



Press Release

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

FOR IMMEDIATE RELEASE

Date: October 27, 2003
From: Grover L. Davis
Chairman and
Chief Executive Officer

Crawford Reports Third Quarter and Nine Month Financial Results

Roll Out of Custom Claims Handling Program Lands Large U.S. Personal Lines Customer

Crawford & Company (NYSE: CRDA and CRDB), the world's largest independent provider of claims management solutions to insurance companies and self-insured entities, today announced its financial results for the third quarter ended September 30, 2003.

Third quarter 2003 revenues before reimbursements totaled \$172.2 million compared with \$175.9 million in the 2002 third quarter. Third quarter 2003 net loss was (\$3.7) million, or (\$0.08) per fully diluted share, compared with net income of \$5.6 million, or \$0.11 per fully diluted share, for the 2002 third quarter. Net loss in the 2003 third quarter included an after-tax charge of \$8.0 million, or \$0.17 per share, under an agreement reached with the Department of Justice to resolve the investigation of the Company's billing practices. This charge is recorded in other accrued liabilities in the accompanying consolidated balance sheets.

Operating earnings (earnings before special charge/credit, net corporate interest and taxes) in the 2003 third quarter totaled \$8.1 million compared with \$10.1 million in the comparable 2002 quarter. Operating earnings in the 2003 nine-month period totaled \$25.2 million compared with \$26.9 million in the comparable 2002 period. 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. Following is a reconciliation of consolidated net (loss) income to operating earnings and the related margins as a percentage of revenues before reimbursements for all periods presented:



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	Quarter ended				Nine months ended			
	September 30, 2003	% Margin	September 30, 2002	% Margin	September 30, 2003	% Margin	September 30, 2002	% Margin
Net (loss) income	(\$3,726)	(2.2%)	\$ 5,637	3.2%	\$ 5,574	1.1%	\$18,671	3.5%
Add/(deduct):								
Special charge/credit	8,000	4.7	-	-	8,000	1.6	(6,000)	(1.1)
Net corporate interest	1,397	0.8	1,246	0.7	3,855	0.7	3,565	0.7
Income taxes	<u>2,447</u>	<u>1.4</u>	<u>3,226</u>	<u>1.8</u>	<u>7,769</u>	<u>1.5</u>	<u>10,686</u>	<u>2.0</u>
Operating earnings	<u>\$8,118</u>	<u>4.7%</u>	<u>\$10,109</u>	<u>5.7%</u>	<u>\$25,198</u>	<u>4.9%</u>	<u>\$26,922</u>	<u>5.1%</u>

U.S. revenues before reimbursements were \$117.7 million in the third quarter of 2003 compared with \$128.8 million in the 2002 third quarter. Revenues from the insurance company market were \$56.8 million in the 2003 third quarter compared with \$65.7 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 \$2.1 million of this decline. Revenues from self-insured clients were \$40.9 million in the 2003 third quarter compared with \$47.4 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 \$19.9 million for the 2003 third quarter, compared with \$15.7 million in the comparable year-ago quarter.

Third quarter 2003 international revenues grew to \$54.6 million from \$47.1 million for the same period in 2002. This growth is partly due to the Company's third quarter 2002 acquisition of the loss adjusting business of Robertson and Company in Australia. During the 2003 third 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 \$48.6 million in the 2003 third quarter.



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Mr. Grover L. Davis, chief executive officer of Crawford & Company, stated, "Our third quarter results reflect a continued industry-wide decline in property and casualty claims frequency. Conservative underwriting by our insurance company clients, including significant increases in policy deductibles, has contributed to a decline in property and casualty claims frequency, resulting in an overall 10% decline in claims referred to Crawford in the U.S. In addition, our self-insured market revenues in the U.S. were negatively affected by a reduction in workers' compensation claims frequency due to the high U.S. unemployment rate, which is driving down private sector workplace injuries."

