



Press Release

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

FOR IMMEDIATE RELEASE

Date: April 24, 2003
From: Grover L. Davis
Chairman and
Chief Executive Officer

Crawford Reports First Quarter 2003 Results

Crawford & Company (NYSE: CRDA and CRDB) announced its financial results for the first quarter ended March 31, 2003.

First quarter 2003 revenues before reimbursements totaled \$167.3 million compared with \$171.8 million in the 2002 first quarter. First quarter 2003 net income was \$3.2 million versus \$8.2 million for the 2002 first quarter. Net income in the 2002 first quarter included a payment received from a former vendor in full settlement of a business dispute of \$3.8 million, net of related income tax expense, or \$0.08 per share. First quarter 2003 net income per share was \$0.07 per share, compared with \$0.17 in the prior-year quarter.

Operating earnings is one of the key performance measures used by the Company's senior management to evaluate the performance of its business and make resource allocation decisions. The Company believes this measure is useful to investors in that it allows them to evaluate its performance using the same criteria that management uses. Operating earnings (earnings before special credit, net corporate interest and taxes) in the 2003 first quarter totaled \$6.4 million compared with \$8.0 million in the comparable 2002 quarter. Following is a reconciliation of consolidated net income to operating earnings and the related margin as a percentage of revenues before reimbursements:

<i>(in thousands)</i>	Quarter Ended		Quarter Ended	
	March 31, 2003	Margi n %	March 31, 2002	Margin %
Net income	\$3,249	1.9%	\$8,167	4.8%
Add/(deduct):				
Special credit	-	-	(6,000)	(3.5)
Net corporate interest	1,279	.8	1,178	.7
Income taxes	<u>1,859</u>	<u>1.1</u>	<u>4,674</u>	<u>2.7</u>
Operating earnings	<u>\$6,387</u>	<u>3.8%</u>	<u>\$8,019</u>	<u>4.7%</u>



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U.S. revenues before reimbursements were \$115.1 million in the first quarter of 2003 compared with \$126.6 million in the 2002 first quarter. Revenues from the insurance company market were \$58.7 million in the 2003 first quarter compared with \$64.8 million in the 2002 period, reflecting a continued softening in the Company's U.S. insurance company referrals for high-frequency, low-severity claims in the current quarter. Lower medical bill auditing revenues associated with the previously reported non-renewal of a contract with a major domestic insurer contributed \$3.1 million of this decline. Revenues from self-insured clients were \$42.5 million in the 2003 first quarter compared with \$50.3 million in the 2002 quarter, primarily reflecting declines in U.S. employment levels and associated injury rates which have contributed to a reduction in workers' compensation claims. Class action services revenues were \$13.9 million for the 2003 first quarter, compared with \$11.5 million in the comparable year-ago quarter.

First quarter 2003 international revenues grew to \$52.2 million from \$45.2 million for the same period in 2002. This growth is largely due to the Company's third quarter 2002 acquisition of the loss adjusting business of Robertson and Company in Australia and growth within its Canadian and United Kingdom operations. During the 2003 first quarter, the U.S. dollar weakened significantly against the British Pound and the Euro, resulting in a net exchange rate benefit in the quarter. Excluding the benefit of exchange rate fluctuations, international revenues would have been \$48.1 million in the 2003 first quarter.

Mr. Grover L. Davis, chief executive officer of Crawford & Company, stated, "Our first quarter results reflect a continued industry-wide decline in property & casualty claims frequency. Conservative underwriting, increases in policy deductibles, and mild weather have contributed to a decline in property and casualty claims frequency, resulting in an overall 14% decline in cases received in the U.S. These factors impacted our U.S. insurance company referrals for high-frequency, low-severity claims and resulted in lower U.S. revenues. In addition, our self-insured market revenues in the U.S. were negatively impacted by a reduction in workers' compensation claims frequency. In fact, the Bureau of Labor Statistics recently reported an 8% decline in private sector workplace injuries, and employee absentee rates are at their lowest levels since 1991."

