Fact Sheet

September 2008

> NURSE & ALLIED STAFFING
> PHYSICIAN STAFFING
> CLINICAL TRIALS SERVICES
> EDUCATION & RETAINED SEARCH

COMPANY PROFILE

Cross Country Healthcare, Inc. is a leading provider of nurse and allied staffing services in the United States, a national provider of multi-specialty locum tenens (temporary physician staffing) services, a provider of clinical trials services to global pharmaceutical and biotechnology customers, as well as a provider of other human capital management services focused on healthcare. The Company has approximately 5,000 contracts with hospital, healthcare providers, pharmaceutical and biotechnology customers, and other healthcare organizations.

On September 9, 2008, we acquired substantially all of the assets of privately-held MDA Holdings, Inc. (MDA) and its subsidiaries for $112.3 million in cash, plus additional earn-out payments based on 2008 and 2009 performance criteria, and subject to a working capital adjustment. Headquartered in Norcross, Georgia, MDA provides multi-specialty locum tenens (temporary physician staffing) and allied staffing services to the healthcare industry in all 50 states. MDA was an ESOP-owned company, and in 2007, had revenue of $158.0 million.

Pro forma this acquisition, we are one of the top two providers of nurse and allied staffing; one of the top three providers of locum tenens and physician search, and one of the top five providers of clinical trials services.

With the addition of this business, we have further diversified our revenue mix across sector of healthcare staffing and customers. Our nurse and allied staffing business segment now represents 66% of our revenue (LTM 3/31/08) and is comprised of travel and per diem nurse staffing and travel allied health staffing. Travel nurse staffing is our largest business. Our locum tenens business represents 17% of our revenue and consists of temporary physician staffing and allied staffing. Our clinical trials services business segment represents 11% of our revenue and consists of service offerings that include traditional staffing, as well as clinical trials management, drug safety monitoring and regulatory services to pharmaceutical and biotechnology customers. Our other human capital management services business segment represents approximately 6% of our revenue and consists of education and training as well as retained search services related to physicians and healthcare executives.

Market Data (As of 9/30/08)

Stock Symbol	NASDAQ: CCRN
Recent Price	$16.29
52 Week Range	$19.01 – $10.11
Market Capitalization	$500 million
Total Shares Outstanding	30.7 million
P/E Ratio (ttm)	19.5x
Institutional Ownership	91%
Inside Ownership	9%

Other Data (As of 12/31/07)

Cash Flow From Operations	$36.0 million
Free Cash Flow	$27.7 million
Current Ration	3:1
Debt To Total Capital Ratio	10%
Corporate Employees	1,260

Corporate Headquarters

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Current Analyst Coverage

BMO Capital Markets
CL King & Associates
Goldman Sachs & Co.
Longbow Research
Merrill Lynch
Oppenheimer & Co.
Stifel Nicolaus
SunTrust Robinson Humphrey

Financial Information

(Amounts in millions, except per share data)

	Revenue	Net Income	Diluted EPS	Operating Cash Flow
2000	$368	$4.6	$0.20	$10.4
2001	$501	$8.7	$0.34	$19.7
2002	$640	$29.8	$0.89	$41.4
2003	$687	$25.8	$0.79	$51.8
2004	$654	$20.7	$0.63	$43.4
2005	$645	$14.8	$0.45	$30.8
2006	$655	$16.6	$0.51	$32.9
2007	$718	$24.6	$0.76	$36.0
CAGR	+10.0%	+27.1%	+20.9%	+19.4%

Segment Information

(Amounts in millions)

Revenue	2007	2006	2005
Nurse & Allied Staffing	$576.8	$554.9	$553.2
Clinical Trials Services	$90.6	$53.3	$46.1
Other Human Capital Management Services	$50.9	$46.9	$46.0
Contribution Income			
Nurse & Allied Staffing	$54.9	$52.9	$46.7
Clinical Trials Services	$14.4	$6.9	$6.2
Other Human Capital Management Services	$7.6	$9.0	$8.1

Nurse & Allied Staffing Metrics

	Full-Time Equivalents (FTEs)	YOY % Change	Average Revenue/ FTE/Week	YOY % Change
2000	4,167		$1,697	
2001	4,558	9.4%	$2,112	24.4%
2002	5,265	15.5%	$2,337	10.7%
2003	5,663	7.6%	$2,333	-0.2%
2004	5,450	-3.8%	$2,308	-1.1%
2005	5,237	-3.9%	$2,370	2.7%
2006	4,951	-5.5%	$2,545	7.4%
2007	4,999	1.0%	$2,763	8.6%

