

FOR FURTHER INFORMATION:**AT THE COMPANY:**

Bob Ende
Senior Vice President of Finance
COMFORCE Corporation
(516) 437-3300
bende@comforce.com

AT FINANCIAL RELATIONS BOARD

General Info: Marilyn Meek (212) 445-8451
Investor Info: Susan Garland (212) 445-8458

FOR IMMEDIATE RELEASE

November 4, 2004

**COMFORCE CORPORATION ANNOUNCES
THIRD QUARTER 2004 RESULTS****Revenues Increased 32.4% for the Quarter and 30.4% for Nine Months Over Prior Year**

Woodbury, NY - November 4, 2004 -- COMFORCE Corporation (AMEX: CFS), a leading provider of high-tech professional staffing, consulting and outsourcing services, today reported results for its third quarter ended September 26, 2004. Revenues for the quarter increased 32.4% to \$123.4 million, compared to revenues of \$93.2 million for the third quarter of 2003. Sequentially revenues increased 5.0%, compared to revenues of \$117.6 million for the second quarter of 2004. The improvement in revenues was primarily attributable to the continued strong growth in PRO Unlimited representing the Human Capital Management segment. For the quarter, PRO's revenues grew to \$70.1 million, a 50.2% increase over the same quarter last year. Staff Augmentation revenues also grew by 15.3% due primarily to increases in Technical Services, which includes Government Staffing, of 28.7% and Information Technologies of 9.9%.

Gross profit for the third quarter of 2004 was \$17.5 million, or 14.2% of revenues, compared to \$15.2 million, or 16.3% of revenues in the third quarter of 2003. Operating income for the third quarter was \$3.4 million, compared to an operating loss of \$(26.5) million for the same quarter of last year. The 2003 third quarter operating loss included a non-cash charge for goodwill impairment in the amount of \$28.0 million. Excluding this non-cash charge, the 2003 operating income was \$1.5 million. As a percentage of sales, operating income was 2.7% in the third quarter of 2004, compared to 1.6%, excluding the non-cash charge, in the third quarter of 2003.

Interest expense was \$3.0 million for the third quarter of 2004, compared to \$3.3 million for the same quarter last year. As previously announced, a reduction in COMFORCE's public debt of approximately \$70.0 million since June 2000, has enabled the Company to reduce its annual interest expense by approximately \$7.5 million, including borrowing at the lower rates available under its bank credit facilities to effectuate repurchases of public debt and by exchanging preferred equity and lower interest rate convertible notes for this public debt.

-More-

The Company recorded income from continuing operations before income taxes of \$486,000 in the third quarter of 2004, compared to a loss from continuing operations before income taxes of \$(29.8) million in 2003. The Company recorded a tax provision of \$354,000 in the third quarter of 2004, compared to a tax benefit of \$3.7 million in the third quarter of 2003.

COMFORCE reported net income of \$132,000 or \$0.00 per basic and diluted share for the third quarter of 2004, compared to a net loss of \$(26.1) million, or \$(1.59) per basic and diluted share for the same period last year. The loss for third quarter 2003 was primarily the result of the aforementioned non-cash charge for goodwill impairment.

Nine Month Results

COMFORCE reported revenues of \$348.4 million, a 30.4% increase for the first nine months of 2004, compared to revenues of \$267.1 million in the comparable year period. Revenues were favorably impacted by the continued strong performance of PRO Unlimited and certain sectors of Staff Augmentation, particularly Technical Services.

Operating income for the first nine months of 2004 was \$9.3 million, compared to an operating loss of \$(21.8) million in the first nine months of 2003. In the first nine months of 2003, under the provisions of SFAS 142, the Company recorded a non-cash charge for goodwill impairment in the amount of \$28.0 million. Excluding the non-cash charge of \$28.0 million, operating income for the first nine months of 2003 was \$6.2 million. Also, included in the first nine months of 2003 was a \$1.6 million insurance recovery related to a non-cash charge for uncollectible funding and service fees receivable.

Interest expense for the first nine months of 2004 was \$9.2 million, compared to interest expense of \$10.7 million for the same period last year.

During the first nine months of 2004 the Company repurchased \$14.8 million principal amount of Senior Notes resulting in a gain on debt extinguishment for the Company of \$2.0 million. As a result of the Company's repurchase of 12% Senior Notes in the second quarter of 2003, and the Company's exchange and repurchase of 15% PIK Debentures in the first quarter of 2003, the Company recognized a gain on the extinguishment of debt of \$8.8 million in the first nine months of 2003.

