



**Second Quarter 2010  
Earnings Conference Call  
Monday, August 9, 2010**



# Market-Leading Global Businesses

The world's largest fully-integrated independent provider of global claims management solutions.

## 1 International Operations

Serves the global insurance industry and multi-national corporations

## 3 Broadspire

Serves large national accounts, carriers and self-insured entities

## 2 U.S. Property & Casualty

Serves the U.S. insurance company market

## 4 Legal Settlement Administration

Provides administration for class action settlements and bankruptcy matters



# Forward-looking Statements and Segment Operating Earnings

## Forward Looking Statements:

This presentation contains forward-looking statements, including statements about the future financial condition, results of operations and earnings outlook of Crawford & Company. Statements, both qualitative and quantitative, that are not statements of historical fact may be “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from historical experience or Crawford & Company’s present expectations. Accordingly, no one should place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Crawford & Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that may arise or not arise after the date the forward-looking statements are made. Results for any interim period presented herein are not necessarily indicative of results to be expected for the full year or for any other future period. For further information regarding Crawford & Company, and the risks and uncertainties involved in forward-looking statements, please read Crawford & Company’s reports filed with the United States Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov) or in the Investor Relations section of Crawford & Company’s website at [www.crawfordandcompany.com](http://www.crawfordandcompany.com).

## Segment Operating Earnings:

Under the Financial Accounting Standards Board’s Accounting Standards Codification Topic 280, “Segment Reporting,” the Company has defined segment operating earnings as the primary measure used by the Company to evaluate the results of each of its four operating segments. Segment operating earnings exclude income taxes, interest expense, amortization of customer-relationship intangible assets, stock option expense, earnings or loss attributable to non-controlling interests, certain unallocated corporate and shared costs, and certain other nonrecurring gains and expenses.

## Non-GAAP Financial Information:

For additional information about certain non-GAAP financial information presented herein, see the Appendix following this presentation.



## Today's Agenda

Welcome and opening comments

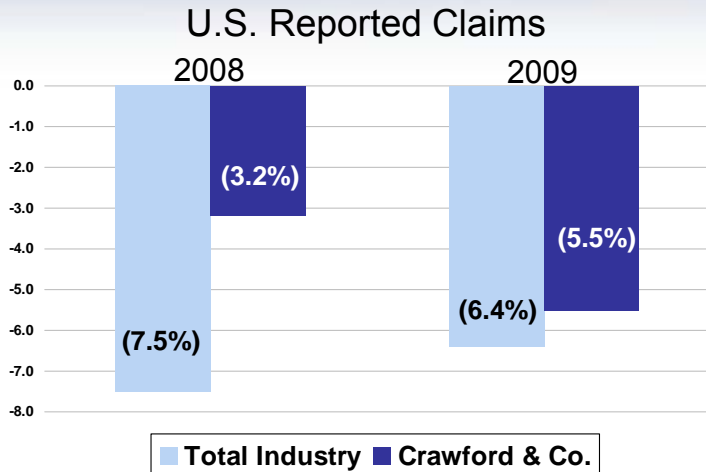
Highlights of 2010 second quarter

- Industry and economic context
- Business performance

Business segment operating results

2010 focus

# Insurance Claims Administration Industry Overview

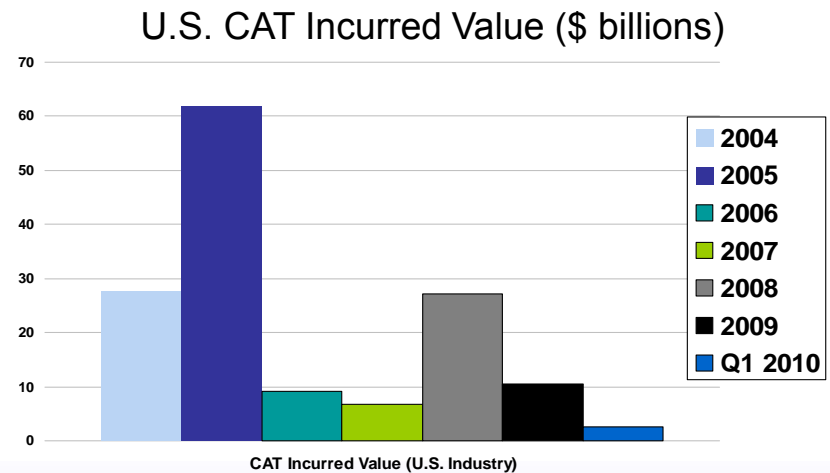
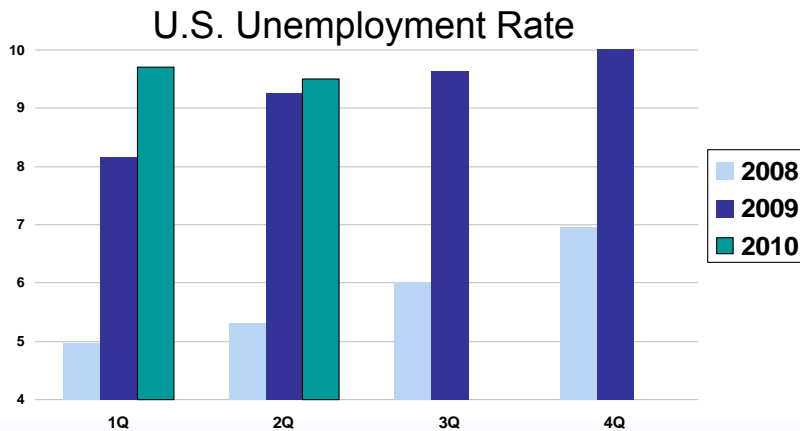


Crawford's claim performance remains relatively good ... despite stubborn U.S. unemployment since 2008

- Crawford claims volumes are rising internationally but continue to be pressured in the U.S. and Canada as...