NURSE AND ALLIED STAFFING

We are a leading provider of travel nurse staffing services in the U.S. and also a provider of travel allied staffing and per diem nurse staffing services. We market our nurse and allied staffing services primarily to acute care hospitals, providing these clients with travel and per diem staffing solutions through our Cross Country Staffing and MedStaff brands. We provide credentialed RNs for travel and per diem staffing assignments at public and private healthcare facilities, and at for-profit and not-for-profit facilities located throughout the U.S. The vast majority of our assignments are at acute care hospitals, including teaching institutions and trauma centers located in major metropolitan areas. We also provide other healthcare professionals in a wide range of specialties that include operating room technicians and other allied health professionals, such as rehabilitation therapists, radiology technicians and respiratory therapists to acute care hospitals as well as to customers in non-acute care settings such as skilled nursing facilities, nursing homes and sports medicine clinics, and, to a lesser degree, in non-clinical settings, such as schools. Fees are paid directly by our clients and in certain cases, by third-party administrative payers. As a result, we have no direct exposure to any third-party reimbursements including, Medicare or Medicaid reimbursements.

Our Cross Country Staffing and MedStaff brands' travel staffing businesses are certified by The Joint Commission under its Health Care Staffing Services Certification Program. The Joint Commission certification program offers an independent, comprehensive evaluation of a staffing agency's ability to provide quality staffing services. We believe this certification program, which is subject to annual review, is an important quality initiative in our industry.

Sales and Marketing

Cross Country Staffing is our largest brand and markets its staffing services to hospitals and healthcare facilities throughout the U.S., as well as operates differentiated recruiting brands to recruit RNs and allied healthcare professionals on a domestic and international basis. As a part of its business strategy, Cross Country Staffing is pursuing and implementing exclusive vendor managed and preferred provider relationships with hospital clients. In doing so, Cross Country Staffing provides clients with a suite of solutions to facilitate the efficient management of their temporary workforce. These range from efficiency-enhancing technology to vendor management solutions.

MedStaff markets both its travel nurse staffing and per diem staffing services to public and private hospitals and healthcare facilities across the United States. It primarily focuses on high levels of customized service to its clientele on a national basis and in those local markets where it maintains branch offices. Through its HealthStaffers affiliate, MedStaff markets its services to government and military treatment facilities.

Recruiting and Retention

We operate differentiated nurse recruiting brands including Cross Country TravCorps, MedStaff, NovaPro, Cross Country Local and Assignment America to recruit nurses and allied healthcare professionals on a domestic and international basis. We believe these professionals are attracted to us because we offer a wide range of diverse assignments at attractive locations, competitive compensation and benefit packages, as well as high levels of customer service.

In 2007, thousands of healthcare professionals applied with us through our recruitment brands. Historically, more than half of our field employees have been referred to us by other healthcare professionals. We also advertise in trade publications and on the Internet, which has become an increasingly important medium. We maintain a number of websites to allow potential applicants, for example, to obtain information about our recruitment brands and assignment opportunities as well as apply online.

Industry Overview

Demographics are the primary long-term driver of growth opportunities in our core nurse and allied staffing business. Over the coming decades, demand for healthcare services is expected to increase due to an aging U.S. population while the national supply of RNs also ages and is projected to decline.

The U.S. population nearly doubled between 1950 and 2000 to 282 million people, and is projected to exceed 420 million people in 2050 according to a Congressional Research Service report in March 2007. The number of people age 65 and older increased to 35 million in 2000 and is expected to approach 87 million in 2050. Population aging and higher per capita spending for older people contribute to growth in national healthcare spending. Healthcare spending is higher for older people than younger people and is 4 times higher for hospital services compared to those under 65. In 2005, the U.S. Department of Health and Human Services reported that people over the age of 65 comprised 38 percent of all inpatients.

Along with an expanding and aging population that is anticipated to increasingly require hospital services, is an aging population of working RNs and a nurse education system constrained by an aging faculty and a lack of teaching facilities. Hospitals and other healthcare facilities utilize outsourced nurse staffing as a means to supplement their own recruitment and retention efforts, and in the process gain flexibility and a variable cost structure in managing their changing nurse staffing requirements. Similarly, RNs have turned to outsourced nurse staffing for greater job flexibility and better working conditions.

Temporary Nurses

The temporary nurse staffing alternatives available to hospital administrators are travel nurses and per diem nurses. Travel nurse staffing involves placement of RNs on a contract basis typically for a 13 week assignment, although assignments may range from several weeks to one year. Travel assignments usually involve temporary relocation to the geographic area of the assignment. Travel nurses provide hospitals and other healthcare facilities with the flexibility and variable cost to manage changes in their staffing needs due to shifts in demand, represent a pool of potential full-time job candidates, and enable healthcare facilities to provide their patients with a greater degree of continuity of care than per diem nurses. The staffing company generally is responsible for providing travel nurses with customary employment benefits and for coordinating travel and housing arrangements.Per Diem nurse staffing comprises the majority of outsourced temporary nurse staffing and involves the placement of locally-based healthcare professionals on short-term assignments, often for daily shift work, with little advance notice by the hospital client. However, housing and extensive travel are generally not required for this mode of staffing.