Income from continuing operations before income taxes was \$2.1 million for the first nine months of 2004, compared to a loss from continuing operations before income taxes of \$(23.5) million for the same period last year. The Company recorded a tax provision of \$1.1 million in the first nine months of 2004 and a tax provision of \$8,000 in the first nine months of 2003.

The Company recorded net income of \$984,000, or \$0.04 per basic and diluted share for the first nine months of 2004, compared to net loss of \$(23.4) million, or \$(1.44) per basic and diluted share for the first nine months of 2003, principally due to the \$28.0 million write-off of goodwill.

COMMENTS FROM MANAGEMENT

John Fanning, Chairman and Chief Executive Officer of COMFORCE commented, "It gives us great pleasure to report our third consecutive quarter of double digit revenue growth year over year.

"As our numbers indicate, PRO Unlimited was the major contributor in our overall growth, both for the quarter and our first nine months. PRO, as a market leader in human capital management, continues to experience an increasing demand for their services, particularly from Fortune 500 companies. We expect to see this trend continue as the economy further strengthens.

"Staff Augmentation is also experiencing increased revenue growth. This has been particularly true in Technical Staffing, which includes our Government Staffing division, where we experienced a marked increase in revenue for the quarter. Technical staffing rose 28.7% in the third quarter.

"We continue to put an emphasis on RightSourcing Vendor Management, within Healthcare Support Services and believe it represents an exciting opportunity for future growth.

"Demand is also increasing in our Information Technology sector, where we realized our third sequential quarter of revenue improvement. We believe that this is a clear indicator of recovery and increased spending in this sector. The positive response to our Sarbanes-Oxley specialists also contributed to this revenue growth.

"I am also pleased to report that during the quarter we signed an amended agreement with our credit facility, which will provide us with greater financial flexibility to buy back more of the 12% Senior Notes."

Mr. Fanning concluded, "This has been a very rewarding and productive nine months for COMFORCE. We remain committed to investing in and growing all areas of our business and gaining market share. At the same time we will look to manage our costs. We expect to report sound performance for the balance of 2004."

COMFORCE Corporation will hold an investor conference call to discuss the Company's financial and operational results at 2:00 p.m. Eastern Time on November 4, 2004. Investors will have the opportunity to listen to the conference call through the Internet at www.fulldisclosure.com. To listen to the live call, please go to the web site at least 15 minutes before the start of the call. For those who cannot listen to the live broadcast, a replay will be available beginning approximately one hour after the call and continuing for 90 days at the above web site. We expressly disclaim any responsibility for updating the information in the broadcast during the period it remains available for replay.

About COMFORCE

COMFORCE Corporation provides specialty staffing, consulting and outsourcing services primarily to Fortune 500 companies. The Company operates in three business segments - Human Capital Management Services, Staff Augmentation, and Financial Outsourcing Services. The Human Capital Management Services segment provides consulting services for managing the contingent workforce through its PRO Unlimited subsidiary. The Staff Augmentation segment provides Healthcare Support Services, including RightSourcing Vendor Management Services, and Nurse Staffing Services, Sarbanes-Oxley Specialists, Technical Services, Information Technology (IT), Telecom, and Other Staffing Services. The Financial Outsourcing Services segment provides payroll, funding and outsourcing services to independent consulting and staffing companies. COMFORCE has thirty-six (36) offices nationwide.

To view the Company's web page visit <http://www.comforce.com>

-More-

Various statements made in this release concerning the Company's expectations are forward looking statements. The Company may be unable to realize its objectives due to various important factors, including, but not limited to: the loss of key customers, weakness in job growth, a reduction in corporate or government spending, adverse economic conditions generally or in key industries served by the Company, or a reduction in the demand for outsourcing services generally which could heighten competition among staffing companies and negatively impact revenues and margins; the Company's significant leverage may leave it with a diminished ability to obtain additional financing for working capital, capital expenditures or acquisitions, for retiring higher interest rate debt or for otherwise improving the Company's competitiveness and capital structure or expanding its operations; and the heightened standards under which the Company must evaluate annually the retention of goodwill on its books and create a greater likelihood that the Company will be required to write-off goodwill in future periods (in addition to the write-offs of \$74.0 million in 2002 and \$28.0 million in 2003), which could have a material adverse impact on its financial condition and results of operations. Additional important factors are described under "Forward Looking Statements" in Part II, Item 7 of the Company's 10-K for the year ended December 28, 2003 and under "Risk Factors" in the S-8 of the Company filed with the SEC on April 24, 2003 (Registration No. 333-104730). These disclosures may be accessed through the SEC's web site at "www.sec.gov" and will be forwarded free of charge upon request made to Linda Annicelli, VP of Administration, at COMFORCE Corporation, 415 Crossways Park Drive, P.O. Box 9006, Woodbury, New York 11797, telephone 516-437-3300.