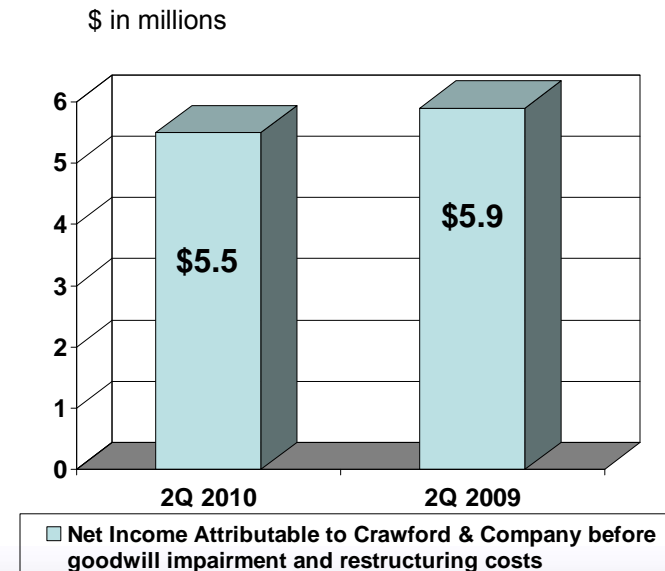
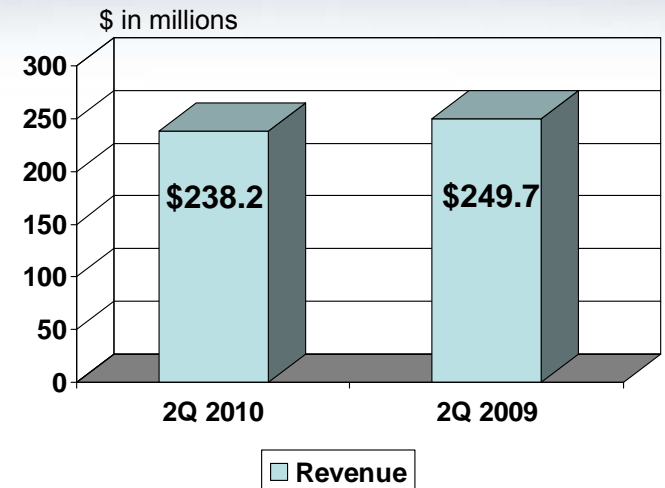
- U.S. unemployment remained stubbornly high at 9.5% at the end of the second quarter

- North American CAT events remain below historic levels in the first half of 2010



# 2010 Second Quarter

- Revenue reflected U.S. and Canadian claims declines driven by economic conditions, partially offset by benefit of weak U.S. dollar in International Operations
- SG&A reductions due to administrative cost control
- Restructuring charge in 2010 of \$2.0 million, or \$0.02 per share, related to administrative cost reduction program
- Arbitration-related charge of \$7.3 million, or \$0.13 per share
- On a non-GAAP basis, earnings per share were \$0.10 for the second quarter of 2010, compared with \$0.11 in the 2009 second quarter, before goodwill impairment and restructuring charges



## Second Quarter 2010 GAAP EPS to Adjusted Non-GAAP EPS

	Second Quarter		Year-To-Date	
	2010	2009	2010	2009
Reported GAAP (loss) earnings per share	\$ (0.05)	\$ (1.70)	\$ 0.01	\$ (1.65)
Add				
Goodwill impairment charge	0.13	1.81	0.13	1.81
Restructuring charge	0.02	-	0.05	0.02
Impact of anti-dilutive shares	-	-	-	0.01
Adjusted earnings per share on a non-GAAP basis	\$ 0.10	\$ 0.11	\$ 0.19	\$ 0.19



# Second Quarter 2010 Financial Review





# Second Quarter 2010 Financials

## CRAWFORD & COMPANY

### Income Statement Highlights

Unaudited

(In Thousands, Except Earnings Per Share Amounts and Percentages)

<u>Quarter Ended June 30</u>	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Revenues:			
Revenues Before Reimbursements	\$238,151	\$249,664	-5%
Costs of Services	176,424	183,884	-4%
Selling, General, and Administrative Expenses	50,411	54,414	-7%
Corporate Interest Expense, Net	3,672	3,640	1%
Restructuring Costs	1,987	-	nm
Goodwill Impairment Charge	7,303	94,000	-92%
Total Costs and Expenses before Reimbursements	<u>239,797</u>	<u>335,938</u>	-29%
Loss Before Income Taxes	(1,646)	(86,274)	nm
Provision for Income Taxes	865	1,615	-46%
Net Loss	(2,511)	(87,889)	nm
Less: Net Income Attributable to Noncontrolling Interests	16	235	-93%
Loss Attributable to Crawford & Company	<u>(\$2,527)</u>	<u>(\$88,124)</u>	nm
Basic and Diluted Loss Per Share	<u>(\$0.05)</u>	<u>(\$1.70)</u>	nm

nm = not meaningful

## Second Quarter 2009 to 2010 Bridge

<i>In millions, except per share amounts</i>	Revenues before Reimbursements	Net Income (Loss) Attributable to Crawford & Company	EPS
Second quarter 2009 results	\$249.7	(\$88.1)	(\$1.70)
(Less)/Add			
Foreign currency impact in 2010	10.7	0.6	0.01
Decrease in pension expense in 2010	-	0.3	0.01
Restructuring costs in 2010	-	(1.2)	(0.02)
Goodwill Impairment charge in 2010	-	(6.8)	(0.13)
Preliminary goodwill impairment charge in 2009	-	94.0	1.81
All other changes	(22.2)	(1.3)	(0.03)
Second quarter 2010 results	\$238.2	(\$2.5)	(\$0.05)

