



Investors Title Company

INNOVATIVE BY INSTINCT

INVESTORS TITLE COMPANY ANNOUNCES SECOND QUARTER 2009 RESULTS

Contact: Elizabeth B. Lewter
July 31, 2009
Telephone: (919) 968-2200
NASDAQ Symbol: ITIC

FOR IMMEDIATE RELEASE:

Chapel Hill, NC – J. Allen Fine, Chairman of Investors Title Company, announced that for the second quarter ended June 30, 2009, the Company reported net income of \$2,115,473 compared with a net loss of \$273,934 for the same three-month period in 2008. Net income per diluted share equaled \$0.92 compared with a net loss per diluted share of \$0.11 in the same period last year. Net premiums written increased 4.3% to \$18,912,388, investment income decreased 13.7% to \$960,454 and total revenues increased 6.2% to \$21,620,559 compared with the prior year period.

For the six-month period ended June 30, 2009, the Company reported net income of \$3,550,436, an increase of 91.9%, compared with \$1,850,446 for the same six-month period in 2008. Diluted earnings per share was \$1.54, an increase of 102.6% compared with \$0.76 for the same six-month ended period in 2008. Net premiums written decreased 1.7% to \$35,322,208, investment income decreased 18.5% to \$1,950,089 and total revenues decreased 2.2% to \$40,302,968 compared with the prior year period.

Operating results for the quarter ended June 30, 2009 showed improvement over the same period in 2008 due to increased premium revenue, a smaller provision for claims and decreases in other operating expenses which were primarily payroll related. Premiums written benefited from a lower mortgage interest rate environment during the first half of the year which spurred an increase in mortgage refinancing. The claims provision remained elevated relative to historic ranges due in part to the ongoing upward trend of mortgage foreclosures, but compared favorably to the prior year period due to a \$2.4 million charge for a large fraud-related claim in that quarter.

“Although residential and commercial sales activity remained sluggish, the high level of mortgage refinance activity enabled us to increase premiums written over the prior year period,” Chairman Fine added. “Premiums written through our agency network continued to grow as a percentage of our revenue and we are pleased with our progress in this area. Various cost cutting measures undertaken have resulted in a lower level of operating expenses and we continue to search for opportunity to reduce cost and improve our operating efficiency.”

Investors Title Company is engaged through its subsidiaries in the business of issuing and underwriting title insurance policies. The Company also provides services in connection with tax-deferred

exchanges of like-kind property and investment management services to individuals, companies, banks and trusts.

Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include any predictions regarding activity in the U.S. real estate market. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from anticipated and historical results. For more details on risk, uncertainties and other factors that could affect expectations, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission.

###

Investors Title Company and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2009 and December 31, 2008
(Unaudited)

	June 30, 2009	December 31, 2008
Assets		
Investments in securities:		
Fixed maturities:		
Held-to-maturity, at amortized cost	\$ 446,907	\$ 451,681
Available-for-sale, at fair value	85,803,489	87,708,500
Equity securities, available-for-sale, at fair value	10,392,874	9,965,297
Short-term investments	15,127,184	15,725,513
Other investments	2,400,932	2,040,962
Total investments	114,171,386	115,891,953
Cash and cash equivalents	8,120,607	5,155,046
Premiums and fees receivable, net	7,956,609	4,933,797
Accrued interest and dividends	1,151,634	1,225,070
Prepaid expenses and other assets	3,595,117	3,992,975
Property acquired in settlement of claims	378,884	395,734
Property, net	4,051,221	4,422,318
Deferred income taxes, net	2,261,779	3,841,295
	\$ 141,687,237	\$ 139,858,188
Liabilities and Stockholders' Equity		
Liabilities:		
Reserves for claims	\$ 39,583,000	\$ 39,238,000
Accounts payable and accrued liabilities	7,800,818	10,762,300
Total liabilities	47,383,818	50,000,300
Stockholders' Equity:		
Common stock - no par value (shares authorized 10,000,000; 2,297,207 and 2,293,268 shares issued and outstanding 2009 and 2008, respectively, excluding 291,676 shares for 2009 and 2008 of common stock held by the Company's subsidiary)	1	1
Retained earnings	91,859,793	88,248,452
Accumulated other comprehensive income	2,443,625	1,609,435
Total stockholders' equity	94,303,419	89,857,888
	\$ 141,687,237	\$ 139,858,188
Total Liabilities and Stockholders' Equity	\$ 141,687,237	\$ 139,858,188

Investors Title Company and Subsidiaries
Consolidated Statements of Income (Loss)
June 30, 2009 and 2008
(Unaudited)