Demand Dynamics

Using temporary personnel enables healthcare providers to vary their staffing levels to match changes in demand for their permanent staff caused by both planned and unplanned vacancies, variability in patient admissions, as well as facility expansion and staff training activities. Healthcare providers also use temporary personnel to address budgeted shortfalls due to vacancy rates and to manage seasonal fluctuations in demand for their services, such as population swings in the sun-belt states in the winter months and the Northeast and other geographic areas in the summer months. The use of temporary RNs is no longer a stop-gap measure, but has become a way of life for many hospitals according to a survey by the Pricewaterhouse Coopers' Healthcare Research Institute in which hospital executives reported using temporary nurses for an average of 5% of all nursing hours.



The market for our nurse staffing services is determined by the demand from hospital customers and the available supply of RNs and other healthcare professionals. Demand is a function of hospital admission trends and their level relative to expectations, as well as dynamics of the national labor market and its impact on RN's spouses (approximately 70% of RNs in the U.S. are married) which influences the number of shifts or hours that full- and part-time RNs are willing to work directly for hospitals at wages hospitals are able to pay. In general, we believe nurses are more willing to seek travel assignments during relatively high levels of demand for contract employment, and conversely, are more reluctant to seek travel assignments during and immediately following periods of weak demand for contract employment. We also believe demand for travel nurse staffing services will be favorably impacted in the long-term by an aging population and an increasing shortage of nurses.

In 2005, the national RN vacancy rate was 8.5%; although many hospitals continued to struggle with RN shortages that equated to a need for approximately 118,000 RNs to fill vacant positions nationwide (American Hospital Association, 2006). Independent national surveys conducted in 2004 and 2005 found that a majority of RNs (82%), physicians (81%), hospital CEOs (68%) and chief nursing officers (74%) perceived a nursing shortage in the hospitals where they admitted patients or were employed. Survey respondents also perceived the shortage had negatively impacted various indicators of care delivery processes, hospitals' capacity to provide services, and RNs' ability to provide patient care. Looking ahead, the number of unfilled RN positions is expected to increase to 340,000 by 2020 due to a combination of increasing RNs retiring from the workforce over the coming years and the number and composition of new RNs entering the workforce (Health Affairs, January/February 2007).

Aside from the PricewaterhouseCoopers' Health Research Institute study mentioned above, a separate national tracking study found as many as 75% of hospitals use temporary nurses. In addition, a study by researchers at the University of Pennsylvania's Center for Health Outcomes and Policy Research (Journal of Nursing Administration, August 2007) reported that hospital use of temporary RNs does not lower quality of care because these nurses are just as qualified – and in many cases more qualified – than permanent staff nurses. The study also found that temporary nurses were more likely than permanent nurses to hold a 4-year baccalaureate or more advanced degrees and more likely to have received their education in the past 10 years when compared to permanent nurses.

The current market for our nurse and allied staffing services reflects hospital admission trends that have been relatively flat since 2003 and, more recently, a softening labor market in such key states for us as California, Florida and Arizona. In 2007, our orders for travel nurses in these three key states, which accounted for approximately 40% of our working travel nurses, declined nearly 40% in aggregate from the prior year while increasing modestly in aggregate in the rest of the country. Nevertheless, in this operating environment we continued to increase the bill-pay spread in our nurse and allied staffing segment, which more than offset lower staffing volume resulting in higher contribution income. Bill rates, as measured by revenue per hour in our travel nurse staffing business, continued to rise in the low single-digit range that we have experienced over the past several years. While there is the potential for the business environment for nurse and allied staffing to weaken if the labor markets soften further, hospital operators appear to have incorporated a lower level of expectations into their nurse staffing plans. We believe that these lower admissions expectations hold a greater potential for an upside surprise, as compared to a downside surprise, and create a more favorable dynamic for us.

The Staffing Industry Report, an independent staffing industry publication, estimates that $11.4 billion in revenue was generated in the total U.S. healthcare staffing market in 2007, an 8% increase from the prior year. It also projects that in 2008 healthcare staffing will increase to $12.3 billion. The U.S. healthcare staffing market includes temporary staffing of travel nurses, per diem nurses, allied health professionals and locum tenens (physicians). We believe that approximately $70 billion is spent annually on RN wages by acute care hospitals and estimate that historically about 8% to 10% of hospital nurse staffing is outsourced. Of that amount, approximately one-fourth to one-third is travel nurse staffing and two-thirds to three-quarters is per diem nurse staffing. However, based on current market dynamics, we believe that outsourced nurse staffing at acute care hospitals remains below the peak historic levels achieved earlier this decade.

