



replicating success **2001 annual report**

*On Assignment*



## replicating success **in science and healthcare**

On Assignment Account Managers are professionals drawn from the occupations and industries they serve and they remain the foundation of our success. Because of their industry background and expertise, they can better serve the unique needs of our clients, and best recruit quality science and healthcare professionals. Our flagship division, Lab Support, operates in the United States, Canada, and Europe, and serves many industries from food and agribusiness to manufacturing and personal care products, with a special focus on our two largest segments: the pharmaceutical and biotech industries, which continue to expand their demand for scientific laboratory specialists. Replicating Lab Support's success are our nationwide healthcare divisions: Healthcare Financial Staff, Clinical Lab Staff, and Diagnostic Imaging Staff. These growing divisions focus on high-value occupations in specific segments of the large and expanding healthcare staffing industry.

## replicating success **with consistent strategy**

On Assignment, Inc. has built a singular record of success by focusing on high-value occupations that offer strong gross margins and by delivering high-quality assignments of temporary employees through our Account Manager model. Pioneered by On Assignment, this model uses experienced industry professionals – like laboratory chemists or radiologic technicians – to precisely match our employees' skills to our clients' needs. The assignments that result lead the industry in accuracy and are the foundation of our client and employee loyalty. And because our Account Managers personally develop their local markets with administrative support from our centralized operations, they operate with unmatched efficiency.

# success in a brave new world

## replicating success **with new leadership**

Dr. Joe Peterson was appointed President and CEO on September 1, 2001, after the retirement of Tom Buelter, Chairman and CEO, and Kathy West, President and COO. After 12 years of leadership, dedication, and success, Tom and Kathy replicated their success one last time in collaborating with Joe for a smooth and successful transition. Our new executive team is complete, competitive, and intensely passionate about our future, and carefully composed of executives who bring a new level of experience with leadership, growth, and scale to this next chapter of On Assignment.

## replicating success **in our new chapter**

On Assignment, Inc. serves over 2000 clients from more than 100 office locations in the United States, Canada, and Europe, with each office receiving administrative support, training, and leadership from our headquarters operations in Southern California. Going forward, we are focused upon Lab Support's penetration of the growing biotechnology and pharmaceutical sectors, and increasing the number of high-value occupations we address with our healthcare clients. We are investing in leadership and infrastructure to support our growth, and to support the potential use of our very strong balance sheet to complement organic growth with acquisitions. In parallel, we are investing in the strength of our relationships with our temporary employees, a critical element in the next decade as the demand for qualified science and healthcare professionals continues to outpace supply.

human chromosome **number 23**





# healthcare clients

selected from a client list of more than 2,000 healthcare & science organizations

# science clients

## Healthcare Financial Staff

Advanced Footcare Specialists  
Advanced Receivable Strategies  
American Medical Laboratories, Inc.  
American Red Cross  
Apria Healthcare  
Center for Orthopedics  
Covance, Inc.

Dimensions Healthcare System  
Doctors Community Hospital

### Fresenius Medical Care - North America

Gentiva Health Services  
Greater Southeast Community Hospital  
Healthsouth Corporation  
Kaiser Permanente  
Laboratory Corporation of America  
Mercy Healthcare  
National Rehabilitation Hospital  
New England Medical Center  
Pracon  
Qualink  
Three Rivers Health Plans  
Washington Adventist Hospital  
Waterbury Hospital



**Fresenius Medical Care** knew that staff recruitment was not their core skill, so they asked HFS to find and place qualified employees in their billing department. We filled all 11 positions, and nine of the temporary employees we placed were offered permanent positions. Fresenius now offloads the time and money they used to spend on recruiting by calling HFS for their staffing needs.



## Clinical Lab Staff

Alverno Clinical Laboratories, Inc.  
Consolidated Laboratory Services  
Duke University Health System  
Parkland Memorial Hospital

### Quest Diagnostics

Specialty Laboratories  
Tularik, Inc.  
Unilab Corp.

University of Texas Southwestern Medical Center

**Quest Diagnostics** landed new business and needed hard-to-find medical technologists. They called Clinical Lab Staff because their previous success with our Account Manager set us apart from the competition. Her advantage: the ability to find well qualified employees by tapping into her network of former peers and their trust in her to find the best possible assignments.