"In the face of challenging industry circumstances, we successfully reduced our U.S. operating expenses nearly 8% in the current quarter in response to the decline in claims volume. While we could not maintain our operating margin, we remain committed to preserving our profitability and are currently taking aggressive steps to reduce our U.S. annual operating costs by approximately \$15 million from their current level. This is a difficult and painful decision, but we believe that it is essential in order to increase our U.S. operating margin to an acceptable level of 6% to 7% over the remainder of the year. This operating margin would equate to an after-tax margin of approximately 4%. By achieving these cost reductions, we believe that we will be able to preserve our current level of dividends, which is of paramount importance to us in delivering shareholder value and building investor confidence."



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Mr. Davis concluded, "Our technology initiatives are continuing to bear fruit and we will begin our pilot implementation of a case management system to support our medical and vocational consultants in the next month. This system will greatly improve employee mobility and information access, service consistency and quality, and the validation of the benefits our clients gain from our services. The production rollout of this system will begin in July."

Crawford & Company's management will host a conference call with analysts on Thursday, April 24, 2003 at 3:00 P.M. EDT, to discuss its quarterly earnings and other developments. The call will be recorded and available for replay through May 1, 2003. You may dial 1-800-428-6051 (973-709-2089 international) to listen to the replay. The access code is 289711. Alternatively, please visit our web site at www.crawfordandcompany.com for a live audio web cast.

Further information regarding the Company's financial position, operating results, and cash flows for the quarter ended March 31, 2003 is shown on the attached statements.

Based in Atlanta, Georgia, Crawford & Company (www.crawfordandcompany.com) is the world's largest independent provider of claims management solutions to insurance companies and self-insured entities, with a global network of more than 700 offices in 67 countries. Major service lines include workers' compensation claims administration and healthcare management services, property and casualty claims management, class action services and risk management information services. The Company's shares are traded on the NYSE under the symbols CRDA and CRDB.

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 March 31, 2003 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, 2002 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>Quarter Ended March 31</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$167,258	\$171,767	-3%
Reimbursements	9,615	8,634	11%
Total Revenues	<u>176,873</u>	<u>180,401</u>	-2%
Costs and Expenses:			
Cost of Services Before Reimbursements	127,792	130,591	-2%
Reimbursements	9,615	8,634	11%
Cost of Services	<u>137,407</u>	<u>139,225</u>	-1%
Selling, General, and Administrative	33,079	33,157	0%
Special Credit (1)	-	(6,000)	nm
Corporate Interest, Net	1,279	1,178	9%
Total Costs and Expenses	<u>171,765</u>	<u>167,560</u>	3%
Income Before Income Taxes	5,108	12,841	-60%
Income Taxes	1,859	4,674	-60%
Net Income	<u>\$3,249</u>	<u>\$8,167</u>	-60%
Net Income Per Share:			
Basic	<u>\$0.07</u>	<u>\$0.17</u>	-59%
Diluted	<u>\$0.07</u>	<u>\$0.17</u>	-59%
Weighted Average Shares Outstanding:			
Basic	<u>48,622</u>	<u>48,541</u>	
Diluted	<u>48,689</u>	<u>48,644</u>	

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

nm = not meaningful



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CRAWFORD & COMPANY SUMMARY RESULTS BY OPERATING SEGMENT

Quarter Ended March 31, 2003

(In Thousands Except Percentages)

	U.S.		International		Total	
	2003	2002	2003	2002	2003	2002
Revenues Before Reimbursements	\$115,073	\$126,610	\$52,185	\$45,157	\$167,258	\$171,767
Compensation & Benefits	74,344	81,759	35,493	31,400	109,837	113,159
<i>% of Revenues</i>	64.6%	64.5%	68.0%	69.5%	65.7%	65.9%
Expenses Other than Reimbursements,						
Compensation & Benefits	36,680	38,572	14,354	12,017	51,034	50,589
<i>% of Revenues</i>	31.9%	30.5%	27.5%	26.6%	30.5%	29.4%
Operating Earnings (1)	\$4,049	\$6,279	\$2,338	\$1,740	\$6,387	\$8,019
<i>% of Revenues</i>	3.5%	5.0%	4.5%	3.9%	3.8%	4.7%

(1) Earnings before special credit, net corporate interest, and taxes.



