



Brown & Brown, Inc. Second Quarter Earnings Per Share Increase 32%

July 9, 2003

DAYTONA BEACH, Fla., and TAMPA, Fla., Jul 9, 2003 /PRNewswire-FirstCall via COMTEX/ -- Brown & Brown, Inc. (NYSE: BRO) announced net income for the second quarter of 2003 of \$27,935,000, or \$0.41 per share, an earnings per share increase of 32.3% over the \$21,401,000, or \$0.31 per share, reported for the quarter ended June 30, 2002. Total revenue for the quarter ended June 30, 2003 was \$137,858,000, compared with 2002 second-quarter revenue of \$114,903,000, an increase of 20.0%.

Total revenue for the six months ended June 30, 2003 was \$282,594,000, compared with first-half 2002 revenue of \$225,939,000, up 25.1%. Net income for the first six months of 2003 was \$58,471,000 versus \$41,564,000 during the same period in 2002, an increase of 40.7%. Net income per share for the six months ended June 30, 2003 was \$0.85, versus the \$0.62 per share posted during the comparable 2002 period, an increase of 37.1%.

Commenting on the quarter's results, J. Hyatt Brown, Chairman and CEO, noted, "Considering that we are seeing a moderation in general insurance premium increases, we are quite pleased to post our 42nd consecutive quarter of record earnings growth. Our ability to maintain this remarkable pace is a direct reflection of the dogged discipline and fortitude of our determined team of insurance professionals -- it is the hallmark of our culture and they are essential to our continued success."

Jim W. Henderson, President and Chief Operating Officer, added, "Locating and cultivating solid acquisition candidates continues to be a top priority in our overall strategic plan. To this end, we now have two of our most experienced and highly regarded people dedicated 100% to telling our success story and introducing the Brown & Brown culture to potential acquisition candidates. We are encouraged by the active pipeline of high-quality agencies."

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 sixth 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, California, 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)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2003	2002	2003	2002
REVENUES				
Commissions and fees	\$137,257	\$114,262	\$281,509	\$225,088
Investment income	442	943	775	1,298
Other income (loss)	159	(302)	310	(447)
Total revenues	137,858	114,903	282,594	225,939
EXPENSES				
Employee compensation and benefits	66,092	55,604	134,333	111,006
Non-cash stock grant				

compensation	632	785	1,449	1,561
Other operating expenses	19,229	16,431	38,635	31,357
Amortization	4,416	3,490	8,753	6,759
Depreciation	2,019	1,745	3,946	3,460
Interest	946	1,158	1,953	2,394
Total expenses	93,334	79,213	189,069	156,537

Income before income taxes and minority interest	44,524	35,690	93,525	69,402
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Income taxes	16,589	13,741	35,054	26,720
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Minority interest, net of tax	--	548	--	1,118
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Net income	\$ 27,935	\$ 21,401	\$ 58,471	\$ 41,564
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Net income per share:

Basic	\$0.41	\$0.31	\$0.86	\$0.63
Diluted	\$0.41	\$0.31	\$0.85	\$0.62

Weighted average number of shares outstanding:

Basic	68,270	68,327	68,222	66,324
Diluted	68,943	69,231	68,927	67,212

Brown & Brown, Inc.
INTERNAL GROWTH SCHEDULE
Core Commissions and Fees(1)
Three Months Ended June 30, 2003
(In thousands)
(unaudited)

	Quarter Ended 6/30/03	Quarter Ended 6/30/02	Total Net Change	Total Net Growth %	Less Acquisition	Internal Net Revenues	Internal Net Growth %
Florida Retail	\$35,582	\$32,576	\$3,006	9.2%	\$386	\$386	8.0%
National Retail	35,159	28,860	6,299	21.8%	5,616	5,616	2.4%
Western Retail	24,341	18,001	6,340	35.2%	5,637	5,637	3.9%
Total Retail	95,082	79,437	15,645	19.7%	11,639	11,639	5.0%
Professional Programs	9,002	3,319	5,683	171.2%	5,638	5,638	1.4%
Special Programs	8,914	7,664	1,250	16.3%	367	367	11.5%
Total Programs	17,916	10,983	6,933	63.1%	6,005	6,005	8.4%
Brokerage	6,715	5,536	1,179	21.3%	286	286	16.1%
TPA Services	7,342	6,980	362	5.2%	--	--	5.2%
Total Core Commissions and Fees (1)	\$127,055	\$102,936	\$24,119	23.4%	\$17,930	\$17,930	6.0%

Reconciliation of Internal Growth Schedule to Total Commissions and Fees Included in the Consolidated Statements of Income for the Three Months Ended June 30, 2003 and 2002 (in thousands) (unaudited)

	Quarter Ended 6/30/03	Quarter Ended 6/30/02	
Total core commissions and fees(1)	\$127,055	\$102,936	
Contingent commissions	10,202	8,234	
Adjustment for upfront annual commissions (2)	--	(492)	
Divested business	--	3,584	
Total Commission & Fees	\$137,257	\$114,262	

(1) Total core commissions and fees are our total commissions and fees less (i) contingent commissions (revenue derived from special revenue-sharing commissions from insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year), (ii) adjustment for upfront annual commissions (explained below), and (iii) divested business (commissions and fees generated from offices, books of business or niches sold by the Company or terminated).

(2) Commissions from a Florida-based workers' compensation carrier that changed its agency commission payment policy from paying on a monthly basis to paying on an up-front annual basis only for year 2002. Beginning January 1, 2003, this carrier reverted back to paying commissions on a monthly basis.

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

June 30, December 31,
2003 2002

ASSETS

Current assets:

Cash and cash equivalents	\$51,109	\$91,247	
Restricted cash	110,206	79,796	
Short-term investments	1,957	446	
Premiums, commissions and fees receivable	152,423	144,244	
Other current assets	14,401	16,527	
Total current assets	330,096	332,260	

Fixed assets, net	25,060	24,730	
Goodwill, net	207,206	176,269	
Other intangible assets, net	231,112	203,984	
Investments	10,591	8,585	
Deferred income taxes, net	1,171	1,788	
Other assets	6,387	6,733	
Total assets	\$811,623	\$754,349	

LIABILITIES

Current liabilities:

Premiums payable to insurance companies	\$204,109	\$191,682	
Premium deposits and credits due customers	19,989	16,723	
Accounts payable	13,123	12,054	
Accrued expenses	42,508	46,586	
Current portion of long-term debt	27,016	27,334	
Total current liabilities	306,745	294,379	

Long-term debt 49,211 57,585

Other liabilities 9,454 8,943

Minority Interest -- 1,852

SHAREHOLDERS' EQUITY

Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding, 68,360 at 2003 and 68,178 at 2002	6,836	6,818
Additional paid-in capital	162,429	159,564
Retained earnings	273,721	223,102
Accumulated other comprehensive income	3,227	2,106

Total shareholders' equity 446,213 391,590

Total liabilities and shareholders' equity \$811,623 \$754,349

SOURCE Brown & Brown, Inc.

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