## Diagnostic Imaging Staff

Baylor Health Care System  
Tenet Health System  
Harbor - UCLA Radiology

## Lab Support

3M Pharmaceuticals  
Abbott Laboratories  
Akzo Nobel  
Alcoa  
AstraZeneca Pharmaceuticals  
Aviron  
Avon Products  
BASF Corp.

Bayer  
Beckman Coulter, Inc.  
Calypte Biomedical Corp.  
Cargill Inc.  
Celera Genomics  
Chesapeake Biological Laboratory  
Chevron  
Coca-Cola  
Coors Brewing Company  
Dow Biocides  
Ecolab  
Elan Pharmaceuticals  
EntreMed, Inc.  
Exelixis Pharmaceuticals, Inc.  
Frito Lay  
Genentech  
Gilead Sciences  
Grace Davidson  
Invitrogen, Inc.  
Kraft Foods  
Medtronic  
Midwest Research Institute  
Miller Brewing Company  
Monsanto Corp.

### Neose Technologies, Inc.

NeuralStem  
Neuronyx  
Omnicare Pharmaceuticals, Inc.  
Ondeo Nalco  
Pace Analytical  
Pfizer  
Pharmacia  
PPG Industries  
Procter & Gamble  
Regeneron Pharmaceuticals

### RHM Technology

Rhodia  
Severn Trent Laboratories  
Silliker Laboratory Group  
SRI International  
Tropicana North America  
Unilever Research



**Neose Technologies** is a biotechnology company experiencing rapid growth, and they turned to Lab Support to find skilled technicians for an expanding QA/QC department. Our Account Manager so clearly understood their specific needs and matched them with the right employees that she now functions as part of their team.



**RHM Technology**, a food science company in the United Kingdom, needed to work round the clock and through weekends to complete a special project. RHM turned to Lab Support UK to solve this problem, and we employed a bit of scheduling and compensation creativity to place skilled scientists to fill these urgent, but off-hours needs.



# strength and purpose

The tumultuous year of 2001 demonstrated the strengths of *On Assignment*: our business model, Account Manager field force and headquarters staff. The economic slowdown and the tragedy of September 11th were superimposed upon the retirement and succession of the Company's senior management. Despite this, we outperformed the staffing industry by most measures. While revenues were flat in 2001 compared with 2000, assignment margins improved and average bill rates increased by over 6%. Our balance sheet was stronger than ever with over \$90 million in cash and equivalents and no debt. In addition, we reinforced our infrastructure to support our next chapter of growth, and accelerated our expansion into healthcare occupations. Our resilience earned *On Assignment* a record ninth year on *Forbes* magazine's list of the "200 Best Small Companies in America."

Our ability to perform at or near the top of our industry, even in tough labor markets, can be attributed to our careful focus upon high-value occupations, the power of our Quality Assignments to command attractive gross margins, and the efficiency of our Account Managers and support operations. The Company responded effectively to lower industry-wide demand for workers by building Account Managers' client marketing skills, and by concentrating them on the most productive geographic markets. To meet these challenges and realize our future goals, we invested in experienced sales leadership at the senior and divisional levels, and specifically in Lab Support and Healthcare Financial Staff, businesses in which obtaining new clients is the key to growth.

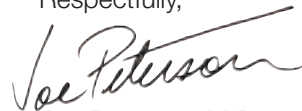
In addition to meeting industry challenges, in 2001 we streamlined our organization and further automated operations to boost productivity, speed information flow, and reduce costs. Our European Lab Support division continued its expansion, and we established a headquarters operation in Windsor, England, and recruited senior leadership as a catalyst to accelerate our European growth. Our allied healthcare divisions, Clinical Lab Staff and Diagnostic Imaging Staff, continued to grow in their vibrant clinical healthcare staffing niches, and expanded operating margins throughout the year. Our practice of engaging only industry professionals as Account Managers, one of the cornerstones of our operating model and our success, is producing a particularly strong competitive advantage by building strong relationships with our temporary workers in these employee – scarce healthcare occupations.

Our long-term goal remains: sustained growth from a portfolio of diversified professional science and healthcare staffing businesses that target above-average returns by focusing upon high-value occupations in growing markets. Our newest divisions serve the expanding market for clinical healthcare staff, and provide complementary diversification as well as create opportunities for accelerated growth and reinvestment of our capital, thereby furthering our long-term goals. We are matching our investment in field operations with parallel strengthening of our infrastructure, so that we can put our strong balance sheet to effective use.

