



2001
Annual Report

CROSS 
COUNTRY SM



Our Brands

The whole is greater than the sum of its parts

Our core brand – Cross Country TravCorps – places nurses and other health care professionals on travel staffing (fixed-term contract) assignments at hospitals and other health care delivery organizations throughout the United States. In 2001, this brand accounted for 86% of Cross Country, Inc.'s revenue, making it the largest travel staffing brand in the industry.

Our complementary service strategy allows us to offer a greater variety of services to our existing client base, and leverages our applicant database by providing alternatives to the traditional travel job – key to enhancing our retention efforts.

Our other human capital management brands work synergistically with our core staffing brand, providing high level search, consulting, and education and training services to our clients. Furthermore, these services expand the depth of our client relationships to senior operating, administrative and nurse executives.



Profile

Cross Country, Inc. is one of the largest providers of health care staffing services in the United States.

Through our Cross Country TravCorps brand – the country’s number one nurse staffing brand – and eleven complementary brands, we provide a total human capital management solution to more than 3,000 clients, including 75% of the nation’s top hospitals as rated by *U.S. News & World Report*. Since 1975, we have placed more than 50,000 health care professionals at over 4,500 hospitals, pharmaceutical companies and other health care facilities across all 50 states.

Cross Country, Inc. is committed to creating shareholder value, enhancing quality of service to our clients, and providing rewarding opportunities that challenge our health care professionals to realize their career goals.

The Year in Review

In 2001, Cross Country

- solidified our position as the most recognized brand in the travel nursing industry by a margin of more than 3 to 1.
- added 13,000 health care professionals to our proprietary database of 159,000.
- achieved one of the best travel nurse renewal rates in the industry, thanks to our outstanding recruiters.
- welcomed hundreds of new shareholders to our company through our successful IPO.
- achieved record revenue and profitability for our company.

Financial Highlights

(Dollars in thousands, except share data)

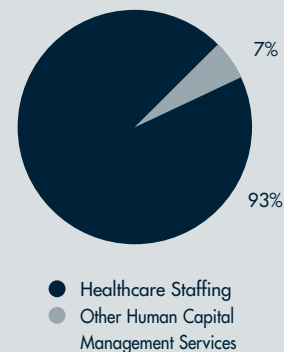
Years Ended December 31,	2001	2000	% Change
Revenue from services	\$ 500,503	\$ 367,690	36%
EBITDA (A)	\$ 56,186	\$ 45,135	24%
Income before discontinued operations and extraordinary items	\$ 13,663	\$ 6,656	105%
Net income	\$ 8,672	\$ 4,598	89%
Earnings per diluted share (B)	\$ 0.34	\$ 0.20	74%
Weighted average shares - diluted	25,222,936	23,205,388	9%
Stockholders' equity	\$ 269,927	\$ 123,340	119%
Debt ratio (C)	15%	56%	NM

(A) Defined as income before interest, income taxes, depreciation, amortization and non-recurring indirect transaction costs. EBITDA should not be considered a measure of financial performance under generally accepted accounting principles. Refer to our Form 10K for a more detailed explanation.

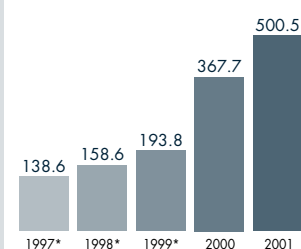
(B) Percent change based on unrounded numbers.

(C) Debt ratio is defined as total debt less cash, divided by total stockholders' equity plus total debt.

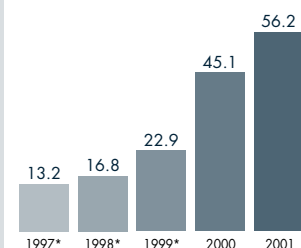
Segment Revenues 2001 –
Percent of Total



Revenues From Services – \$mm



EBITDA – \$mm



* Includes predecessor company results through July 1999

Letter from the President



April 24, 2002

Dear Shareholder,

It gives me great pleasure to deliver this report on Cross Country's 2001 results. This was a landmark year for our company in many ways. We generated record revenues and profitability, with revenues up 36% over those of 2000, and net income almost double that of the prior year. We also acquired and integrated three businesses (Heritage Professional Education, ClinForce and Gil/Balsano Consulting), which were all accretive to our earnings per share and complementary to our existing businesses. Finally, the defining event of the year was our successful initial public offering of approximately 9 million shares in October of 2001, following which we welcomed many new institutions and individuals as shareholders of our company. Our commitment to our new owners is that we will work as hard to create value for you as we have for those that have enjoyed ownership positions in Cross Country over the past ten years that this management team has run the company and its predecessor. The only difference we see from the inside is a higher level of visibility from the outside. Given how enthusiastic we are about our company's prospects, we look at this new transparency as a great positive for our market position, as we compete every day for clients and health care professionals.