# Second Quarter 2010 Financials

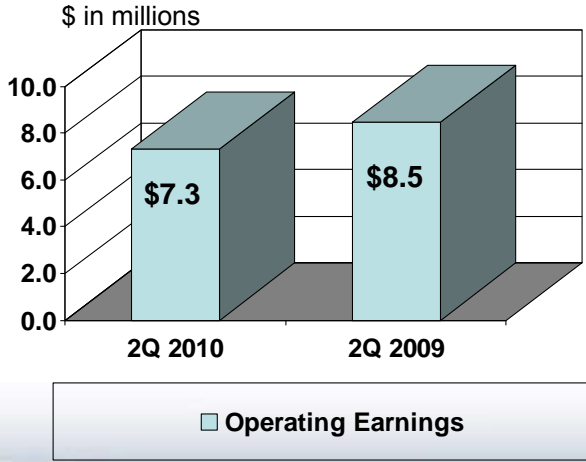
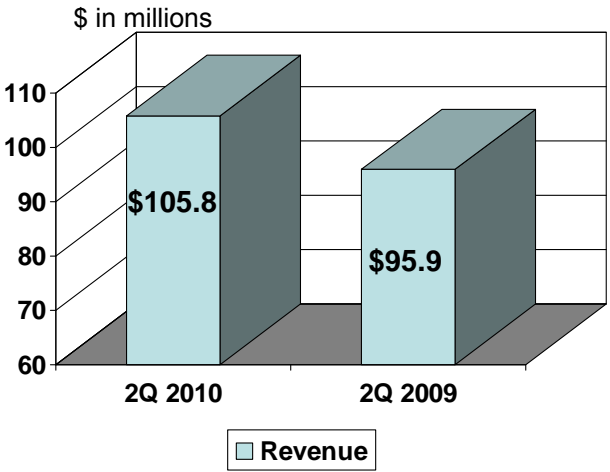
## Summary Results, International Operations

For the quarters ended June 30, 2010 and 2009

In thousands, except percentages

Unaudited

	<i>Pro Forma</i> <u>2010*</u>	<u>2010**</u>	<u>2009</u>	2010/2009 <u>% Change</u>
Revenues	\$ 95,004	\$ 105,751	\$ 95,885	10.3%
Total Operating Expenses	88,439	98,430	87,414	12.6%
Operating Earnings	\$ 6,564	\$ 7,321	\$ 8,471	-13.6%
Operating Margin	6.9%	6.9%	8.8%	



✓ Revenue contracted 1% on a constant dollar basis  
 ✓ Operating earnings declined 23% on constant dollar basis due to weakness in Canada

\*At 2009 average FX rates  
 \*\*At 2010 average FX rates

# Second Quarter 2010 Financials

## Summary Results, U.S. Property & Casualty

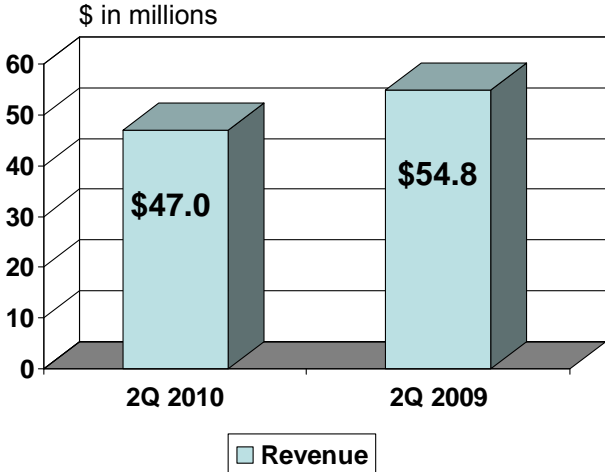
For the quarters ended June 30, 2010 and 2009

*In thousands, except percentages*

*Unaudited*

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Revenues	<b>\$ 46,954</b>	\$ 54,789	-14.3%
Total Operating Expenses	<b>43,683</b>	48,588	-10.1%
Operating Earnings	<u><b>\$ 3,271</b></u>	<u>\$ 6,201</u>	-47.3%
Operating Margin	<b>7.0%</b>	11.3%	

