



Press Release

January 25, 2001

Crawford Reports 2000 Results

FOR IMMEDIATE RELEASE

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ATLANTA - Archie Meyers, Jr., Chairman and Chief Executive Officer of Crawford & Company, announced the Company's financial results for the fourth quarter and year ended December 31, 2000. Fourth quarter revenues declined 11%, from \$191.2 million reported in 1999 to \$170.2 million in 2000. Operating income (income before nonrecurring charges, amortization of goodwill, net corporate interest and taxes) in the quarter totaled \$10.2 million, off 50% from \$20.2 million in the 1999 fourth quarter. Net income per share declined from \$0.21 per share in 1999 to a net loss of (\$0.11) per share in 2000, primarily as a result of the \$0.21 per share write-down of previously capitalized internal use software.

Domestic revenues declined over 12%, from \$142.0 million in the fourth quarter of 1999 to \$123.9 million in the current quarter. Fourth quarter international revenues were down nearly 6%, from \$49.2 million in 1999 to \$46.3 million in 2000.

Revenues for the year were up 1% as compared with 1999 revenues, from \$701.9 million in 1999 to \$712.2 million in 2000. Operating income for the year totaled \$65.6 million, decreasing 12% from \$74.5 million in 1999. For the year ended December 31, 2000 net income per share totaled \$0.52, a 33% decline from the \$0.78 per share reported for 1999.

Domestic revenues declined slightly during the year, from \$523.3 million in 1999 to \$519.2 million in 2000. International revenues increased over 8%, to a record \$193.0 million in 2000, up from \$178.6 million during 1999.

Mr. Meyers stated, "The 2000 fourth quarter was a difficult one in many respects. The most negative impact came from our decision to terminate the contract with a vendor that was attempting to develop a customized claims management system for our Company. This triggered a write-down of all of the capitalized costs related to the project, which amounted to \$0.21 per share in the fourth quarter. We were also negatively impacted in the United States and the Caribbean by an unusual lack of natural disasters in the Western Hemisphere." Mr. Meyers continued, "The lack of severe weather contributed to our first quarterly domestic revenue decline since the second quarter of 1998 and drove a slow down in our revenues from domestic insurance companies. These revenues declined almost 5%, from \$68.5 million in the fourth quarter of 1999 to \$65.2 million in the current quarter. Domestic revenue from self-insured clients also decreased by 9% in the quarter, from \$50.8 million in 1999 to \$46.2 million in 2000."

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“The poor financial performance over the past couple of years by the property and casualty insurance market is also having an adverse effect on our business. Typically when the loss ratios in this market get out of balance, the industry reaction is to attempt to improve short-term operating margins by reducing the referral of small-dollar claims to companies like Crawford. While this presents a challenge, we believe the impact is temporary and we are actively pursuing increased outsourcing arrangements with these companies. We believe this strategy will produce sustainable growth in 2001. In fact, our managed care revenues in this market continued to grow in the quarter as a result of a strategic outsourcing arrangement with a large insurance company.” Mr. Meyers added, “The fourth quarter of 1999 produced exceptional class action revenues as a result of several major projects coming together at the same time. The comparison to the strong fourth quarter last year shows a 45% decline in the current quarter, from \$22.7 million in 1999 to \$12.5 million in 2000. On an annual basis, our revenues in the class action market were \$50.0 million in 2000 as compared to \$53.0 million in 1999.”

Mr. Meyers concluded, “International claim referrals were sluggish during the quarter and we experienced a nearly 6% decline in revenues. However, within this overall decline were solid results posted by our European operations, where we experienced revenue growth of over 17% over the prior year quarter. We believe the overall weakness in the current quarter to be temporary and expect continued revenue growth in 2001.”

Further information regarding the Company’s financial position and operating results for the quarter and year ended December 31, 2000 is shown on the attached statements.

Crawford & Company is the world’s largest independent provider of diversified services to insurance companies, self-insured corporations and governmental entities. A few of the many services provided are claims and risk management, loss adjustment, healthcare management, class action administration and risk information services.

