees. In the first nine months of fiscal 2005, this revenue comprised less than 1% of net consolidated sales, due to the Company's reporting of these revenues on a net basis.

Telephone Directory:

Directory Publishing: Sales are derived from the Company's sales of telephone directory advertising for books it publishes as an independent publisher in the United States and Uruguay. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period the books are printed and distributed. In the first nine months of fiscal 2005, this revenue comprised approximately 2% of net consolidated sales.

Ad Production and Other: Sales are generated when the Company performs design, production and printing services, and database management for other publishers' telephone directories. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period the Company has completed its production work and upon customer acceptance. In the first nine months of fiscal 2005, this revenue comprised approximately 1% of net consolidated sales.

Telecommunications Services:

Construction: Sales are derived from the Company supplying aerial and underground construction services. The Company's employees perform the services, and the Company takes title to all inventory and has credit risk for collecting its billings. The Company relies upon the principles in AICPA Statement of Position ("SOP") 81-1, "Accounting for Performance of Construction-Type Contracts," using the completed-contract method, to recognize revenue on a gross basis upon customer acceptance of the project. In the first nine months of fiscal 2005, this revenue comprised approximately 4% of net consolidated sales.

Critical Accounting Policies -- Continued

Non-Construction: Sales are derived from the Company performing design, engineering and business systems integrations work. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period in which services are performed, and if applicable, any completed units are delivered and accepted by the customer. In the first nine months of fiscal 2005, this revenue comprised approximately 2% of net consolidated sales.

Computer Systems:

Database Access: Sales are derived from the Company granting access to its proprietary telephone listing databases to telephone companies, inter-exchange carriers and non-telco enterprise customers. The Company uses its own databases and has credit risk for collecting its billings. The Company recognizes revenue on a gross basis in the period in which the customers access the Company's databases. In the first nine months of fiscal 2005, this revenue comprised approximately 5% of net consolidated sales.

IT Maintenance: Sales are derived from the Company providing hardware maintenance services to the general business community, including customers who have the Company's systems, on a time and material basis or a contract basis. The Company uses its own employees and inventory in the performance of the services, and has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period in which the services are performed, contingent upon customer acceptance when on a time and material basis, or over the life of the contract, as appropriate. In the first nine months of fiscal 2005, this revenue comprised approximately 1% of net consolidated sales.

Telephone Systems: Sales are derived from the Company providing telephone operator services-related systems and enhancements to existing systems, equipment and software to customers. The Company uses its own employees and has credit risk for collecting its billings. The Company relies upon the principles in AICPA SOP 97-2, "Software Revenue Recognition" and EITF 00-21, "Revenue Arrangements with Multiple Deliverables" to recognize revenue on a gross basis upon customer acceptance of each part of the system based upon its fair value. In the first nine months of fiscal 2005, this revenue comprised approximately 1% of net consolidated sales.

The Company records provisions for estimated losses on contracts when losses become evident. Accumulated unbilled costs on contracts are carried in inventory at the lower of actual cost or estimated realizable value.

Allowance for Uncollectible Accounts - The establishment of an allowance requires the use of judgment and assumptions regarding potential losses on receivable balances. Allowances for accounts receivable are maintained based upon historical payment patterns, aging of accounts receivable and actual write-off history. The Company believes that its allowances are adequate; however, changes in the financial condition of customers could have an effect on the allowance balance required and a related charge or credit to earnings.

Goodwill - Under Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," goodwill is no longer amortized, but is subject to annual impairment testing using fair value methodologies. The impairment test for goodwill is a two-step process. Step one consists of a comparison of the equity value ("fair value") of a reporting unit with its book value ("carrying amount"), including the goodwill allocated to the reporting unit. Measurement of the fair value of a reporting unit is based on one or more fair value measures including present value techniques of estimated future cash flows and estimated amounts at which the unit as a whole could be bought or sold in a current transaction between willing parties. If

Critical Accounting Policies -- Continued
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the carrying amount of the reporting unit exceeds the fair value, step two requires the fair value of the reporting unit to be allocated to the underlying assets and liabilities of that reporting unit, resulting in an implied fair value of goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss equal to the excess is recorded in net earnings (loss). The Company performs its impairment testing using comparable multiples of sales and EBITDA and other valuation methods to assist the Company in the determination of the fair value of the reporting units measured.

Long-Lived Assets - Property, plant and equipment are recorded at cost, and depreciation and amortization are provided on the straight-line and accelerated methods at rates calculated to depreciate the cost of the assets over their estimated useful lives. Intangible assets, other than goodwill, and property, plant and equipment are reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Under SFAS No. 144, these assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; the accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and a current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset or asset group. An impairment loss is recognized when the carrying amount is not recoverable and exceeds the fair value of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount exceeds fair value.

Capitalized Software - The Company's software technology personnel are involved in the development and acquisition of internal-use software to be used in its Enterprise Resource Planning system and software used in its operating segments, some of which are customer accessible. The Company accounts for the capitalization of software in accordance with AICPA SOP No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Subsequent to the preliminary project planning and approval stage, all appropriate costs are capitalized until the point at which the software is ready for its intended use. Subsequent to the software being used in operations, the capitalized costs are transferred from costs-in-process to completed property, plant and equipment, and are accounted for as such. All post-implementation costs, such as maintenance, training and minor upgrades that do not result in additional functionality, are expensed as incurred.

Securitization Program - The Company accounts for the securitization of accounts receivable in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." At the time a participation interest in the receivables is sold, that interest is removed from the consolidated balance sheet. The outstanding balance of the undivided interest sold to Three Rivers Funding Corporation ("TRFCO"), an asset backed commercial paper conduit sponsored by Mellon Bank, N.A., was $95.0 million at July 31, 2005 and $70.0 million at October 31, 2004. Accordingly, the trade receivables included on the July 31, 2005 and October 31, 2004 balance sheets have been reduced to reflect the participation interest sold. TRFCO has no recourse to the Company (beyond its interest in the pool of receivables owned by Volt Funding Corp., a wholly-owned special purpose subsidiary of the Company) for any of the sold receivables.

Critical Accounting Policies -- Continued
- --

Primary Casualty Insurance Program - The Company is insured with a highly rated insurance company under a program that provides primary workers' compensation, employer's liability, general liability and automobile liability insurance under a loss sensitive program. In certain mandated states, the Company purchases workers' compensation insurance through participation in state funds and the experience-rated premiums in these state plans relieve the Company of any additional liability. In the loss sensitive program, initial premium accruals are established based upon the underlying exposure, such as the amount and type of labor utilized, number of vehicles, etc. The Company establishes accruals utilizing actuarial methods to estimate the future cash payments that will be made to satisfy the claims, including an allowance for incurred-but-not-reported claims. This process also includes establishing loss development factors, based on the historical claims experience of the Company and the industry, and applying those factors to current claims information to derive an estimate of the Company's ultimate premium liability. In preparing the estimates, the Company considers the nature and severity of the claims, analyses provided by third party actuaries, as well as current legal, economic and regulatory factors. The insurance policies have various premium rating plans that establish the ultimate premium to be paid. Adjustments to premiums are made based upon the level of claims incurred at a future date up to three years after the end of the respective policy period. For the policy year ended March 31, 2003, a maximum premium was predetermined and paid. For subsequent policy years, management evaluates the accrual, and the underlying assumptions, regularly throughout the year and makes adjustments as needed. The ultimate premium cost may be greater or less than the established accrual. While management believes that the recorded amounts are adequate, there can be no assurances that changes to management's estimates will not occur due to limitations inherent in the estimation process. In the event it is determined that a smaller or larger accrual is appropriate, the Company would record a credit or a charge to cost of services in the period in which such determination is made.

Medical Insurance Program - Beginning in April 2004, the Company became self-insured for the majority of its medical benefit programs. The Company remains insured for a portion of its medical program (primarily HMOs) as well as the entire dental program. The Company provides the self-insured medical benefits through an arrangement with a third-party administrator. However, the liability for the self-insured benefits is limited by the purchase of stop loss insurance. Contributed and withheld funds and related liabilities for the self-insured program together with unpaid premiums for the insured programs, other than the current provision, are held in a 501(c)(9) employee welfare benefit trust and do not appear on the balance sheet of the Company. In order to establish the self-insurance reserves, the Company utilized actuarial estimates of expected losses based on statistical analyses of historical data. The provision for future payments is initially adjusted by the enrollment levels in the various plans. Periodically, the resulting liabilities are monitored and will be adjusted as warranted by changing circumstances. Should the amount of claims occurring exceed what was estimated or medical costs increase beyond what was expected, liabilities might not be sufficient, and additional expense may be recorded.

NINE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE NINE MONTHS ENDED AUGUST 1, 2004

The information, which appears below, relates to current and prior periods, the results of operations for which periods are not indicative of the results which may be expected for any subsequent periods.

<TABLE>
<CAPTION>

	Nine Months Ended		Three Months Ended	
	July 31, 2005	August 1, 2004 (Restated)	July 31, 2005	August 1, 2004
	(In thousands)			
Net Sales:				
Staffing Services				
<S>	<C>	<C>	<C>	<C>
Staffing	$ 1,297,067	$ 1,150,026	$ 440,151	$ 410,112
Managed Services	888,105	835,850	278,339	306,054
Total Gross Sales	2,185,172	1,985,876	718,490	716,166
Less: Non-Recourse Managed Services	(861,790)	(814,770)	(268,305)	(298,354)
Net Staffing Services	1,323,382	1,171,106	450,185	417,812
Telephone Directory	56,972	52,118	23,899	19,436
Telecommunications Services	93,964	100,445	30,825	37,041
Computer Systems	127,920	80,550	43,806	30,128
Elimination of inter-segment sales	(14,843)	(11,049)	(5,200)	(3,685)
Total Net Sales	$ 1,587,395	$ 1,393,170	$ 543,515	$ 500,732
Segment Operating Profit (Loss):				
Staffing Services	$ 16,668	$ 22,600	$ 6,952	$ 11,642
Telephone Directory	10,211	7,215	5,603	2,621
Telecommunications Services	(3,219)	(1,655)	(983)	1,064
Computer Systems	24,579	19,479	8,050	9,090
Total Segment Operating Profit	48,239	47,639	19,622	24,417
General corporate expenses	(26,503)	(22,897)	(9,220)	(7,704)
Total Operating Profit	21,736	24,742	10,402	16,713
Interest income and other expense	(1,043)	(2,381)	(297)	(952)
Foreign exchange (loss) gain - net	(116)	(98)	144	(28)
Interest expense	(1,382)	(1,321)	(428)	(441)
Income from Continuing Operations Before Minority Interest and Income Taxes	$ 19,195	$ 20,942	$ 9,821	$ 15,292

</TABLE>

NINE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE NINE MONTHS ENDED AUGUST 1, 2004--Continued

EXECUTIVE OVERVIEW

Volt Information Sciences, Inc. ("Volt") is a leading national provider of staffing services and telecommunications and information solutions with a material portion of its revenue coming from Fortune 100 customers. The Company operates in four segments and the management discussion and analysis addresses each. A brief description of these segments and the predominant source of their sales follow:

Staffing Services: This segment is divided into three major functional areas and operates through a network of over 300 branch offices.

