



Press Release

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

FOR IMMEDIATE RELEASE

Date: July 22, 2002
From: Grover L. Davis
Chief Executive Officer

Crawford Reports Second Quarter 2002 Results

Crawford & Company (NYSE: CRDA and CRDB) today announced its financial results for the second quarter ended June 30, 2002.

2002 second quarter revenues before reimbursements were \$178.0 million compared with \$186.5 million in the 2001 second quarter. Operating earnings (earnings before nonrecurring credit, amortization of goodwill, net corporate interest and taxes) in the second quarter totaled \$8.8 million compared with \$16.5 million in the comparable 2001 period. Net income was \$4.9 million, or \$0.10 per share, in the 2002 period compared with \$8.8 million, or \$0.18 per share, in 2001.

2002 second quarter net income per share was increased by \$0.02 per share due to the Company's adoption of Statement of Financial Accounting Standard 142, "Goodwill and Other Intangible Assets." This change increased net income per share by \$0.03 for the current year-to-date period.

U.S. revenues before reimbursements were \$131.7 million in the second quarter of 2002 compared with \$139.2 million in the 2001 second quarter. Revenues from the insurance company market were \$68.3 million in the 2002 second quarter compared with \$76.4 million in the 2001 period. These results reflect a continued softening in the Company's U.S. insurance company referrals for high frequency, low severity claims and lower catastrophic claim referrals in the current quarter. Revenues from self-insured clients increased slightly during the second quarter, to \$49.1 million in 2002 from \$49.0 million in 2001. Class action services revenues grew to \$14.3 million during the 2002 second quarter, compared with \$13.7 million in the comparable 2001 period.



Press Release

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

2002 second quarter international revenues were \$46.3 million compared with \$47.3 million for the same period in 2001. Lower revenues in the United Kingdom, due to declining incoming case volumes, have offset higher claims referrals in the Company's Canadian operations in the current year quarter. Excluding the adverse impact of exchange rate fluctuations due to the strong U.S. dollar, international revenues would have been \$47.3 million in the 2002 second quarter.

Mr. Grover L. Davis, chief executive officer of Crawford & Company, stated, "We continue to face challenges in the U.S property and casualty insurance industry as insurance companies remain reluctant to outsource high-frequency, low-severity claims to third-party adjusters like Crawford. Our second quarter results were impacted by a 15% decline in cases received from this market. During the current quarter we were successful in controlling our costs of services, which declined 4% in spite of a \$2.8 million increase in pension expense during the quarter. Absent this increase in pension expense, our costs of services would have declined nearly 6% during the 2002 second quarter. Our selling, general, and administrative costs have increased by 15%, or \$4.5 million, during the 2002 second quarter due to two primary factors. Negative claims experience in our self-insurance programs during the quarter resulted in approximately \$2.7 million in incremental insurance expense. In addition, ongoing costs for software license fees and other data processing expenses related to our technology initiatives increased \$1.1 million during the second quarter of 2002. We are currently taking aggressive steps to reduce our annual operating costs by approximately \$12.0 million from their current level, including a freeze on salary increases and new hires effective July 2002. This decision is not one entered into lightly, but we believe that it is essential in order to increase our operating margins over the remainder of the year. On the technology front, we have completed the rollout of our Xactware software solution giving us the best-integrated property loss adjustment technology available in the industry. This, coupled with the deployment of technology to support our vehicle condition inspection services, should enable us to gain greater penetration in this important market."

Total revenues before reimbursements for the year-to-date period ended June 30, 2002 were \$349.8 million compared with \$366.0 million in 2001. Operating earnings through June 2002 totaled \$16.8 million compared with \$31.8 million in 2001. Net income for the current year-to-date period totaled \$13.0 million, or \$0.27 per share, compared with \$17.0 million, or \$0.35 per share, reported in the prior year.



Press Release

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

Domestic revenues before reimbursements for the 2002 six-month period were \$258.3 million compared with \$270.7 million in 2001. International revenues before reimbursements were \$91.5 million in 2002 compared with \$95.3 million during 2001. Excluding the adverse impact of exchange rate fluctuations due to the strong U.S. dollar, international revenues would have totaled \$94.2 million for the current year-to-date period.

Mr. Davis concluded, "As we previously disclosed, our contract to provide medical bill review services for a large U.S. insurer was not renewed as of December 1, 2001. The month-to-month services we have been providing since that time will be transitioned to a new service provider by the end of the 2002 third quarter. Year-to-date revenues associated with these services totaled \$6.0 million through June 30, 2002."