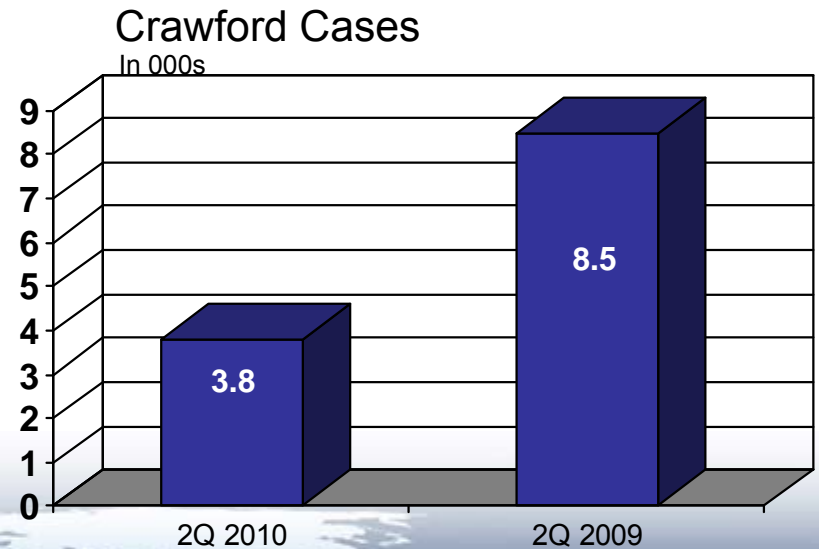
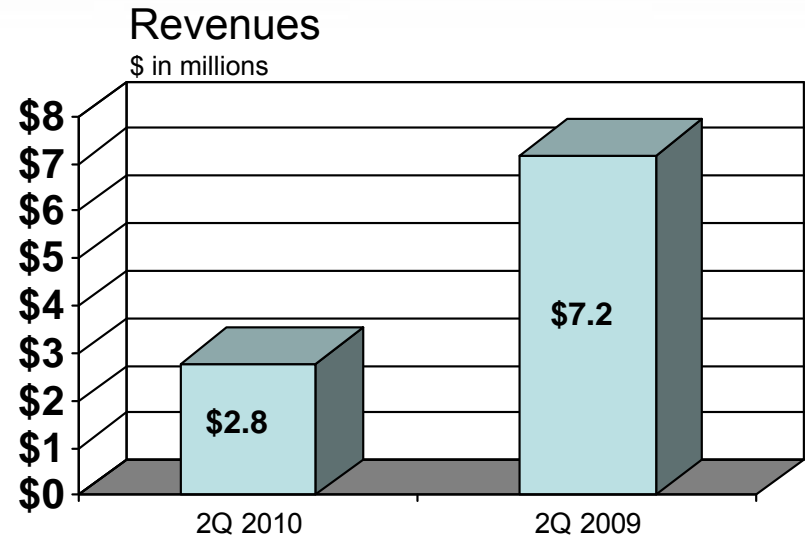
- ✓ **Catastrophe revenue in 2010 was \$4.4 million below second quarter last year**
- ✓ **Overall revenue declined due to lower claims volumes industrywide and mild weather**



# U.S. Catastrophe (CAT) Activity

## U.S. Catastrophe

- CAT revenue of \$2.8 million in second quarter of 2010 compared to \$7.2 million in 2009 period
- Past six months have been relatively quiet in terms of catastrophic events in the U.S.



# Second Quarter 2010 Financials

## Summary Results, Broadspire

For the quarters ended June 30, 2010 and 2009

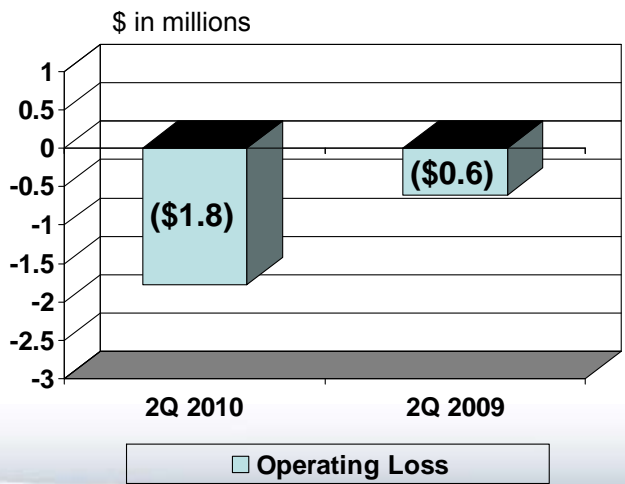
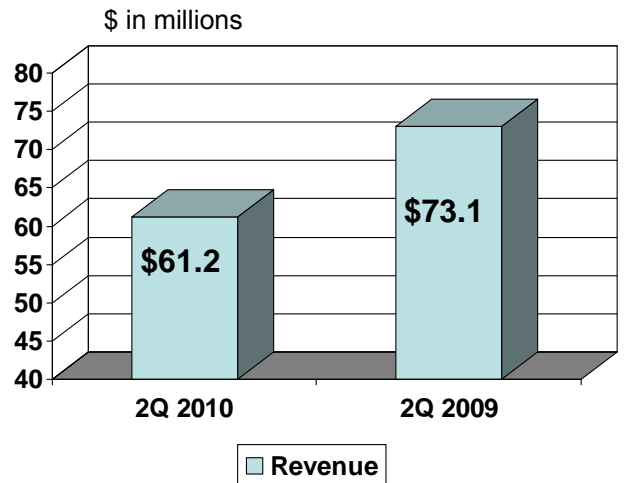
*In thousands, except percentages*

*Unaudited*

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Revenues	<b>\$ 61,180</b>	\$ 73,056	-16.3%
Total Operating Expenses	<b>62,952</b>	73,662	-14.5%
Operating Loss	<u><b>\$ (1,772)</b></u>	<u>\$ (606)</u>	nm
Operating Margin	<b>-2.9%</b>	-0.8%	

√ **Revenues declined due to lower workers' compensation claim referrals and non-renewal of significant contract**

