

Investors Title Company and Subsidiaries
Consolidated Statements of Income
September 30, 2008 and 2007
(Unaudited)

	For The Three Months Ended September 30		For The Nine Months Ended September 30	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Underwriting income:				
Premiums Written	\$ 15,410,424	\$ 19,035,187	\$ 51,493,078	\$ 54,625,924
Less-premiums for reinsurance ceded	<u>78,604</u>	<u>40,734</u>	<u>219,916</u>	<u>212,750</u>
Net premiums written	15,331,820	18,994,453	51,273,162	54,413,174
Investment income-interest and dividends	1,079,760	1,301,878	3,471,800	3,783,240
Net realized gain (loss) on investments	(545,883)	521,008	(669,586)	887,211
Exchange services revenue	542,528	1,042,311	1,013,940	3,157,873
Other	1,188,338	1,199,333	3,720,966	3,258,787
Total Revenues	<u>17,596,563</u>	<u>23,058,983</u>	<u>58,810,282</u>	<u>65,500,285</u>
Operating Expenses:				
Commissions to agents	6,707,688	7,460,574	21,976,896	22,038,866
Provision for claims	1,982,822	2,363,841	8,329,832	8,525,279
Salaries, employee benefits and payroll taxes	5,253,705	5,136,337	16,063,267	15,501,851
Office occupancy and operations	1,141,259	1,284,093	3,833,594	4,173,117
Business development	569,404	478,397	1,622,736	1,558,313
Filing fees and taxes, other than payroll and income	92,608	177,917	424,112	469,585
Premium and retaliatory taxes	210,233	341,750	1,029,298	1,178,932
Professional and contract labor fees	371,122	606,308	1,395,062	2,077,458
Other	262,689	266,874	806,006	767,629
Total Operating Expenses	<u>16,591,530</u>	<u>18,116,091</u>	<u>55,480,803</u>	<u>56,291,030</u>
Income Before Income Taxes	<u>1,005,033</u>	<u>4,942,892</u>	<u>3,329,479</u>	<u>9,209,255</u>
Provision For Income Taxes	<u>88,000</u>	<u>1,085,000</u>	<u>562,000</u>	<u>1,875,000</u>
Net Income	\$ <u>917,033</u>	\$ <u>3,857,892</u>	\$ <u>2,767,479</u>	\$ <u>7,334,255</u>
Basic Earnings Per Common Share	\$ <u>0.39</u>	\$ <u>1.56</u>	\$ <u>1.16</u>	\$ <u>2.95</u>
Weighted Average Shares Outstanding - Basic	<u>2,342,643</u>	<u>2,480,951</u>	<u>2,388,115</u>	<u>2,488,287</u>
Diluted Earnings Per Common Share	\$ <u>0.39</u>	\$ <u>1.54</u>	\$ <u>1.15</u>	\$ <u>2.91</u>
Weighted Average Shares Outstanding - Diluted	<u>2,360,533</u>	<u>2,506,949</u>	<u>2,409,747</u>	<u>2,520,383</u>