



Press Release

CRAWFORD & COMPANY 5620 GLENRIDGE DRIVE, N.E. P.O. BOX 5047 ATLANTA, GEORGIA 30302 (404) 256-0830

FOR IMMEDIATE RELEASE

Date: January 24, 2002
From: Grover L. Davis
Chief Executive Officer

Crawford Reports Increased Revenues and Net Income For Fourth Quarter and Year End 2001

Crawford & Company (NYSE: CRDA and CRDB) announced its financial results for the fourth quarter and year ended December 31, 2001. Fourth quarter revenues increased 5%, to \$178.1 million in 2001 from \$170.2 million in 2000. Operating earnings (earnings before nonrecurring charges, amortization of goodwill, net corporate interest and taxes) in the fourth quarter totaled \$11.5 million, up 13% from \$10.2 million in the 2000 period. Net income increased to \$5.8 million, or \$0.12 per share, from a net loss of (\$5.3) million or (\$0.11) per share, in the 2000 fourth quarter. Net income per share in the fourth quarter 2000 was reduced by a \$0.21 per share charge related to the write off of capitalized internal use software.

Domestic revenues increased 5%, to \$129.8 million in the fourth quarter of 2001 from \$123.9 million in the 2000 fourth quarter. Revenues from the insurance company market increased over 2%, to \$66.8 million in the 2001 fourth quarter from \$65.2 million in the 2000 period. This growth came despite a lack of significant weather-related claims activity in the current quarter. Revenues from self-insured clients increased nearly 11% during the quarter, to \$51.1 million in 2001 from \$46.2 million in 2000, and were driven by the award of several new programs, as well as \$1.2 million in revenues related to the conclusion of certain lifetime claims administration programs. These gains were partially offset by a 4% decrease in class action services revenues as the Company wound up a major project at the beginning of the quarter.

Fourth quarter international revenues were up 4%, to \$48.3 million in 2001 from \$46.3 million in 2000. Excluding the adverse impact of exchange rate fluctuations due to the strong U.S. dollar, international revenues would have increased by 7% in the current quarter.



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Also during the 2001 fourth quarter, the Company recorded a charge to Accumulated Other Comprehensive Income, a component of Shareholders' Investment, of \$26.6 million, net of related tax benefits. This non-cash charge resulted from a decline in the fair value of the Company's pension investments as of September 30, 2001. The charge had no effect on the Company's operating results or cash flows during the quarter.

Mr. Grover L. Davis, chief executive officer of Crawford & Company, stated, "We are extremely pleased by the award of several new programs with self-insured clients that will add to revenues during 2002. The hardening of the domestic insurance market should continue to provide significant opportunity in this market in the upcoming year. Although class action revenues were light during the quarter, the class action market is ripe with opportunity and we are currently pursuing a number of projects in this area. Furthermore, we are pleased to see a return to growth in our International operations as we enjoyed our first quarter-to-quarter revenue increase since the 2000 third quarter. The strong operating result posted by our Canadian operations was the primary driver of this growth, but we also benefited from a weakening of the U.S dollar from third quarter 2001 levels. We believe our international operations are poised to continue to grow their market share during 2002."

Total revenues for the year ended December 31, 2001 increased 2% to a record \$725.5 million from \$712.2 million in 2000. Operating earnings for the year totaled \$56.0 million, decreasing nearly 15% from \$65.6 million in 2000. Net income for the year increased 16% to \$29.4 million, or \$0.61 per share, from \$25.3 million, or \$0.52 per share, reported in the prior year.

Domestic revenues for the year increased 3%, to \$534.7 million in 2001 from \$519.2 million in 2000. International revenues decreased 1%, to \$190.9 million in 2001 from \$193.0 million during 2000. Excluding the adverse impact of exchange rate fluctuations due to the strong U.S. dollar, international revenues would have increased by 6% for the year.

Mr. Davis concluded, "Crawford is approaching 2002 with renewed vigor and optimism and is in a strong position for long-term growth, with a management team that is focused on increasing profitability through aggressive marketing, continued cost-containment, and further investment in technology. Our greatest strength as a company continues to be our many talented employees who are dedicated to providing unparalleled service and value to our clients."



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Crawford & Company's conference call with analysts on Monday, January 28, 2002 at 3:00 p.m. EST, to discuss its quarterly earnings and other developments, will be recorded and available for replay through February 4, 2002. You may dial 1-800-615-3210 (703-326-3020 international) to listen. The access code is 5783100. Alternatively, please visit our website at www.crawfordandcompany.com for a live audio web cast.

Further information regarding the Company's financial position and operating results for the quarter and year ended December 31, 2001 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. Among the many services we provide are claims management, loss adjustment, healthcare management, risk management services, class action administration, and risk information services.

Crawford is an Atlanta-based corporation with approximately 10,000 employees worldwide in more than 700 offices in 65 countries. The Corporation's shares are publicly traded on the New York Stock Exchange under the symbols CRDA and CRDB. The 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 ended December 31, 2001 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, 2000 filed with the Securities and Exchange Commission, in particular the information under the headings "Business", "Legal Proceedings" 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 statements 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.

FOR FURTHER INFORMATION REGARDING THIS PRESS RELEASE, PLEASE CALL JOHN GIBLIN AT (404) 847-4571.