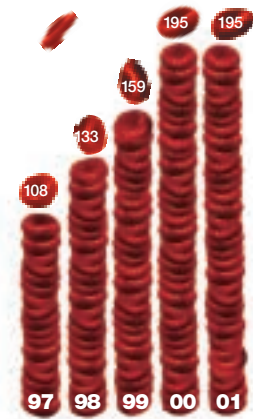
We closed 2001 having turned many challenges into opportunities to reaffirm the strength of *On Assignment*. Our Board of Directors, Account Managers, the management team, and headquarters staff deserve special recognition and thanks for their dedication, can-do attitude, and support.

We entered 2002 with a compelling sense of purpose, and a reinvigorated organization. Our agenda for building shareholder value is clear and distinct: moving Lab Support closer to achieving its full growth potential, and aggressively expanding our healthcare staffing businesses. Both should pave the way through the near-term economic uncertainties with improving performance in 2002 and even brighter prospects for 2003. I thank you, fellow shareholders, for your continued support and enthusiasm as we enter this exciting next chapter for *On Assignment*.

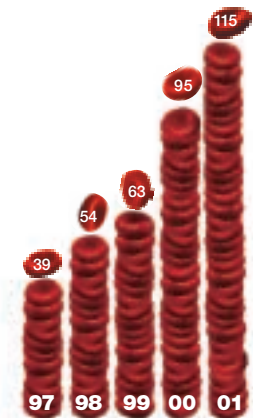
Respectfully,



Joe Peterson, M.D.  
President and Chief Executive Officer



revenue  
in millions of dollars



stockholder's equity  
in millions of dollars



diluted earnings per share  
in dollars

## board of directors

**Joe Peterson, M.D.<sup>1</sup>**  
President and Chief Executive Officer  
On Assignment, Inc.

**Karen Brenner<sup>2</sup>**  
Brenner & Company, LLC

**William E. Brock<sup>3</sup>**  
Chairman  
Intellectual Development Systems, Inc.

**Elliott Ettenberg**  
Chairman and Chief Executive Officer  
Customer Strategies Worldwide, LLC

**Jonathan Holman<sup>2,3</sup>**  
President  
The Holman Group, Inc.

**Jeremy Jones<sup>2</sup>**  
  
<sup>1</sup>Member of the Stock Option Committee  
<sup>2</sup>Member of the Audit Committee  
<sup>3</sup>Member of the Compensation Committee

## executive officers

**Joe Peterson, M.D.**  
President and Chief Executive Officer  
Chief Executive Officer

**Ron Rudolph**  
Executive Vice President, Finance  
Chief Financial Officer

**Dana Hallberg**  
Senior Vice President  
Operations Review and Analysis

**Mike Tatum**  
Senior Vice President  
Sales and Marketing

**Michael Jones**  
Senior Vice President  
International Operations

## form 10-K

Additional copies of the Company's Form 10-K, as filed with the Securities and Exchange Commission for the year ended December 31, 2001, are available without charge upon written request to:

On Assignment, Inc.  
Investor Relations Department  
26651 West Agoura Road  
Calabasas, California 91302

## common stock

On Assignment, Inc. common stock is traded on the Nasdaq Stock Market under the symbol ASGN.

Following are high and low sales prices for *On Assignment, Inc.* common stock by quarter, as reported by Nasdaq:

### price range of common stock

	High	Low
Fiscal Year Ended December 31, 2000		
First Quarter	22.50	13.75
Second Quarter	34.31	22.25
Third Quarter	33.00	25.06
Fourth Quarter	32.25	21.75
Fiscal Year Ended December 31, 2001		
First Quarter	29.69	18.38
Second Quarter	23.20	16.30
Third Quarter	20.07	13.45
Fourth Quarter	24.00	15.66

"On Assignment," "Healthcare Financial Staff," "Clinical Lab Staff," "Diagnostic Imaging Staff," are service marks of *On Assignment, Inc.* "Lab Support" and the Lab Support logo are registered trademarks of *On Assignment, Inc.*

## independent accountants

Deloitte & Touche LLP  
Los Angeles, California

## legal counsel

Fulbright and Jaworski LLP  
Los Angeles, California

## registrar & transfer agent

U.S. Stock Transfer Corporation  
Glendale, California

## our vision

*We will be people who consistently exceed the expectations of all our partners.*

*We will deliver the best employee solutions to our clients.*

*We will provide careers, not just jobs.*

*We will do this by thoroughly understanding the needs of our customers and employees.*

## our values

### we believe...

*...that every individual can and must impact the Company's success*

*...that bravery is essential to our success*

*...that we control our destiny*

*...that winning is fun*

*...in the power of personal relationships*

*...in quality, excellence, and integrity*

*...in the power of conversation*

*...the best solutions have no creative limits*

*...in leading by example*

# natural selection

Joe Peterson, M.D.