- Staffing Solutions fulfills IT and other technical, commercial and industrial placement requirements of its customers, on both a temporary and permanent basis, together with managed staffing services.

- E-Procurement Solutions provides global vendor neutral procurement and management solutions for supplemental staffing using web-based tools through the Company's ProcureStaff subsidiary.

- Information Technology Solutions provides a wide range of information technology consulting and project management services through the Company's VMC Consulting subsidiary.

Telephone Directory: This segment publishes independent telephone directories, provides telephone directory production services, database management and printing.

Telecommunications Services: This segment provides a full spectrum of telecommunications construction, installation, and engineering services in the outside plant and central offices of telecommunications and cable companies as well as for large commercial and governmental entities.

Computer Systems: This segment provides directory and operator systems and services primarily for the telecommunications industry, and provides IT maintenance services.

Several historical seasonal factors usually affect the sales and profits of the Company. The Staffing Services segment's sales are always lowest in the Company's first fiscal quarter due to the Thanksgiving, Christmas and New Year holidays, as well as certain customer facilities closing for one to two weeks. During the third and fourth quarters of the fiscal year, this segment benefits from a reduction of payroll taxes when the annual tax contributions for higher salaried employees have been met, and customers increase the use of the Company's administrative and industrial labor during the summer vacation period. In addition, the Telephone Directory segment's DataNational division publishes more directories during the second half of the fiscal year.

Numerous non-seasonal factors impacted sales and profits in the current nine and three month periods. In the nine months and the current quarter, the sales of the Staffing Services segment, in addition to the factors noted above, were positively impacted by a continued increase in the use of contingent technical staffing, although the growth rate in the third quarter decreased. Operating profits in both periods were lower than their comparable periods due to decreased margins and higher overhead costs incurred to enable the continuation of the growth in the Technical Placement division, including the VMC Consulting business. Operating profits for the segment have decreased in the nine and three-month periods due to a decrease in gross margins and a growth in overhead costs.

EXECUTIVE OVERVIEW--Continued
- -----------------------------

The sales and operating profits of the Telephone Directory segment increased in the nine and three-month periods predominantly due to third quarter sales increases and overhead cost reductions throughout the segment.

The sales and operating results of the Telecommunications Services segment have decreased for the nine and three-month periods predominantly due to the continued sales decline in parts of its business in the current quarter and reduced segment margins for the year. However, the Company continues to carefully monitor the overhead within the segment in order to partially mitigate the effect of the reduced segment sales and margins.

Due to the current state of the telecommunications industry and as a result of recent losses in its Telecommunications Services segment, in August 2005, the Company restructured the Telecommunications Services segment which is expected to result in a reduction of future overhead within the segment of approximately $4.2 million on an annual basis. The restructuring will result in the segment reducing its overhead headcount, consolidating two business units and closing and consolidating several of its leased locations. The Company anticipates taking a charge for employee severance and lease terminations costs approximating $0.4 million in the fourth quarter.

For the nine months and current quarter, the Computer Systems segment's sales continue to be positively impacted by the increase in the segment's ASP directory assistance outsourcing business, in which there continues to be a substantial increase in transaction revenue, as well as revenue from the business acquired from Nortel Networks. The operating profit for the segment increased substantially for the nine-month period, but reflected a decline in the current quarter due to the presence in the prior year of non-recurring income from vendor settlements.

The Company has, and will continue to focus on aggressively increasing its market share, while attempting to maintain margins and minimize overhead increases in order to increase profits.

The Company continues its effort to streamline its processes to manage the business and protect its assets through the continued deployment of its Six Sigma initiatives, upgrading its financial reporting systems, its compliance with the Sarbanes-Oxley Act, and the standardization and upgrading of IT redundancy and business continuity for corporate systems and communications networks. To the extent possible, the Company has been utilizing, and will continue to utilize, internal resources supplemented with temporary staff and consultants to comply with the Sarbanes-Oxley Act by the end of fiscal year 2005. To-date, outside costs of compliance with this Act, including software licenses, equipment, temporary staff, consultants and professional fees amounted to $1.9 million, and it is anticipated that an additional $1.0 million, excluding audit fees, will be expended in the remainder of calendar year 2005.

RESULTS OF OPERATIONS - SUMMARY
- -------------------------------

In the first nine months of fiscal 2005, consolidated net sales increased by $194.2 million, or 14%, to $1.6 billion, from the comparable period in fiscal 2004. The primary increase in fiscal 2005 net sales resulted from increases in Staffing Services of $152.3 million and Computer Systems of $47.4 million.

RESULTS OF OPERATIONS - SUMMARY--Continued

- --

Net income for the first nine months of fiscal 2005 was $8.7 million compared to $22.2 million in the prior year's period. The results of the 2004 period included a gain from discontinued operations from the sale of real estate of $9.5 million. The Company reported a pre-tax income from continuing operations before minority interest for the nine months of fiscal 2005 of $19.2 million, compared to $20.9 million in the prior year's period.

The Company's operating segments reported an operating profit of $48.2 million in the nine-month period of 2005, an increase of $0.6 million, or 1%, from the comparable 2004 period. Contributing to the increase were increases in the operating profit of the Computer Systems segment of $5.1 million and the Telephone Directory segment of $3.0 million, partially offset by decreases in the Staffing Services segment of $5.9 million and the Telecommunications Services segment of $1.6 million.

General corporate expenses increased by $3.6 million, or 16%, due to costs incurred to meet the disaster recovery requirements of redundancy and business continuity for corporate systems and communication networks, as well as salary and professional fee increases. In addition, the Company incurred costs related to compliance with the Sarbanes-Oxley Act.

RESULTS OF OPERATIONS - BY SEGMENT
- ----------------------------------

STAFFING SERVICES
- -----------------
<TABLE>
<CAPTION>

	Nine Months Ended					
	July 31, 2005		August 1, 2004			
Staffing Services (Dollars in Millions)	Dollars	% of Net Sales	Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Staffing Sales (Gross)	$1,297.1		$1,150.0		$147.1	12.8%
Managed Service Sales (Gross) *	$888.1		$ 835.9		$ 52.2	6.3%
Sales (Net)	$1,323.4		$1,171.1		$152.3	13.0%
Gross Profit	$ 200.4	15.1%	$ 182.1	15.5%	$ 18.3	10.0%
Overhead	$ 183.7	13.9%	$ 159.5	13.6%	($ 24.2)	(15.2%)
Operating Profit	$ 16.7	1.2%	$ 22.6	1.9%	($ 5.9)	(26.3%)

</TABLE>

* Included in Managed Service Sales (Gross) are billings for associate vendors which are substantially all excluded from Sales (Net).

The sales increase of the Staffing Services segment in the first nine months of fiscal 2005 from the comparable fiscal 2004 period was due to increased staffing business in both the Technical Placement and the Administrative and Industrial divisions and in the VMC Consulting business of the Technical Placement division. The decrease in operating profit in the segment resulted from the decrease in gross margin percentage and higher overhead costs.

NINE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE NINE MONTHS ENDED AUGUST 1, 2004--Continued

STAFFING SERVICES --Continued

<TABLE>
<CAPTION>

Technical Placement Division (Dollars in Millions)	Nine Months Ended July 31, 2005 Dollars	July 31, 2005 % of Net Sales	Nine Months Ended August 1, 2004 Dollars	August 1, 2004 % of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
Sales (Gross)	$1,667.4		$1,506.3		$161.1	10.7%
Sales (Net)	$ 823.3		$ 707.9		$115.4	16.3%
Gross Profit	$ 136.7	16.6%	$ 121.0	17.1%	$ 15.7	13.0%
Overhead	$ 113.8	13.8%	$ 95.0	13.4%	($ 18.8)	(19.8%)
Operating Profit	$ 22.9	2.8%	$ 26.0	3.7%	($ 3.1)	(12.0%)

</TABLE>

The Technical Placement division's increase in net sales in the first nine months of fiscal 2005 from the comparable fiscal 2004 period was due to a $99.2 million, or 16%, sales increase in traditional alternative staffing, an $11.3 million, or 15%, increase in VMC Consulting project management and consulting sales and a $4.9 million, or 25% increase in net managed service associate vendor sales. The decrease in the operating profit was the result of the increase in overhead as a percentage of net sales and the decrease in gross margin percentage, partially offset by the increased sales. The decrease in gross margin percentage was due to higher payroll taxes throughout the division and reduced markups within VMC Consulting. The increase in overhead was principally due to an increase in indirect labor and related payroll costs incurred to sustain the sales growth of the division, including the VMC Consulting business.

<TABLE>
<CAPTION>

Administrative & Industrial Division (Dollars in Millions)	Nine Months Ended July 31, 2005 Dollars	July 31, 2005 % of Net Sales	Nine Months Ended August 1, 2004 Dollars	August 1, 2004 % of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
Sales (Gross)	$517.8		$479.6		$38.2	8.0%
Sales (Net)	$500.1		$463.2		$36.9	8.0%
Gross Profit	$ 63.7	12.7%	$ 61.1	13.2%	$ 2.6	4.2%
Overhead	$ 69.9	14.0%	$ 64.5	13.9%	($ 5.4)	(8.4%)
Operating Loss	($ 6.2)	(1.3%)	($ 3.4)	(0 .7%)	($ 2.8)	(82.3%)

</TABLE>

The Administrative and Industrial division's increase in gross sales in the first nine months of fiscal 2005 resulted from revenue from both new accounts and increased business from existing accounts. The increased operating loss was a result of the decreased gross margin percentage and the increase in overhead as a percentage of sales, partially offset by the increased sales. The decrease in gross margin percentage was primarily due to higher payroll taxes and the increase in overhead was due to increases in indirect labor.

Although the markets for the segment's services include a broad range of industries throughout the United States and Europe, general economic difficulties in specific geographic areas or industrial sectors have in the past and could, in the future, affect the profitability of the segment.

NINE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE NINE MONTHS ENDED AUGUST 1, 2004--Continued

TELEPHONE DIRECTORY

<TABLE>
<CAPTION>

	Nine Months Ended					
	July 31, 2005		August 1, 2004			
Telephone Directory		% of Net		% of Net	Favorable (Unfavorable)	Favorable (Unfavorable)
(Dollars in Millions)	Dollars	Sales	Dollars	Sales	Change	% Change
			(Restated)	(Restated)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales (Net)	$57.0		$52.1		$4.9	9.3%
Gross Profit	$30.2	53.0%	$27.9	53.6%	$2.3	8.3%
Overhead	$20.0	35.1%	$20.7	39.7%	$0.7	3.3%
Operating Profit	$10.2	17.9%	$ 7.2	13.9%	$3.0	41.5%

</TABLE>

The components of the Telephone Directory segment's sales increase for the first nine months of fiscal 2005 from to the comparable 2004 period were an increase of $2.6 million in systems revenue and a $2.2 million increase in printing revenue in Uruguay, partially offset by a $0.1 million decrease in other sales. Publishing sales increased slightly, with a $1.5 million increase in the sales of the DataNational community telephone directory operation, offset by sales decreases in the Uruguayan directory operation of $0.5 million and the elimination of a domestic directory publication of $0.7 million sold in fiscal 2004. The DataNational and Uruguayan variances in sales were due to the changes in the number of directories printed and delivered. The increase in the segment's operating profit from the comparable period in fiscal 2004 was the result of the sales increase and the decrease in overhead due to $0.7 million of expenses incurred in fiscal 2004 in connection with an investigation in Uruguay, partially offset by lower margins recognized on the Uruguayan telephone directories published in the period.