Crawford & Company is based in Atlanta, Georgia. It has approximately 10,000 employees worldwide, and operates over 700 offices in 65 countries. The Corporation’s shares are publicly traded on the New York Stock Exchange under the symbols CRD.A and CRD.B. Its web address is crawfordandcompany.com.

Except for historical information contained herein, the matters discussed in this news release are forward-looking statements that involve risks and uncertainties. The results achieved in the quarter and year-to-date periods ended December 31, 2000 are not necessarily indicative of future prospects for the Company. Actual results in future quarters may differ materially. For a complete discussion regarding factors which could affect the Company’s financial performance, see the Company’s Form 10-K for the year ended December 31, 1999 filed with the Securities and Exchange Commission, in particular the information under the headings “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

The Company undertakes no obligation to publicly release any revisions to any forward-looking statement contained herein to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. The Company’s actual results may differ materially from those projected in forward-looking statements made by, or on behalf of, the Company.

Crawford & Company’s conference call with analysts on Monday January 29, 2001 will be recorded and available for replay through February 5, 2001. You may dial 1-888-424-6230 (402-220-1955 international) to listen.

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CRAWFORD & COMPANY
COMPARATIVE STATEMENTS OF INCOME

(In Thousands Except Per Share Data)

<u>Year Ended December 31</u>	<u>2000</u>	<u>1999</u>	<u>% Change</u>
Revenues	\$712,174	\$701,926	1%
Costs and Expenses:			
Costs of Services	525,773	514,094	2%
Selling, General, and Administrative	120,832	113,355	7%
Nonrecurring Charges (1)	16,740	5,181	223%
Corporate Interest, net	4,476	2,762	62%
Amortization of Goodwill	3,203	2,790	15%
Total Costs and Expenses	<u>671,024</u>	<u>638,182</u>	5%
Income Before Income Taxes	41,150	63,744	-35%
Income Tax Expense	<u>15,802</u>	<u>24,480</u>	-35%
Net Income	<u>\$25,348</u>	<u>\$39,264</u>	-35%
Net Income Per Share:			
Basic	<u>\$0.52</u>	<u>\$0.78</u>	-33%
Diluted	<u>\$0.52</u>	<u>\$0.78</u>	-33%
Weighted Average Shares Outstanding:			
Basic	<u>48,845</u>	<u>50,380</u>	
Diluted	<u>48,933</u>	<u>50,498</u>	

(1) Nonrecurring Charges for the year ended December 31, 2000 relate to the write-down of capitalized internal use software, which reduced net income by \$0.21 per share. For the year ended December 31, 1999, nonrecurring charges consist of year 2000 expenses which reduced net income by \$0.06 per share.

CRAWFORD & COMPANY
COMPARATIVE STATEMENTS OF INCOME

(In Thousands Except Per Share Data)

Quarter Ended December 31

	<u>2000</u>	<u>1999</u>	<u>% Change</u>
Revenues	\$170,189	\$191,227	-11%
Costs and Expenses:			
Costs of Services	129,708	140,688	-8%
Selling, General, and Administrative	30,318	336,300	(91%)
Nonrecurring Charges (1)	16,740	(308,019)	(105%)
Corporate Interest, net	1,271	310	310%
Amortization of Goodwill	810	1,024	-21%
Total Costs and Expenses	<u>178,847</u>	<u>170,303</u>	5%
Income (Loss) Before Income Taxes	(8,658)	20,924	-141%
Income Tax Expense (Benefit)	(3,324)	6,655	-150%
Net Income (Loss)	<u>(\$5,334)</u>	<u>\$14,269</u>	-137%
Net Income (Loss) Per Share:			
Basic	<u>(\$0.11)</u>	<u>\$0.21</u>	-152%
Diluted	<u>(\$0.11)</u>	<u>\$0.21</u>	-152%
Weighted Average Shares Outstanding:			
Basic	<u>48,462</u>	<u>50,745</u>	
Diluted	<u>48,534</u>	<u>50,953</u>	

(1) Nonrecurring Charges for the quarter ended December 31, 2000 relate to the write-down of capitalized internal use software, which reduced net income by \$0.21 per share. For the quarter ended December 31, 1999, nonrecurring charges consist of year 2000 expenses which reduced net income by \$0.02 per share.