None of the events of this past year could have occurred had it not been for the contributions of our employees as well as those of the nurses and the other health care professionals that we place. Had it not been for them and their hard work, loyalty and dedication, 2001 would not have been the record-breaking year that it was.

In spite of all of this activity, we remain focused on our corporate mission, which is to build the nation's leading provider of staffing and other human capital management services to the health care industry. We believe we are in a unique position to leverage the tremendous brand equity we have created over the years as a provider of the highest quality health care professionals, into a provider of solutions for a much broader spectrum of human capital needs that are growing rapidly today among our health care clients throughout the country.

As we look to 2002, our market environment continues to be characterized as one in which there is an excess of demand for our services. As many of you know, the demand for nurses in hospitals is extremely strong, with the number of job openings that our clients have posted with us outstripping our supply of nurses coming off contract by several multiples. Our primary challenge will continue to be to recruit and retain more high caliber nursing professionals just as we have in the past. To address this challenge, we are increasing the size of our recruiting team, targeting new sources of eligible nurses through acquisitions and innovative programs like Assignment America, and leveraging our industry leading brand to market to more channels of supply. We believe we have an excellent opportunity to increase our relative share of nurses working at hospitals by making our employment model more and more attractive to nursing professionals. This is where and how we differentiate ourselves – we aim to offer the best positions nationwide, innovative compensation packages and unmatched client service.

Our opportunities are great and we look forward to realizing them for our shareholders, and to sharing with you our progress toward our goals. Thank you for your confidence in our company.

Sincerely,

Joseph A. Boshart

President and Chief Executive Officer



Solutions for a Changing World

Extraordinary care. Exceptional results.

At Cross Country, we believe the real measure of our success is our clients' ability to improve their patients' lives. Our dedicated nurses, therapists, physicians, consultants, trainers, clinical researchers and recruitment professionals help health care organizations manage their human capital needs.

Through our Cross Country TravCorps brand – which comprises 86% of our revenue – and our strategic complementary services, Cross Country enables our clients to:

provide superior care.

Nurses are the principal providers of health care services in acute care settings, where one in ten jobs is vacant. Through our staffing brands – Cross Country TravCorps, Cross Country Local, MRA and Assignment America – our nurses help maintain a consistent standard of patient care. In 2001 our health care professionals improved the lives of more than two million patients:

22,000	<i>critically ill children</i>
19,000	<i>babies delivered</i>
40,000	<i>critically ill newborns</i>
251,000	<i>critically ill adults</i>
382,000	<i>surgeries</i>
1,712,000	<i>acute care patients</i>

“Market conditions continue to create unprecedented demand for our travel staffing services.”

*– Vickie Anenberg
President, Travel Staffing Division*



Since 1978

Market Focus:

Cross Country, Inc.'s flagship brand founded the travel health care industry and has a reputation of excellence. We have a quarter century of experience placing traveling nurses and allied health care professionals on three-month assignments at a variety of health care facilities throughout the U.S.

Value Added:

Our database of 159,000 health care professionals provides a cost-effective solution to facilities with short-term staffing needs. Our travel health care professionals have the opportunity to work in a variety of settings, enhancing their clinical skills while seeing the country.

reengineer the way they deliver services.

Through our consulting service brands, Gill/Balsano and Cejka Consulting, our clients are improving everything from performance systems to delivery of post-acute care services. We offer our clients a cultural foundation for understanding physician perspectives on an independent, group practice or enterprise-wide basis. This experience, complemented by technical knowledge of physician compensation, group practice formation, integration, human resource issues, and medical staff development, enhances our ability to combine physician organizational needs with local market forces.

fulfill their physician and management needs.