"While we continue to endure challenging industry circumstances, we successfully reduced our U.S. operating expenses over 7% in the current quarter in response to the decline in claims volume. However, our operating margin declined to less than 6% as compared to over 8% for the 2003 second quarter, as our U.S. claim referrals fell more than anticipated. The operating margins in our international operations improved in the third quarter to nearly 3% from 1% in the 2003 second quarter. We expect continued pressure on our international operating margins in the 2003 fourth quarter, but anticipate improved international operating margins beginning in the 2004 first quarter."

Total revenues before reimbursements for the year-to-date period ended September 30, 2003 were \$515.8 million compared with \$525.7 million in 2002. Operating earnings through September 2003 totaled \$25.2 million compared with \$26.9 million in 2002. Net income for the current year-to-date period totaled \$5.6 million, or \$0.11 per share, compared with \$18.7 million, or \$0.38 per share, reported in the prior year. Net income in 2002 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.

U.S. revenues before reimbursements for the 2003 nine-month period were \$354.6 million compared with \$387.1 million in 2002. International revenues before reimbursements were \$161.2 million in 2003 compared with \$138.6 million during 2002. Excluding the benefit of exchange rate fluctuations, international revenues would have been \$145.6 million in the current year-to-date period.

Mr. Davis concluded, "We are very pleased with the growth in our class action services business this year and recorded record revenues during the 2003 third quarter. We benefited from the commencement of work on a significant new contract during the quarter and are aggressively pursuing other opportunities that should contribute to future revenue growth in this business. Overall, our cash and cash equivalents at September 30, 2003 have grown \$5.2 million from the end of 2002 after reflecting a \$10.0 million contribution to the Company's defined benefit pension plan during September 2003. We recently announced the closing of a new \$70 million three-year revolving credit facility and the issuance of \$50 million in seven-year 6.08% senior notes. This new financing gives the Company added financial strength and greater working capital flexibility."



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“We are also pleased to have recently formed an agreement to provide a customized claims handling program for a large U.S. personal lines insurer. This agreement will generate annual revenues of approximately \$5 million beginning in the 2003 fourth quarter. This important new program coupled with the recent appointments of Crawford & Company to the preferred adjuster lists of several major property and casualty insurers should greatly strengthen our market penetration and enable us to capture a greater share of revenues when claim volumes increase.”

Crawford & Company’s management will host a conference call with analysts on Monday, October 27, 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 November 3, 2003. You may dial 1-800-428-6051 (973-709-2089 international) to listen to the replay. The access code is 308294. Alternatively, please visit our website 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 September 30, 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 September 30, 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>Nine Months Ended September 30</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$515,802	\$525,668	-2%
Reimbursements	31,782	27,948	14%
Total Revenues	<u>547,584</u>	<u>553,616</u>	-1%
Costs and Expenses:			
Cost of Services Before Reimbursements	393,001	398,420	-1%
Reimbursements	31,782	27,948	14%
Cost of Services	<u>424,783</u>	<u>426,368</u>	0%
Selling, General, and Administrative	97,603	100,326	-3%
Special Charge/Credit (1)	8,000	(6,000)	nm
Corporate Interest, Net	3,855	3,565	8%
Total Costs and Expenses	<u>534,241</u>	<u>524,259</u>	2%
Income Before Income Taxes	13,343	29,357	-55%
Income Taxes	7,769	10,686	-27%
Net Income	<u>\$5,574</u>	<u>\$18,671</u>	-70%
Net Income Per Share:			
Basic	<u>\$0.11</u>	<u>\$0.38</u>	-71%
Diluted	<u>\$0.11</u>	<u>\$0.38</u>	-71%
Weighted Average Shares Outstanding:			
Basic	<u>48,649</u>	<u>48,565</u>	
Diluted	<u>48,701</u>	<u>48,625</u>	

(1) Special credit in 2002 related to a payment from a former vendor in full settlement of a business dispute.

