



Crawford[®]
Press Release

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

FOR IMMEDIATE RELEASE

Date: October 24, 2005
From: Thomas W. Crawford
Chief Executive Officer

Crawford Reports Third Quarter 2005 Results

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, 2005.

Third quarter 2005 revenues before reimbursements totaled \$184.7 million compared with \$185.9 million in the 2004 third quarter. Third quarter 2005 net income was \$1.9 million compared to \$9.5 million for the 2004 third quarter. Third quarter 2005 net income per diluted share was \$0.04 per share compared to \$0.20 in the prior-year quarter. Third quarter 2005 pretax income was reduced by approximately \$750,000, or \$0.01 per share, due to deployment costs associated with hurricanes Katrina and Rita. Net income in the 2004 third quarter included a special credit of \$5.2 million, net of related income taxes, or \$0.11 per share, resulting from the sale of an undeveloped parcel of real estate during the quarter. Operating earnings (earnings before special credit, net corporate interest expense and income taxes) in the 2005 third quarter totaled \$4.5 million compared with \$8.4 million in the prior year quarter.

U.S. revenues before reimbursements were \$114.5 million in the third quarter of 2005 compared with \$123.5 million in the 2004 third quarter. Revenues from the insurance company market were \$50.3 million in the 2005 third quarter compared with \$58.0 million in the 2004 period, which reflects a \$5.7 million decline in catastrophe-related revenues from the 2004 period when the Company was responding to the hurricanes which struck the southeastern United States. Revenues from self-insured clients were \$37.6 million in the 2005 third quarter compared with \$39.5 million in the 2004 quarter, due primarily to a reduction in claim referrals from the Company's existing clients, only partially offset by net new business gains. Class action services revenues were \$26.6 million for the 2005 third quarter, compared with \$26.0 million in the comparable year-ago quarter. These revenues can fluctuate based on the timing and size of project awards.

Third quarter 2005 international revenues grew to \$70.2 million from \$62.4 million for the same period in 2004. During the 2005 third quarter, the U.S. dollar weakened against the British pound



Crawford[®]
Press Release

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

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 \$67.7 million in the 2005 third quarter, reflecting growth in revenues on a constant dollar basis of 8.4%. This growth reflects increased case referrals in our United Kingdom and European operations resulting from claims management agreements entered into during 2004 and 2005, as well as revenues from flood losses in Canada. International operating expenses increased by \$6.2 million in U.S. dollars, a 10.1% increase, and by 6.4 % on a constant dollar basis.

Mr. Thomas W. Crawford, chief executive officer of Crawford & Company, stated, “Our third quarter 2005 results in the U.S. reflect a continued strong performance by our class action services unit. However, these results were offset by revenue declines within our U.S. catastrophe unit which benefited from hurricane-related claims in the 2004 third quarter. We are in the early stages of assessing the massive devastation caused by hurricanes Katrina and Rita in the gulf coast region, and the full impact of these events will not be reflected in our results until the 2005 fourth quarter.”

“We continue to face challenges in the U.S. property and casualty market, as reflected by a decline in our U.S. operating margin from 5.7% in last year’s third quarter to 1.3% in the current quarter. This decrease is due to declining claim referrals in the current quarter and our decision to maintain our existing service capabilities in our U.S. field operations as we focus on improving our work product, investing in the training and development of our employees, and growing our market share. By maintaining our service capabilities, we are now able to provide our clients with the resources they require to adjust the influx of claims resulting from the recent hurricanes. We have over 300 catastrophe adjusters and scores of branch adjusters from all over the country deployed in response to approximately 25,000 claims that have been referred to us. These claims have in excess of \$3.0 billion in insured value associated with them and both the claim counts and associated insured values continue to grow on a daily basis, as the full impact of the devastation is still being realized. We are currently projecting incremental revenues related to hurricanes Katrina and Rita of approximately \$30 million, of which \$15 million is expected to be realized during the fourth quarter of 2005. Within our class action services unit, we continue to have a strong backlog of projects, totaling approximately \$38.0 million at quarter end, which should provide growth in revenues and operating earnings in future quarters.”

“Operating earnings in our international segment more than doubled, to \$3.0 million, reflecting an improvement in our operating margin from 2.2% in the 2004 third quarter to 4.3% in the 2005 quarter. This growth reflects increased case referrals in our United Kingdom and European operations resulting from claims management agreements entered into during 2004 and 2005. In addition, flood losses in Canada contributed to our margin improvement during the current quarter. We have been very pleased with the operating results generated by our international segment this year and expect continued strong performance from this unit in the future.”