	For The Three Months Ended June 30		For The Six Months Ended June 30	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:				
Underwriting income:				
Premiums Written	\$ 18,945,561	\$ 18,178,892	\$ 35,356,158	\$ 36,082,654
Less-premiums for reinsurance ceded	<u>33,173</u>	<u>50,910</u>	<u>33,950</u>	<u>141,312</u>
Net premiums written	18,912,388	18,127,982	35,322,208	35,941,342
Investment income-interest and dividends	960,454	1,112,681	1,950,089	2,392,040
Net realized gain (loss) on investments	9,995	(242,272)	(289,942)	(123,703)
Exchange services revenue	300,963	66,714	624,727	471,412
Other	1,436,759	1,287,695	2,695,886	2,532,628
Total Revenues	<u>21,620,559</u>	<u>20,352,800</u>	<u>40,302,968</u>	<u>41,213,719</u>
Operating Expenses:				
Commissions to agents	8,831,742	7,949,938	16,363,951	15,269,208
Provision for claims	2,751,814	4,298,414	4,798,940	6,347,010
Salaries, employee benefits and payroll taxes	4,529,066	5,311,626	9,667,242	10,809,562
Office occupancy and operations	1,208,140	1,330,815	2,306,722	2,697,188
Business development	329,011	567,881	591,828	1,053,332
Filing fees and taxes, other than payroll and income	185,204	138,875	342,255	331,504
Premium and retaliatory taxes	375,510	451,728	742,772	819,065
Professional and contract labor fees	326,673	502,531	628,686	1,023,940
Other	214,926	301,926	213,136	538,464
Total Operating Expenses	<u>18,752,086</u>	<u>20,853,734</u>	<u>35,655,532</u>	<u>38,889,273</u>
Income (Loss) Before Income Taxes	<u>2,868,473</u>	<u>(500,934)</u>	<u>4,647,436</u>	<u>2,324,446</u>
Provision (Benefit) For Income Taxes	<u>753,000</u>	<u>(227,000)</u>	<u>1,097,000</u>	<u>474,000</u>
Net Income (Loss)	\$ <u>2,115,473</u>	\$ <u>(273,934)</u>	\$ <u>3,550,436</u>	\$ <u>1,850,446</u>
Basic Earnings (Loss) Per Common Share	\$ <u>0.92</u>	\$ <u>(0.11)</u>	\$ <u>1.55</u>	\$ <u>0.77</u>
Weighted Average Shares Outstanding - Basic	<u>2,296,644</u>	<u>2,409,206</u>	<u>2,295,298</u>	<u>2,410,852</u>
Diluted Earnings (Loss) Per Common Share	\$ <u>0.92</u>	\$ <u>(0.11)</u>	\$ <u>1.54</u>	\$ <u>0.76</u>
Weighted Average Shares Outstanding - Diluted	<u>2,296,644</u>	<u>2,409,206</u>	<u>2,300,017</u>	<u>2,434,204</u>

Investors Title Company and Subsidiaries
Net Premiums Written By State
June 30, 2009 and 2008
(Unaudited)

State	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
Illinois	\$ 765,631	\$ 564,584	\$ 1,857,221	\$ 1,154,553
Kentucky	949,874	815,131	1,820,177	1,631,941
Michigan	1,778,422	904,735	2,630,695	1,950,562
New York	880,406	685,689	1,835,843	1,197,887
North Carolina	8,293,158	8,767,479	15,857,365	17,716,146
Pennsylvania	876,633	522,147	1,485,818	965,276
South Carolina	1,345,921	2,012,755	2,531,851	3,916,135
Tennessee	752,791	614,000	1,318,559	1,155,674
Virginia	1,472,687	1,686,833	2,700,451	3,208,627
West Virginia	610,139	641,537	1,157,720	1,112,435
Other	1,219,899	963,802	2,159,658	1,976,874
Direct Premiums	\$ 18,945,561	\$ 18,178,692	\$ 35,355,358	\$ 35,986,110
Reinsurance Assumed	-	200	800	96,544
Reinsurance Ceded	(33,173)	(50,910)	(33,950)	(141,312)
Net Premiums Written	\$ 18,912,388	\$ 18,127,982	\$ 35,322,208	\$ 35,941,342

Investors Title Company and Subsidiaries
Net Premiums Written By Branch and Agency
June 30, 2009 and 2008
(Unaudited)

	For The Three Months Ended June 30				For The Six Months Ended June 30			
	2009	%	2008	%	2009	%	2008	%
Branch	\$ 6,656,374	35	\$ 6,901,291	38	\$ 12,699,378	36	\$ 14,266,121	40
Agency	12,256,014	65	11,226,691	62	22,622,830	64	21,675,221	60
Total	\$ 18,912,388	100	\$ 18,127,982	100	\$ 35,322,208	100	\$ 35,941,342	100