



## Brown & Brown, Inc. Announces 9th Consecutive Record Year With 2001 Results

January 17, 2002

DAYTONA BEACH, Fla., and TAMPA, Fla., Jan. 17 /PRNewswire-FirstCall/ -- Brown & Brown, Inc. (NYSE: BRO) today announced record earnings for 2001. Net income rose to \$53,913,000, or \$0.85 per share, up 64.4% from \$32,793,000, or \$0.53 per share earned in year 2000. At the same time, total revenues were up 37.5% to \$365,029,000, versus year 2000 revenues of \$265,405,000.

Fourth quarter 2001 net income increased to \$15,215,000, or \$0.24 per share, compared with net income in fourth quarter 2000 of \$5,765,000, or \$0.09 per share, a 163.9% increase in net income. Total revenue for the 2001 fourth quarter was \$95,877,000, compared with 2000 fourth quarter revenue of \$67,383,000, up 42.3%.

Excluding only the restatement impact on prior years' results of the 2001 acquisitions recorded under the pooling-of-interests accounting method, year-end and fourth-quarter net income for 2001 were up 62.5% and 73.2%, respectively, over the comparable net income amounts in 2000, as historically reported. Under the same analysis, revenues for the year and fourth quarter of 2001 were up 74.1% and 79.2%, respectively, over the comparable year 2000 revenue amounts, as historically reported.

"2001 was an exceptional year for Brown & Brown. Nine straight years of record increases in earnings is, in our opinion, a signal accomplishment. The Brown & Brown culture continues to be the fuel that drives our team to constantly and consistently strive to achieve new records; and our systems and methods of doing business are proving their value by driving increased amounts of new business while at the same time achieving higher pre-tax margins. Specifically, for established offices we hit a pre-tax margin of 27.4% in 2001 versus 26.3% in 2000, while our pre-tax margin for all offices in 2001 was 24.8%. In addition, excluding interest expense, amortization, and non-cash stock grant compensation, the operating margin for all offices in 2001 was 31.2%," said Chairman, President and CEO J. Hyatt Brown.

Brown added, "Looking forward to 2002, we will continue to seek opportunities for new merger relationships that will help our external growth, and we will likely see a continuation of increases in insurance premiums and market tightening that should enhance our internal growth."

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](http://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)

	Three Months Ended		Year Ended	
	December 31		December 31	
	2001	2000*	2001	2000*
	(unaudited)			
<b>REVENUES</b>				
Commissions and fees	\$95,127	\$65,193	\$359,697	\$258,309
Investment income	773	1,503	3,686	4,887
Other income (loss)	(23)	687	1,646	2,209
Total revenues	95,877	67,383	365,029	265,405
<b>EXPENSES</b>				
Employee compensation and benefits	47,052	41,242	187,653	149,836
Other operating				

expenses	15,954	12,088	56,815	44,372
Amortization	4,289	2,332	15,860	9,226
Depreciation	1,319	1,585	6,536	6,158
Interest	878	320	5,703	1,266
Non-cash stock grant compensation	512	121	1,984	483
Total expenses	70,004	57,688	274,551	211,341

Income before income taxes and minority interest	25,873	9,695	90,478	54,064
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Income taxes	10,031	3,584	34,834	20,146
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Minority interest, net of tax	627	346	1,731	1,125
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Net income	\$15,215	\$ 5,765	\$ 53,913	\$ 32,793
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Net income per share:

Basic	\$0.24	\$0.09	\$0.86	\$0.53
Diluted	\$0.24	\$0.09	\$0.85	\$0.53

Weighted average number of shares outstanding:

Basic	63,053	62,361	62,563	61,845
Diluted	63,837	62,849	63,222	62,091

\* Restated for pooling-of-interests.

Brown & Brown, Inc.  
 QUARTERLY CONSOLIDATED STATEMENTS OF INCOME  
 For The Year Ended December 31, 2001  
 (In thousands, except per share data)  
 (unaudited)

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-To Quarter	Date
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REVENUES

Commissions and fees	\$87,570	\$87,908	\$89,092	\$95,127	\$359,697
Investment income	1,217	1,092	604	773	3,686
Other income (loss)	623	933	113	(23)	1,646
Total revenues	89,410	89,933	89,809	95,877	365,029

EXPENSES

Employee compensation and benefits	46,885	46,705	47,011	47,052	187,653
Other operating expenses	13,429	14,200	13,232	15,954	56,815
Amortization	3,422	4,164	3,985	4,289	15,860
Depreciation	1,684	1,757	1,776	1,319	6,536
Interest	1,749	1,381	1,695	878	5,703
Non-cash stock grant compensation	488	497	487	512	1,984
Total					

expenses	67,657	68,704	68,186	70,004	274,551
Income before income taxes and minority interest	21,753	21,229	21,623	25,873	90,478
Income taxes	8,467	8,429	7,907	10,031	34,834
Minority interest, net of tax	410	380	314	627	1,731
Net income	\$12,876	\$12,420	\$13,402	\$15,215	\$53,913
Net income per share:					
Basic	\$0.21	\$0.20	\$0.21	\$0.24	\$0.86
Diluted	\$0.20	\$0.20	\$0.21	\$0.24	\$0.85
Weighted average number of shares outstanding:					
Basic	62,265	62,348	62,575	63,053	62,563
Diluted	62,839	63,042	63,243	63,837	63,222

\* Restated for pooling-of-interests.

Brown & Brown, Inc.  
Fourth Quarter Core Commissions and Fees (1)  
(In thousands)  
(unaudited)

	Quarter Ended 12/31/01	Quarter Ended 12/31/00	Total Net Change	Total Net Growth %	Less Acquisition Growth %	Internal Net Revenues	Growth %
Florida Retail	\$28,452	\$22,095	\$6,357	28.8%	\$ 3,358	13.6%	
National Retail	28,174	14,010	14,164	101.1%	13,812	2.5%	
Western Retail	15,350	10,847	4,503	41.5%	4,227	2.5%	
Total Retail	71,976	46,952	25,024	53.3%	21,397	7.7%	
Professional Programs	3,356	3,334	22	0.7%	--	0.7%	
Commercial Programs	398	485	(87)	(17.9%)	21	(22.3%)	
Total Programs	3,754	3,819	(65)	(1.7%)	21	(2.3%)	
Brokerage	9,718	6,472	3,246	50.2%	--	50.2%	
TPA Services	6,338	5,570	768	13.8%	264	9.0%	
Total Core Commissions and Fees	\$91,786	\$62,813	\$28,973	46.1%	\$21,682	11.6%	

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

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CONTACT: Cory T. Walker, Chief Financial Officer of Brown & Brown, Inc., +1-386-239-7250