Hospital Construction

The United States is in the midst of the largest hospital construction expansion cycle in a half-century, which industry-experts estimate began in 2002. In a recent Healthcare Financial Management Association (HFMA) survey, about three quarters of hospital executives indicated they were anticipating capital investments for renovation of their current facilities in the next two years, citing expansion of current facilities, conversion to offer new services, and planning a satellite campus or clinic as the primary reasons for these projects.

According to HFMA, construction project starts doubled from 2004 to 2006 and are expected to continue at a rapid pace. Some estimates project the construction boom will exceed $60 billion a year by 2010. At the end of 2005, new hospitals and clinics valued at $22 billion were under construction and another $6 billion under renovations. The number of large-scale projects ($100 million or more) increased to 100 from 67 in 2003.

Supply Dynamics

The number of RNs in the U.S. grew 7.9% between 2000 and 2004 to $2.9 million, according to the most recent information published by the Health Resources and Services Administration (HRSA) in December 2005. Of this total, approximately 2.4 million (83%) are employed in nursing. More recently, as of 2006, approximately 2.2 million RNs work full-time. The largest and most significant employment setting for RNs is hospitals (nearly 60%) where they represent the largest share of hospital employees at 28%.

Foreign-educated RNs also play a role in helping to stem the nursing shortage. Currently nearly 90,000 foreign-educated RNs work in American hospitals, or about 3.7% of the total RN workforce in the U.S., according to a 2007 study by the National Foundation for America Policy. However, entry to the U.S. is often blocked or delayed due to immigration quotas and a lack of appropriate temporary visa categories. The Philippines provides the largest share of foreign-educated RNs to the U.S., followed by India, Canada and South Korea. California employs the most foreign RNs, followed by Florida, New York and Texas.

In 2006, the nursing shortage entered its ninth year, making it the longest shortage in the past fifty years according to a recent study published in Health Affairs (January/February 2007), in which researchers concluded that the shortage is expected to expand to 340,000 unfilled RN positions by 2020 due to an aging population and an even more rapidly aging RN workforce that is approaching retirement age. This study also observed that large numbers of RNs are entering the profession in their late twenties and early thirties, and that the number of people entering nursing in their early to mid-twenties remains at its lowest point in forty years.

The average age of RNs is approximately 47 years, up from age 45 in 2000 and more than four years older than in 1996, according to the 2005 HRSA survey, which also indicated 41% of RNs were 50 or older. In comparison, in 1980 the largest age group of RNs was in their mid-to-late twenties. In 2005, the largest age group comprised RNs in their forties. By 2012, RNs in their fifties will be the largest age group, and

by 2020, baby boomer nurses will be in their sixties, although most will have retired from working in an acute care hospital. Putting this into perspective, approximately 478,000 RNs are expected to retire between 2002 and 2012. In fact, 55% of surveyed RNs reported their intention to retire between 2011 and 2020, based on findings from the Nursing Management Aging Workforce Survey published by the Bernard Hodes Group in July 2006. New jobs plus retirements lead to predictions of 1.1 million additional RNs will need to be added to the inventory of RNs between 2002 and 2012 to maintain a steady state, according to an August 2007 study in Health Research and Educational Trust. We believe as RNs age they consider retiring from the workforce or switching to part-time status and they increasingly reduce the number of hours worked directly for hospital employers because of the physical demands of the job in an acute care hospital setting.

Educating Nurses

As a result of more RNs entering the profession in their late twenties and early thirties, RNs today are less likely to obtain their nursing education immediately after high school, as was more common in the past. Instead, people are increasingly entering the nursing profession by graduating from a two-year associate degree program after a substantial period in their early twenties spent in another career or not in the workforce. Additionally, people are entering nursing via "accelerated" bachelor-of-science degree programs designed for those with other (and usually unrelated) bachelor's degrees.

Qualified applications to diploma, associates degree and bachelor's degree programs increased by more than 25%, on a combined basis, while approximately 28% of applications were rejected in 2006 (the year for which certain of the most recent figures are available), according to National League for Nursing. Enrollments in entry-level baccalaureate nursing programs increased 5% in 2007, according to preliminary data by the American Association of Colleges of Nursing (AACN), down from 7.6% a year earlier. Baccalaureate program graduates also continued to grow by 7.4%, though at a slower rate than the 18.4% increase in 2006. Colleges and universities rejected approximately 30,700 qualified applications from students seeking four-year bachelor's degrees in nursing in 2007, according to the AACN. The primary reason for not accepting all qualified students was a shortage of qualified faculty; insufficient clinical placement sites and inadequate classroom space were also contributing factors. According to the AACN (July 2006), a total of 637 faculty vacancies were identified at 329 nursing schools with baccalaureate and/or graduate programs across the country – most were faculty positions requiring a doctoral degree – reflecting a national nurse faculty vacancy rate of 7.9%. For master's degree-prepared nurse faculty, the average ages for professors, associate professors, and assistant professors were 57.8, 54.5 and 50.0 years, respectively.