"We are pleased with the continued growth of our surveillance services revenues, which have grown nearly 14% to \$5.1 million during 2002 as we continue to expand this service line throughout our branch network. Our investment in bankruptcy administration capabilities within our class action services unit will help contribute approximately \$2.4 million in revenues during the remainder of the year as we complete several projects in this arena and are aggressively pursuing others. Internationally, we recently announced the acquisition of the Robertson & Company Group operations in Australia. This acquisition will add approximately \$8.0 million in annual revenues beginning in September 2002 and will make Crawford one of the largest independent claims administration service providers in Australia."

Crawford & Company's conference call with analysts on Tuesday, July 23, 2002 at 3:00 P.M. EDT, to discuss its quarterly earnings and other developments, will be recorded and available for replay through July 30, 2002. You may dial 1-800-428-6051 (973-709-2089 international) to listen. The access code is 251673. Alternatively, please visit our web site at www.crawfordandcompany.com for a live audio web cast.

Further information regarding the Company's financial position and operating results for the quarter ended June 30, 2002 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. Services provided by the Company include claims administration, loss adjustment, healthcare management, risk management services, class action administration, and risk information services.



Press Release

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

Crawford is an Atlanta-based corporation with approximately 10,000 employees worldwide in more than 700 offices in 67 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 ended June 30, 2002 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, 2001 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.



Crawford
Press Release

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

**CRAWFORD & COMPANY
COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data)

<u>Six Months Ended June 30</u>	<u>2002</u>	<u>2001</u>	<u>% Change</u>
Revenues:			
Revenues before Reimbursements	\$349,756	\$365,982	-4%
Reimbursements	<u>14,594</u>	<u>16,398</u>	-11%
Total Revenues	<u>364,350</u>	<u>382,380</u>	-5%
Costs and Expenses:			
Cost of Services before Reimbursements	265,695	273,940	-3%
Reimbursements	<u>14,594</u>	<u>16,398</u>	-11%
Cost of Services	<u>280,289</u>	<u>290,338</u>	-3%
Selling, General, and Administrative	67,248	60,234	12%
Nonrecurring Credit (1)	(6,000)	0	nm
Corporate Interest, net	2,319	2,496	-7%
Amortization of Goodwill	<u>0</u>	<u>1,747</u>	-100%
Total Costs and Expenses	<u>343,856</u>	<u>354,815</u>	-3%
Income Before Income Taxes	20,494	27,565	-26%
Income Taxes	<u>7,460</u>	<u>10,585</u>	-30%
Net Income	<u>\$13,034</u>	<u>\$16,980</u>	-23%
Net Income Per Share:			
Basic	<u>\$0.27</u>	<u>\$0.35</u>	-23%
Diluted	<u>\$0.27</u>	<u>\$0.35</u>	-23%
Weighted Average Shares Outstanding:			
Basic	<u>48,544</u>	<u>48,453</u>	
Diluted	<u>48,700</u>	<u>48,534</u>	

(1) Nonrecurring credit related to a payment from a former vendor in full settlement of a business dispute.

nm = not meaningful



Crawford[®]
Press Release

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

**CRAWFORD & COMPANY
COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data)

<u>Quarter Ended June 30</u>	<u>2002</u>	<u>2001</u>	<u>% Change</u>
Revenues:			
Revenues before Reimbursements	\$177,989	\$186,527	-5%
Reimbursements	<u>7,853</u>	<u>8,071</u>	-3%
Total Revenues	<u>185,842</u>	<u>194,598</u>	-4%
Costs and Expenses:			
Cost of Services before Reimbursements	135,104	140,451	-4%
Reimbursements	<u>7,853</u>	<u>8,071</u>	-3%
Cost of Services	<u>142,957</u>	<u>148,522</u>	-4%
Selling, General, and Administrative	34,091	29,569	15%
Corporate Interest, net	1,141	1,315	-13%
Amortization of Goodwill	<u>0</u>	<u>918</u>	-100%
Total Costs and Expenses	<u>178,189</u>	<u>180,324</u>	-1%
Income Before Income Taxes	7,653	14,274	-46%
Income Taxes	<u>2,786</u>	<u>5,481</u>	-49%
Net Income	<u>\$4,867</u>	<u>\$8,793</u>	-45%
Net Income Per Share:			
Basic	<u>\$0.10</u>	<u>\$0.18</u>	-44%
Diluted	<u>\$0.10</u>	<u>\$0.18</u>	-44%
Weighted Average Shares Outstanding:			
Basic	<u>48,547</u>	<u>48,453</u>	
Diluted	<u>48,725</u>	<u>48,532</u>	

nm = not meaningful



Crawford
Press Release

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

**CRAWFORD & COMPANY
SUMMARY RESULTS BY OPERATING SEGMENT**

Six Months Ended June 30, 2002

(In Thousands Except Percentages)