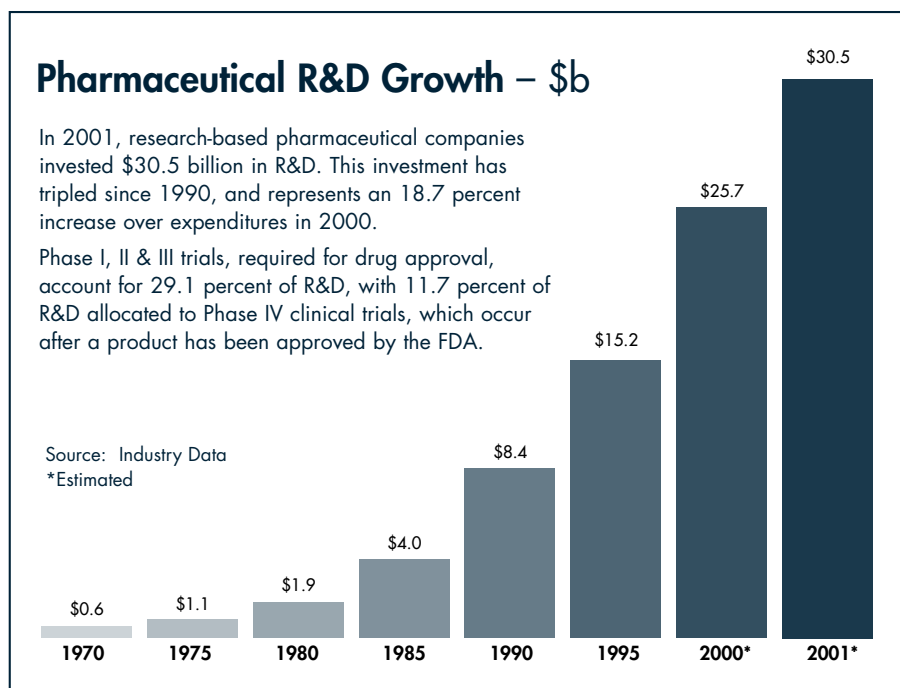
Cejka Physician Search and Cejka Executive Search help our insurance company, pharmaceutical, physician group practice and hospital clients attract the talent they need to compete in a challenging market.

improve quality.

Cross Country University, our education and training division, helps our clients by empowering their employees to refine their talents and master new skills. We are an accredited provider of continuing education courses, as well as more than 4,000 educational seminars reaching 85,000 health care professionals in 2001. We meet the learning and skills development needs of traveling nurses and other health care professionals by offering continuing education, and facilitating licensure as they move from state to state – enabling us to staff client facilities with well-trained travelers.

get new drugs to market.

Our ClinForce brand provides clinical research professionals skilled in all phases of the clinical evaluation and drug regulatory process. With new drug discoveries forecast to grow each year, ClinForce is positioned to leverage Cross Country's database of health care professionals to help meet its clients' growing needs. Our understanding of the clinical research process enables us to provide responsive service to our clients and to offer greater opportunities to our research professionals.



"We've created a nurse-centric culture that allows us to understand our health care professionals' needs so they can work more efficiently and provide a superior level of care."

*– Dr. Franklin A. Shaffer, RN
President, Education and Training Division*



We've achieved our goals by marrying resources to opportunity and playing to our strengths:

health care focus.

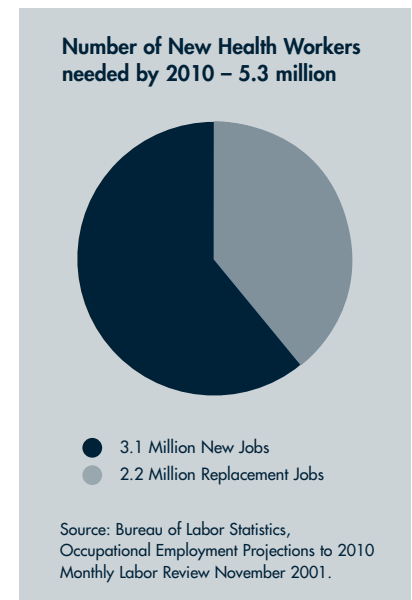
U.S. health care spending is projected to reach nearly \$2 trillion by 2007, primarily driven by greater utilization of health care services and by an aging population. Our focus on health care staffing will enable us to capitalize on these demographic trends.

leadership and culture.

A highly skilled, dedicated workforce is our primary asset, and our company is guided by a management team that understands its obligation to clients and its responsibility to shareholders.

customer awareness.

We are uniquely qualified to understand and respond to our clients: our management team averages more than 10 years' experience at the highest levels of health care – hospital board members, health care CEOs and nurse executives.



"Mapping acquisitions to our core business enhances our growth and long-term success."

*– Jonathan W. Ward
Chief Marketing and Strategy Officer*



A Winning Formula for Growth

In 2001, revenues increased 36% over 2000 to \$500.5 million and net income almost doubled. Among the thousands of health care organizations we serve, no single client represents more than 3% of revenue in any given year.

We continue to benefit from the favorable dynamics of the health care sector without third-party or government reimbursement issues. Our core travel staffing brand enjoys high revenue and gross profit visibility: during the typical three-month contract, we know how

“Strong cash flow generation, good earnings visibility, and no third party reimbursement exposure all contribute to the high quality of our earnings.”