Other than the DataNational division, which accounted for 66% of the segment's fiscal 2005 first nine months' sales, the segment's business is obtained through submission of competitive proposals for production and other contracts. These short and long-term contracts are re-bid after expiration. Many of this segment's long-term contracts contain cancellation provisions under which the customer can cancel the contract, even if the segment is not in default under the contract and generally do not provide for a minimum amount of work to be awarded to the segment. While the Company has historically secured new contracts and believes it can secure renewals and/or extensions of most of these contracts, some of which are material to this segment, and obtain new business, there can be no assurance that contracts will be renewed or extended, or that additional or replacement contracts will be awarded to the Company on satisfactory terms. In addition, this segment's sales and profitability are highly dependent on advertising revenue for DataNational's directories, which could be affected by general economic conditions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS--Continued

NINE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE NINE MONTHS ENDED AUGUST 1, 2004--Continued

TELECOMMUNICATIONS SERVICES
<TABLE>
<CAPTION>

Telcommunications Services (Dollars in Millions)	Nine Months Ended July 31, 2005 Dollars	% of Net Sales	Nine Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales (Net)	$94.0		$100.4		($6.4)	(6.5%)
Gross Profit	$18.7	19.9%	$ 25.7	25.6%	($7.0)	(27.1%)
Overhead	$21.9	23.3%	$ 27.3	27.2%	$5.4	19.8%
Operating Loss	($ 3.2)	(3.4%)	($ 1.6)	(1.6%)	($1.6)	(94.5%)

</TABLE>

The Telecommunications Services segment's sales decrease of $6.4 million, or 7%, in the first nine months of fiscal 2005 from the comparable 2004 period was due to a decline in capital spending by telephone companies. The increase in the operating loss was due to the sales and gross margin decreases, partially offset by a decrease in overhead (which in the 2004 period included a previously reported $1.3 million charge in the nine months of fiscal 2004 related to a domestic consulting contract for services). Despite an emphasis on cost controls, the results of the segment continue to be affected by the decline in capital spending by telephone companies caused by the depressed conditions within the segment's telecommunications industry customer base. This factor has also increased competition for available work, pressuring pricing and gross margins throughout the segment. Actions by major long-distance telephone companies to reduce marketing of local residential service have negatively impacted sales and continue to impact margins of the segment.

Due to the current state of the telecommunications industry and as a result of recent losses in its Telecommunications Services segment, in August 2005, the Company restructured the Telecommunications Services segment which is expected to result in a reduction of future overhead within the segment of approximately $4.2 million on an annual basis. The restructuring will result in the segment reducing its overhead headcount, consolidating two business units and closing and consolidating several of its leased locations. The Company anticipates taking a charge for employee severance and lease terminations costs approximating $0.4 million in the fourth quarter. In accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities", the liability for all of the costs to be recognized under this restructuring is to be recognized when the liability is incurred. The plan for the downsizing, initiated in August 2005, is expected to be completed in the Company's fourth quarter, when such charges will be made within the segment.

A substantial portion of the business in this segment is obtained through the submission of competitive proposals for contracts, which typically expire within one to three years and are re-bid. Many of this segment's long-term contracts contain cancellation provisions under which the customer can cancel the contract, even if the segment is not in default under the contract and generally do not provide for a minimum amount of work to be awarded to the segment. While the Company believes it can secure renewals and/or extensions of most of these contracts, some of which are material to this segment, and obtain new business,

there can be no assurances that contracts will be renewed or extended or that additional or replacement contracts will be awarded to the Company on satisfactory terms.

NINE MONTHS ENDED JULY 31, 2005 COMPARED TO THE NINE MONTHS ENDED AUGUST 1, 2004--Continued

COMPUTER SYSTEMS

Computer Systems (Dollars in Millions)	Nine Months Ended July 31, 2005 Dollars	% of Net Sales	August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
Sales (Net)	$127.9		$80.5		$47.4	58.8%
Gross Profit	$ 67.8	53.0%	$48.1	59.8%	$19.7	40.9%
Overhead	$ 43.2	33.8%	$28.6	35.6%	($14.6)	(50.9%)
Operating Profit	$ 24.6	19.2%	$19.5	24.2%	$5.1	26.2%

The Computer Systems segment's sales increase in the first nine months of fiscal 2005 over the comparable 2004 period was due to improvements in the segment's operator services business, including ASP directory assistance, which reflected a $32.7 million, or 81%, growth in sales during the period, a sales increase of $2.9 million, or 50%, in DataServ's data services which are provided to non-telco enterprise customers, a $4.2 million, or 15%, sales growth in the Maintech division's IT maintenance services, and a $7.6 million, or 125%, increase in product revenue recognized. The sales increases noted above included $21.0 million of DOS Business acquired from Nortel Networks, which represented 16% of the segment's sales for the 2005 period. The growth in operating profit from the comparable 2004 period was the result of the increase in sales and the decrease in overhead as a percentage of sales, partially offset by the decrease in gross margin percentage. The lower gross margin percentage in the first nine months of fiscal 2005, as compared to the comparable first nine months of fiscal 2004 was partially due to the favorable settlement of vendor disputes and refunds in the first nine months of fiscal 2004 approximating $1.5 million, lower margins recognized in the first nine months of fiscal 2005 related to product revenue and the absence of Nortel business in the nine months of fiscal 2004, the margins of which are lower than the segment average.

Volt Delta, the entity which operates the Computer Systems segment, acquired certain assets and liabilities of the DOS Business of Nortel Networks on August 2, 2004 in exchange for a 24% equity interest in the segment. This acquisition permits Volt Delta to provide the newly combined customer base with new solutions and an expanded suite of products, content and enhanced services.

This segment's results are highly dependent on the volume of calls to the segment's customers that are processed by the segment under existing contracts with telephone companies, the segment's ability to continue to secure comprehensive telephone listings from others, its ability to obtain additional customers for these services and its continued ability to sell products and services to new and existing customers.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS--Continued

NINE MONTHS ENDED JULY 31, 2005 COMPARED TO THE NINE MONTHS ENDED AUGUST 1, 2004--Continued

RESULTS OF OPERATIONS -- OTHER

<TABLE>
<CAPTION>

Other (Dollars in Millions)	Nine Months Ended July 31, 2005 Dollars	% of Net Sales	Nine Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
Selling & Administrative *	$66.0	4.2%	$58.5	4.2%	($7.5)	(12.7%)
Depreciation & Amortization	$22.6	1.4%	$18.8	1.4%	($3.8)	(20.1%)
Interest Income	$ 1.9	0.1%	$0.7	0.0%	$1.2	173.1%
Other Expense	($2.9)	0.2%	($3.1)	0.2%	$0.2	(5.0%)
Foreign Exchange Loss	($0.1)	0.0%	($0.1)	0.0%	$0.0	(18.4%)
Interest Expense	($1.4)	0.1%	($1.3)	0.1%	($0.1)	(4.6%)

</TABLE>

* The first nine months of fiscal 2004 amount has been restated

Other items, discussed on a consolidated basis, affecting the results of operations for the fiscal periods were:

The increase in selling and administrative expenses in the first nine months of fiscal 2005 from the comparable 2004 quarter was a result of increased selling expenses to support the increased sales levels throughout the Company, in addition to increased corporate general and administrative expenses related to costs to meet the disaster recovery requirements of redundancy and business continuity for corporate systems and communications networks. In addition, the Company incurred increased salaries, professional fees and costs related to compliance with the Sarbanes-Oxley Act.

The increase in depreciation and amortization for the first nine months of fiscal 2005 from the comparable 2004 quarter was attributable to increases in fixed assets, primarily in the Computer Systems and Staffing Services segments, and the increased amortization of intangible assets in the Computer Systems segment.

Interest income increased due to higher interest rates together with additional funds available for investment.

Other expense in both fiscal years is primarily the charges related to the Company's Securitization Program as well as business taxes and sundry expenses.

The Company's effective tax rate on its financial reporting pre-tax income from continuing operations was 40.0% in the first nine months of 2005 compared to 39.4% in 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS--Continued

THREE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE THREE MONTHS ENDED AUGUST 1, 2004--Continued

RESULTS OF OPERATIONS - SUMMARY

In the third quarter of fiscal 2005, consolidated net sales increased by $42.8 million, or 9%, to $543.5 million, from the comparable period in fiscal 2004. The primary increases in fiscal 2005 net sales resulted from increases in Staffing Services of $32.4 million and Computer Systems of $13.7 million.

Net income for the third quarter of fiscal 2005 was $5.0 million compared to $9.2 million in the comparable 2004 third quarter. The Company reported a pre-tax income from continuing operations before minority interest for the third quarter of fiscal 2005 of $9.8 million compared to $15.3 million in the prior year's third quarter.

The Company's operating segments reported an operating profit of $19.6 million in the fiscal 2005 quarter, a decrease of $4.8 million, or 20%, from the comparable 2004 quarter. The segments with decreased operating results were Staffing Services, $4.7 million, Telecommunications Services, $2.0 million and Computer Systems, $1.0 million, partially offset by an increase in the operating profit of the Telephone Directory segment of $3.0 million.

General corporate expenses increased by $1.5 million, or 20%, due to costs incurred to meet the disaster recovery requirements of redundancy and business continuity for corporate systems and communication networks, as well as salary and professional fee increases. In addition, the Company incurred costs related to compliance with the Sarbanes-Oxley Act.

RESULTS OF OPERATIONS - BY SEGMENT

STAFFING SERVICES
<TABLE>
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<S> <C> <C> <C> <C> <C> <C>

Staffing Services (Dollars in Millions)	Three Months Ended July 31, 2005 Dollars	% of Net Sales	Three Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
Staffing Sales (Gross)	$440.2		$410.1		$30.1	7.3%
Managed Service Sales (Gross) *	$278.3		$306.1		($27.8)	(9.1%)
Sales (Net)	$450.2		$417.8		$32.4	7.8%
Gross Profit	$ 69.0	15.3%	$ 67.2	16.1%	$ 1.8	2.6%
Overhead	$ 62.0	13.8%	$ 55.6	13.3%	($ 6.4)	(11.6%)
Operating Profit	$ 7.0	1.5%	$ 11.6	2.8%	($ 4.6)	(40.3%)

</TABLE>

* Included in Managed Service Sales (Gross) are billings for associate vendors which are substantially all excluded from Sales (Net).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS--Continued

THREE MONTHS ENDED JULY 31, 2005 COMPARED TO THE THREE MONTHS ENDED AUGUST 1, 2004--Continued

RESULTS OF OPERATIONS - BY SEGMENT --Continued

STAFFING SERVICES--Continued

The sales increase of the Staffing Services segment in the fiscal 2005 third quarter from the comparable fiscal 2004 quarter was due to increased staffing business in both the Technical Placement and the Administrative and Industrial divisions, with a decrease in the VMC Consulting business of the Technical Placement division. The decrease in operating profit in the segment resulted from the decrease in gross margin percentage and the higher overhead costs.