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CRAWFORD & COMPANY
CONDENSED COMPARATIVE BALANCE SHEETS
March 31, 2003 and December 31, 2002
(In Thousands)

Assets	March 31 2003	December 31 2002
Current Assets:		
Cash and Cash Equivalents	\$32,097	\$31,091
Accounts Receivable, Net	135,437	135,174
Unbilled Revenues	101,919	93,792
Prepaid Expenses and Other Current Assets	10,889	11,968
Total Current Assets	<u>280,342</u>	<u>272,025</u>
Property and Equipment, at Cost	147,249	144,706
Less Accumulated Depreciation	<u>(111,157)</u>	<u>(108,607)</u>
Net Property and Equipment	<u>36,092</u>	<u>36,099</u>
Other Assets	<u>171,805</u>	<u>166,652</u>
Total Assets	<u><u>\$488,239</u></u>	<u><u>\$474,776</u></u>
Liabilities and Shareholders' Investment		
Current Liabilities:		
Short-Term Borrowings	\$34,293	\$30,019
Accounts Payable	30,743	31,956
Accrued Liabilities	67,026	66,265
Deferred Revenues	19,733	18,516
Current Installments of Long-Term Debt	1,704	1,493
Total Current Liabilities	<u>153,499</u>	<u>148,249</u>
Noncurrent Liabilities	<u>170,255</u>	<u>167,096</u>
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	23,925	23,925
Class B Common Stock, \$1.00 Par Value	24,697	24,697
Additional Paid-in Capital	523	523
Retained Earnings	192,099	191,767
Accumulated Other Comprehensive Loss	<u>(76,759)</u>	<u>(81,481)</u>
Total Shareholders' Investment	<u>164,485</u>	<u>159,431</u>
Total Liabilities and Shareholders' Investment	<u><u>\$488,239</u></u>	<u><u>\$474,776</u></u>



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CRAWFORD & COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter Ended March 31, 2003 and March 31, 2002
(In Thousands)

	<u>2003</u>	<u>2002</u>
Cash Flows From Operating Activities:		
Net Income	\$3,249	\$8,167
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,055	4,335
Deferred Income Taxes	221	(287)
Loss on Sales of Property and Equipment	71	7
Changes in Operating Assets and Liabilities, Net of Effects of Acquisitions:		
Accounts Receivable, Net	3,056	(1,005)
Unbilled Revenues	(5,986)	(3,512)
Accrued or Prepaid Income Taxes	(1,012)	433
Accounts Payable and Accrued Liabilities	(2,961)	(3,561)
Deferred Revenues	1,039	(1,174)
Prepaid and Accrued Pension Costs	3,946	3,485
Prepaid Expenses and Other Assets	788	(3,592)
Net Cash Provided by Operating Activities	<u>6,466</u>	<u>3,296</u>
Cash Flows From Investing Activities:		
Acquisitions of Property and Equipment, Net	(2,228)	(2,555)
Capitalization of Computer Software Costs	(3,167)	(2,609)
Net Cash Used in Investing Activities	<u>(5,395)</u>	<u>(5,164)</u>
Cash Flows From Financing Activities:		
Dividends Paid	(2,918)	(6,796)
Proceeds from Exercise of Stock Options	-	55
Increase in Short-Term Borrowings	2,140	2,983
Decrease in Long-Term Debt	(75)	(30)
Net Cash Used in Financing Activities	<u>(853)</u>	<u>(3,788)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	788	(197)
Increase (Decrease) in Cash and Cash Equivalents	1,006	(5,853)
Cash and Cash Equivalents at Beginning of Period	31,091	21,966
Cash and Cash Equivalents at End of Period	<u>\$32,097</u>	<u>\$16,113</u>