Crawford[®]
Press Release

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

Total revenues before reimbursements for the nine months ended September 30, 2005 were \$555.1 million compared with \$527.7 million in 2004. Operating earnings totaled \$15.2 million in the 2005 period compared with \$19.2 million in 2004. Net income for the current nine-month period totaled \$6.9 million, or \$0.14 per share, compared with \$17.5 million, or \$0.36 per share, reported in the prior year.

U.S. revenues before reimbursements for the 2005 nine-month period were \$341.3 million compared with \$342.4 million in 2004. International revenues before reimbursements were \$213.7 million in the 2005 year-to-date period compared with \$185.4 million during 2004. Excluding the benefit of exchange rate fluctuations, international revenues would have been \$203.3 million in the current year-to-date period, reflecting growth in revenues on a constant dollar basis of 9.7%. International operating expenses increased by \$23.7 million in U.S. dollars, a 13.2% increase, and by 7.6 % on a constant dollar basis.

Mr. Crawford concluded, “Our operating cash flows for the 2005 nine-month period reflect an improvement of \$2.1 million as compared to the prior-year period. This improvement is primarily due to the collection of accounts receivable generated from the hurricane-related claims administered in 2004 and 2005. Overall, our consolidated cash position as of September 30, 2005 is sound, totaling \$36.2 million, up \$8.3 million from the \$27.9 million reported at September 30, 2004.”

Crawford & Company’s management will host a conference call with analysts on Monday, October 24, 2005 at 3:00 P.M. EDT, to discuss its quarterly earnings and other developments. The call will be recorded and available for replay through October 31, 2005. You may dial 1-800-642-1687 (706-645-9291 international) to listen to the replay. The access code is 1305843. 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 September 30, 2005 is shown on the attached statements. 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. Net corporate interest expense and income taxes are recurring components of our net income, but they are not considered part of our operating earnings since they are managed on a corporate-wide basis. Net corporate interest expense results from capital structure decisions and income taxes are based on statutory rates in effect in each of the locations where we provide services and vary throughout the world. Neither of these costs relates directly to the performance of our services and are therefore excluded in order to accurately assess the results of our operating activities on a consistent basis. Special credits and charges represent nonrecurring events that are not considered part of our operating earnings since they historically have not impacted our performance and are not expected to impact our performance within the next two years. Following is a reconciliation of



Crawford®

Press Release

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

consolidated net income to operating earnings and the related margins as a percentage of revenues before reimbursements for all periods presented:

	Quarter ended				Nine months ended			
	September 30, 2005	% Margin	September 30, 2004	% Margin	September 30, 2005	% Margin	September 30, 2004	% Margin
Net income	\$ 1,887	1.0%	\$ 9,525	5.1%	\$ 6,929	1.2%	\$17,454	3.3%
Add/(deduct):								
Special credit	-	-	(8,573)	(4.6)	-	-	(8,573)	(1.6)
Net corporate interest	1,589	0.8	1,466	0.8	4,471	0.8	2,269	0.4
Income taxes	<u>1,034</u>	<u>0.6</u>	<u>5,953</u>	<u>3.2</u>	<u>3,797</u>	<u>0.7</u>	<u>8,046</u>	<u>1.5</u>
Operating earnings	<u>\$4,510</u>	<u>2.4%</u>	<u>\$8,371</u>	<u>4.5%</u>	<u>\$15,197</u>	<u>2.7%</u>	<u>\$19,196</u>	<u>3.6%</u>

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 63 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 and nine month periods ended September 30, 2005 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, 2004 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
CONSOLIDATED COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data; Unaudited)