<TABLE>
<CAPTION>

Technical Placement Division (Dollars in Millions)	Three Months Ended July 31, 2005 Dollars	% of Net Sales	Three Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales (Gross)	$544.1		$543.6		$ 0.5	0.1%
Sales (Net)	$282.1		$251.4		$30.7	12.2%
Gross Profit	$ 47.0	16.7%	$ 44.4	17.7%	$ 2.6	5.7%
Overhead	$ 38.7	13.7%	$ 33.4	13.3%	($ 5.3)	(15.8%)
Operating Profit	$ 8.3	2.9%	$ 11.0	4.4%	($ 2.7)	(24.9%)

</TABLE>

The Technical Placement division's increase in net sales in the third quarter of fiscal 2005 from the comparable fiscal 2004 quarter was primarily due to a $29.8 million, or 14%, sales increase in traditional alternative staffing sales. The decrease in the operating profit was the result of the reduction in gross margin percentage and the increase in overhead as a percentage of sales, partially offset by the increased sales. The decrease in gross margin percentage was due to higher payroll taxes throughout the division and reduced markups within VMC Consulting. The increase in overhead was principally due to an increase in indirect labor and related payroll costs incurred to sustain the forecasted growth of the division, including the VMC Consulting business.

<TABLE>
<CAPTION>

Administrative & Industrial Division (Dollars in Millions)	Three Months Ended July 31, 2005 Dollars	% of Net Sales	Three Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales (Gross)	$174.4		$172.6		$1.8	1.0%
Sales (Net)	$168.1		$166.4		$1.7	1.0%

Gross Profit	$ 22.0	13.1%	$ 22.8	13.7%	($0.8)	(3.4%)
Overhead	$ 23.3	13.9%	$ 22.2	13.3%	($1.1)	(5.3%)
Operating (Loss) Profit	($ 1.3)	(0.8%)	$ 0.6	0.4%	($1.9)	(309.4%)

</TABLE>

The Administrative and Industrial division's increase in gross sales in the third quarter of fiscal 2005 compared to the fiscal 2004 third quarter resulted from both revenue from new accounts and increased business from

existing accounts, partially offset by the elimination of the division's PEO sales ($2.3 million in the third quarter of fiscal 2004), due to the Company terminating this service. The current quarter's operating loss, as compared to the comparable quarter's profit, was due to the reduced gross margins and the increase in overhead as a percentage of sales, partially offset by the slight increase in sales. The decrease in gross margin was due to higher payroll taxes and the increase in overhead was due to an increase in indirect labor.

TELEPHONE DIRECTORY

<TABLE>
<CAPTION>

	Three Months Ended					
	July 31, 2005		August 1, 2004			
Telephone Directory (Dollars in Millions)	Dollars	% of Net Sales	Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<c>	<C>	<C>
Sales (Net)	$23.9		$19.4		$4.5	23.0%
Gross Profit	$12.7	53.3%	$10.9	56.1%	$1.8	16.7%
Overhead	$ 7.1	29.8%	$ 8.3	42.6%	$1.2	14.0%
Operating Profit	$ 5.6	23.4%	$ 2.6	13.5%	$3.0	113.8%

</TABLE>

The components of the Telephone Directory segment's sales increase for the third quarter of fiscal 2005 from the comparable 2004 quarter were increases of $1.9 million in the community telephone directory operation of DataNational, $0.7 million in the sales of the telephone directory systems operation, $1.7 million in the printing operation in Uruguay. The DataNational increased revenue was due to a change in the number of directories printed and delivered during the quarter. The segment's increased operating profit was the result of the sales increase and the decrease in overhead due to $0.7 million of expenses incurred in fiscal 2004 in connection with an investigation in Uruguay, partially offset by the decrease in gross margin percentage, primarily due to the product mix within the segment.

TELECOMMUNICATIONS SERVICES

<TABLE>
<CAPTION>

Telecommunications (Dollars in Millions)	Three Months Ended July 31, 2005 Dollars	% of Net Sales	Three Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales (Net)	$30.8		$37.0		($6.2)	(16.8%)
Gross Profit	$ 6.3	20.5%	$10.5	28.4%	($4.2)	(40.1%)
Overhead	$ 7.3	23.6%	$ 9.5	25.5%	$2.2	23.0%
Operating (Loss) Profit	($ 1.0)	(3.2%)	$ 1.0	2.9%	($2.0)	(192.4%)

</TABLE>

The Telecommunications Services segment's sales decrease of $6.2 million, or 17%, in the third quarter of fiscal 2005 from the comparable 2004 quarter was due to a decline in capital spending by telephone companies.

TELECOMMUNICATIONS SERVICES--Continued

The segment's operating loss for the quarter was due to the sales decrease and the reduction in the gross margin percentage, partially offset by the decreased overhead. Despite an emphasis on cost controls, the results of the segment continue to be affected by the decline in capital spending by telephone companies caused by the depressed conditions within the segment's telecommunications industry customer base. This factor has also increased competition for available work, pressuring pricing and gross margins throughout most of the segment. Actions by major long-distance telephone companies to reduce marketing to local residential service have negatively impacted sales and continue to impact margins of the segment.

COMPUTER SYSTEMS

<TABLE>
<CAPTION>

Computer Systems (Dollars in Millions)	Three Months Ended July 31, 2005 Dollars	% of Net Sales	Three Months Ended August 1, 2004 Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales (Net)	$43.8		$30.1		$13.7	45.4%
Gross Profit	$23.0	52.5%	$19.6	65.0%	$ 3.4	17.4%
Overhead	$14.9	34.1%	$10.5	34.8%	($ 4.4)	(42.4%)
Operating Profit	$ 8.1	18.4%	$ 9.1	30.2%	($ 1.0)	(11.4%)

</TABLE>

The Computer Systems segment's sales increase in the third quarter of fiscal 2005 over the comparable 2004 quarter was due to improvements in the segment's operator services business, including ASP directory assistance, which reflected a $9.2 million, or 64%, growth in sales during the quarter, a sales increase of $0.9 million, or 43%, in DataServ's data services which are provided to non-telco enterprise customers, a $1.8 million, or 18%, sales growth in the Maintech division's IT maintenance services, and a $1.8 million, or 49%, increase in product revenue recognized. The sales increases noted above included $6.2 million of DOS Business acquired from Nortel Networks, which represented 14% of the segment's sales for the 2005 quarter. The decrease in operating profit from the comparable 2004 fiscal quarter was the result of the decrease in gross margin percentage and the increase in overhead partially offset by increased sales. The lower gross margin percentage in the current quarter, as compared to the comparable 2004 quarter was partially due to the favorable settlement of vendor disputes and refunds in the 2004 fiscal quarter approximating $1.5 million, lower margins recognized in the current quarter related to product revenue and the absence of Nortel business in the 2004 quarter, the margins of which are lower than the segment average.

Volt Delta, the entity which operates the Computer Systems segment, acquired certain assets and liabilities of the DOS Business of Nortel Networks on August 2, 2004. This acquisition permits Volt Delta to provide the newly combined customer base with new solutions and an expanded suite of products, content and enhanced services.

THREE MONTHS ENDED JULY 31, 2005 COMPARED
TO THE THREE MONTHS ENDED AUGUST 1, 2004--Continued

RESULTS OF OPERATIONS -- OTHER
<TABLE>
<CAPTION>

	Three Months Ended					
	July 31, 2005		August 1, 2004			
Other (Dollars in Millions)	Dollars	% of Net Sales	Dollars	% of Net Sales	Favorable (Unfavorable) Change	Favorable (Unfavorable) % Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Selling & Administrative	$23.0	4.2%	$20.6	4.1%	($2.4)	(11.6%)
Depreciation & Amortization	$ 7.6	1.4%	$6.5	1.3%	($1.1)	(17.6%)
Interest Income	$ 0.8	0.1%	$0.3	0.1%	$0.5	194.9%
Other Expense	($ 1.0)	(0.2%)	($1.2)	(0.2%)	$0.2	13.4%
Foreign Exchange Loss	$ 0.1	0.0%	($0.0)	0.0%	$0.1	-
Interest Expense	($ 0.4)	(0.1%)	($0.4)	(0.1%)	$0.0	3.0%

</TABLE>

Other items, discussed on a consolidated basis, affecting the results of operations for the fiscal periods were:

The increase in selling and administrative expenses in the third quarter of fiscal 2005 from the comparable 2004 quarter was a result of increased selling expenses to support the increased sales levels throughout the Company, in addition to increased corporate general and administrative expenses related to costs to meet the disaster recovery requirements of redundancy and business

continuity for corporate systems and communications networks. In addition, the Company incurred increased salaries, professional fees and costs related to compliance with the Sarbanes-Oxley Act.

The increase in depreciation and amortization for the third quarter of fiscal 2005 from the comparable 2004 quarter was attributable to increases in fixed assets, primarily in the Computer Systems and Staffing Services segments, and the increased amortization of intangible assets in the Computer Systems segment.

Interest income increased due to higher interest rates together with additional funds available for investment.

Other expense in both fiscal years is primarily the charges related to the Company's Securitization Program as well as business taxes and sundry expenses.

The Company's effective tax rate on its financial reporting pre-tax income from continuing operations was 40.7% in the third fiscal quarter of 2005 and 39.6% in the comparable quarter of 2004.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents, including restricted cash held in escrow for primarily ProcureStaff customers of $24.2 million and $43.7 million at July 31, 2005 and October 31, 2004, respectively, increased by $1.0 million to $89.0 million in the nine months ended July 31, 2005. Unrestricted cash and cash equivalents increased by $20.6 million to $64.9 million at July 31, 2005.

Operating activities provided $17.1 million of cash in the first nine months of fiscal 2005. In the comparable fiscal 2004 period, operating activities provided $8.1 million in cash.

Operating activities in the first nine months of fiscal 2005, exclusive of changes in operating assets and liabilities, produced $36.9 million of cash, as the Company's net income of $8.7 million included non-cash charges primarily for depreciation and amortization of $22.6 million, accounts receivable provisions of $3.1 million, and minority interest of $4.7 million, partially offset by a deferred tax benefit of $2.3 million. In the first nine months of fiscal 2004, operating activities, exclusive of changes in operating assets and liabilities, produced $30.7 million of cash, as the Company's net income of $22.2 million included non-cash charges primarily for depreciation of $18.8 million, and accounts receivable provisions of $3.8 million, partially offset by income from discontinued operations of $9.5 million and a deferred tax benefit of $4.5 million.

Changes in operating assets and liabilities used $19.8 million of cash, net, in the first nine months of fiscal 2005 principally due to a decrease in the level of accounts payable and accrued expenses of $33.7 million, a decrease in deferred income and other liabilities of $5.3 million, a decrease in income taxes payable of $5.2 million and an increase in prepaid and other assets of $5.1 million, partially offset by an increase in securitization of receivables of $25.0 million and a decrease in the level of accounts receivable of $9.9 million. In the first nine months of fiscal 2004 changes in operating assets and liabilities used $22.6 million of cash, net, principally due to an increase in the level of accounts receivable of $57.4 million and a $10.0 million reduction in the participation interest sold under the Company's Securitization Program, partially offset by an increase in the level of accounts payable and accrued expenses of $29.5 million, an increase in the level of deferred income and other liabilities of $4.3 million and a decrease in the level of inventory of $5.9 million.