Special charge in 2003 is an after tax fine related to the settlement of the Department of Justice investigation.

nm = not meaningful



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COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data)

<u>Quarter Ended September 30</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$172,234	\$175,912	-2%
Reimbursements	<u>11,850</u>	<u>10,447</u>	13%
Total Revenues	<u>184,084</u>	<u>186,359</u>	-1%
Costs and Expenses:			
Cost of Services Before Reimbursements	131,687	132,725	-1%
Reimbursements	<u>11,850</u>	<u>10,447</u>	13%
Cost of Services	<u>143,537</u>	<u>143,172</u>	0%
Selling, General, and Administrative	32,429	33,078	-2%
Special Charge (1)	8,000	-	nm
Corporate Interest, Net	<u>1,397</u>	<u>1,246</u>	12%
Total Costs and Expenses	<u>185,363</u>	<u>177,496</u>	4%
(Loss) Income Before Income Taxes	(1,279)	8,863	-114%
Income Taxes	<u>2,447</u>	<u>3,226</u>	-24%
Net (Loss) Income	<u>(\$3,726)</u>	<u>\$5,637</u>	-166%
(Loss) Net Income Per Share:			
Basic	<u>(\$0.08)</u>	<u>\$0.11</u>	-173%
Diluted	<u>(\$0.08)</u>	<u>\$0.11</u>	-173%
Weighted Average Shares Outstanding:			
Basic	<u>48,700</u>	<u>48,607</u>	
Diluted	<u>48,844</u>	<u>48,649</u>	

(1) Special charge in 2003 is an after tax fine related to the settlement of the Department of Justice investigation.

nm = not meaningful



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CRAWFORD & COMPANY SUMMARY RESULTS BY OPERATING SEGMENT Nine Months Ended September 30, 2003 *(In Thousands Except Percentages)*

	U.S.		International		Total	
	2003	2002	2003	2002	2003	2002
Revenues Before Reimbursements	\$354,584	\$387,074	\$161,218	\$138,594	\$515,802	\$525,668
Compensation & Benefits	221,371	246,343	112,895	95,973	334,266	342,316
<i>% of Revenues</i>	62.4%	63.7%	70.0%	69.2%	64.8%	65.1%
Expenses Other than Reimbursements, Compensation & Benefits	112,395	119,311	43,943	37,119	156,338	156,430
<i>% of Revenues</i>	31.7%	30.8%	27.3%	26.8%	30.3%	29.8%
Operating Earnings (1)	\$20,818	\$21,420	\$4,380	\$5,502	\$25,198	\$26,922
<i>% of Revenues</i>	5.9%	5.5%	2.7%	4.0%	4.9%	5.1%

Quarter Ended September 30, 2003 *(In Thousands Except Percentages)*

	U.S.		International		Total	
	2003	2002	2003	2002	2003	2002
Revenues Before Reimbursements	\$117,653	\$128,795	\$54,581	\$47,117	\$172,234	\$175,912
Compensation & Benefits	71,725	79,983	39,078	32,966	110,803	112,949
<i>% of Revenues</i>	61.0%	62.1%	71.6%	69.9%	64.3%	64.3%
Expenses Other than Reimbursements, Compensation & Benefits	39,290	39,575	14,023	13,279	53,313	52,854
<i>% of Revenues</i>	33.4%	30.7%	25.7%	28.2%	31.0%	30.0%
Operating Earnings (1)	\$6,638	\$9,237	\$1,480	\$872	\$8,118	\$10,109
<i>% of Revenues</i>	5.6%	7.2%	2.7%	1.9%	4.7%	5.7%

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



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CRAWFORD & COMPANY
CONSOLIDATED COMPARATIVE BALANCE SHEETS
September 30, 2003 and December 31, 2002
(In Thousands)

