

**Investors Title Company and Subsidiaries**  
**Consolidated Statements of Income**  
*September 30, 2007 and 2006*  
(Unaudited)

	For The Three Months Ended September 30		For The Nine Months Ended September 30	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>				
Underwriting income:				
Premiums Written	\$ 19,035,187	\$ 18,347,342	\$ 54,625,924	\$ 54,315,786
Less-premiums for reinsurance ceded	40,734	104,666	212,750	317,893
Net premiums written	<u>18,994,453</u>	<u>18,242,676</u>	<u>54,413,174</u>	<u>53,997,893</u>
Investment income-interest and dividends	1,301,878	1,036,155	3,783,240	3,064,905
Net realized gain (loss) on sales of investments	521,008	(55,930)	887,211	488,527
Exchange services revenue	1,042,311	1,604,992	3,157,873	4,541,081
Other	1,199,333	894,441	3,258,787	2,935,397
Total Revenues	<u>23,058,983</u>	<u>21,722,334</u>	<u>65,500,285</u>	<u>65,027,803</u>
<b>Operating Expenses:</b>				
Commissions to agents	7,460,574	6,796,146	22,038,866	20,368,864
Provision for claims	2,363,841	1,992,901	8,525,279	5,878,592
Salaries, employee benefits and payroll taxes	5,136,337	4,918,008	15,501,851	14,865,309
Office occupancy and operations	1,284,093	1,234,013	4,173,117	3,917,797
Business development	478,397	552,401	1,558,313	1,581,132
Filing fees and taxes, other than payroll and income	177,917	196,639	469,585	490,346
Premium and retaliatory taxes	341,750	396,851	1,178,932	1,067,461
Professional and contract labor fees	606,308	555,189	2,077,458	1,904,933
Other	266,874	105,087	767,629	569,822
Total Operating Expenses	<u>18,116,091</u>	<u>16,747,235</u>	<u>56,291,030</u>	<u>50,644,256</u>
<b>Income Before Income Taxes</b>	<u>4,942,892</u>	<u>4,975,099</u>	<u>9,209,255</u>	<u>14,383,547</u>
<b>Provision For Income Taxes</b>	<u>1,085,000</u>	<u>1,303,030</u>	<u>1,875,000</u>	<u>3,521,000</u>
<b>Net Income</b>	<u>\$ 3,857,892</u>	<u>\$ 3,672,069</u>	<u>\$ 7,334,255</u>	<u>\$ 10,862,547</u>
<b>Basic Earnings Per Common Share</b>	<u>\$ 1.56</u>	<u>\$ 1.46</u>	<u>\$ 2.95</u>	<u>\$ 4.29</u>
<b>Weighted Average Shares Outstanding - Basic</b>	<u>2,480,951</u>	<u>2,517,691</u>	<u>2,488,287</u>	<u>2,534,883</u>
<b>Diluted Earnings Per Common Share</b>	<u>\$ 1.54</u>	<u>\$ 1.44</u>	<u>\$ 2.91</u>	<u>\$ 4.23</u>
<b>Weighted Average Shares Outstanding - Diluted</b>	<u>2,506,949</u>	<u>2,550,607</u>	<u>2,520,383</u>	<u>2,569,585</u>