The $16.6 million of cash applied to investing activities for the first nine months of fiscal 2005 resulted from the net additions to property, plant and equipment totaling of $17.4 million, offset by the net reduction in investments of $0.3 million. The principal factors in the $5.5 million of cash applied to

investing activities for the first nine months of fiscal 2004 were the net additions to property, plant and equipment totaling $24.3 million substantially offset by $18.5 million in proceeds from the sale of real estate previously leased to the Company's former 59%-owned subsidiary.

The principal factor in the $1.1 million of cash provided by financing activities in the first nine months of fiscal 2005 was funds received from employees' exercises of stock options of $1.2 million. The principal factor in the $3.7 million of cash provided by financing activities in the first nine months of fiscal 2004 was an increase in notes payable to banks of $3.5 million.

Commitments
- -----------

There has been no material change through July 31, 2005 in the Company's contractual cash obligations and other commercial commitments from that reported in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2004.

Off-Balance Sheet Financing
- ---------------------------

The Company has no off-balance sheet financing arrangements, as that term has meaning in Item 303(a) (4) of Regulation S-K.

Securitization Program
- ----------------------

In April 2005, the Company amended its $150.0 million accounts receivable securitization program ("Securitization Program") to provide that the expiration date be extended from April 2006 to April 2007. Under the Securitization Program, receivables related to the United States operations of the staffing solutions business of the Company and its subsidiaries are sold from time-to-time by the Company to Volt Funding Corp., a wholly-owned special purpose subsidiary of the Company ("Volt Funding"). Volt Funding, in turn, sells to Three Rivers Funding Corporation ("TRFCO"), an asset backed commercial paper conduit sponsored by Mellon Bank, N.A., an undivided percentage ownership interest in the pool of receivables Volt Funding acquires from the Company (subject to a maximum purchase by TRFCO in the aggregate of $150.0 million). The Company retains the servicing responsibility for the accounts receivable. At July 31, 2005, TRFCO had purchased from Volt Funding a participation interest of $95.0 million out of a pool of approximately $268.8 million of receivables.

The Securitization Program is not an off-balance sheet arrangement as Volt Funding is a 100%-owned consolidated subsidiary of the Company, with accounts receivable only reduced to reflect the fair value of receivables actually sold. The Company entered into this arrangement as it provided a low-cost alternative to other forms of financing.

The Securitization Program is designed to enable the sale of receivables by the Company to Volt Funding to constitute true sales of those receivables. As a result, the receivables are available to satisfy Volt Funding's own obligations to its own creditors before being available, through the Company's residual equity interest in Volt Funding, to satisfy the Company's creditors (subject also, as described above, to the security interest that the Company granted in the common stock of Volt Funding in favor of the lenders under the Company's Credit Facility). TRFCO has no recourse to the Company beyond its interest in the pool of receivables owned by Volt Funding.

In the event of termination of the Securitization Program, new purchases of a participation interest in receivables by TRFCO would cease and collections reflecting TRFCO's interest would revert to it. The Company believes TRFCO's aggregate collection amounts should not exceed the pro rata interests sold.

There are no contingent liabilities or commitments associated with the Securitization Program.

The Company accounts for the securitization of accounts receivable in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." At the time a participation interest in the receivables is sold, the receivable representing that interest is removed from the consolidated balance sheet (no debt is recorded) and the proceeds from the sale are reflected as cash provided by

Securitization Program--Continued
- ---------------------------------

operating activities. Losses and expenses associated with the transactions, primarily related to discounts incurred by TRFCO on the issuance of its commercial paper, are charged to the consolidated statement of operations.

The Securitization Program is subject to termination at TRFCO's option, under certain circumstances, including, among other things, the default rate, as defined, on receivables exceeding a specified threshold, the rate of collections on receivables failing to meet a specified threshold, the Company failing to maintain a long-term debt rating of "B" or better or the equivalent thereof from a nationally recognized rating organization or a default occurring and continuing on indebtedness for borrowed money of at least $5.0 million. At July 31, 2005, the Company was in compliance with all requirements of its Securitization Program.

Credit Lines
- ------------

In April 2005, the Company amended its secured, syndicated, revolving credit agreement ("Credit Agreement") which was to expire in April 2005, to, among other things, extend the term for three years to April 2008 and increase the line from $30.0 million to $40.0 million. In July 2004, this program was amended to release Volt Delta Resources, LLC ("Volt Delta") as a guarantor and collateral grantor under the Credit Agreement due to the previously announced agreement between Volt Delta and Nortel Networks Inc. ("Nortel Networks"). At July 31, 2005, the Company had credit lines with domestic and foreign banks which provided for borrowings and letters of credit up to an aggregate of $51.3 million, including $40.0 million under the Credit Agreement.

The Credit Agreement established a secured credit facility ("Credit Facility") in favor of the Company and designated subsidiaries, of which up to $15.0 million may be used for letters of credit. Borrowings by subsidiaries are limited to $25.0 million in the aggregate. The administrative agent for the Credit Facility is JPMorgan Chase Bank. The other banks participating in the Credit Facility are Mellon Bank, N.A., Wells Fargo Bank, N.A., Lloyds TSB Bank PLC and Bank of America, N.A..

Borrowings under the Credit Facility are to bear interest at various rate options selected by the Company at the time of each borrowing. Certain rate options, together with a facility fee, are based on a leverage ratio, as defined. Additionally, interest and the facility fees can be increased or decreased upon a change in the Company's long-term debt rating provided by a nationally recognized rating agency. As amended, in lieu of the previous borrowing base formulation, the Credit Agreement now requires the maintenance of specified accounts receivable collateral in excess of any outstanding borrowings. Based upon the Company's leverage ratio and debt rating at July 31, 2005, if a three-month U.S. Dollar LIBO rate were the interest rate option selected by the Company, borrowings would have borne interest at the rate of 4.3% per annum. At July 31, 2005, the facility fee was 0.3% per annum.

The Credit Agreement provides for the maintenance of various financial ratios

and covenants, including, among other things, a requirement that the Company maintain a consolidated tangible net worth, as defined; a limitation on cash dividends, capital stock repurchases and redemptions by the Company in any one fiscal year to 50% of consolidated net income, as defined, for the prior fiscal year; and a requirement that the Company maintain a ratio of EBIT, as defined, to interest expense, as defined, of 1.25 to 1.0 for the twelve months ending as of the last day of each fiscal quarter. The Credit Agreement also imposes limitations on, among other things, the incurrence of additional indebtedness, the incurrence of additional liens, sales of assets, the level of annual

Credit Lines--Continued
- -----------------------

capital expenditures, and the amount of investments, including business acquisitions and investments in joint ventures, and loans that may be made by the Company and its subsidiaries. At July 31, 2005, the Company was in compliance with all covenants in the Credit Agreement.

The Company is liable on all loans made to it and all letters of credit issued at its request, and is jointly and severally liable as to loans made to subsidiary borrowers. However, unless also a guarantor of loans, a subsidiary borrower is not liable with respect to loans made to the Company or letters of credit issued at the request of the Company, or with regard to loans made to any other subsidiary borrower. Under the April 2005 amendment, five subsidiaries of the Company remain as guarantors of all loans made to the Company or to subsidiary borrowers under the Credit Facility. At July 31, 2005, four of those guarantors have pledged approximately $47.6 million of accounts receivable, other than those in the Securitization Program, as collateral for the guarantee obligations. Under certain circumstances, other subsidiaries of the Company also may be required to become guarantors under the Credit Facility

At July 31, 2005, the Company had total outstanding foreign currency bank borrowings of $8.1 million, $4.2 million of which were under the Credit Agreement. These bank borrowings provide a hedge against devaluation in foreign currency denominated assets.

Summary
- -------

The Company believes that its current financial position, working capital, future cash flows from operations, credit lines and accounts receivable Securitization Program will be sufficient to fund its presently contemplated operations and satisfy its obligations through, at least, the next twelve months.

New Accounting Pronouncements and New Laws to be Effective in Fiscal 2005
- --

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs-an Amendment of ARB No. 43, Chapter 4," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage. This Statement requires that these items be recognized as period costs even if the amounts are not considered to be abnormal. The provisions of this Statement are effective for inventory costs incurred in fiscal years beginning after June 15, 2005. The Company does not believe that the adoption of this Statement in fiscal 2006 will have a material impact on the Company's consolidated financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets-an Amendment of APB Opinion No. 29," to eliminate the exception for nonmonetary exchanges of similar productive assets and replace it with a general exception for exchanges of nonmonetary assets that do not have commercial

substance. The provisions of this Statement are effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005, with early application permitted for exchanges beginning after November 2004. The Company does not believe that the adoption of this Statement in fiscal 2005 will have a material impact on the Company's consolidated financial position or results of operations.

New Accounting Pronouncements and New Laws to be Effective in Fiscal 2005 - --Continued
- ---

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment," which replaces the superseded SFAS No. 123, "Accounting for Stock-Based Compensation." This Statement requires that all entities apply a fair-value-based measurement method in accounting for share-based payment transactions with employees and suppliers when the entity acquires goods or services. The provisions of this Statement are required to be adopted by the Company beginning October 31, 2005. The Company is currently assessing the impact that the adoption will have on the Company's consolidated financial position and results of operations.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections, - a replacement of APB Opinion No. 20 and FASB Statement No. 3". This Statement establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. The provisions of this Statement are effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. Early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date this Statement is issued. The Company does not believe that the adoption of this Statement in fiscal 2005 will have a material impact on the Company's consolidated financial position or results of operations.

The American Jobs Creation Act of 2004 (the "Act") provided for a special one-time tax deduction of 85% of certain foreign earnings that are repatriated. The Company is currently assessing the impact the Act will have on the Company's consolidated financial position and results of operations.

Related Party Transactions
- --------------------------

During the first nine months of fiscal 2005, the Company paid or accrued $0.7 million to the law firms of which Lloyd Frank, a director of the Company, is of counsel, for services rendered to the Company and expenses reimbursed. During the first nine months, the Company also paid $5,000 to the law firm of which Bruce Goodman, a director of the Company, is a partner, for services rendered to the Company.

The Company rents approximately 2,600 square feet of office space to a corporation owned by Steven A. Shaw, an officer and director, in the Company's El Segundo, California facility, which the Company does not require for its own use, on a month-to-month basis at a rental of $1,750 per month. Based on the nature of the premises and a recent market survey conducted for the Company, the Company believes the rent is the fair market rental for such space.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the potential economic loss that may result from adverse changes in the fair value of financial instruments. The Company`s earnings, cash flows and financial position are exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. The Company has cash and cash equivalents on which interest income is earned at variable rates. The Company also has credit lines with various domestic and foreign banks, which provide for borrowings and letters of credit, as well as a $150 million accounts receivable securitization program to provide the Company with additional liquidity to meet its short-term financing needs.