√ **Ongoing cost control activities**



# Second Quarter 2010 Financials

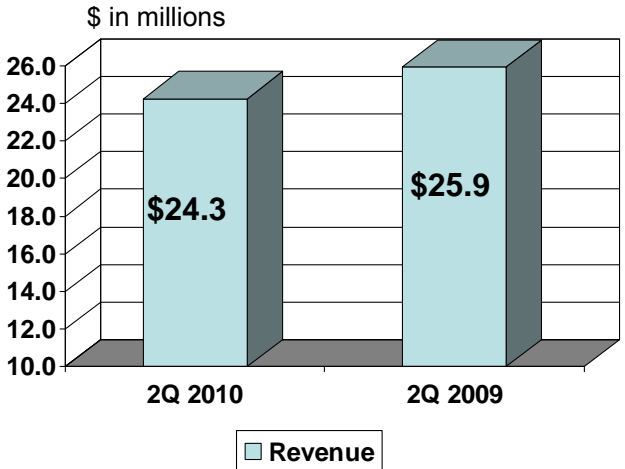
## Summary Results, Legal Settlement Administration

For the quarters ended June 30, 2010 and 2009

*In thousands, except percentages*

*Unaudited*

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Revenues	<b>\$ 24,266</b>	\$ 25,934	-6.4%
Total Operating Expenses	<b>18,700</b>	21,647	-13.6%
Operating Earnings	<u><b>\$ 5,566</b></u>	<u>\$ 4,287</u>	29.8%
Operating Margin	<b>22.9%</b>	16.5%	



- ✓ **Revenue and operating earnings increase reflects benefit of significant bankruptcy and securities class action administration cases**
- ✓ **Backlog of \$56.5 million versus \$62.8 million in 2009**



# Second Quarter 2010 Financials

## Crawford & Company Balance Sheet Highlights

As of June 30, 2010 and December 31, 2009

(In Thousands)

	June 30 2010	December 31 2009	Change
<b>Cash and cash equivalents</b>	<b>\$38,234</b>	\$70,354	(\$32,120)
<b>Accounts receivable, net</b>	<b>150,489</b>	139,215	11,274
<b>Unbilled revenues, net</b>	<b>104,034</b>	93,796	10,238
<b>Total receivables</b>	<b>254,523</b>	233,011	21,512
<b>Goodwill</b>	<b>122,162</b>	123,169	(1,007)
<b>Deferred revenues, net</b>	<b>78,309</b>	82,657	(4,348)
<b>Pension liabilities</b>	<b>196,028</b>	212,507	(16,479)
<b>Current portion of long-term debt, capital leases and short-term borrowings</b>	<b>20,179</b>	8,221	11,958
<b>Long-term debt, less current portion</b>	<b>171,920</b>	173,061	(1,141)
<b>Total debt</b>	<b>192,099</b>	181,282	10,817
<b>Total stockholders' equity attributable to Crawford &amp; Company*</b>	<b>56,006</b>	56,682	(676)
<b>Net debt**</b>	<b>153,865</b>	110,928	42,937
<b>Total debt / capitalization</b>	<b>77%</b>	76%	

\*Reflects retroactive adoption of ASC 810-10, "Consolidation."

\*\*Net debt is defined by the Company as long-term debt, capital leases and short-term borrowings, net of cash and cash equivalents. See Appendix A





# Second Quarter 2010 Financials

## Crawford & Company Free Cash Flow

For the six-month periods ended June 30, 2010 and 2009

*(In Thousands)*

	June 30, 2010	June 30, 2009	Variance
<b>Net Income (Loss) Attributable to Crawford &amp; Company</b>	<b>\$527</b>	(\$85,042)	\$85,569
<b>Plus: Non-Cash Goodwill Impairment Charge</b>	<b>7,303</b>	94,000	(86,697)
<b>Plus: Depreciation and Other Non-Cash Operating Items</b>	<b>17,333</b>	19,039	(1,706)
<b>Less: Unbilled and Billed Receivables Change</b>	<b>(25,353)</b>	6,052	(31,405)
<b>Less: Working Capital Change</b>	<b>(14,342)</b>	(25,273)	10,931
<b>Less: U.S. Pension Contributions</b>	<b>(15,100)</b>	(5,100)	(10,000)
<b>Operating Cash Flow</b>	<b>(29,632)</b>	3,676	(33,308)
<b>Less: Property &amp; Equipment Purchases</b>	<b>(4,973)</b>	(4,630)	(343)
<b>Less: Capitalized Software (internal and external costs)</b>	<b>(7,249)</b>	(6,780)	(469)
<b>Less: Mandatory Principal Payments</b>	<b>(6,925)</b>	(1,050)	(5,875)
<b>Free Cash Flow</b>	<b>(\$48,779)</b>	(\$8,784)	(\$39,995)



