



Press Release

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

FOR IMMEDIATE RELEASE

Date: April 26, 2004
From: Marshall G. Long
Chief Executive Officer

Crawford Reports First Quarter 2004 Results

Crawford & Company (NYSE: CRDA and CRDB) announced its financial results for the first quarter ended March 31, 2004.

First quarter 2004 revenues before reimbursements totaled \$169.9 million compared with \$167.3 million in the 2003 first quarter. First quarter 2004 net income was \$2.4 million versus \$3.2 million for the 2003 first quarter. First quarter 2004 net income per share was \$0.05 per share, compared with \$0.07 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 net corporate interest and taxes) in the 2004 first quarter totaled \$5.1 million compared with \$6.4 million in the comparable 2003 quarter. Following is a reconciliation of consolidated net income to operating earnings and the related margin as a percentage of revenues before reimbursements:

	Quarter Ended		Quarter Ended	
	March 31, 2004	Margin %	March 31, 2003	Margin %
<i>(in thousands)</i>				
Net income	\$2,389	1.4%	\$3,249	1.9%
Add:				
Net corporate interest	1,337	.8	1,279	.8
Income taxes	<u>1,368</u>	<u>.8</u>	<u>1,859</u>	<u>1.1</u>
Operating earnings	<u>\$5,094</u>	<u>3.0%</u>	<u>\$6,387</u>	<u>3.8%</u>



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U.S. revenues before reimbursements were \$109.3 million in the first quarter of 2004 compared with \$115.1 million in the 2003 first quarter. Revenues from the insurance company market were \$50.4 million in the 2004 first quarter compared with \$58.7 million in the 2003 period, reflecting a continued softening in the Company's U.S. insurance company referrals for high-frequency, low-severity claims in the current quarter. Revenues from self-insured clients were \$40.4 million in the 2004 first quarter compared with \$42.5 million in the 2003 quarter, primarily reflecting declines in U.S. employment levels and associated injury rates, which have contributed to a reduction in workers' compensation claims. Recently reported gains in U.S. employment levels should benefit future revenues from self-insured clients. Class action services revenues were \$18.5 million for the 2004 first quarter, compared with \$13.9 million in the comparable year-ago quarter. This increase is primarily the result of work performed on major projects which were awarded in late 2003.

First quarter 2004 international revenues grew to \$60.5 million from \$52.2 million for the same period in 2003. This growth is largely due to foreign currency fluctuations. During the 2004 first quarter the U.S. dollar weakened significantly, primarily 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 \$53.1 million in the 2004 first quarter.

Mr. Marshall G. Long, interim Chief Executive Officer of Crawford & Company, stated, "The ongoing industry-wide contraction in U.S. claims volumes continued to be evident in Crawford's core domestic operations during the first quarter. There were encouraging areas of performance, for example, in our class action services which grew revenues at 32% over the prior year first quarter. However, this growth was not sufficient to offset double-digit volume declines among our insurance company and self-insured clients."

"These trends were most evident in our U.S. operating margin, which improved from the fourth quarter but declined year-over-year. Expenses also reflected a \$775,000 severance cost associated with overhead reductions made in January 2004. Absent this cost, our U.S. operating margin for the 2004 quarter would have been 3.4% as compared with 3.5% in the prior year period," Mr. Long said. "Even in a pressured operating environment, "Crawford Quality" requires that our organization stay proportionally balanced. Delivering consistent, high-quality service remains the single most important aspect of our business. So while we have taken and will continue to take steps both in the field and in the home office to manage costs in line with revenue trends, we are equally committed to maintain the bench strength critical to prompt quality service."

The Company recently announced the resignation of its former Chairman and Chief Executive Officer. Although still subject to negotiation, severance costs associated with this resignation are estimated to approximate \$850,000, or \$0.01 per share, during the 2004 second quarter.



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Crawford & Company's management will host a conference call with analysts on Monday, April 26, 2004 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 3, 2004. You may dial 1-800-428-6051 (973-709-2089 international) to listen. The access code is 350702. 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, 2004 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, 2004 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, 2003 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>2004</u>	<u>2003</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$169,855	\$167,258	2%
Reimbursements	<u>14,881</u>	<u>14,707</u>	1%
Total Revenues	<u>184,736</u>	<u>181,965</u>	2%
Costs and Expenses:			
Cost of Services Before Reimbursements	131,125	127,792	3%
Reimbursements	<u>14,881</u>	<u>14,707</u>	1%
Cost of Services	<u>146,006</u>	<u>142,499</u>	2%
Selling, General, and Administrative	33,636	33,079	2%
Corporate Interest, Net	<u>1,337</u>	<u>1,279</u>	5%
Total Costs and Expenses	<u>180,979</u>	<u>176,857</u>	2%
Income Before Income Taxes	3,757	5,108	-26%
Income Taxes	<u>1,368</u>	<u>1,859</u>	-26%
Net Income	<u>\$2,389</u>	<u>\$3,249</u>	-26%
Net Income Per Share:			
Basic	<u>\$0.05</u>	<u>\$0.07</u>	-29%
Diluted	<u>\$0.05</u>	<u>\$0.07</u>	-29%
Weighted Average Shares Outstanding:			
Basic	<u>48,724</u>	<u>48,622</u>	
Diluted	<u>48,869</u>	<u>48,689</u>	



