

Investors Title Company and Subsidiaries
Consolidated Statements of Income
March 31, 2005 and 2004
(Unaudited)

	For The Three Months Ended March 31	
	<u>2005</u>	<u>2004</u>
Revenues:		
Underwriting income:		
Premiums Written	\$ 17,222,198	\$ 17,051,282
Less-premiums for reinsurance ceded	<u>139,079</u>	<u>69,526</u>
Net premiums written	17,083,119	16,981,756
Investment income-interest and dividends	752,765	656,375
Net realized gain (loss) on sales of investments	(10,894)	3,431
Exchange services revenue	809,639	479,894
Other	<u>694,950</u>	<u>495,113</u>
Total	<u>19,329,579</u>	<u>18,616,569</u>
Operating Expenses:		
Commissions to agents	6,991,749	6,998,595
Provision for claims	1,899,005	1,844,379
Salaries, employee benefits and payroll taxes	5,367,312	3,847,905
Office occupancy and operations	1,512,090	1,203,798
Business development	427,473	353,414
Taxes, other than payroll and income	110,754	201,114
Premium and retaliatory taxes	399,545	333,004
Professional fees	275,046	410,675
Other	<u>45,111</u>	<u>37,874</u>
Total	<u>17,028,085</u>	<u>15,230,758</u>
Income Before Income Taxes	<u>2,301,494</u>	<u>3,385,811</u>
Provision For Income Taxes	<u>721,000</u>	<u>1,164,207</u>
Net Income	\$ <u>1,580,494</u>	\$ <u>2,221,604</u>
Basic Earnings Per Common Share	\$ <u>0.62</u>	\$ <u>0.89</u>
Weighted Average Shares Outstanding - Basic	<u>2,564,490</u>	<u>2,505,368</u>
Diluted Earnings Per Common Share	\$ <u>0.60</u>	\$ <u>0.84</u>
Weighted Average Shares Outstanding - Diluted	<u>2,625,447</u>	<u>2,638,264</u>