## 2010 Focus

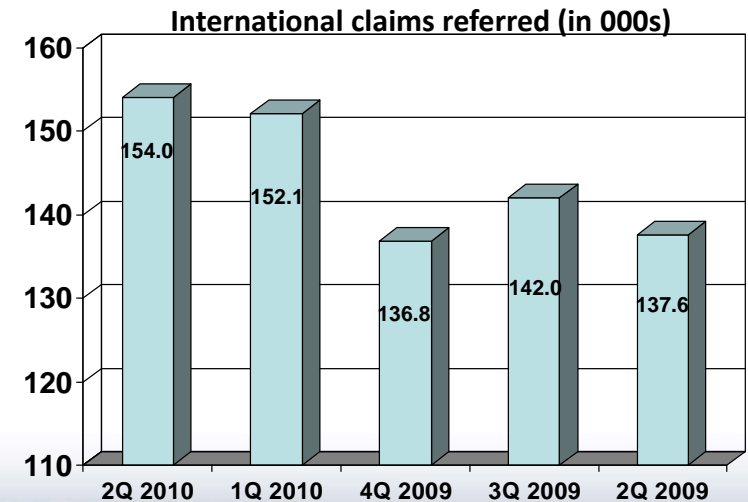
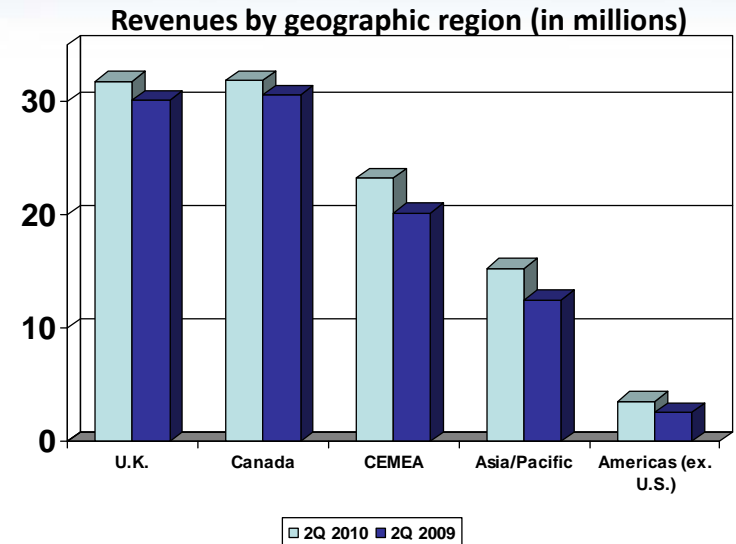


# 2010 Focus: “Delivering on Our Strategy”

- **Attract new business and retain customers**
  - Key account management/cross-selling through the “System”
  - Grow Business Process Outsourcing
  - Expansion of Global Technical Services (GTS)
  - Expansion of Broadspire internationally
- **Support existing business operations with technology improvements**
  - Improve processes to deliver operating efficiencies
  - Better analytics
- **Continue disciplined management of SG&A**
  - Extend cost control initiatives
- **Improve financial performance**
  - Revenues, Operating Earnings, EPS
  - DSO and operating cash flow

# International Operations

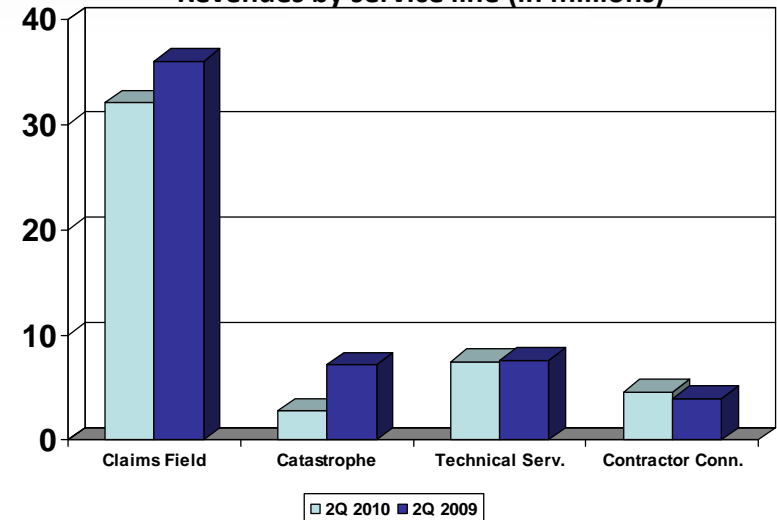
- **Grow revenue and market share**
  - Continued success in U.K. new client acquisition
  - Cross-selling
  - Collaborative relationships developed
- **U.K. and Australia**
  - Two surge events in U.K., one in Australia
  - New business wins, S. Africa and Spain
  - Work in progress reduction
- **Canada**
  - Ongoing cost management
  - Implemented Contractor Connection in Q2



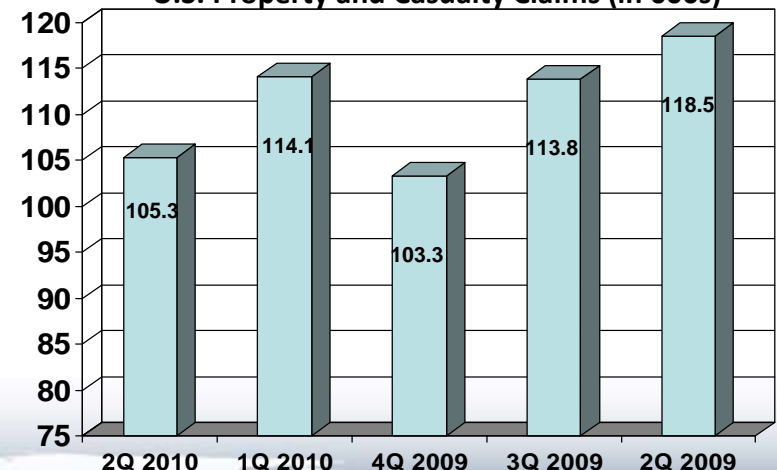
# U.S. Property & Casualty

- **Grow market share**
  - Expand Global Technical Services
  - Grow Business Process Outsourcing
  - Leverage investments in Contractor Connection (claims up 35% YTD)
- **Significant gains in cost control YTD**
- **Technology**
  - Command Center
  - Capitalize on CMS2 investment
  - Data management and analytics
- **Claims**
  - Reduced activity in Q2
  - Crawford reduction in claims volume less than industry

