

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported) February 14, 2002

Cross Country, Inc.

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(Exact Name of Registrant as Specified in its Charter)

Delaware	0-33169	13-4066229
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(State or Other Jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

6551 Park of Commerce Blvd., N.W., Suite 200, Boca Raton, FL 33487

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(Address of Principal Executive Offices) (Zip Code)

(561) 998-2232  
(Registrant's Telephone Number, Including Area Code)

Not Applicable

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(Former Name or Former Address, If Changed Since Last Report.)

ITEM 5. Other Events.

Incorporated by reference is a press release issued by the Company on February 14, 2002, which is attached hereto as Exhibit 1.1.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

Exhibit	Description
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1.1	Press release issued by the Company on February 14, 2002

SIGNATURES

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 hereunto duly authorized.

CROSS COUNTRY, INC.

BY: /s/ Emil Hensel

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Name: Emil Hensel

Title: Chief Financial Officer

Date: February 20, 2002

BOCA RATON, FL, Feb. 15 -- Cross Country, Inc. (Nasdaq: CCRN) today reported revenue of \$144.3 million for the three months ended December 31, 2001, an increase of 48% over revenue of \$97.2 million for the same period in the prior year. Income from continuing operations for the three months ended December 31, 2001 was \$6.5 million, or \$0.21 per diluted share (EPS), compared to \$1.9 million or \$0.08 per diluted share for the three months ended December 31, 2000. Including the effects of discontinued operations and the extraordinary loss from the early extinguishment of debt resulting from funds received in Cross Country's initial public offering in October 2001, net income for the fourth quarter of 2001 was \$2.1 million or \$0.07 per diluted share. Earnings before interest, taxes, depreciation, amortization and non-recurring indirect transaction costs (EBITDA) for the three months ended December 31, 2001 was \$17.1 million compared to \$12.3 million for the same period in the prior year, an increase of 39%. The quarter was favorably impacted primarily by the strong results contributed by the Company's Healthcare Staffing segment coupled with reduced interest expense as a result of the paydown of approximately \$134.5 million in debt, and a reduction in the company's effective corporate income tax rate.

"We are very pleased with the strength of our fourth quarter and full year results," said Joseph A. Boshart, President and Chief Executive Officer. "Each of our mature businesses broke revenue records for the year and are positioned to continue this growth into 2002. Our growth continues to be driven by the strong results generated by our travel staffing business, but is augmented by our complementary businesses. The strong recognition of the Cross Country brand and our quality of customer service continue to make our businesses successful. Additionally, our balance sheet is financially strong, sound and structured for flexibility."

For the year ended December 31, 2001, Cross Country reported revenue of \$500.5 million, an increase of 36% over the same period in the prior year. Income from continuing operations and its associated diluted EPS for the year ended December 31, 2001 were \$13.7 million and \$0.54 compared to \$6.7 million and \$0.29, respectively, for the year ended December 31, 2000. EBITDA for the full year 2001 was \$56.2 million compared to \$45.1 million for the same period in the prior year, an increase of 24%.

#### HEALTHCARE STAFFING

In the fourth quarter, Cross Country's Healthcare Staffing segment, which comprises travel staffing, clinical research trials staffing and per diem staffing, had its strongest quarter of 2001. Revenue for the three months ended December 2001 was \$134.5 million, an increase

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of 45% over the same period in the prior year. This growth was driven primarily by increased average hourly bill rates in all businesses, increased numbers of field employees in both the travel nursing and allied health staffing as well as revenue generated by the acquisition of ClinForce in March, 2001. Contribution income, defined as earnings before interest, taxes, depreciation, amortization and corporate expenses not specifically identified to a reporting segment, for the three months ended December 31, 2001 was \$21.8 million, an increase of 38% over the same period in the prior year. This growth was primarily due to the same factors that drove revenue growth, but partially offset by an increase in field staff compensation and professional liability expense.

For the year ended December 31, 2001 revenue was \$464.3 million, an increase of 32% over the same period in the prior year and contribution income was \$73.2 million compared to \$61.9 million for the year ended December 31, 2000.

#### OTHER HUMAN CAPITAL MANAGEMENT SERVICES

Cross Country's Other Human Capital Management Services segment, which comprises the education and training, healthcare consulting services, physician search and resource management services, generated revenue of \$9.8 million for the three months ended December 31, 2001, an increase of 113% over the same period in the prior year. This increase was driven primarily by the business generated by the Heritage Professional Education LLC and Gill/Balsano acquisitions in December 2000 and May 2001, respectively. Contribution income for the three months ended December 31, 2001 was \$0.1 million, an increase of \$0.1 million over the same period in the prior year, was driven primarily by the factors that drove revenue growth and partially offset by expenditures associated with the start-up of E-staff, Cross Country's new web-enabled scheduling technology, and the effects of the slowing economy on the search business.