In 2007, the number of domestically trained nurses sitting for the National Council of State Boards of Nursing Licensing Exam (NCLEX), which is required for all new nurses entering the profession in the U.S., increased 8% to 119,600 from the number of RNs who took this exam a year earlier. This represents the seventh consecutive year of growth since the most recent low point in 2001.

Legislative Dynamics

In the context of a worsening nursing shortage and legislative efforts to address minimum hospital patient-to-nurse ratios and the use of mandatory overtime, there is a growing body of research that substantiates concerns raised by consumer groups about the quality of care provided in healthcare facilities and by nursing organizations about the increased workloads and pressures on nurses. Legislation addressing patient-to-nurse ratios and limiting mandatory nurse overtime has already been passed or introduced at federal and state levels. The passage of such legislation is expected to increase the demand for nurses.

Federal Legislation

42 Code of Federal Regulations (42CFR 482.23(b)) requires hospitals certified to participate in Medicare to "have adequate numbers of licensed registered nurses, licensed practical nurses, and other personnel to provide nursing care to all patients as needed". Reductions in nursing budgets have resulted in fewer nurses working longer hours, while caring for sicker patients.

Nurse Staffing Plans and Nurse-to-Patient Ratios (pending)

The Quality Nursing Care Act of 2005 (H.R. 1372) and its companion bill in the Senate, S. 71 (titled the RN Safe Staffing Act of 2005), require hospitals to set unit-by-unit nurse staffing levels in coordination with the direct care nursing staff and based on the unique needs of each unit and its patients.

Mandatory Overtime (pending)

In order to protect patient care, S. 351/H.R. 791 would amend title XVIII of the Social Security Act and set limits on the number of mandatory overtime hours RNs could work at Medicare participating hospitals, except in the case of a declared state of emergency.

State Legislation
Nurse Staffing Plans and Nurse Staffing Ratios

2007

Passing legislation/regulations re: nurse staffing and/or nurse staffing ratios: CA, FL, IL, ME, NJ, OR, RI, TX, VT and the District of Columbia. To date, only CA legislation has been implemented. CT, CO, IL MI, MO, NV, OH and WA introduced legislation to require public disclosure of staffing plans. KY, MI, MO, NY, WV and the District of Columbia introduced or carried over staffing ratio legislation setting minimum ratios.

Mandatory Overtime

2007

CT, IL, ME, MD, MN, NJ, NH, OR, RI, WA, and WV enacted legislation prohibiting the use of mandatory overtime – CA, MO, and TX have regulations restricting mandating overtime hours. AK, FL, IL, ME, MI, MN, MO, NH, NY, PA, RI, VT, WA, WV and the District of Columbia introduced legislation.

PHYSICIAN STAFFING (LOCUM TENENS)

We entered the physician staffing business in September 2008 upon the acquisition of substantially all of the assets of privately-held MDA Holdings, Inc. (MDA). MDA provides locum tenens and allied healthcare staffing solutions to the healthcare industry in all 50 states.

Locum tenens involves placing physicians (both general practitioners and specialists) on temporary assignments in a variety of healthcare settings. The locum tenens market represents a wide range of physician specialties including, but not limited to, anesthesiology, radiology, surgical specialties, family practice and internal medicine.

Physicians are direct revenue generators and healthcare organizations view them as critical, thus increasing the importance of finding temporary physicians when gaps occur. According to Health Affairs (a leading health policy journal), the shortage of physicians in the U.S. will increase to 50,000 in 2010 and 200,000 in 2020. Drivers of the physician shortage include an aging population, the increasing complexity of patient treatment, and a shortage of graduating physicians.

The temporary healthcare staffing market has grown each year since 2004. In 2007, it accounted for approximately $11.3 billion in revenue, according to estimates by the Staffing Industry Report. Of this total,



approximately 14% was attributable to locum tenens physician staffing. In 2006 and 2007, the locum tenens market experienced double-digit growth, and projected by Staffing Industry Report (June 2008) to grow at approximately 16% in both 2008 and 2009.

Demand Drivers

Fueling the growth of the locum tenens market is a greater need for physicians by healthcare facilities and a shortage in supply, as well as continued population growth that increasingly demands more healthcare services. For example, the age 65 and older group is projected to rise 53% by 2020, resulting in a further increase the need for ophthalmic, cardiac, and general surgeons. According to the researchers, it already is too late to avert the shortage since surgical training requires eight to fourteen years. Additionally, approximately 30% of all physicians are age 55 and older, and approximately 38% are considering retirement in the next one to three years.

Supply Drivers

Locum tenens gives a physician the opportunity to practice medicine without having to worry about reimbursement concerns, hospital politics, or malpractice costs. However, many other benefits to physicians correlate with the life stage of the physician.

