



## Brown & Brown, Inc. Results for 2006 Set Records for Revenues and Net Income

February 11, 2007

DAYTONA BEACH, FL and TAMPA, FL, Feb 11, 2007 (MARKET WIRE via COMTEX News Network) -- Brown & Brown, Inc. (NYSE: BRO) today announced record earnings for 2006. Net income for 2006 rose to \$172,350,000, or \$1.22 per share, an increase of 14.5% over the \$150,551,000, or \$1.08 per share, earned in 2005. Total revenues for the year rose to \$878,004,000, up 11.7% compared with \$785,807,000 achieved in 2005.

During the fourth quarter of 2006 net income increased 5.3%, to \$37,623,000, or \$0.27 per share, compared with 2005 fourth quarter net income of \$35,717,000, or \$0.25 per share. Total revenue for the fourth quarter of 2006 was \$214,650,000, a 9.0% increase over the fourth quarter 2005 revenues of \$196,857,000.

Commenting on the results, J. Hyatt Brown, Chairman and Chief Executive Officer, said, "2006 was another good year for Brown & Brown. In a year with many challenges, including a lighter than normal year of completed acquisitions, our solid internal revenue growth was instrumental in raising our total revenue by nearly 12%. As a result, part of our intermediate goal, 'B-40,' of achieving one billion dollars of revenues now appears within reach and has our entire Company focused on delivering even stronger results in 2007."

Jim W. Henderson, Vice-Chairman and Chief Operating Officer, commented, "During 2006, completed acquisitions accounted for approximately \$56 million in annualized revenues, with Axiom Re and Delaware Valley Underwriting Authority accounting for the majority of that amount. By the same token, just in this past week we closed three transactions: ALCOS, Inc., in Michigan, Shapiro Insurance, Inc. in Tallahassee and the Marcello Agency, Inc. in Louisiana, totaling some \$23 million in annualized revenues. The acquisition opportunities continue to be robust."

Brown & Brown, Inc. and its subsidiaries offer a broad range of insurance and reinsurance products and services, as well as risk management, third party administration, managed health care, and Medicare set-aside services and programs. Providing service to business, public entity, individual, trade and professional association clients nationwide, the Company is ranked by Business Insurance magazine as the United States' sixth largest independent insurance intermediary. The Company's Web address is [www.bbinsurance.com](http://www.bbinsurance.com).

This press release may contain certain statements relating to future results which are forward-looking statements, including those relating to continuing our revenue, earnings and operating growth, as well as identifying and consummating attractive acquisition opportunities. These statements are not historical facts, but instead represent only the Company's current 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, financial condition and achievements may differ, possibly materially, from the anticipated results, financial condition and achievements contemplated by these forward-looking statements. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results and condition, as well as its other achievements, 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; the potential occurrence of a disaster that affects certain areas of the States of California, Florida, Georgia, New Jersey, New York, Pennsylvania and/or Washington, where significant portions of the Company's business are concentrated; the actual costs of resolution of contingent liabilities; those factors relevant to Brown & Brown's consummation and integration of announced acquisitions, including any matters analyzed in the due diligence process, material adverse changes in the customers of the companies whose operations are acquired, and material adverse changes in the business and financial condition of either or both companies and their respective customers; and the cost and impact on the Company of previously disclosed litigation initiated against the Company and regulatory inquiries regarding industry and Company practices with respect to compensation received from insurance carriers. All forward-looking statements made herein are made only as of the date of this release, and the Company does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which the Company hereafter becomes aware.

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

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2006	2005	2006	2005
<b>REVENUES</b>				
Commissions and fees	\$ 210,763	\$ 194,046	\$ 864,663	\$ 775,543
Investment income	3,096	2,303	11,479	6,578
Other income, net	791	508	1,862	3,686
<b>Total revenues</b>	<b>214,650</b>	<b>196,857</b>	<b>878,004</b>	<b>785,807</b>

EXPENSES

Employee compensation and benefits	100,160	96,450	404,891	374,943
Non-cash stock-based compensation	815	977	5,416	3,337
Other operating expenses	35,887	26,862	126,492	105,622
Amortization	9,431	8,901	36,498	33,245
Depreciation	3,007	2,629	11,309	10,061
Interest	3,277	3,578	13,357	14,469