For the year ended December 31, 2001, revenue was \$36.2million, an increase of 115% over the same period in the prior year and contribution income was \$3.6 million compared to \$1.2 million for the year ended December 31, 2000.

#### EXPECTATIONS FOR 2002

The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially.

With respect to Cross Country's financial targets for the full year 2002, the company is projecting revenue to be between \$610 and \$640 million and EBITDA to be between \$67 and \$70 million. First quarter 2002 earnings are expected to be in the range of \$0.19 to \$0.20 per diluted share and grow sequentially thereafter aggregating to a range of \$0.98 to \$1.02 per diluted share for the full year 2002. EPS estimates include the effect of the adoption of the Statement of Financial Accounting Standard (SFAS) No. 142, "Goodwill and Other Intangible Assets", issued by the Financial Accounting Standards Board. The effect of SFAS No. 142 is projected to have a \$0.22 per share impact on the Company's full year 2002 EPS estimates reducing annual pre-tax amortization expense from \$14.2 million to \$3.1 million. It is Cross Country's intention to update its guidance quarterly.

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SUBSEQUENT EVENTS:

On January 3, 2002, Cross Country announced the purchase of the assets of the NovaPro healthcare staffing division (Tampa, FL) of HRLogic Holdings, Inc., a professional employer organization for a purchase price of \$7,125,000.

Cross Country, Inc. is a leading provider of healthcare staffing services in the United States. The company has an active client base of over 2,500 hospitals, pharmaceutical companies and other healthcare providers across all 50 states. More information on Cross Country, Inc. can be obtained from our website, [www.crosscountry.com](http://www.crosscountry.com).

A listen-only simulcast of Cross Country's fourth quarter conference call will be available online beginning at 10:00 EST on Friday, February 15th at [www.crosscountry.com](http://www.crosscountry.com), [www.companyboardroom.com](http://www.companyboardroom.com) or by visiting any of the investor sites in CCBN's Individual Investor Network such as America Online's Personal Finance Channel, Fidelity Investments(R) (Fidelity.com) and others. Institutional investors can access the call via CCBN's password-protected event management site, StreetEvents ([www.streetevents.com](http://www.streetevents.com)). A playback recording of the call may be accessed by calling 1-800-405-2236, reservation #444013, beginning at 12:00 p.m. on February 15th until 6:00 p.m. on Wednesday, February 20th.

This release contains forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as "expects," "anticipates", "intends", "plans", "believes", "estimates", and similar expressions are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include the following our ability to attract and retain qualified nurses and other healthcare personnel, costs and availability of short-term leases for our travel nurses, demand for the healthcare services we provide, both nationally and in the regions in which we operate, the functioning of our information systems, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, our clients' ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, and other factors set forth under the caption "RISK FACTORS" in the Company's Prospectus dated October 24, 2001.

Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results. Given these uncertainties, the forward-looking statements discussed on this press release might not occur. While it is the Company's intention to update its guidance quarterly, it should not be assumed that our silence over time means that actual events are occurring as expressed or implied in such forward-looking statements.

For further information, please contact:  
Brian Hekman, Director, Corporate Communications at 800-998-5187  
Susan Eccher, Director, Investor Relations at 877-686-9779 both of Cross Country, Inc.

Three financial charts follow.