	U.S.		International		Total	
	2002	2001	2002	2001	2002	2001
Revenues before Reimbursements	\$258,279	\$270,649	\$91,477	\$95,333	\$349,756	\$365,982
Compensation & Benefits	166,360	167,674	63,007	62,716	229,367	230,390
<i>% of Revenues</i>	64.4%	62.0%	68.9%	65.7%	65.6%	62.9%
Expenses Other than Reimbursements, Compensation & Benefits	79,736	79,617	23,840	24,167	103,576	103,784
<i>% of Revenues</i>	30.9%	29.4%	26.0%	25.4%	29.6%	28.4%
Operating Earnings (1)	\$12,183	\$23,358	\$4,630	\$8,450	\$16,813	\$31,808
<i>% of Revenues</i>	4.7%	8.6%	5.1%	8.9%	4.8%	8.7%

Quarter Ended June 30, 2002

(In Thousands Except Percentages)

	U.S.		International		Total	
	2002	2001	2002	2001	2002	2001
Revenues before Reimbursements	\$131,669	\$139,179	\$46,320	\$47,348	\$177,989	\$186,527
Compensation & Benefits	84,602	86,115	31,606	31,590	116,208	117,705
<i>% of Revenues</i>	64.2%	61.9%	68.3%	66.7%	65.3%	63.2%
Expenses Other than Reimbursements, Compensation & Benefits	41,164	40,802	11,823	11,513	52,987	52,315
<i>% of Revenues</i>	31.3%	29.3%	25.5%	24.3%	29.8%	28.0%
Operating Earnings (1)	\$5,903	\$12,262	\$2,891	\$4,245	\$8,794	\$16,507
<i>% of Revenues</i>	4.5%	8.8%	6.2%	9.0%	4.9%	8.8%

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



Crawford
Press Release

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

CRAWFORD & COMPANY
CONDENSED COMPARATIVE BALANCE SHEETS
June 30, 2002 and December 31, 2001

(In Thousands)

<u>Assets</u>	<u>June 30</u> <u>2002</u>	<u>December 31</u> <u>2001</u>
Current Assets:		
Cash and Cash Equivalents	\$18,152	\$21,966
Accounts Receivable, Net	139,035	139,380
Unbilled Revenues	97,681	88,399
Prepaid Expenses and Other Current Assets	13,856	11,539
Total Current Assets	<u>268,724</u>	<u>261,284</u>
Property and Equipment, at Cost	148,713	146,626
Less Accumulated Depreciation	<u>(110,362)</u>	<u>(107,898)</u>
Net Property and Equipment	<u>38,351</u>	<u>38,728</u>
Other Assets	<u>140,566</u>	<u>131,403</u>
Total Assets	<u><u>\$447,641</u></u>	<u><u>\$431,415</u></u>
 Liabilities and Shareholders' Investment		
Current Liabilities:		
Short-Term Borrowings	\$39,829	\$36,440
Accounts Payable	32,262	31,275
Accrued Liabilities	72,260	67,723
Deferred Revenues	21,178	20,543
Current Installments of Long-Term Debt	270	326
Total Current Liabilities	<u>165,799</u>	<u>156,307</u>
Noncurrent Liabilities	<u>92,839</u>	<u>86,808</u>
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	23,850	23,843
Class B Common Stock, \$1.00 Par Value	24,697	24,697
Additional Paid-in Capital	81	27
Retained Earnings	186,123	186,683
Accumulated Other Comprehensive Loss	<u>(45,748)</u>	<u>(46,950)</u>
Total Shareholders' Investment	<u>189,003</u>	<u>188,300</u>
Total Liabilities and Shareholders' Investment	<u><u>\$447,641</u></u>	<u><u>\$431,415</u></u>