Total expenses 152,577 139,397 597,963 541,677

Income before income taxes	62,073	57,460	280,041	244,130
Income taxes	24,450	21,743	107,691	93,579

Net income \$ 37,623 \$ 35,717 \$ 172,350 \$ 150,551

Net income per share:

Basic \$ 0.27 \$ 0.26 \$ 1.23 \$ 1.09

Diluted \$ 0.27 \$ 0.25 \$ 1.22 \$ 1.08

Weighted average number of shares outstanding:

Basic 139,969 139,126 139,634 138,563

Diluted 141,227 140,443 141,020 139,776

Dividends declared per share \$ 0.06 \$ 0.05 \$ 0.21 \$ 0.17

Brown & Brown, Inc.

INTERNAL GROWTH SCHEDULE

Core Commissions and Fees(1)

Three Months Ended December 31, 2006

(in thousands)

(unaudited)

Quarter Ended	Quarter Ended	Total Total Change	Internal Net % Growth	Less Net Acquisition Revenues	% Growth
12/31/06	12/31/05				

Florida

Retail \$ 45,513 \$ 39,546 \$ 5,967 15.1 % \$ 3 15.1 %

National

Retail 49,505 48,918 587 1.2 % 1,422 (1.7)%

Western

Retail 24,875 26,473 (1,598) (6.0)% 626 (8.4)%

Total

Retail 119,893 114,937 4,956 4.3 % 2,051 2.5 %

Professional

Programs 10,599 10,497 102 1.0 % 43 0.6 %

Special

Programs 33,302 26,735 6,567 24.6 % 2,650 14.7 %

Total

Programs 43,901 37,232 6,669 17.9 % 2,693 10.7 %

Wholesale

Brokerage 37,382 33,456 3,926 11.7 % 6,210 (6.8)%

Services 8,702 6,911 1,791 25.9 % 1,540 3.6 %

Total Core

Commissions

and Fees (1) \$ 209,878 \$ 192,536 \$ 17,342 9.0 % \$ 12,494 2.5 %

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Reconciliation of Internal Growth Schedule  
to Total Commissions and Fees  
Included in the Consolidated Statements of Income  
for the Three Months Ended December 31, 2006 and 2005  
(in thousands)  
(unaudited)

	Quarter Ended 12/31/06	Quarter Ended 12/31/05
Total core commissions and fees(1)	\$ 209,878	\$ 192,536
Contingent commissions	885	567
Divested business	-	943
Total commission & fees	\$ 210,763	\$ 194,046

(1) Total core commissions and fees are our total commissions and fees less (i) profit-sharing 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), and (ii) divested business (commissions and fees generated from offices, books of business or niches sold by the Company or terminated).

Brown & Brown, Inc.

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)  
(unaudited)

December 31, December 31,  
2006 2005

ASSETS

Current assets:

Cash and cash equivalents	\$ 88,490	\$ 100,580
Restricted cash and investments	242,187	229,872
Short-term investments	2,909	2,748
Premiums, commissions and fees receivable	282,440	257,930
Other current assets	32,180	28,637

Total current assets	648,206	619,767
Fixed assets, net	44,170	39,398
Goodwill	684,521	549,040
Amortizable intangible assets, net	396,069	377,907
Investments	15,826	8,421
Other assets	19,160	14,127

Total assets \$ 1,807,952 \$ 1,608,660

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Premiums payable to insurance companies	\$ 435,449	\$ 397,466
Premium deposits and credits due customers	33,273	34,027
Accounts payable	17,854	21,161
Accrued expenses	86,009	74,534
Current portion of long-term debt	18,082	55,630

Total current liabilities	590,667	582,818
Long-term debt	226,252	214,179
Deferred income taxes, net	49,721	35,489
Other liabilities	11,967	11,830

Shareholders' equity:

Common stock, par value \$0.10 per  
share; authorized 280,000 shares; issued  
and outstanding 140,016 at 2006 and 139,383 at  
2005

14,002 13,938

Additional paid-in capital	210,543	193,313	
Retained earnings	695,656	552,647	
Accumulated other comprehensive income		9,144	4,446
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Total shareholders' equity	929,345	764,344	
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Total liabilities and shareholders' equity	\$ 1,807,952	\$ 1,608,660	
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Cory T. Walker  
Chief Financial Officer  
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SOURCE: Brown & Brown, Inc.