Ron Rudolph

Dana Hallberg

Mike Tatum

Michael Jones



## On Assignment

[onassignment.com](http://onassignment.com)

On Assignment, Inc. is the nation's premier science and healthcare temporary staffing company. Run by industry professionals for industry professionals, it is the only company to make *Forbes* magazine's list of the "200 Best Small Companies in America" for nine consecutive years. With more than 100 offices throughout the United States, Canada, and Europe, it is our goal to meet the sophisticated and changing needs of our science and healthcare professionals' quest for meaningful work while fulfilling our clients' specialized staffing requirements.



### Healthcare Financial Staff

[healthcarefinancial.com](http://healthcarefinancial.com)  
800.269.5172

provides skilled healthcare financial professionals such as billers, coders, admitters, collectors, office managers, case managers, claims examiners and medical secretaries to hospitals, physician offices, clinics, HMOs, and central billing offices.



### Diagnostic Imaging Staff

[diagnosticimagingstaff.com](http://diagnosticimagingstaff.com)  
800.851.3951

provides x-ray technicians, CT & MRI technologists, ultrasound & mammography technologists, and nuclear medicine technologists to hospitals, physician offices, clinics, imaging centers, and university research centers.



### Clinical Lab Staff

[clinicallabstaff.com](http://clinicallabstaff.com)  
800.355.6150

provides phlebotomists, certified medical assistants, medical technologists, medical lab technicians, cytotechnologists, and histotechnologists to hospitals, physician offices, clinics, reference laboratories, and university research centers.



### Lab Support

[labsupport.com](http://labsupport.com)  
800.998.3332

provides skilled chemists, biologists, biochemists, microbiologists, laboratory technicians and assistants, health & safety, research associates, and other scientists with temporary positions in pharmaceutical, biotech, food and beverage, materials science, and environmental laboratories.

## usa

Alexandria, VA  
Ann Arbor, MI  
Atlanta, GA  
Baltimore, MD  
Boston, MA  
Buffalo, NY  
Charlotte, NC  
Cheshire, CT  
Chicago, IL  
Cincinnati, OH  
Cleveland, OH  
Columbus, OH  
Costa Mesa, CA  
Dallas, TX  
Dayton, OH  
Denver, CO  
Des Moines, IA  
Detroit, MI  
Escondido, CA  
Ft. Lauderdale, FL  
Ft. Worth, TX  
Grand Rapids, MI  
Greensboro, NC  
Harrisburg, PA  
Houston, TX  
Indianapolis, IN  
Jacksonville, FL  
Kansas City, KS  
Las Vegas, NV  
Los Angeles, CA  
Louisville, KY  
Madison, WI  
Memphis, TN  
Miami, FL  
Milwaukee, WI  
Minneapolis, MN  
New Orleans, LA  
Oakland, CA  
Oklahoma City, OK  
Pasadena, CA  
Philadelphia, PA  
Phoenix, AZ  
Piscataway, NJ  
Pittsburgh, PA  
Pleasanton, CA  
Portland, OR  
Princeton, NJ  
Raleigh-Durham, NC  
Richmond, VA  
Riverside, CA  
Sacramento, CA  
St. Louis, MO  
Salt Lake City, UT  
San Antonio, TX  
San Bernardino, CA  
San Francisco, CA  
San Jose, CA  
Savannah, GA  
Seattle, WA  
Tampa, FL  
Tulsa, OK  
San Diego, CA  
Washington, DC  
White Plains, NY  
Worcester, MA

## canada

Edmonton, AB  
Montreal, QC  
Toronto, ON  
Vancouver, BC

## united kingdom

Birmingham  
Cambridge  
Glasgow  
Leeds  
London  
Manchester  
Oxford

## netherlands

Eindhoven  
Rotterdam  
Utrecht

## belgium

Antwerp

## ireland

Dublin