<u>Nine Months Ended September 30</u>	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$555,056	\$527,741	5%
Reimbursements	57,588	61,036	-6%
Total Revenues	<u>612,644</u>	<u>588,777</u>	4%
Costs and Expenses:			
Cost of Services Before Reimbursements	438,538	407,599	8%
Reimbursements	57,588	61,036	-6%
Cost of Services	<u>496,126</u>	<u>468,635</u>	6%
Selling, General, and Administrative	101,321	100,946	0%
Special Credit (1)	-	(8,573)	nm
Corporate Interest Expense, Net	4,471	2,269	97%
Total Costs and Expenses	<u>601,918</u>	<u>563,277</u>	7%
Income Before Income Taxes	10,726	25,500	-58%
Income Taxes	3,797	8,046	-53%
Net Income	<u>\$6,929</u>	<u>\$17,454</u>	-60%
Net Income Per Share:			
Basic	<u>\$0.14</u>	<u>\$0.36</u>	-61%
Diluted	<u>\$0.14</u>	<u>\$0.36</u>	-61%
Weighted Average Shares Outstanding:			
Basic	<u>48,911</u>	<u>48,748</u>	
Diluted	<u>49,416</u>	<u>48,829</u>	

nm = not meaningful

(1) Special credit is a pretax gain related to the sale of an undeveloped parcel of real estate.



Crawford
Press Release

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

**CRAWFORD & COMPANY
CONSOLIDATED COMPARATIVE STATEMENTS OF INCOME**

(In Thousands Except Per Share Data; Unaudited)

<u>Quarter Ended September 30</u>	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$184,720	\$185,870	-1%
Reimbursements	21,500	31,638	-32%
Total Revenues	<u>206,220</u>	<u>217,508</u>	-5%
Costs and Expenses:			
Cost of Services Before Reimbursements	146,284	144,339	1%
Reimbursements	21,500	31,638	-32%
Cost of Services	<u>167,784</u>	<u>175,977</u>	-5%
Selling, General, and Administrative	33,926	33,160	2%
Special Credit (1)	-	(8,573)	nm
Corporate Interest Expense, Net	1,589	1,466	8%
Total Costs and Expenses	<u>203,299</u>	<u>202,030</u>	1%
Income Before Income Taxes	2,921	15,478	-81%
Income Taxes	1,034	5,953	-83%
Net Income	<u>\$1,887</u>	<u>\$9,525</u>	-80%
Net Income Per Share:			
Basic	<u>\$0.04</u>	<u>\$0.20</u>	-80%
Diluted	<u>\$0.04</u>	<u>\$0.20</u>	-80%
Weighted Average Shares Outstanding:			
Basic	<u>48,978</u>	<u>48,796</u>	
Diluted	<u>49,462</u>	<u>48,917</u>	

nm = not meaningful

(1) Special credit is a pretax gain related to the sale of an undeveloped parcel of real estate.



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
Nine Months Ended September 30, 2005

(In Thousands Except Percentages; Unaudited)

	U.S.		International		Total	
	2005	2004	2005	2004	2005	2004
Revenues Before Reimbursements	\$341,343	\$342,372	\$213,713	\$185,369	\$555,056	\$527,741
Compensation & Benefits	218,868	208,397	149,014	129,065	367,882	337,462
<i>% of Revenues</i>	64.1%	60.9%	69.7%	69.6%	66.3%	64.0%
Expenses Other than Reimbursements, Compensation & Benefits	117,338	120,234	54,639	50,849	171,977	171,083
<i>% of Revenues</i>	34.4%	35.1%	25.6%	27.5%	31.0%	32.4%
Operating Earnings (1)	\$5,137	\$13,741	\$10,060	\$5,455	\$15,197	\$19,196
<i>% of Revenues</i>	1.5%	4.0%	4.7%	2.9%	2.7%	3.6%

Quarter Ended September 30, 2005

(In Thousands Except Percentages; Unaudited)

	U.S.		International		Total	
	2005	2004	2005	2004	2005	2004
Revenues Before Reimbursements	\$114,482	\$123,466	\$70,238	\$62,404	\$184,720	\$185,870
Compensation & Benefits	72,552	71,922	48,547	43,829	121,099	115,751
<i>% of Revenues</i>	63.4%	58.2%	69.1%	70.2%	65.6%	62.3%
Expenses Other than Reimbursements, Compensation & Benefits	40,439	44,521	18,672	17,227	59,111	61,748
<i>% of Revenues</i>	35.3%	36.1%	26.6%	27.6%	32.0%	33.2%
Operating Earnings (1)	\$1,491	\$7,023	\$3,019	\$1,348	\$4,510	\$8,371
<i>% of Revenues</i>	1.3%	5.7%	4.3%	2.2%	2.4%	4.5%

(1) Earnings before net corporate interest expense and income taxes.