- Physicians age 35 and under. Younger physicians look to experience different practice settings and locations. Approximately 68% of final year medical residents receive 50 or more job solicitations and in some specialties, such as radiology and cardiology, the number is even higher. Locum tenens allows the younger physician to try out different opportunities before settling on one.
- Physicians 35-49. Physicians that want to practice medicine while their career is in transition. Some look to take a break from their current practices but wish to remain working.
- Physicians age 50 or older. Older physicians may look for job enrichment by choosing a locum tenens position and may be looking for employment in or before retirement. Physicians in this category may no longer wish to operate a practice and all the administrative issues that accompany it, but wish to continue working, even if just for a few months a year.

Physicians are attracted to the locum tenens industry at different stages of their career for a number of reasons, thereby maintaining an ongoing supply of physicians to the industry:

- Provides a unique opportunity to physicians to focus almost exclusively on patient care, with most administrative responsibilities handled by others.
- Physicians at the later stages of their career normally find a diverse travel practice with decreased time requirement to be appealing; physicians in the middle stages of their career find a locum tenens practice to suit their lifestyle either as a fulltime career, as a transition opportunity or as a means to supplement their income; and physicians who are recent residency program graduates often prefer to use temporary positions to evaluate practice settings and locations before making more permanent career decisions.

MDA Overview

Founded in 1987 and based in Norcross, Georgia, MDA is one of the three largest providers of locum tenens in the U.S. In 2007, it generated revenue of $158.0 million. That year MDA handled 7,200 assignments for 1,400 clients utilizing its database of more than 100,000 providers representing a wide range of medical specialties. MDA also offers allied health providers temporary and permanent staffing opportunities at heathcare client facilities. Its allied database consists of 1,600 providers primarily representing four key specialties. In 2007, MDA had more than 400 allied assignments for approximately 100 clients.

MDA also has an internal Credentials Verification Organization and an incorporated an off-shore captive to reduce its malpractice insurance premiums and to better manage through insurance cycles.

MDA is one of only three locum tenens companies with an in-house NCQA-certified Credentials Verification Organization which verifies critical credentials prior to MDA's assignments. This organization uses an extensive proprietary database and interfaces with MDA's professional liability carrier to obtain approvals of providers. It takes risk management decisions out of the sales process by verifying credentials of providers and approving specific assignments.

Quality medical malpractice liability insurance coverage is a critical component of the MDA business model. Clients require MDA to refer physicians with medical professional liability coverage, and physicians are attracted to MDA because it offers quality malpractice coverage. MDA has a substantial competitive advantage in the recruitment of physicians. This competitive advantage currently results from MDA being the only multi-specialty medical staffing company that has procured an occurrence form policy from Medical Protective Company, a Berkshire-Hathaway insurance company (AAA-rated by Standard & Poor's). The occurrence form policy is of particular importance to physicians as it covers incidents occuring during the policy period. The more common claims-made policy only covers physicians for claims reported during the policy period.

Recruiting

Recruiters go through extensive training in both sales and marketing specialties in order to have continuity with providers and hospitals to facilitate quick and personal service to every customer. All other competitors have separate sales and marketing personnel that add more contacts and confusion to the staffing process. MDA currently employs approximately 135 recruiters spread across the country. Each recruiter covers one specialty and one geographic region. MDA has offices in Atlanta, Denver, and Dallas with approximately 66, 12 and 17, recruiters respectively. Nationwide, MDA currently has approximately 125 recruiters covering physicians and approximately 10 recruiters covering allied health providers.

Operations

MDA successfully operates a remote business model with employees/recruiters staffed at various locations nationwide. Recruiters are responsible for managing accounts, and have incentives for collections. This enables MDA to have a single point of contact for customers.

Originally, the locum tenens industry primarily served clinics, group practices and rural hospitals. As the industry has matured, more and more business has been generated from serving hospitals (in both urban/suburban and rural settings), which currently represent approximately 60% of the revenue base.

Large, nationwide hospital systems and associations continuously use our services due to its ability to respond quickly to the hospital's needs, and offer quality providers on a temporary or permanent basis. We also provide services to various government institutions, including the Indian Health Services, the Army, Air Force and other agencies.

CLINICAL TRIALS SERVICES

We provide a flexible range of traditional contract staffing, clinical research outsourcing, drug safety monitoring, and regulatory consulting services to pharmaceutical, biotechnology and medical device companies, as well as contract research organization (CRO) customers. We market these services through our ClinForce brand, as well as through additional brands that we have acquired. Together they have allowed us to establish a significant geographic footprint in the U.S. along with an important presence in the European market.