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**CRAWFORD & COMPANY
COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data)

<u>Year Ended December 31</u>	<u>2001</u>	<u>2000</u>	<u>% Change</u>
Revenues	\$725,539	\$712,174	2%
Costs and Expenses:			
Costs of Services	545,014	525,773	4%
Selling, General, and Administrative	124,497	120,832	3%
Nonrecurring Charges (1)	0	16,740	nm
Corporate Interest, net	4,779	4,476	7%
Amortization of Goodwill	3,448	3,203	8%
Total Costs and Expenses	<u>677,738</u>	<u>671,024</u>	1%
Income Before Income Taxes	47,801	41,150	16%
Income Taxes	18,356	15,802	16%
Net Income	<u>\$29,445</u>	<u>\$25,348</u>	16%
Net Income Per Share:			
Basic	<u>\$0.61</u>	<u>\$0.52</u>	17%
Diluted	<u>\$0.61</u>	<u>\$0.52</u>	17%
Weighted Average Shares Outstanding:			
Basic	<u>48,492</u>	<u>48,845</u>	
Diluted	<u>48,559</u>	<u>48,933</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.

nm = not meaningful



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COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data)

<u>Quarter Ended December 31</u>	<u>2001</u>	<u>2000</u>	<u>% Change</u>
Revenues	\$178,145	\$170,189	5%
Costs and Expenses:			
Costs of Services	135,384	129,708	4%
Selling, General, and Administrative	31,293	30,318	3%
Nonrecurring Charges (1)	0	16,740	nm
Corporate Interest, net	1,195	1,271	-6%
Amortization of Goodwill	843	810	4%
Total Costs and Expenses	<u>168,715</u>	<u>178,847</u>	-6%
Income (Loss) Before Income Taxes	9,430	(8,658)	209%
Income Tax Expense (Benefit)	<u>3,622</u>	<u>(3,324)</u>	209%
Net Income (Loss)	<u>\$5,808</u>	<u>(\$5,334)</u>	209%
Net Income (Loss) Per Share:			
Basic	<u>\$0.12</u>	<u>(\$0.11)</u>	209%
Diluted	<u>\$0.12</u>	<u>(\$0.11)</u>	209%
Weighted Average Shares Outstanding:			
Basic	<u>48,541</u>	<u>48,462</u>	
Diluted	<u>48,599</u>	<u>48,534</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.

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CRAWFORD & COMPANY
SUMMARY RESULTS BY OPERATING SEGMENT

Year Ended December 31, 2001

(In Thousands Except Percentages)

	Domestic		International		Total	
	2001	2000	2001	2000	2001	2000
Revenues	\$534,671	\$519,150	\$190,868	\$193,024	\$725,539	\$712,174
Compensation & Benefits	331,116	316,398	125,862	123,331	456,978	439,729
<i>% of Revenues</i>	61.9%	60.9%	65.9%	63.9%	63.0%	61.8%
Expenses Other than Compensation & Benefits	160,300	154,207	52,233	52,669	212,533	206,876
<i>% of Revenues</i>	30.0%	29.7%	27.4%	27.3%	29.3%	29.0%
Operating Earnings (1)	\$43,255	\$48,545	\$12,773	\$17,024	\$56,028	\$65,569
<i>% of Revenues</i>	8.1%	9.4%	6.7%	8.8%	7.7%	9.2%

Quarter Ended December 31, 2001

(In Thousands Except Percentages)

	Domestic		International		Total	
	2001	2000	2001	2000	2001	2000
Revenues	\$129,822	\$123,897	\$48,323	\$46,292	\$178,145	\$170,189
Compensation & Benefits	79,173	78,020	31,901	30,897	111,074	108,917
<i>% of Revenues</i>	61.0%	63.0%	66.0%	66.8%	62.4%	64.0%
Expenses Other than Compensation & Benefits	40,635	38,082	14,968	13,027	55,603	51,109
<i>% of Revenues</i>	31.3%	30.7%	31.0%	28.1%	31.2%	30.0%
Operating Earnings (1)	\$10,014	\$7,795	\$1,454	\$2,368	\$11,468	\$10,163
<i>% of Revenues</i>	7.7%	6.3%	3.0%	5.1%	6.4%	6.0%

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



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CRAWFORD & COMPANY CONDENSED COMPARATIVE BALANCE SHEETS December 31, 2001 and December 31, 2000

(In Thousands)

Assets	December 31 <u>2001</u>	December 31 <u>2000</u>
Current Assets:		
Cash and Cash Equivalents	\$21,966	\$22,136
Accounts Receivable, Net	139,380	137,378
Unbilled Revenues	85,687	87,067
Prepaid Expenses and Other Current Assets	<u>14,602</u>	<u>17,606</u>
Total Current Assets	<u>261,635</u>	<u>264,187</u>
Property and Equipment, at Cost	147,162	149,842
Less Accumulated Depreciation	<u>(107,898)</u>	<u>(107,045)</u>
Net Property and Equipment	<u>39,264</u>	<u>42,797</u>
Other Assets	<u>131,528</u>	<u>151,367</u>
Total Assets	<u><u>\$432,427</u></u>	<u><u>\$458,351</u></u>
 Liabilities and Shareholders' Investment		
Current Liabilities:		
Short-Term Borrowings	\$36,440	\$44,420
Accounts Payable	31,275	25,628
Accrued Liabilities	70,082	64,022
Deferred Revenues	20,543	23,353
Current Installments of Long-Term Debt	<u>326</u>	<u>216</u>
Total Current Liabilities	<u>158,666</u>	<u>157,639</u>
Noncurrent Liabilities	<u>83,300</u>	<u>82,945</u>
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	23,843	23,754
Class B Common Stock, \$1.00 Par Value	24,697	24,697
Retained Earnings	186,710	183,664
Accumulated Other Comprehensive Income	<u>(44,789)</u>	<u>(14,348)</u>
Total Shareholders' Investment	<u>190,461</u>	<u>217,767</u>
Total Liabilities and Shareholders' Investment	<u><u>\$432,427</u></u>	<u><u>\$458,351</u></u>