Crawford
Press Release

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

CRAWFORD & COMPANY
CONSOLIDATED COMPARATIVE BALANCE SHEETS
September 30, 2005 and December 31, 2004

(In Thousands)

Assets	<i>(Unaudited)</i> September 30 2005	December 31 2004
Current Assets:		
Cash and Cash Equivalents	\$36,176	\$43,571
Accounts Receivable, Net	168,502	173,123
Unbilled Revenues	108,932	106,650
Prepaid Expenses and Other Current Assets	12,685	21,363
Total Current Assets	326,295	344,707
Property and Equipment, at Cost	151,361	154,553
Less Accumulated Depreciation	(116,228)	(120,054)
Net Property and Equipment	35,133	34,499
Other Assets:		
Intangible Assets Arising from Acquisitions, Net	110,169	109,410
Capitalized Software Costs, Net	32,572	32,894
Deferred Income Tax Asset	32,150	32,172
Other	19,415	17,578
Total Other Assets	194,306	192,054
Total Assets	\$555,734	\$571,260
Liabilities and Shareholders' Investment		
Current Liabilities:		
Short-Term Borrowings	\$35,968	\$37,401
Accounts Payable	40,778	41,730
Accrued Liabilities	103,016	110,610
Deferred Revenues	20,875	22,682
Current Installments of Long-Term Debt	1,080	1,900
Total Current Liabilities	201,717	214,323
Noncurrent Liabilities:		
Long-Term Debt, Less Current Installments	50,972	50,875
Deferred Revenues	10,516	10,179
Self-Insured Risks	8,129	10,958
Postretirement Medical Benefit Obligation	5,213	5,544
Minimum Pension Liability	76,488	73,893
Other	10,122	10,655
Total Noncurrent Liabilities	161,440	162,104
Shareholders' Investment:		
Class A Common Stock, \$1.00 Par Value	24,282	24,157
Class B Common Stock, \$1.00 Par Value	24,697	24,697
Additional Paid-in Capital	6,255	5,606
Retained Earnings	199,337	201,213
Accumulated Other Comprehensive Loss	(61,994)	(60,840)
Total Shareholders' Investment	192,577	194,833
Total Liabilities and Shareholders' Investment	\$555,734	\$571,260



Crawford[®]

Press Release

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

CRAWFORD & COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2005 and September 30, 2004
(In Thousands; Unaudited)

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities:		
Net Income	\$6,929	\$17,454
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	14,335	13,512
Deferred Income Taxes	22	(28)
Loss (Gain) on Sales of Property and Equipment, net	75	(8,435)
Stock-Based Compensation	181	-
Changes in Operating Assets and Liabilities, net of effects of acquisitions:		
Accounts Receivable, net	3,858	(28,984)
Unbilled Revenues	(2,771)	(3,655)
Accrued or Prepaid Income Taxes	(5,391)	9,827
Accounts Payable and Accrued Liabilities	(3,606)	250
Deferred Revenues	(1,802)	7,160
Accrued Pension Costs	386	(369)
Prepaid Expenses and Other Assets	(990)	2,371
Net Cash Provided by Operating Activities	<u>11,226</u>	<u>9,103</u>
Cash Flows From Investing Activities:		
Acquisitions of Property and Equipment, net	(10,353)	(7,389)
Capitalization of Computer Software Costs	(4,796)	(5,214)
Proceeds from 2004 Sale of Undeveloped Land	7,562	2,028
Additional Payments for Prior Acquisitions	(121)	(617)
Net Cash Used in Investing Activities	<u>(7,708)</u>	<u>(11,192)</u>
Cash Flows From Financing Activities:		
Dividends Paid	(8,805)	(8,776)
Proceeds from Exercise of Stock Options and ESPP plans	593	683
Decrease in Short-Term Borrowings, net	(960)	(7,399)
Decrease in Long-Term Debt and Capital Lease Obligations, net	(1,397)	(841)
Capitalized Loan Costs	-	61
Net Cash Used in Financing Activities	<u>(10,569)</u>	<u>(16,272)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(344)</u>	<u>444</u>
Decrease in Cash and Cash Equivalents	<u>(7,395)</u>	<u>(17,917)</u>
Cash and Cash Equivalents at Beginning of Period	<u>43,571</u>	<u>45,805</u>
Cash and Cash Equivalents at End of Period	<u>\$36,176</u>	<u>\$27,888</u>