The interest rates on these borrowings and financing are variable and, therefore, interest and other expense and interest income are affected by the general level of U.S. and foreign interest rates. Based upon the current levels of cash invested, notes payable to banks and utilization of the securitization program, on a short-term basis, as noted below in the tables, a hypothetical 100-basis-point (1%) increase or decrease in interest rates would increase or decrease its annual net interest expense and securitization costs by $140,000, respectively.

The Company has a term loan, as noted in the table below, which consists of borrowings at fixed interest rates, and the Company's interest expense related to these borrowings is not affected by changes in interest rates in the near term. The fair value of the fixed rate term loan was approximately $14.7 million at July 31, 2005. This fair value was calculated by applying the appropriate fiscal year-end interest rate supplied by the lender to the Company's present stream of loan payments.

The Company holds short-term investments in mutual funds for the Company's deferred compensation plan. At July 31, 2005, the total market value of these investments was $4.2 million, all of which are being held for the benefit of participants in a non-qualified deferred compensation plan with no risk to the Company.

The Company has a number of overseas subsidiaries and is, therefore, subject to exposure from the risk of currency fluctuations as the value of foreign currencies fluctuates against the dollar, which may impact reported earnings. As of July 31, 2005, the total of the Company's net investment in foreign operations was $6.6 million. The Company attempts to reduce these risks by utilizing foreign currency option and exchange contracts, as well as borrowing in foreign currencies, to hedge the adverse impact on foreign currency net assets when the dollar strengthens against the related foreign currency. As of July 31, 2005, the total of the Company's foreign exchange contracts was $2.9 million, leaving a balance of net foreign assets exposed of $3.7 million. The amount of risk and the use of foreign exchange instruments described above are not material to the Company's financial position or results of operations and the Company does not use these instruments for trading or other speculative purposes. Based upon the current levels of net foreign assets, a hypothetical weakening of the U.S. dollar against these currencies at July 31, 2005 by 10% would result in a pretax gain of $0.7 million related to these positions. Similarly, a hypothetical strengthening of the U.S. dollar against these currencies at July 31, 2005 by 10% would result in a pretax loss of $0.4 million related to these positions.

The tables below provide information about the Company's financial instruments that are sensitive to either interest rates or exchange rates at July 31, 2005.
For cash and debt obligations, the table presents principal cash flows and related weighted average interest rates by expected maturity dates. For foreign exchange agreements, the table presents the currencies, notional amounts and weighted average exchange rates by contractual maturity dates. The information

is presented in U.S. dollar equivalents, which is the Company's reporting currency.

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Interest Rate Market Risk	Total	Less than 1 year	1-3 Years	3-5 Years	After 5 Years
	Payments Due By Period as of July 31, 2005 (Dollars in thousands of US$)				
Cash and Cash Equivalents					
Money Market and Cash Accounts	$89,023	$89,023			
Weighted Average Interest Rate	3.1%	3.1%			
Total Cash and Cash Equivalents	$89,023	$89,023			
Securitization Program					
Accounts Receivable Securitization	$95,000	$95,000			
Finance Rate	3.8%	3.8%			
Securitization Program	$95,000	$95,000			
Debt					
Term Loan	$13,833	$ 425	$961	$1,131	$11,316
Interest Rate	8.2%	8.2%	8.2%	8.2%	8.2%
Payable to Nortel Networks	$ 1,943	$ 1,943			
Interest Rate	6.0%	6.0%			
Notes Payable to Banks	$ 8,051	$ 8,051			
Weighted Average Interest Rate	4.6%	4.6%	--	--	--
Total Debt	$23,827	$10,419	$961	$1,131	$11,316

</TABLE>

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Foreign Exchange Market Risk	Contract Exchange Rate	Total	Less than 1 Year	Fair Value (1)
	Contract Values (Dollars in thousands of U.S. $)			
Option Contract				
Canadian $ to U.S.$	1.37	$2,920	$2,920	$18
Total Option Contracts		$2,920	$2,920	$18

</TABLE>

(1) Represents the fair value of the option contract at July 31, 2005.

ITEM 4 - CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

The Company carried out an evaluation of the effectiveness of the design and operation of its "disclosure controls and procedures," as defined in, and pursuant to, Rule 13a-15 of the Securities Exchange Act of 1934, as of July 31, 2005 under the supervision and with the participation of the Company's management, including the Company's Chairman of the Board, President and Principal Executive Officer (the "CEO") and its Senior Vice President and Principal Financial Officer (the "CFO"). Based on that evaluation, the Company's CEO and its CFO concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective as of July 31, 2005.

Prior Period Weaknesses in Internal Controls

The Company's operation in Uruguay (which is part of the Telephone Directory segment) printed its Montevideo telephone directory each year during the October-November timeframe, and revenue should have been recognized in the months of distribution of the books. In mid-December 2004, through discussions with the financial staff in Uruguay and by examination of detailed correspondence and schedules from their offices, the Company's CFO and its Principal Accounting Officer (the "PAO") determined that revenue had not been properly recognized in Uruguay in accordance with the Company's policies. This improper recognition involved only the timing of when certain advertising revenue and related costs and expenses were recognized. During the review, it was determined by the PAO that the revenue had been recognized improperly in this operation since at least 1998, and as a result, the Company restated in its Annual Report on Form 10-K for the fiscal year ended October 31, 2004 (the "2004 Form 10-K") its previously issued financial results for the fiscal years 2000 through 2003 and the first two quarters of fiscal 2004, and also filed an amended Annual Report on Form 10-K for the fiscal year ended November 2, 2003. This improper recognition constituted a material weakness (within the standards established by the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board) within the Company's system of internal controls.

In addition, one week prior to the filing deadline for the 2004 Form 10-K, the Company's management and Ernst & Young LLP, the Company's independent registered public accounting firm, determined that an additional material weakness existed relating to adjusting entries which were made during the course of the audit to correct the underlying

books and records. As described in fuller detail under the caption, "Remediation Efforts Related to the Material Weaknesses in Internal Controls," these adjusting entries were the result of certain account analyses and reconciliations not being performed on a timely basis, certain instances of incomplete review of facts and circumstances resulting in errors of judgment and estimation, and failures to follow the Company's existing policies and procedures to ensure that all adjustments were made on a timely basis during the close process. Management and the Company's independent registered public accounting firm then informed the Audit Committee of the Company's Board of Directors of such facts. Due to the limited timeframe prior to the 2004 Form 10-K filing deadline, the Company was unable to complete the implementation and validation of remedial actions with regard to this additional material weakness prior to the filing deadline.

On January 10, 2005, Ernst & Young issued an unqualified opinion on the Company's financial statements for the fiscal year ended October 31, 2004.

Based upon the events described above and the Company's evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, the Company's CEO and its CFO concluded that as of fiscal year

end, the Company's disclosure controls and procedures were not effective.

Remediation Efforts Related to the Material Weaknesses in Internal Controls

To address the prior period weaknesses in internal controls described above, during the first quarter of fiscal year 2005, management of the Company instituted a review of the Company's internal controls in order to correct the deficiencies related to revenue recognition in Uruguay and the Company's financial close process, and to strengthen the accounting infrastructure as required. On January 18, 2005, after the filing of the Company's 2004 Form 10-K, but prior to the end of the Company's first fiscal quarter of 2005, the Company intensified its remediation efforts with a conference call to senior operating and financial management led by the CEO and the CFO. During the following week, the CFO issued two memoranda reiterating the discussion points from the conference call which are summarized below. The memoranda contained general accounting directives and each financial manager was also given a listing specific to his/her operation. The memoranda included the Company's proposed remediation solutions, with a directive that significant control areas be remediated prior to the closing of the first quarter and less significant control areas be remediated prior to the close of the third quarter. The memoranda were followed up with face-to-face meetings with all of the Company's domestic business units' senior financial managers (whose units represented over 90% of the Company's consolidated revenues in fiscal 2004) by the CFO and the PAO, as well as telephonic meetings with the remaining senior financial managers. The significant items discussed and documented were as follows:

1. Proper revenue recognition procedures in Uruguay;

2. Stringent review and justification for accruals (including FAS 5 analyses), with emphasis on income, payroll and other taxes, and computer and communication costs;

3. Comprehensive review of inventory costs and methodology to identify excess and obsolete inventory;

4. Review of leases to ensure proper accounting consistency with FAS 13 and Technical Bulletin 85-3 ("TB 85-3");

5. Complete periodic analysis of accounts receivable to identify and adjust for billing errors and customer credit balances;

6. Expanded analyses to determine whether there are any unrecorded liabilities for the quarterly periods; and

7. Reinforcement of the financial statement close processes.

Prior to the end of the Company's first fiscal quarter for 2005, the PAO reaffirmed the Company's accounting policy concerning the reporting of revenue in the telephone directory operation. The policy requires that directory revenue be recognized in an accounting period upon the shipment of directories to customers, designated drop off locations or designated shippers. Subsequent to the reaffirmation of the policy, correspondence and schedules substantiating the recognition of the telephone directory publishing revenue and related costs have been issued by the telephone directory operations and reviewed by the office of the PAO on a quarterly basis, and, after being approved, are included in the financial statements of the Company.

Prior to the end of the first fiscal quarter of 2005, a substantial part of the Company's remediation efforts over the financial statement close process had been completed. As of the filing date of the Form 10-Q for the fiscal quarter ended January 30, 2005, the remediation status of the above-listed items was as follows:

1. Accrual analyses were expanded to include additional information, and the related accounts were trued up to the actual amounts as soon as the information became available;

2. The Company reaffirmed its supervisory sign-and-date procedures ensuring that all analyses were reviewed by authorized personnel on a timely basis;

3. The Company documented its procedures related to the recognition of excess and obsolete inventory and implemented those procedures effective with the first fiscal quarter close;

4. As part of the financial close process for fiscal year end 2004, the Company reviewed its significant leases, and a sampling of other leases, and adjusted the lease expense to conform with FAS 13 and TB 85-3. The Company issued new procedures to ensure continued compliance with the straight-line method of accounting for leases;

5. Accounts receivable analyses in the first quarter were expanded to highlight problem accounts identified in the agings and customer credit balances were reclassified into accounts payable;

6 Unrecorded liability analyses for the first quarter were expanded to include the accrual of inventory and fixed assets; and

7. The Company reinforced its financial close process by holding meetings with, and distributing memoranda to, its financial managers in January 2005, emphasizing enhanced analyses and more diligent reviews, and this was augmented by the increased financial staff, discussed further below.

In addition to the foregoing, the Company has already implemented or is in the process of implementing the following key remediation initiatives:

- o The Company expanded its corporate and regional financial staff in the first nine months of fiscal 2005 to improve account analyses, reviews and the testing of controls, and additional staff will be added as required;
- o The Company improved its monitoring controls starting in the first fiscal quarter of 2005, with additional improvements in the second and third fiscal quarters of 2005;
- o Prior to the close of the first fiscal quarter of 2005, the Company, through an oral and written communications program, improved the awareness of the importance of the financial close process throughout the Company;
- o Prior to the completion of the first fiscal quarter financial statements for 2005, the Company completed the upgrade of its enterprise resource planning system which enabled a more thorough and timely analysis of its accounts, and an upgrade to its human resources module is scheduled to be completed by the end of the calendar year; and
- o In the third quarter, the Company purchased hardware which provides improved backup and recovery functions for system servers that are not on the Company network.