*– Emil Hensel
Chief Financial Officer*

many hours our nurses will work, what the revenue per hour will be, and what our costs will be while they’re on assignment. We have predictable renewal rates, and very low capital investment requirements.

Since our successful initial public offering in October, we have de-levered the balance sheet, giving Cross Country the financial flexibility to address future opportunities.

Building the Future, One Success at a Time

Our plan for 2002 and beyond is to build on a solid platform of organic growth supplemented by strategic acquisitions that achieve earnings before interest, taxes, depreciation, and amortization (EBITDA) margins consistent with our core business.

Colliding market forces and demographics have created a favorable environment for Cross Country. Today, 80% of hospitals are unable to meet their nursing needs, a trend which is likely to continue as the number of new nursing professionals shrinks and the average age of nurses increases. Inpatient admissions are projected to steadily increase with the aging of the baby boomer generation, which will further drive demand since registered nurses account for roughly 25% of the typical hospital’s operating budget. Combined, these factors produce recruitment and retention challenges for hospitals, but robust opportunity for Cross Country: spending on health care staffing has been growing at more than double the rate of overall health care expenditures nationally.

In 2001, acute care spending on nursing services totaled more than \$55 billion, a number that’s projected to grow by 10% each year. We estimate hospitals filled approximately 10% of those shifts through staffing providers like Cross Country; in order to capture a greater share of that market, Cross Country is focusing on innovative nurse acquisition and retention efforts. We will leverage the number one brand in travel staffing to reach more channels of

supply than we’ve ever targeted and retain more nurses by offering an extensive job database and the superior service of highly experienced and knowledgeable recruiters.

As the highly fragmented industry continues to consolidate, Cross Country will build on a proven track record of strategic acquisitions that reinforce our position as a market leader, using the same disciplined approach as in the past. We began 2002 with the addition of Jennings Ryan & Kolb Consulting as well as NovaPro, which feeds our recruitment efforts by making our company more attractive to an important segment of the nursing population.

2002 Priorities

- Increase placement capacity through the addition of recruitment personnel
- Increase working nurse volume by tapping new sources of supply
- Increase profitability by leveraging economies of scale
- Continue our disciplined pursuit of strategic acquisitions



Independent Auditors

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Phillips Point, West Tower
Suite 1200
777 South Flagler Drive
West Palm Beach, FL 33401



Transfer Agent

SunTrust Bank
P. O. Box 4625
Atlanta, GA 30302-4625
1-800-568-3476

Board of Directors

Karen H. Bechtel (b)

Managing Director of Morgan Stanley Private Equity and Morgan Stanley & Co. Incorporated

Joseph A. Boshart

President and Chief Executive Officer of the Company

W. Larry Cash (a)

Executive Vice President and Chief Financial Officer of Community Health Systems

Bruce A. Cerullo

Former Chairman of the Board of the Company's predecessor

Thomas C. Dircks (b)

President of Charterhouse Group International, Inc.

A. Lawrence Fagan

Vice Chairman of Charterhouse Group International, Inc.

Emil Hensel

Chief Financial Officer of the Company

M. Fazle Husain

Executive Director of Morgan Stanley Private Equity and Morgan Stanley & Co. Incorporated

Joseph Swedish (a)

President, Chief Executive Officer and Director of Centura Health

Joseph Trunfio (a)

President and Chief Executive Officer of Atlantic Health System

(a) Member of the Company's Audit Committee

(b) Member of the Company's Compensation Committee



Executive Officers

Joseph A. Boshart

President and Chief Executive Officer

Emil Hensel

Chief Financial Officer

Vickie Anenberg

President, Travel Staffing Division

Kevin Conlin

President, Consulting Division

Dr. Franklin A. Shaffer, RN

President, Education and Training Division

Tony Sims

President, Clinical Trials Staffing Division

Carol D. Westfall

President, Search and Recruitment Division

Annette Gardner, RN

President, Cross Country Local

Jonathan W. Ward

Chief Marketing and Strategy Officer

Victor Kalafa

Vice President, Corporate Development



Company Website

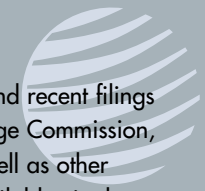
www.crosscountry.com

Form 10-K

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission, will be sent to shareholders free of charge, upon written request to:

Cross Country, Inc.
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Suite 200
Boca Raton, FL 33487
Attn: Investor Relations
Phone 877-686-9779
ir@crosscountry.com

In addition, financial reports and recent filings with the Securities and Exchange Commission, including our Form 10-K, as well as other Company information, are available via the Internet at our company website.





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