Among the various clinical trials services we provide, traditional contract staffing, project management, and outsourcing account for approximately 70% of segment revenue. The business units that comprise our clinical trials services segment are as follows:

- ClinForce is our platform brand that primarily provides clinical research professionals for in-sourced and out-sourced contract assignments and permanent placement services. Customers include pharmaceutical, biotechnology and medical device companies, as well as CROs. Acquired in March 2001, it is headquartered in the Research Triangle Park, North Carolina.
- Metropolitan Research Associates provides clinical trials management services and managing of clinical trials as well as provides functional drug safety solutions. Metropolitan Research has extensive experience across a wide range of therapeutic areas – including women's health, Central Nervous System (CNS), pain management, infectious disease and obesity. Customers include pharmaceutical, biotechnology and medical device companies. Acquired in August 2006, it is based in New York City.
- AKOS Limited provides drug safety, regulatory and clinical trial services. Pharmaceutical and biotechnology companies in Europe, the U.S., Canada and Asia. Acquired in June 2007, it is based in The United Kingdom.
- Assent Consulting provides contract staffing services to pharmaceutical and biotechnology customers in the U.S. Acquired in July 2007, it is based in Cupertino, California.

Recruitment

We recruit qualified candidates for our clinical trials services segment on a national basis in the U.S., as well as internationally for clinical research opportunities, which include both temporary and permanent positions with our clients and within our CRO services businesses. For our contract staffing services businesses, we recruit professionals across numerous clinical research disciplines, including clinical monitors/contract research associates, clinical project managers, site coordinators/contract research coordinators, drug safety personnel, medical monitors, regulatory affairs personnel, medical writers, clinical data professionals, statistical and SAS programmers, and various preclinical related professionals. Recruiting for our CRO services businesses consist primarily of clinical monitors, clinical project managers, medical monitors, regulatory affairs personnel, and drug safety associates.

Industry Overview

Pharmaceutical and biotechnology companies conduct clinical trials to demonstrate the safety and efficacy of new drug compounds, test drugs that have already been approved to monitor long-term safety and effectiveness, tests for additional labeling claims and proposed new uses of drugs previously approved for commercial sale. New medical devices, as well as new procedures and approaches to diagnosing diseases, must also undergo clinical testing to prove their merit and safety.

With respect to drugs, a pharmaceutical or biotechnology company must conduct extensive preclinical or laboratory research with potential drug candidates for many years before they can initiate testing in humans. If this stage of testing is successful, data is provided to the appropriate regulatory agency, such as the U.S. Food and Drug Administration (FDA), requesting approval to conduct human testing of the drug.

Clinical trials are conducted by teams of physicians and other clinical and data professionals in university facilities, hospitals and individual doctor's offices around the world and are designed to determine if the drug is safe and an effective treatment for the disease in question. While the majority of clinical trials has historically been conducted in the U.S and Europe, for several decades research and development (R&D) has been increasing globally. The percentage of R&D sites outside the U.S. has grown from 45% to 66% over the last 30 years, according to a 2006 study by INSEAD and Booz Allen Hamilton entitled, "Innovation: Is Global the Way Forward?". In addition, 41% of active FDA regulated principal investigators (the lead researcher responsible for a clinical study) were based outside the U.S. in 2006, according to an analysis by the Tufts Center for the Study of Drug Development.

There are three phases of human clinical trials and a regulatory process involved in bringing a drug to market.

Phase I: The medicine is tested in a small group of approximately 20 to 100 healthy volunteers, often in a hospital setting, to determine its safety profile, including the safe dose range. Phase I studies can take from six months to one year to complete.

Phase II: Placebo-controlled trials involving approximately 100 to 500 volunteer patients who have the disease being studied. The goal of this phase is to establish that the medicine effectively treats the disease. Researchers continue to evaluate the drug's safety and look for side effects and determine optimal dose strength and schedule. Phase II studies can take from six months to one year to complete.

Phase III: The medicine is tested in large, randomized, placebo-controlled trials with much larger numbers of patient volunteers - from 1,000 to 5,000, in hospitals, clinics and/or physician offices - to generate statistically significant data. Researchers closely monitor patients at regular intervals to confirm that the drug is effective and to identify side effects (also called adverse events). Phase III studies can take from one to four years to complete, depending on the disease, length of the study, and the number of volunteers. While Phase I-III studies are taking place, researchers are also conducting parallel studies, including, long-term safety evaluations.

New Drug Application (NDA): Once all three phases of the clinical trials are complete, all of the data is analyzed. If the findings demonstrate that the experimental medicine is both safe and effective, an NDA is filed with the FDA or similar regulatory agency in other countries. NDAs contain all of the information about all of the studies – including preclinical testing, all clinical trials, dosing information, manufacturing details and proposed labeling for the new medicine.

FDA Review/Approval: In this final stage, the regulatory agency scientists review all the results from all the studies carried out over the years and determine if they show that the medicine is safe and effective enough to be approved. If the medicine is approved, or "cleared for marketing," it becomes available for physicians to prescribe to patients.