<u>Assets</u>	September 30 <u>2003</u>	December 31 <u>2002</u>
Current Assets:		
Cash and Cash Equivalents	\$36,338	\$31,091
Accounts Receivable, Net	141,629	135,174
Unbilled Revenues	98,738	93,792
Prepaid Expenses and Other Current Assets	<u>15,585</u>	<u>11,968</u>
Total Current Assets	<u>292,290</u>	<u>272,025</u>
Property and Equipment, at Cost	152,431	144,706
Less Accumulated Depreciation	<u>(115,450)</u>	<u>(108,607)</u>
Net Property and Equipment	<u>36,981</u>	<u>36,099</u>
Other Assets:		
Intangible Assets Arising from Acquisitions, Net	103,344	97,798
Capitalized Software Costs, Net	29,578	23,977
Deferred Income Tax Asset	31,955	31,899
Other	<u>13,292</u>	<u>12,978</u>
Total Other Assets	<u>178,169</u>	<u>166,652</u>
Total Assets	<u><u>\$507,440</u></u>	<u><u>\$474,776</u></u>
 <u>Liabilities and Shareholders' Investment</u>		
Current Liabilities:		
Short-Term Borrowings	\$35,169	\$30,019
Accounts Payable	33,301	31,956
Accrued Liabilities	86,080	66,265
Deferred Revenues	20,010	18,516
Current Installments of Long-Term Debt	<u>1,509</u>	<u>1,493</u>
Total Current Liabilities	<u>176,069</u>	<u>148,249</u>
Noncurrent Liabilities:		
Long-Term Debt, Less Current Installments	51,799	49,976
Deferred Revenues	11,765	12,127
Self-Insured Risks	11,901	11,819
Postretirement Medical Benefit Obligation	6,201	6,289
Minimum Pension Liability	75,627	76,747
Other	<u>9,711</u>	<u>10,138</u>
Total Noncurrent Liabilities	<u>167,004</u>	<u>167,096</u>
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	24,027	23,925
Class B Common Stock, \$1.00 Par Value	24,697	24,697
Additional Paid-in Capital	840	523
Retained Earnings	188,582	191,767
Accumulated Other Comprehensive Loss	<u>(73,779)</u>	<u>(81,481)</u>
Total Shareholders' Investment	<u>164,367</u>	<u>159,431</u>
Total Liabilities and Shareholders' Investment	<u><u>\$507,440</u></u>	<u><u>\$474,776</u></u>



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CRAWFORD & COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2003 and September 30, 2002
(In Thousands)

	<u>2003</u>	<u>2002</u>
Cash Flows From Operating Activities:		
Net Income	\$5,574	\$18,671
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	12,095	13,145
Deferred Income Taxes	271	(287)
Loss (Gain) on Sales of Property and Equipment	100	(39)
Changes in Operating Assets and Liabilities, Net of Effects of Acquisitions:		
Accounts Receivable, Net	(1,246)	1,596
Unbilled Revenues	(1,272)	(7,662)
Accrued or Prepaid Income Taxes	3,017	4,300
Accounts Payable and Accrued Liabilities	9,807	179
Deferred Revenues	1,302	1,534
Prepaid and Accrued Pension Costs	1,788	2,161
Prepaid Expenses and Other Assets	(1,242)	(6,423)
Net Cash Provided by Operating Activities	<u>30,194</u>	<u>27,175</u>
Cash Flows From Investing Activities:		
Acquisitions of Property and Equipment, Net	(7,954)	(6,612)
Capitalization of Computer Software Costs	(9,390)	(8,704)
Acquisitions of Businesses, Net of Cash Acquired	(412)	(12,798)
Net Cash Used in Investing Activities	<u>(17,756)</u>	<u>(28,114)</u>
Cash Flows From Financing Activities:		
Dividends Paid	(8,760)	(16,510)
Proceeds from Exercise of Stock Options	419	578
Increase in Short-Term Borrowings	957	4,807
(Decrease) Increase in Long-Term Debt	(1,076)	11,108
Net Cash Used in Financing Activities	<u>(8,460)</u>	<u>(17)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,269	1,042
Increase in Cash and Cash Equivalents	5,247	86
Cash and Cash Equivalents at Beginning of Period	31,091	21,966
Cash and Cash Equivalents at End of Period	<u>\$36,338</u>	<u>\$22,052</u>