Revenues by service line (in millions)

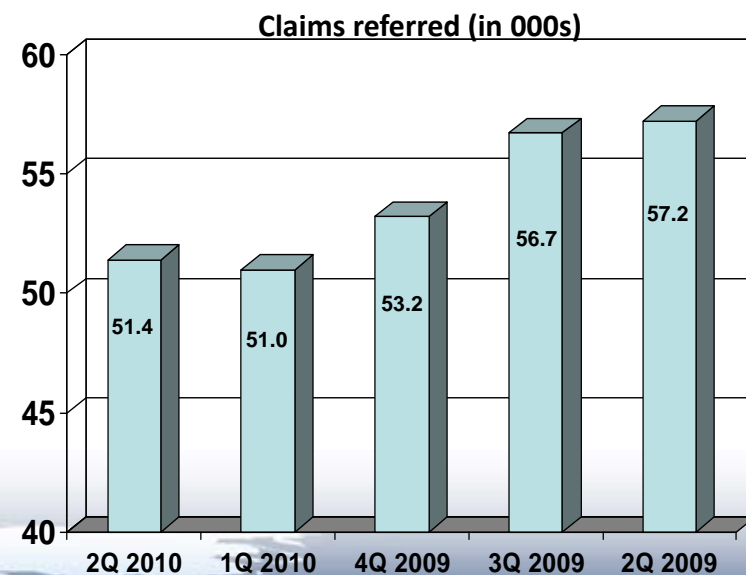
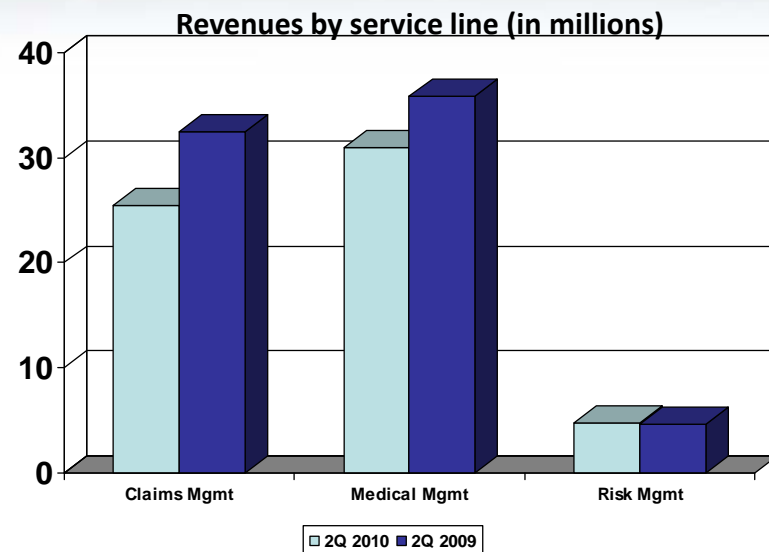


U.S. Property and Casualty Claims (in 000s)



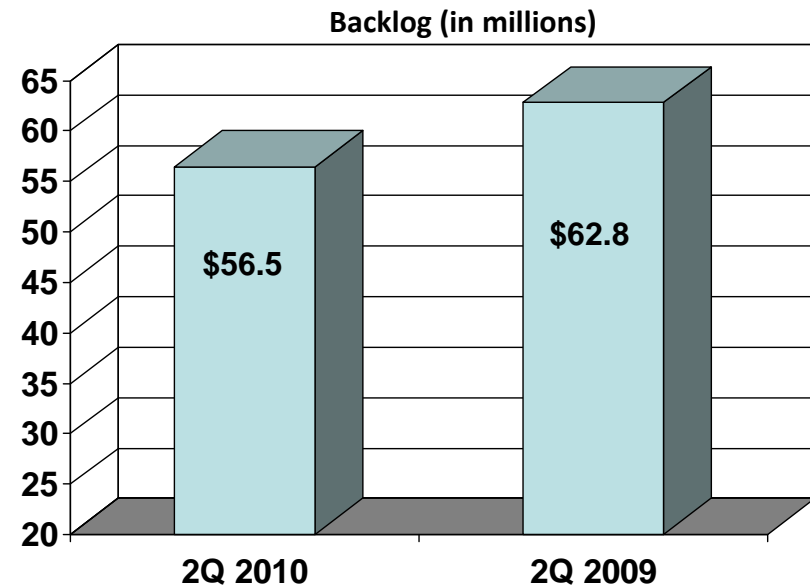
# Broadspire

- New business wins of \$8 million annualized
- Claims volume, linked to U.S. job growth, is expected to decline year over year, however Q2 claims slightly up on Q1
- Cross-sell to existing customers
- Cost control initiatives taken in Q2



# Legal Settlement Administration

- **Grow revenue and profitability**
  - Market is challenged by pricing pressures
  - Consolidation in the market place
- **Expand class action markets**
  - Commenced several large cases
- **Retained by Administrator to assist in the creation and management of the independent Gulf Coast Claims Facility (GCCF)**
- **Backlog remains substantial**