Ongoing Studies/Phase IV: Even after approval, studies and observation continue. A much larger group of patients may begin to use a medicine upon approval compared with the thousands of patients in clinical trials and, in this larger scale usage, rare side effects may occur, so companies must continue to monitor the drug carefully. The FDA requires them to continue to submit periodic reports, including any cases of adverse events (side effects or complications). Sometimes, the FDA requires a company to conduct additional studies, known as Phase IV or "post-marketing" studies, to evaluate long-term safety or generate more data about how the medicine affects a particular group of patients (such as children or the elderly). Phase IV studies can continue for years.



Clinical R&D Spending and Outsourcing

According to various estimates, the global pharmaceutical and biotechnology industry's spending on R&D has grown more than six-fold over the past 25 years, according to the National Science Foundation. Additionally, in 2007, R&D spending is expected to top $90 billion with two-thirds of it focused on testing (Barron's, November 2007). Pharmaceutical companies have always depended on innovation and R&D for bringing new products to market. However, an increasing trend of outsourcing R&D has developed as the operating environment has grown more and more competitive and the number of challenges in drug development expanded. For over a decade, companies have commonly used outsourcing solutions for clinical research and testing. Traditionally thought of as a short-term strategy, outsourcing is now being used to lever the pharmaceutical industry's core competencies to maximize productivity. Further, outsourcing is being considered and/or used to effectively manage multiple projects at a given time and, most importantly, to reduce the timeline for drug development, with a long-term view towards cost and resource management.

The global market for contract clinical research services is highly fragmented and comprises CROs of varying size, as well as hundreds of niche service providers and independent consultants. The global R&D outsourcing market is expected to grow from $9.3 billion in 2001 to $36 billion by 2010, representing an average growth rate of 16.3% compared to an expected average growth rate of 9.6% in global R&D expenditures (Reuter's Business Insight, February 2003).

OTHER HUMAN CAPITAL MANAGEMENT SERVICES

Education and Training Services

Our Cross Country Education (CCE) subsidiary, headquartered in Tennessee, provides continuing education programs to the healthcare industry. CCE offers one-day seminars and e-learning, as well as national and regional conferences on topics relevant to nurses and other healthcare professionals. In 2007, CCE held more than 5,400 seminars and conferences that were attended by more than 170,000 registrants in 221 cities across the U.S. We extend these educational services to our field employees on favorable terms as a recruitment and retention tool.

Retained Search

Our Cejka Search subsidiary, headquartered in Missouri, is a nationally recognized retained search organization that provides physician and executive search services throughout the U.S. exclusively to the healthcare industry, including physician group practices, hospitals and health systems, academic medical centers, managed care, and other healthcare organizations.

OUR BRANDS

Nursing & Allied Staffing

Cross Country Staffing · Cross Country TravCorps · NovaPro (Our Focus is You) · MedStaff Healthcare Solutions · Cross Country Local · Assignment America

Physician Staffing

Medical Doctor Associates

Clinical Trials Services

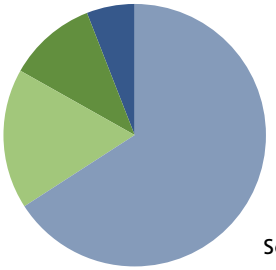
ClinForce · MRA · akos · Assent Consulting

Other Human Capital Management Services

Cross Country Education · Cejka Search · MRA Search (Physician, Nursing, Allied Health)

REVENUE MIX LTM 3/31/08 PRO FORMA

- Nurse and Allied Staffing 66%
- Locum Tenens 17%
- Clinical Trials 11%
- Other Human Capital Mgmt Services ... 6%



Source: Company Data

Executive Officers

Joseph A. Boshart
President and Chief Executive Officer

Emil Hensel
Chief Financial Officer

Vickie Anenberg
Executive Vice President
Cross Country Staffing

Susan E. Ball, RN
General Counsel

Greg Greene
President, Cross Country Education

Victor Kalafa
Vice President, Corporate Development

Daniel J. Lewis
Principal Accounting Officer

Dr. Franklin A. Shaffer, EdD, RN, FAAN
Chief Nursing Officer

Tony Sims
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Executive Vice President
and Chief Financial Officer
Community Health Systems

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Charterhouse Group, Inc.

Thomas C. Dircks [(b)(c)]
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Charterhouse Group, Inc.

Gale Fitzgerald [(a)]
Principal
TranSpend, Inc.

Emil Hensel
Chief Financial Officer
Cross Country Healthcare, Inc.

Joseph Trunfio [(a)(c)]
President and Chief Executive Officer
Atlantic Health Systems

(a) Member of the Audit Committee
(b) Member of the Compensation Committee
(c) Member of the Nominating Committee