



Brown & Brown, Inc. Second Quarter Earnings Per Share Increase 55%

July 10, 2002

DAYTONA BEACH, Fla., and TAMPA, Fla., July 10 /PRNewswire-FirstCall/ -- Brown & Brown, Inc. (NYSE: BRO) announced net income for the second quarter of 2002 of \$21,401,000, or \$0.31 per share, an earnings per share increase of 55.0% over the \$12,420,000, or \$0.20 per share, reported for the quarter ended June 30, 2001. Total revenue for the quarter ended June 30, 2002 was \$114,903,000, compared with 2001 second-quarter revenue of \$89,933,000, an increase of 27.8%.

Total revenue for the six months ended June 30, 2002 was \$225,939,000, compared with first-half 2001 revenue of \$179,343,000, up 26.0%. Net income for the first six months of 2002 was \$41,564,000 versus \$25,296,000 during the same period in 2001, an increase of 64.3%. Net income per share for the six months ended June 30, 2002 was \$0.62, versus the \$0.40 per share posted during the comparable 2001 period, an increase of 55.0%.

By way of comparison, the Company's cash earnings per share for the second quarter of 2002 were \$0.40, versus \$0.30 in the second quarter of 2001. Cash earnings per share for the first six months of 2002 were \$0.79, compared with \$0.59 for the same period in 2001. (Cash earnings per share are calculated as net income plus amortization, depreciation and non-cash compensation stock grants, divided by diluted weighted average shares outstanding.)

Commenting on the Company's results, J. Hyatt Brown, Chairman, President and CEO, said, "Our people continue to grind out new business and earnings each and every day, with the unrelenting fortitude and determination that is a hallmark of our culture. The ongoing implementation of our long-term growth strategy, of constant and consistent increases in our earnings per share, is evidenced by our thirty-eighth consecutive quarter of 15% or greater net income per share growth. At the same time, we continue to see the same consistent firming of insurance renewal pricing increases as experienced during the past few quarters. In general, property and casualty renewal rates continue to escalate in many areas, however, we are also finding that the pricing for some products, such as workers' compensation in Florida, remains flat."

Brown & Brown, Inc. and its subsidiaries provide a broad range of insurance and reinsurance products and services, as well as risk management, employee benefit administration, and managed health care services through offices located across the United States. The Company is ranked by Business Insurance magazine as the nation's eighth largest independent insurance intermediary organization. Our Web address is www.bbinsurance.com.

This press release may contain certain statements relating to future results which are forward-looking statements. These statements are not historical facts, but instead represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results, are contained in the Company's filings with the Securities and Exchange Commission. Some factors include: general economic conditions around the country; downward commercial property and casualty premium pressures; the competitive environment; the integration of the Company's operations with those of businesses or assets the Company has acquired or may acquire in the future and the failure to realize the expected benefits of such integration; and the potential occurrence of a disaster that affects certain areas of the States of Arizona, Florida and/or New York, where significant portions of the Company's business are concentrated. All forward-looking statements included in this press release are made only as of the date of this press release, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which we hereafter become aware.

Brown & Brown, Inc.
 CONSOLIDATED STATEMENTS OF INCOME
 (In thousands, except per share data)
 (unaudited)

	Three Months Ended		Six Months Ended	
	June 30	June 30	June 30	June 30
	2002	2001	2002	2001
REVENUES				
Commissions and fees	\$114,262	\$87,908	\$225,088	\$175,478
Investment income	943	1,092	1,298	2,309
Other income (loss)	(302)	933	(447)	1,556
Total revenues	114,903	89,933	225,939	179,343
EXPENSES				
Employee compensation and benefits	55,604	46,705	111,006	93,590

Other operating expenses	16,431	14,200	31,357	27,629
Amortization	3,490	4,164	6,759	7,586
Depreciation	1,745	1,757	3,460	3,441
Interest	1,158	1,381	2,394	3,130
Non-cash compensation stock grants	785	497	1,561	985
Total expenses	79,213	68,704	156,537	136,361

Income before income taxes and minority interest	35,690	21,229	69,402	42,982
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Income taxes	13,741	8,429	26,720	16,896
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Minority interest, net of tax	548	380	1,118	790
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Net income	\$ 21,401	\$12,420	\$ 41,564	\$ 25,296
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Net income per share:

Basic	\$0.31	\$0.20	\$0.63	\$0.41
Diluted	\$0.31	\$0.20	\$0.62	\$0.40

Weighted average number of shares outstanding:

Basic	68,327	62,348	66,324	62,307
Diluted	69,231	63,042	67,212	62,957

Brown & Brown, Inc.
Internal Growth Schedule
Core Commissions and Fees (1)
Three-Months ended June 30, 2002
(In thousands)
(unaudited)

	Quarter Ended 6/30/02	Quarter Ended 6/30/01	Total Net Change	Total Net Growth %	Less Acquisition	Internal Net Revenues	Internal Net Growth %
Florida Retail	\$ 33,087	\$28,351	\$4,736	16.7%	\$667	14.4%	
National Retail	30,504	23,124	7,380	31.9%	6,576	3.5%	
Western Retail	18,383	14,727	3,656	24.8%	2,935	4.9%	
Total Retail	81,974	66,202	15,772	23.8%	10,178	8.4%	
Professional Programs	3,715	3,430	285	8.3%	--	8.3%	
Special Programs	7,994	5,612	2,382	42.4%	814	27.9%	
Total Programs	11,709	9,042	2,667	29.5%	814	20.5%	
Brokerage	5,778	2,581	3,197	123.9%	1,769	55.3%	
TPA Services	6,980	6,235	745	11.9%	329	6.7%	
Total Core Commissions and Fees (1)	\$106,441	\$84,060	\$22,381	26.6%	\$13,090	11.1%	

(1) Total Commissions and Fees excluding profit sharing contingency revenues and divestitures.

Brown & Brown, Inc.
CONSOLIDATED BALANCE SHEETS
(In thousands)

June 30, December 31,
2002 2001
(Unaudited)

ASSETS

Cash and cash equivalents	\$153,899	\$ 16,048	
Restricted cash	87,272	50,328	
Short-term investments	507	451	
Premiums, commissions and fees receivable	117,575	101,449	
Other current assets	13,895	8,230	
Total current assets	373,148	176,506	

Fixed assets, net	25,333	25,544	
Goodwill, net	131,562	112,974	
Other intangible assets, net	168,077	155,337	
Investments	11,189	8,983	
Deferred income taxes	1,812	1,519	
Other assets	7,006	7,874	
Total assets	\$718,127	\$488,737	

LIABILITIES

Premiums payable to insurance companies	\$179,373	\$151,649	
Premium deposits and credits due customers	15,812	12,078	
Accounts payable	30,899	10,085	
Accrued expenses	35,118	31,930	
Current portion of long-term debt	17,669	20,855	
Total current liabilities	278,871	226,597	

Long-term debt 69,304 78,195

Other liabilities 5,543 6,308

Minority Interest 1,951 2,352

SHAREHOLDERS' EQUITY

Common stock, par value \$0.10 per share; authorized 140,000 shares; issued and outstanding, 68,437 at 2002 and 63,194 at 2001	6,843	6,319	
Additional paid-in capital	161,762	11,181	
Retained earnings	188,710	153,392	
Accumulated other comprehensive income	5,143	4,393	

Total shareholders' equity 362,458 175,285

Total liabilities and shareholders' equity \$718,127 \$488,737

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SOURCE Brown & Brown, Inc.

Web site: <http://www.bbinsurance.com>

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