# 2010 Guidance

- **Full Year 2010 Guidance revised:**
  - **Consolidated revenue before reimbursements between \$930 million and \$940 million**
  - **Consolidated operating earnings between \$50.5 million and \$55.0 million**
  - **Consolidated cash provided by operating activities between \$25.0 and \$30.0 million**
  - **After reflecting stock-based compensation expense, net corporate interest expense, customer-relationship intangible amortization expense, special credits and charges and income taxes, net income attributable to Crawford & Company on a GAAP basis between \$14.5 million and \$17.7 million, or \$0.27 to \$0.33 diluted earnings per share**
  - **Before reflecting the special charge related to goodwill impairment of \$0.13 per share, net income attributable to Crawford & Company on a non-GAAP basis between \$21.6 million and \$24.8 million, or \$0.40 to \$0.46 diluted earnings per share**





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# Reconciliation of Non-GAAP Items

## Crawford & Company

(in \$000's)

	June 30, 2010	December 31, 2009
<b>Deferred Revenues, Net</b>		
Deferred revenues, current	\$ 50,071	\$ 53,664
Deferred revenues, noncurrent	31,864	33,524
Total deferred revenues	<u>81,935</u>	<u>87,188</u>
Less:		
Receivable held in trust included in accounts receivable	1,661	1,660
Receivable held in trust included in other noncurrent assets	1,965	2,871
Deferred revenues, net	<u>\$ 78,309</u>	<u>\$ 82,657</u>
<b>Net Debt</b>		
Short-term borrowings	\$ 17,914	\$ 32
Current installments of long-term debt and capital leases	2,265	8,189
Long-term debt and capital leases, less current installments	171,920	173,061
Total debt	<u>192,099</u>	<u>181,282</u>
Less:		
Cash and cash equivalents	38,234	70,354
Net debt	<u>\$ 153,865</u>	<u>\$ 110,928</u>
	<b>Three Months Ended June 30, 2010</b>	<b>Three Months Ended June 30, 2009</b>
<b>Revenues Before Reimbursements</b>		
Total Revenues	\$ 255,986	\$ 271,643
Reimbursements	(17,835)	(21,979)
Revenues Before Reimbursements	<u>\$ 238,151</u>	<u>\$ 249,664</u>
<b>Costs of Services Before Reimbursements</b>		
Total Costs of Services	\$ 195,185	\$ 205,863
Reimbursements	(17,835)	(21,979)
Costs of Services Before Reimbursements	<u>\$ 177,350</u>	<u>\$ 183,884</u>
	<b>Three Months Ended June 30, 2010</b>	<b>Three Months Ended June 30, 2009</b>
<b>Net Income Attributable to Crawford &amp; Company Before Goodwill Impairment and Restructuring Costs</b>		
Net income (loss) attributable to Crawford & Company	\$ (2,527)	\$ (88,124)
Restructuring and other costs (net of \$1,783 tax benefit)	\$ 1,225	
Goodwill impairment charge (net of \$462 tax benefit in 2010)	6,841	94,000
Net income attributable to Crawford & Company before goodwill impairment	<u>\$ 5,539</u>	<u>\$ 5,876</u>

# Reconciliation of Non-GAAP Items (cont.)

**Crawford & Company**  
**Reconciliation of Net Income and Earnings Per Share to**  
**Non-GAAP Adjusted Net Income and Earnings Per Share**  
**For the Three Months Ended June 30,**

	2010					2009				
	Income (Loss) Before Taxes	Tax Expense	Net Income (Loss)	Net Income Attributable to Crawford & Company	Earnings (Loss) Per Share	Income (Loss) Before Taxes	Tax Expense	Net Income (Loss)	Net Income Attributable to Crawford & Company	Earnings (Loss) Per Share
As reported	\$ (1,646)	\$ 865	\$ (2,511)	\$ (2,527)	\$ (0.05)	\$ (86,274)	\$ 1,615	\$ (87,889)	\$ (88,124)	\$ (1.70)
Add:										
Goodwill impairment charge	7,303	462	6,841	6,841	0.13	94,000	-	94,000	94,000	1.81
Restructuring and other costs	1,987	762	1,225	1,225	0.02				-	
Non-gaap adjusted	<u>\$ 7,644</u>	<u>\$ 2,089</u>	<u>\$ 5,555</u>	<u>\$ 5,539</u>	<u>0.10</u>	<u>\$ 7,726</u>	<u>\$ 1,615</u>	<u>\$ 6,111</u>	<u>\$ 5,876</u>	<u>\$ 0.11</u>

**Crawford & Company**  
**Reconciliation of Net Income and Earnings Per Share to**  
**Non-GAAP Adjusted Net Income and Earnings Per Share**  
**For the Six Months Ended June 30,**

	2010					2009				
	Income Before Taxes	Tax Expense	Net Income	Net Income Attributable to Crawford & Company	Earnings Per Share	Income (Loss) Before Taxes	Tax Expense	Net Income (Loss)	Net Income Attributable to Crawford & Company	Earnings (Loss) Per Share
As reported	\$ 2,307	\$ 1,758	\$ 549	\$ 527	\$ 0.01	\$ (82,141)	\$ 2,735	\$ (84,876)	\$ (85,042)	\$ (1.65)
Add:										
Goodwill impairment charge	7,303	462	6,841	6,841	0.13	94,000	-	94,000	94,000	1.81
Restructuring and other costs	4,650	1,783	2,867	2,867	0.05	1,815	690	1,125	1,125	0.02
Impact of anti-dilutive shares										0.01
Non-gaap adjusted	<u>\$ 14,260</u>	<u>\$ 4,003</u>	<u>\$ 10,257</u>	<u>\$ 10,235</u>	<u>0.19</u>	<u>\$ 13,674</u>	<u>\$ 3,425</u>	<u>\$ 10,249</u>	<u>\$ 10,083</u>	<u>\$ 0.19</u>