CRAWFORD & COMPANY
SUMMARY RESULTS BY OPERATING SEGMENT

Year Ended December 31, 2000

(In Thousands Except Percentages)

	Domestic		International		Total	
	2000	1999	2000	1999	2000	1999
Revenues	\$519,150	\$523,342	\$193,024	\$178,584	\$712,174	\$701,926
Compensation & Benefits	316,398	318,450	123,331	112,892	439,729	431,342
<i>% of Revenues</i>	60.9%	60.8%	63.9%	63.2%	61.8%	61.5%
Expenses Other than Compensation & Benefits	154,207	140,324	52,669	55,783	206,876	196,107
<i>% of Revenues</i>	29.7%	26.8%	27.3%	31.3%	29.0%	27.9%
Operating Income (1)	\$48,545	\$64,568	\$17,024	\$9,909	\$65,569	\$74,477
<i>% of Revenues</i>	9.4%	12.4%	8.8%	5.5%	9.2%	10.6%

Quarter Ended December 31, 2000

(In Thousands Except Percentages)

	B33Domestic		International		Total	
	2000	1999	2000	1999	2000	1999
Revenues	\$123,897	\$142,023	\$46,292	\$49,204	\$170,189	\$191,227
Compensation & Benefits	78,020	83,774	30,897	30,358	108,917	114,132
<i>% of Revenues</i>	63.0%	59.0%	66.8%	61.7%	64.0%	59.7%
Expenses Other than Compensation & Benefits	38,082	40,881	13,027	15,975	51,109	56,856
<i>% of Revenues</i>	30.7%	28.8%	28.1%	32.5%	30.0%	29.7%
Operating Income (1)	\$7,795	\$17,368	\$2,368	\$2,871	\$10,163	\$20,239
<i>% of Revenues</i>	6.3%	12.2%	5.1%	5.8%	6.0%	10.6%

(1) Income before nonrecurring charges, amortization of goodwill, net corporate interest, and taxes.

CRAWFORD & COMPANY
CONDENSED COMPARATIVE BALANCE SHEETS
December 31, 2000 and December 31, 1999
(In Thousands)

	December 31 <u>2000</u>	December 31 <u>1999</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$22,136	\$17,716
Accounts Receivable, Net	137,378	141,841
Unbilled Revenues	87,067	91,039
Prepaid Expenses and Other Current Assets	17,144	17,240
Total Current Assets	<u>263,725</u>	<u>267,836</u>
Property and Equipment, at Cost	149,842	165,113
Less Accumulated Depreciation	<u>(107,045)</u>	<u>(117,016)</u>
Net Property and Equipment	<u>42,797</u>	<u>48,097</u>
Other Assets	<u>151,829</u>	<u>158,095</u>
Total Assets	<u><u>\$458,351</u></u>	<u><u>\$474,028</u></u>
Liabilities and Shareholders' Investment		
Current Liabilities:		
Short-Term Borrowings	\$44,420	\$38,914
Accounts Payable	25,628	29,575
Accrued Liabilities	61,248	66,202
Deferred Revenues	23,353	22,836
Current Installments of Long-Term Debt	216	463
Total Current Liabilities	<u>154,865</u>	<u>157,990</u>
Noncurrent Liabilities	<u>85,719</u>	<u>65,759</u>
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	23,754	25,892
Class B Common Stock, \$1.00 Par Value	24,697	24,826
Additional Paid-in-Capital	0	22,309
Retained Earnings	183,664	185,975
Cumulative Translation Adjustment	<u>(14,348)</u>	<u>(8,723)</u>
Total Shareholders' Investment	<u>217,767</u>	<u>250,279</u>
Total Liabilities and Shareholders' Investment	<u><u>\$458,351</u></u>	<u><u>\$474,028</u></u>