Based upon the remediation of the deficiencies noted above, or the implementation of compensating controls until such time as complete remediation has been effected, prior to the filing of the First Quarter 10-Q, the CEO and the CFO reached the conclusion that the previously identified weakness in the Company's financial close process no longer existed, and its disclosure controls and procedures were effective as of January 30, 2005.

Changes in internal controls

Except as set forth above, there were no changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Internal controls over financial reporting.

Beginning with the Company's Annual Report on Form 10-K for the fiscal year ending October 30, 2005, the Company will be subject to the provisions of Section 404 of the Sarbanes-Oxley Act that require an annual management assessment of its internal controls over financial reporting and related attestation by the Company's independent registered public accounting firm.

PART II - OTHER INFORMATION

ITEM 6 - EXHIBITS

(a) Exhibits:

Exhibit	Description
10.01	Form of indemnification agreement
15.01	Letter from Ernst & Young LLP regarding Report of Independent Registered Public Accounting Firm
15.02	Letter from Ernst & Young LLP regarding Acknowledgement of Independent Registered Public Accounting Firm
31.01	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Certification of Principal Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002
32.02	Certification of Principal Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VOLT INFORMATION SCIENCES, INC.
(Registrant)

BY: /s/ JACK EGAN

Date: September 8, 2005

JACK EGAN
Vice President - Corporate Accounting
(Principal Accounting Officer)

EXHIBIT INDEX
- -------------

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EXHIBIT 10.01

FORM OF INDEMNIFICATION AGREEMENT

Volt Information Sciences, Inc. has entered into an Indemnification Agreement identical to the form attached hereto with each of the following directors and officers on the dates indicated:

DATE	NAME
September 6, 2005	William Shaw
September 6, 2005	Steven A. Shaw
September 6, 2005	Lloyd Frank
September 6, 2005	Bruce G. Goodman
September 6, 2005	Theresa A. Havell
September 6, 2005	Mark N. Kaplan
September 6, 2005	William H. Turner

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is made as of the ___ day of _________, 2005, by and between Volt Information Sciences, Inc., a New York corporation (the "Corporation"), and ______________________ (the "Indemnitee").

WITNESSETH:

WHEREAS, it is essential to the Corporation to retain and attract directors and/or officers who are the most capable persons available;

WHEREAS, the Indemnitee is serving or has agreed to serve as a director and/or officer of the Corporation and in such capacity will render valuable services to the Corporation;

WHEREAS, the Corporation and the Indemnitee recognize the substantial increase in litigation and claims being asserted against directors and/or officers;

WHEREAS, the Corporation's By-laws (together with the Corporation's Restated Certificate of Incorporation, the "Constituent Documents") provide that the Corporation will indemnify its directors and officers and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Corporation, or, at the Corporation's request, to serve any Other Enterprise (as defined in Paragraph 2(e)) in any capacity, is based in part on Indemnitee's reliance on such provisions;

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to encourage Indemnitee's continued service to the Corporation or, at the Corporation's request, any Other Enterprise, in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Constituent Documents, and to provide Indemnitee with express contractual indemnification (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Corporation's Board of Directors (the "Board") or any acquisition, disposition or other business combination transaction involving or relating to the Corporation), the Corporation wishes to provide in this Agreement for the indemnification of Indemnifiable Losses (as defined in Paragraph 2(d)) and the advancement of Expenses (as defined in Paragraph 2(c)) to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Corporation's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the Indemnitee's continued service as a director and/or officer of the Corporation, the Corporation and Indemnitee do hereby agree as follows:

1. Agreement to Serve. Indemnitee agrees to continue to serve as a director and/or officer of the Corporation for so long as he or she is duly elected or appointed or until such earlier time as he or she tenders his or her resignation in writing. This provision is not a guarantee of employment or service.

2. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement:

   (a) The term "Affiliate" has the meaning given to that term in Rule 405 under the Securities Act of 1933, as amended; provided, however, that for purposes of this Agreement the Corporation and its subsidiaries will not be deemed to constitute Affiliates of any Indemnitee.

   (b) The term "Claim" means any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative, arbitrative, investigative or other), whether instituted by or in the right of the Corporation or any other Person, or any inquiry or investigation, whether instituted by the Corporation or any other Person in which Indemnitee is or was a party or is threatened to be made a party or in good faith believes might lead to the institution of any such action, suit or proceeding, by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Corporation (or any subsidiary of the Corporation), or is or was serving at the request of the Corporation as a director, officer, employee, member, manager, trustee, agent or fiduciary (or in any other capacity) of an Other Enterprise.

   (c) The term "Expenses" includes all attorneys' and experts' fees, expenses and charges and all other costs, expenses and obligations, paid or incurred in connection with investigating, defending, or participating (as a party, a witness, or otherwise) in (including on appeal), or preparing to defend or participate in, any Claim or otherwise establishing a right to indemnification under this Agreement.

   (d) The term "Indemnifiable Losses" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties and amounts paid or payable in settlement (including, without limitation, all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing, including any excise taxes assessed on Indemnitee with respect to any employee benefit plan), relating to, resulting from or arising out of any act or failure to act by the Indemnitee, or his or her status as any person referred to in clause (i) of this sentence, (i) in his or her capacity as a director, officer, employee or agent of the Corporation or any of its Affiliates or as a director, officer, employee, member, manager, trustee, agent or fiduciary (or in any other capacity) of any Other Enterprise as to which the Indemnitee is or was serving at the Corporation's request and (ii) in respect of any business, transaction or other activity of any entity referred to in clause (i) of this sentence.

   (e) The term "Other Enterprise" shall mean any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, or any employee benefit plan.

   (f) The term "to serve at the Corporation's request" shall mean any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such Person as a director, officer, partner, member, manager, employee, trustee, agent or fiduciary (or in any other capacity) with respect to any Other Enterprise.

   (g) The term "Person" shall mean any individual, governmental entity or Other Enterprise.

(h) The term "not opposed to the best interests of the Corporation" shall include action taken in good faith and in a manner the person acting reasonably believed to be in the interest of the Corporation or its shareholders or the participants and beneficiaries of an employee benefit plan.

3. General Indemnification. The Corporation shall indemnify Indemnitee in accordance with the provisions of this Paragraph 3 against all Expenses actually and reasonably incurred by Indemnitee in connection with the defense or settlement of any Claim; provided, however, that no indemnification for Expenses shall be made under this Paragraph 3 in respect of any Claim if a judgment or other final adjudication adverse to Indemnitee establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled unless and only to the extent that the court in which such Claim was brought, or, if no action was brought, any court of competent jurisdiction determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for the Expenses and the amount of the Indemnifiable Losses which the court shall deem proper.

4. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise, in defense of any Claim, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee in connection therewith to the fullest extent permitted by New York Law.

5. Advances of Expenses. The Indemnitee's right to indemnification in Paragraph 3 of this Agreement shall include the right of Indemnitee to receive an advance from the Corporation of any Expenses. If so requested by Indemnitee, the Corporation will advance within 45 days of such request any and all Expenses to Indemnitee which Indemnitee reasonably determines likely to be payable; provided, however, that Indemnitee will return, without interest, any such advance which remains unspent at the final conclusion of the Claim to which the advance related; and provided, further, that all amounts advanced in respect of such Expenses shall be repaid to the Corporation by Indemnitee if it shall ultimately be determined in a final judgment or as provided in Paragraph 7, that Indemnitee is not entitled to be indemnified for such Expenses. This undertaking by Indemnitee is an unlimited general undertaking but no security for such undertaking will be required.

6. Indemnification for Additional Expenses. Without limiting the generality or effect of the foregoing, the Corporation will indemnify Indemnitee against and, if requested by Indemnitee, will within 45 days of such request advance to Indemnitee, any and all Expenses paid or incurred by Indemnitee in connection with any Claim asserted or brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Corporation under this Agreement or any other agreement or under any provision of the Corporation's Constituent Documents now or hereafter in effect relating to Claims for Indemnifiable Losses and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Corporation, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

7. Right of Indemnitee to Indemnification Upon Application; Procedure Upon Application.

(a) Subject to Paragraph 8 of this Agreement, Indemnitee will be presumed to be entitled to indemnification under this Agreement. The burden of proving that indemnification or advances of Expenses are not appropriate shall, to the extent permitted by law, be on the Corporation.

(b) Any indemnification under Paragraph 3 shall be paid by the

Corporation no later than 45 days after receipt of the written request of Indemnitee, unless a determination is made within said 45-day period by (i) the Board of Directors by a majority vote of directors who are not and were not parties to the Claim in respect of which indemnification is being sought ("Disinterested Directors"), (ii) a committee of the Board of Directors comprised of Disinterested Directors or (iii) independent legal counsel in a written opinion, that Indemnitee has not met the relevant standards for indemnification set forth in this Agreement. In any such case, the Corporation shall send prompt written notice to the Indemnitee of such determination. If requested by the Indemnitee in writing, any such determination shall be made by independent legal counsel not previously employed by the Corporation or any Affiliate thereof.

(c) Indemnitee will be entitled to a hearing before the Board of Directors of Corporation or the Disinterested Directors and/or any other person or persons making a determination and evaluation under Paragraph 7(b). Indemnitee will be entitled to be represented by counsel at such hearing. The cost of any determination and evaluation under Paragraph 7(b) (including attorneys' fees and other expenses incurred by Indemnitee in preparing for and attending the hearing contemplated by Paragraph 7 and otherwise in connection with the determination and evaluation under Paragraph 7) will be borne by the Corporation.

(d) The right to indemnification or advancement of Expenses as provided by this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction. Neither the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that Indemnitee has met the applicable standard of conduct nor an actual determination by the Corporation (including its Board of Directors or independent legal counsel) that Indemnitee has not met such standard shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. Indemnitee's Expenses actually and reasonably incurred in connection with successfully establishing his or her right to indemnification or advances, in whole or in part, shall also be indemnified by the Corporation.

(e) With respect to any Claim for which indemnification is requested, the Corporation will be entitled to participate therein at its own expense and, except as otherwise provided below, the Corporation may assume the defense thereof, with counsel satisfactory to Indemnitee. After notice from the Corporation to Indemnitee of its election to assume the defense of a Claim, the Corporation will not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than as provided below. The Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Indemnitee shall have the right to employ counsel in any Claim but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense of the Claim shall be at the expense of Indemnitee, unless (i) the employment of counsel by Indemnitee has been authorized by the Corporation, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnitee in the conduct of the defense of a Claim, (iii) the named parties in any such Claim (including any impleaded parties) include both the Corporation and Indemnitee, and Indemnitee shall conclude that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Corporation, (iv) any such representation by the Corporation would be precluded under the applicable standards of professional conduct then prevailing or (v) the Corporation shall not in fact have employed counsel to assume the defense of a Claim, in each of which cases the fees and expenses of Indemnitee 's counsel shall be advanced by the Corporation. Notwithstanding the foregoing, the Corporation shall not be entitled to assume the

defense of any Claim brought by or in the right of the Corporation.