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

Quarter Ended March 31, 2004

(In Thousands Except Percentages)

	U.S.		International		Total	
	2004	2003	2004	2003	2004	2003
Revenues Before Reimbursements	\$109,313	\$115,073	\$60,542	\$52,185	\$169,855	\$167,258
Compensation & Benefits	69,367	74,344	42,420	35,493	111,787	109,837
<i>% of Revenues</i>	63.5%	64.6%	70.1%	68.0%	65.8%	65.7%
Expenses Other than Reimbursements,						
Compensation & Benefits	37,054	36,680	15,920	14,354	52,974	51,034
<i>% of Revenues</i>	33.9%	31.9%	26.3%	27.5%	31.2%	30.5%
Operating Earnings (1)	\$2,892	\$4,049	\$2,202	\$2,338	\$5,094	\$6,387
<i>% of Revenues</i>	2.6%	3.5%	3.6%	4.5%	3.0%	3.8%

(1) Earnings before net corporate interest and taxes.



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CRAWFORD & COMPANY
CONSOLIDATED COMPARATIVE BALANCE SHEETS
March 31, 2004 and December 31, 2003

(In Thousands)

<u>Assets</u>	<u>March 31</u> <u>2004</u>	<u>December 31</u> <u>2003</u>
Current Assets:		
Cash and Cash Equivalents	\$31,061	\$41,564
Accounts Receivable, Net	147,782	142,273
Unbilled Revenues	106,835	100,253
Prepaid Expenses and Other Current Assets	13,258	13,028
Total Current Assets	<u>298,936</u>	<u>297,118</u>
Property and Equipment, at Cost	155,810	154,786
Less Accumulated Depreciation	<u>(118,937)</u>	<u>(117,618)</u>
Net Property and Equipment	<u>36,873</u>	<u>37,168</u>
Other Assets:		
Intangible Assets Arising from Acquisitions, Net	106,125	104,523
Capitalized Software Costs, Net	32,156	31,540
Deferred Income Tax Asset	28,584	28,505
Other	15,401	14,144
Total Other Assets	<u>182,266</u>	<u>178,712</u>
Total Assets	<u><u>\$518,075</u></u>	<u><u>\$512,998</u></u>
 <u>Liabilities and Shareholders' Investment</u>		
Current Liabilities:		
Short-Term Borrowings	\$50,957	\$43,007
Accounts Payable	38,936	41,451
Accrued Liabilities	74,264	76,727
Deferred Revenues	20,472	19,172
Current Installments of Long-Term Debt	2,826	3,106
Total Current Liabilities	<u>187,455</u>	<u>183,463</u>
Noncurrent Liabilities:		
Long-Term Debt, Less Current Installments	51,082	50,664
Deferred Revenues	10,473	10,559
Self-Insured Risks	8,969	11,920
Postretirement Medical Benefit Obligation	6,077	6,077
Minimum Pension Liability	69,063	67,846
Other	9,839	9,875
Total Noncurrent Liabilities	<u>155,503</u>	<u>156,941</u>
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	24,027	24,027
Class B Common Stock, \$1.00 Par Value	24,697	24,697
Additional Paid-in Capital	840	840
Retained Earnings	187,214	187,747
Accumulated Other Comprehensive Loss	<u>(61,661)</u>	<u>(64,717)</u>
Total Shareholders' Investment	<u>175,117</u>	<u>172,594</u>
Total Liabilities and Shareholders' Investment	<u><u>\$518,075</u></u>	<u><u>\$512,998</u></u>



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CRAWFORD & COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter Ended March 31, 2004 and March 31, 2003

(In Thousands)

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities:		
Net Income	\$2,389	\$3,249
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,377	4,040
Deferred Income Taxes	(107)	221
Loss on Sales of Property and Equipment	19	71
Changes in Operating Assets and Liabilities, Net of Effects of Acquisitions:		
Accounts Receivable, Net	(2,723)	3,056
Unbilled Revenues	(3,445)	(5,986)
Accrued or Prepaid Income Taxes	1,241	(1,012)
Accounts Payable and Accrued Liabilities	(6,630)	(2,961)
Deferred Revenues	776	1,039
Accrued Pension Costs	(3,646)	3,946
Prepaid Expenses and Other Assets	(296)	803
Net Cash (Used in) Provided by Operating Activities	<u>(8,045)</u>	<u>6,466</u>
Cash Flows From Investing Activities:		
Acquisitions of Property and Equipment, Net	(2,132)	(2,228)
Capitalization of Computer Software Costs	(2,418)	(3,167)
Acquisitions of businesses, net of cash acquired	(106)	-
Net Cash Used in Investing Activities	<u>(4,656)</u>	<u>(5,395)</u>
Cash Flows From Financing Activities:		
Dividends Paid	(2,923)	(2,918)
Increase in Short-Term Borrowings	4,257	2,140
Decrease in Long-Term Debt	(21)	(75)
Capitalized Loan Costs	33	-
Net Cash Provided by (Used in) Financing Activities	<u>1,346</u>	<u>(853)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	852	788
(Decrease) Increase in Cash and Cash Equivalents	<u>(10,503)</u>	<u>1,006</u>
Cash and Cash Equivalents at Beginning of Period	41,564	31,091
Cash and Cash Equivalents at End of Period	<u>\$31,061</u>	<u>\$32,097</u>