

Investors Title Company and Subsidiaries
Consolidated Statements of Income
December 31, 2008 and 2007
(Unaudited)

	For The Three Months Ended December 31		For The Twelve Months Ended December 31	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Revenues:			
Underwriting income:				
Premiums Written	\$ 12,444,198	\$ 15,622,242	\$ 63,937,276	\$ 70,248,166
Less-premiums for reinsurance ceded	<u>55,173</u>	<u>51,427</u>	<u>275,089</u>	<u>264,177</u>
Net premiums written	12,389,025	15,570,815	63,662,187	69,983,989
Investment income-interest and dividends	1,086,935	1,413,938	4,558,735	5,197,178
Net realized (loss) gain on investments	(2,252,790)	34,660	(2,922,376)	921,871
Exchange services revenue	152,201	1,182,189	1,166,141	4,340,062
Other	<u>937,608</u>	<u>1,240,400</u>	<u>4,658,574</u>	<u>4,499,187</u>
Total Revenues	<u>12,312,979</u>	<u>19,442,002</u>	<u>71,123,261</u>	<u>84,942,287</u>
Operating Expenses:				
Commissions to agents	5,740,911	6,386,094	27,717,807	28,424,960
Provision for claims	6,876,805	1,609,440	15,206,637	10,134,719
Salaries, employee benefits and payroll taxes	3,542,233	5,317,243	19,605,500	20,819,094
Office occupancy and operations	1,267,435	1,419,183	5,107,843	5,598,576
Business development	482,199	625,540	2,104,935	2,183,853
Filing fees and taxes, other than payroll and income	163,123	62,192	587,235	531,777
Premium and retaliatory taxes	251,999	317,516	1,281,297	1,496,448
Professional and contract labor fees	289,146	712,420	1,684,208	2,789,878
Other	<u>245,406</u>	<u>377,294</u>	<u>1,044,598</u>	<u>1,138,647</u>
Total Operating Expenses	<u>18,859,257</u>	<u>16,826,922</u>	<u>74,340,060</u>	<u>73,117,952</u>
(Loss) Income Before Income Taxes	<u>(6,546,278)</u>	<u>2,615,080</u>	<u>(3,216,799)</u>	<u>11,824,335</u>
(Benefit) Provision For Income Taxes	<u>(2,596,000)</u>	<u>1,547,000</u>	<u>(2,034,000)</u>	<u>3,422,000</u>
Net (Loss) Income	<u>\$ (3,950,278)</u>	<u>\$ 1,068,080</u>	<u>\$ (1,182,799)</u>	<u>\$ 8,402,335</u>
Basic (Loss) Earnings Per Common Share	<u>\$ (1.72)</u>	<u>\$ 0.44</u>	<u>\$ (0.50)</u>	<u>\$ 3.39</u>
Weighted Average Shares Outstanding - Basic	<u>2,293,086</u>	<u>2,452,416</u>	<u>2,364,361</u>	<u>2,479,321</u>
Diluted (Loss) Earnings Per Common Share	<u>\$ (1.72)</u>	<u>\$ 0.43</u>	<u>\$ (0.50)</u>	<u>\$ 3.35</u>
Weighted Average Shares Outstanding - Diluted	<u>2,293,086</u>	<u>2,473,049</u>	<u>2,364,361</u>	<u>2,508,609</u>