(f) The Corporation shall pay to Indemnitee, at the time payments are made to Indemnitee for Expenses pursuant to this Agreement, an additional payment (the "Gross Up Amount") such that after payment of all taxes, if any, on payments so made, including the amount of the Gross Up Amount, Indemnitee retains an amount equal to the amount to be received.

8. Limitation on Indemnification. No payment pursuant to this Agreement shall be made by the Corporation:

(a) to indemnify or advance funds to Indemnitee for Expenses with respect to Claims initiated or brought or joined in voluntarily by Indemnitee and not by way of defense, except with respect to Claims brought to establish or enforce a right to indemnification or advancement of Expenses under this Agreement or as otherwise required by New York law, but such indemnification or advancement of Expenses may be provided by the Corporation in specific cases if the Board finds it to be appropriate;

(b) to indemnify Indemnitee for any Expenses sustained in any Claim for which payment is actually made to Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance;

(c) to indemnify Indemnitee for any Expenses sustained in any Claim for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state, or local statutory law;

(d) to indemnify Indemnitee if his or her acts violated Section 719 of the New York Business Corporation law (the "NYBCL"); or

(e) if a court of competent jurisdiction finally determines that such payment hereunder is unlawful.

9. Indemnification Hereunder Not Exclusive. The indemnification and advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under the Constituent Documents of the Corporation, any agreement, any vote of stockholders or Disinterested Directors, the NYBCL or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office (collectively, "Other Indemnity Provisions"); provided, however, that (i) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (ii) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The indemnification rights afforded to Indemnitee hereby are contract rights and the Corporation will not adopt any amendment to any of the Constituent Documents the effect of which would be to eliminate, deny, diminish, encumber or otherwise affect Indemnitee's right to indemnification under this Agreement or any Other Indemnity Provision. The indemnification provided by this Agreement shall continue as to Indemnitee even though he or she may have ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs and personal representatives of Indemnitee.

10. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for a portion of the Expenses and/or Indemnifiable Losses actually and reasonably incurred by him or her in any Claim but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such Expenses and/or Indemnifiable Losses to which Indemnitee is entitled. Moreover, notwithstanding any

other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Loss or in defense of any issue or matter therein, including, without limitation, dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith.

11. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation.

12. Indemnification of Indemnitee's Estate. Notwithstanding any other provision of this Agreement, and regardless of whether indemnification of the Indemnitee would be permitted and/or required under this Agreement, if the Indemnitee is deceased, the Corporation shall indemnify and hold harmless the Indemnitee's estate, spouse, heirs, administrators, personal or legal representatives, executors and trustees (collectively the "Indemnitee's Estate") against, and the Corporation shall assume, any and all Expenses actually incurred by the Indemnitee or the Indemnitee's Estate in connection with the investigation, defense, settlement or appeal of any Claim. Indemnification of the Indemnitee's Estate pursuant to this Paragraph 12 shall be mandatory and not require any determination or finding that the Indemnitee's conduct satisfied a particular standard of conduct.

13. Spousal Indemnification. The indemnifications, benefits and obligations of this Agreement shall extend to the spouse of an Indemnitee in the event that the spouse is made a party to a Proceeding or collection, execution or enforcement efforts arising from a Claim.

14. Limitation of Actions and Release of Claims. No proceeding shall be brought and no cause of action shall be asserted by or on behalf of the Corporation, any subsidiary of the Corporation or any Other Enterprise against the Indemnitee, after the expiration of one year from the act or omission of the Indemnitee upon which such proceeding is based; however, in a case where the Indemnitee fraudulently conceals the facts underlying such cause of action, no proceeding shall be brought and no cause of action shall be asserted after the expiration of one year from the earlier of (i) the date the Corporation, any subsidiary of the Corporation or any Other Enterprise discovers such facts, or (ii) the date the Corporation, any subsidiary of the Corporation or any Other Enterprise could have discovered such facts by the exercise of reasonable diligence. Any claim or cause of action of the Corporation, any subsidiary of the Corporation or any Other Enterprise, including claims predicated upon the act or omission of the Indemnitee, shall be extinguished and deemed released unless asserted by filing of a legal action within such period. This Paragraph 14 shall not apply to any cause of action which has accrued on the date hereof and of which the Indemnitee is aware on the date hereof, but as to which the Corporation has no actual knowledge apart from the Indemnitee's knowledge.

15. Maintenance of Liability Insurance.

(a) The Corporation hereby covenants and agrees that, as long as Indemnitee continues to serve as a director or officer of the Corporation and thereafter as long as Indemnitee may be subject to any Claim, the Corporation, subject to subparagraph (c) below, shall maintain in full force and effect directors' and officers' liability insurance ("D&O Insurance") in reasonable amounts from established and reputable insurers.

(b) In all D&O Insurance policies, Indemnitee shall be named as an insured in such a manner as to provide the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Corporation's directors and officers.

(c) Notwithstanding the foregoing, the Corporation shall have no obligation to obtain or maintain D&O Insurance if the Corporation determines in good faith that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided, the coverage provided by such insurance is so limited by exclusions that it provides an insufficient benefit, or Indemnitee is covered by similar insurance maintained by a subsidiary of the Corporation.

16. Subrogation. In the event of payment under this Agreement, the Corporation will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other Persons, including any carrier of D&O Insurance (other than personal directors' (or officers') insurance coverage, if any, which is maintained by Indemnitee). . The Indemnitee will execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Corporation).

17. No Duplication of Payments. The Corporation will not be liable under this Agreement to make any payment in connection with any Indemnifiable Loss made against Indemnitee to the extent Indemnitee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable hereunder provided that, if Indemnitee for any reason is required to disgorge any payment actually received by him, the Corporation shall be obligated to pay such amount to Indemnitee in accordance with the other terms of this Agreement (i.e., disregarding the terms of this Paragraph 17).

18. Successors and Binding Agreement.

(a) The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Corporation (a "Successor"), by agreement in form and substance satisfactory to Indemnitee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Corporation would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Corporation and may be assigned to a Successor, but will not otherwise be assignable or delegatable by the Corporation.

(b) This Agreement will inure to the benefit of and be enforceable by the Indemnitee's Estate and, to the extent provided in Paragraph 13, Indemnitee's spouse.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Paragraphs 18(a) and 18(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Paragraph 18(c), the Corporation will have no liability to pay any amount so attempted to be assigned or transferred.

19. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next-day delivery by a nationally

recognized overnight courier service, addressed to the Corporation (to the attention of the Secretary of the Corporation) and to the Indemnitee at the addresses shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

20. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of New York, without giving effect to the principles of conflict of laws of such State. Each party consents to non-exclusive jurisdiction of any New York state or federal court for purposes of any action, suit or proceeding hereunder, waives any objection to venue therein or any defense based on forum non conveniens or similar theories and agrees that service of process may be effected in any such action, suit or proceeding by notice given in accordance with Paragraph 19.

21. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal by any court of competent jurisdiction, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal.

22. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Corporation. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. References to Paragraphs are to Paragraphs of this Agreement.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

24. Amendments. No amendment, waiver, modification, termination, or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

25. Cooperation and Interest. The Corporation shall cooperate in good faith with the Indemnitee and use its best efforts to ensure that the Indemnitee is indemnified and/or reimbursed for liabilities described in this Agreement to the fullest extent permitted by law.

26. Legal Fees and Expenses. It is the intent of the Corporation that the Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, (i) if it should appear to the Indemnitee that the Corporation has failed to comply with any of its obligations under this Agreement or that an action should be brought in the nature of a declaratory judgment to determine the rights of the parties hereto, or (ii) in the event that the Corporation or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or

proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, the Corporation irrevocably authorizes the Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Corporation as hereafter provided, to advise and represent the Indemnitee in connection with any such interpretation, enforcement or defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Corporation or any director, officer, stockholder or other person affiliated with the Corporation. Notwithstanding any existing or prior attorney-client relationship between the Corporation and such counsel, the Corporation irrevocably consents to the Indemnitee's entering into an attorney-client relationship with such counsel, and in that connection the Corporation and the Indemnitee agree that a confidential relationship shall exist between the Indemnitee and such counsel. Without respect to whether the Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Corporation will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by the Indemnitee in connection with any of the foregoing.

27. Certain Interpretive Matters. No provision of this Agreement will be interpreted in favor of, or against, either of the parties hereto by reason of the extent to which either such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof

28. Effective Date. The provisions of this Agreement shall cover Claims, whether now pending or hereafter commenced, and shall be retroactive to cover acts or omissions or alleged acts or omissions which heretofore have taken place.

IN WITNESS WHEREOF, Indemnitee has executed and the Corporation has caused its duly authorized representative to execute this Agreement as of the date first above written.

Attest: Volt Information Sciences, Inc.

________________________________ By:_________________________________

Secretary Name:

Title:

Indemnitee

EXHIBIT 15.01

ERNST & YOUNG LLP 5 Times Square Phone 212-773-3000
New York, New York 10036

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Volt Information Sciences, Inc.

We have reviewed the condensed consolidated balance sheet of Volt Information Sciences, Inc. and subsidiaries as of July 31, 2005, and the related condensed consolidated statements of operations for the nine and three month periods ended July 31, 2005 and August 1, 2004 and the related condensed consolidated statements of cash flows for the nine-month periods ended July 31, 2005 and August 1, 2004. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

As described in Note A to the condensed consolidated financial statements, the accompanying condensed consolidated financial statements of Volt Information Sciences, Inc. for the nine-month period ended August 1, 2004 have been restated.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Volt Information Sciences, Inc. as of October 31, 2004, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, not presented herein; and in our report dated January 10, 2005, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph for the restatement of prior period financial results as described in Note A to the consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of October 31, 2004, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

September 7, 2005

EXHIBIT 15.02

ACKNOWLEDGEMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Volt Information Sciences, Inc.

We are aware of the incorporation by reference in Registration Statement No. 333-13369 on Form S-8 dated October 3, 1996, Registration Statement No. 333-45903 on Form S-8 dated February 9, 1998 and Registration Statement No. 333-106245 on Form S-8 dated June 18, 2003 of Volt Information Sciences, Inc. of our report dated September 7, 2005 relating to the unaudited condensed consolidated interim financial statements of Volt Information Sciences, Inc. that are included in its Form 10-Q for the nine months ended July 31, 2005.

September 8, 2005

EXHIBIT 31.01

CERTIFICATION BY PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William Shaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Volt Information Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15e) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 8, 2005 /s/William Shaw

William Shaw
Chairman of the Board,
President and Principal
Executive Officer

EXHIBIT 31.02

CERTIFICATION BY PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Groberg, certify that:

1. I have reviewed this report on Form 10-Q of Volt Information Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15e) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 8, 2005 /s/James J. Groberg

James J. Groberg
Senior Vice President and
Principal Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Volt Information Sciences, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Shaw, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 8, 2005

/s/ William Shaw

William Shaw
Principal Executive Officer

A signed original of this written statement required by Section 906 has been provided to Volt Information Sciences, Inc. and will be retained by Volt Information Sciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.02

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Volt Information Sciences, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James J. Groberg, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 8, 2005

/s/ James J. Groberg

James J. Groberg
Principal Financial Officer

A signed original of this written statement required by Section 906 has been provided to Volt Information Sciences, Inc. and will be retained by Volt Information Sciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.