-Financial Tables Follow -

-More-

COMFORCE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 26, 2004	Sept 28, 2003	Sept 26, 2004	Sept 28, 2003
Revenue:				
Net sales of services	\$ 123,392	\$ 93,197	\$ 348,391	\$ 267,144
Costs and expenses:				
Cost of services	105,854	78,044	296,718	222,620
Selling, general and administrative expenses	13,179	12,616	39,390	35,109
Goodwill impairment	-	28,000	-	28,000
Depreciation and amortization	1,002	1,081	3,028	3,185
Total costs and expenses	120,035	119,741	339,136	288,914
Operating income	3,357	(26,544)	9,255	(21,770)
Other income (expense):				
Interest expense	(2,983)	(3,267)	(9,153)	(10,678)
Write-off of deferred financing costs	-	-	-	(431)
Gain on debt extinguishment	8	-	1,979	8,774
Other (expense) income, net	104	(26)	47	619
	(2,871)	(3,293)	(7,127)	(1,716)
Income (loss) from continuing operations before income taxes	486	(29,837)	2,128	(23,486)
Provision (benefit) for income taxes	354	(3,732)	1,127	8
Income (loss) from continuing operations	132	(26,105)	1,001	(23,494)
Income (loss) from discontinued operations, net of tax benefit of \$16 in 2004 and tax provision of \$11 and \$71 in three and nine months ended September 28, 2003	-	15	(17)	92
Net income (loss)	\$ 132	\$ (26,090)	\$ 984	\$ (23,402)
Dividends on preferred stock	125	381	375	546
Income available to common stockholders	\$ 7	\$ (26,471)	\$ 609	\$ (23,948)
Basic income (loss) per common share:				
Income (loss) from continuing operations	\$ 0.00	\$ (1.59)	\$ 0.04	\$ (1.44)
Income (loss) from discontinued operations	-	0.00	(0.00)	-
Net income (loss)	\$ 0.00	\$ (1.59)	\$ 0.04	\$ (1.44)
Diluted income (loss) per common share:				
Income (loss) from continuing operations	\$ 0.00	\$ (1.59)	\$ 0.04	\$ (1.44)
Income (loss) from discontinued operations	-	0.00	(0.00)	-
Net income (loss)	\$ 0.00	\$ (1.59)	\$ 0.04	\$ (1.44)
Weighted average common shares outstanding, basic	16,684	16,659	16,671	16,659
Weighted average common shares outstanding, diluted	17,294	16,659	18,077	16,659

COMFORCE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets
(in thousands, except share and per share amounts)

Assets	September 26, 2004 (unaudited)	December 28, 2003
Current assets:		
Cash and cash equivalents	\$ 5,780	7,598
Accounts receivable, net	66,791	52,378
Funding and service fees receivable, net	23,272	23,726
Prepaid expenses and other current assets	4,412	4,026
Net assets held for sale	211	-
Deferred income taxes, net	<u>1,733</u>	<u>1,733</u>
Total current assets	102,199	89,461
Deferred income taxes, net	1,695	1,695
Property and equipment, net	6,561	8,499
Intangible assets, net	92	132
Goodwill, net	32,073	32,242
Deferred financing costs, net	<u>1,717</u>	<u>2,284</u>
Total assets	\$ <u><u>144,337</u></u>	\$ <u><u>134,313</u></u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 2,961	2,757
Accrued expenses	<u>56,519</u>	<u>42,127</u>
Total current liabilities	59,480	44,884
Long-term debt	122,342	127,960
Other liabilities	<u>18</u>	<u>93</u>
Total liabilities	<u>181,840</u>	<u>172,937</u>
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$.01 par value; 100,000,000 shares authorized, 16,689,496 and 16,659,397 shares issued and outstanding at September 26, 2004 and December 28, 2003, respectively	167	167
Convertible preferred stock, 6,148 Series 2003A and 513 Series 2003B outstanding shares with an aggregate liquidation preference of 7,442 at September 26, 2004	4,817	4,817
Additional paid-in capital	50,611	50,501
Accumulated other comprehensive income	103	76
Accumulated deficit	<u>(93,201)</u>	<u>(94,185)</u>
Total stockholders' deficit	<u>(37,503)</u>	<u>(38,624)</u>
Total liabilities and stockholders' deficit	\$ <u><u>144,337</u></u>	\$ <u><u>134,313</u></u>

###