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CROSS COUNTRY, INC.  
CONSOLIDATED STATEMENT OF OPERATIONS  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	2001	2002	2001	2002
	----- (UNAUDITED) -----		----- ----- -----	
Revenue from services	\$ 144,310	\$ 97,230	\$ 500,503	\$ 367,690
Operating expenses:				
Direct operating expenses	108,165	72,690	374,651	273,095
Selling, general and administrative expenses	19,080	12,480	68,393	49,027
Bad debt expense	(44)	(248)	1,274	433
Depreciation	789	382	2,579	1,324
Amortization	3,776	3,483	15,157	13,701
Non-recurring indirect transaction costs	-	733	-	1,289
	-----	-----	-----	-----
Total operating expenses	131,766	89,520	462,054	338,869
	-----	-----	-----	-----
Income from operations	12,544	7,710	38,449	28,821
Other expenses:				
Interest expense, net	1,515	3,804	14,422	15,435
	-----	-----	-----	-----
Income from continuing operations before income taxes	11,029	3,906	24,027	13,386
Income tax expense	(4,506)	(1,961)	(10,364)	(6,730)
	-----	-----	-----	-----
Income from continuing operations	6,523	1,945	13,663	6,656
Discontinued operations	337	(662)	(207)	(2,058)
	-----	-----	-----	-----
Net income before extraordinary items	6,860	1,283	13,456	4,598
Extraordinary loss on early extinguishment of debt	(4,784)	-	(4,784)	-
	-----	-----	-----	-----
Net income	\$ 2,076	\$ 1,283	\$ 8,672	\$ 4,598
	=====	=====	=====	=====
Net income/(loss) per common share- basic:				
Income from continuing operations	\$ 0.22	\$ 0.08	\$ 0.55	\$ 0.29
Discontinued operations	0.01	(0.03)	(0.01)	(0.09)
	-----	-----	-----	-----
Net income before extraordinary items	0.23	0.05	0.54	0.20
Extraordinary loss from early extinguishment of debt	(0.16)	-	(0.19)	-
	-----	-----	-----	-----
Net income	\$ 0.07	\$ 0.05	\$ 0.35	\$ 0.20
	=====	=====	=====	=====
Net income/(loss) per common share- diluted:				
Income from continuing operations	\$ 0.21	\$ 0.08	\$ 0.54	\$ 0.29
Discontinued operations	0.01	(0.03)	(0.01)	(0.09)
	-----	-----	-----	-----
Net income before extraordinary items	0.22	0.05	0.53	0.20
Extraordinary loss from early extinguishment of debt	(0.15)	-	(0.19)	-
	-----	-----	-----	-----
Net income	\$ 0.07	\$ 0.05	\$ 0.34	\$ 0.20
	=====	=====	=====	=====
Weighted average common shares outstanding - basic	29,852	23,205	24,881	23,205
Weighted average common shares outstanding - diluted	31,219	23,205	25,223	23,205

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CROSS COUNTRY, INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS  
(AMOUNTS IN THOUSANDS)

	DECEMBER 31,	
	2001	2000
Current assets:		
Cash	\$ 2,644	\$ -
Accounts receivable, net	87,415	65,087
Other current assets	15,005	11,614
	105,064	76,701
Property and equipment, net	11,399	6,169
Goodwill, net	217,606	199,373
Other identifiable intangible assets, net	27,835	35,242
Other assets	76	140
	\$ 361,980	\$ 317,625
	\$ 361,980	\$ 317,625
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,253	\$ 10,246
Accrued employee compensation and benefits	27,023	17,431
Current portion of long-term debt	2,425	12,400
Note payable	1,365	484
Other current liabilities	1,832	1,765
	35,898	42,326
Interest rate swap	2,509	-
Deferred income taxes	8,570	7,571
Long-term debt	45,076	144,388
	92,053	194,285
Commitments and contingencies		
Stockholders' equity:		
Common stock	3	2
Additional paid-in capital	258,152	119,081
Other stockholders' equity	11,772	4,257
	269,927	123,340
Total liabilities and stockholders' equity	\$ 361,980	\$ 317,625

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SEGMENT DATA  
(AMOUNTS IN THOUSANDS)

	THREE MONTHS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	2001	2000	2001	2000
Revenues:	(UNAUDITED)			
Healthcare staffing	\$ 134,494	\$ 92,631	\$ 464,343	\$ 350,856
Other human capital management services	9,816	4,599	36,160	16,834
	\$ 144,310	\$ 97,230	\$ 500,503	\$ 367,690
Contribution income(a):				
Healthcare staffing	\$ 21,762	\$ 15,714	\$ 73,196	\$ 61,937
Other human capital management services	145	(1)	3,647	1,240
Unallocated corporate overhead	(4,798)	(3,405)	(20,658)	(18,042)
EBITDA(b)	\$ 17,109	\$ 12,308	\$ 56,185	\$ 45,135

Financial Statistics  
(unaudited)

	THREE MONTHS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	2001	2000	2001	2000
EBITDA - (\$000)(b)	\$ 17,109	\$ 12,308	\$ 56,185	\$ 45,135
EBITDA as % of revenue	11.9%	12.7%	11.2%	12.3%
FTE's (c)	5,337	4,222	4,816	4,170
Weeks worked	69,381	54,886	250,432	216,840
Average contract revenue per week	\$ 1,934	\$ 1,686	\$ 1,851	\$ 1,617

(a) Contribution income is computed by the Company as operating income, less unallocated corporate overhead. Contribution income is not a measure of financial performance under generally accepted accounting principles and is only used by management when assessing segment performance.

(b) 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. Items excluded from EBITDA are significant components in understanding and assessing financial performance. EBITDA is a key measure used by management to evaluate our operations and provide useful information to investors. EBITDA should not be considered in isolation or as an alternative to net income, cash flows generated by operations, investing or financing activities, or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity. Because EBITDA is not a measurement determined in accordance with generally accepted accounting principles and is thus susceptible to varying calculations, EBITDA as presented may not be comparable to other similarly titled measures of other companies.

(c) FTE's represent the average number of contract staffing personnel on a full-time equivalent basis.

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