

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

	For The Three Months Ended June 30		For The Six Months Ended June 30	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:				
Underwriting income:				
Premiums Written	\$ 18,715,760	\$ 19,222,175	\$ 35,590,737	\$ 35,968,444
Less-premiums for reinsurance ceded	<u>89,581</u>	<u>98,584</u>	<u>172,016</u>	<u>213,227</u>
Net premiums written	18,626,179	19,123,591	35,418,721	35,755,217
Investment income-interest and dividends	1,271,755	1,034,696	2,481,362	2,028,750
Net realized gain (loss) on sales of investments	200,023	(17,190)	366,203	544,457
Exchange services revenue	870,083	1,908,357	2,115,562	2,936,089
Other	1,139,493	1,077,167	2,059,454	2,040,956
Total Revenues	<u>22,107,533</u>	<u>23,126,621</u>	<u>42,441,302</u>	<u>43,305,469</u>
Operating Expenses:				
Commissions to agents	7,733,004	7,289,322	14,578,292	13,572,718
Provision for claims	4,352,005	2,030,412	6,161,438	3,885,691
Salaries, employee benefits and payroll taxes	5,091,139	4,917,022	10,365,514	9,922,869
Office occupancy and operations	1,452,901	1,266,042	2,889,024	2,731,355
Business development	556,734	547,505	1,079,916	1,053,163
Filing fees and taxes, other than payroll and income	126,455	142,850	291,668	293,708
Premium and retaliatory taxes	395,262	328,542	837,182	670,610
Professional and contract labor fees	826,140	737,534	1,471,150	1,325,156
Other	278,744	222,885	500,755	441,751
Total Operating Expenses	<u>20,812,384</u>	<u>17,482,114</u>	<u>38,174,939</u>	<u>33,897,021</u>
Income Before Income Taxes	<u>1,295,149</u>	<u>5,644,507</u>	<u>4,266,363</u>	<u>9,408,448</u>
Provision For Income Taxes	<u>141,000</u>	<u>1,328,970</u>	<u>790,000</u>	<u>2,217,970</u>
Net Income	<u>\$ 1,154,149</u>	<u>\$ 4,315,537</u>	<u>\$ 3,476,363</u>	<u>\$ 7,190,478</u>
Basic Earnings Per Common Share	<u>\$ 0.46</u>	<u>\$ 1.70</u>	<u>\$ 1.40</u>	<u>\$ 2.83</u>
Weighted Average Shares Outstanding - Basic	<u>2,484,874</u>	<u>2,537,883</u>	<u>2,491,955</u>	<u>2,543,475</u>
Diluted Earnings Per Common Share	<u>\$ 0.46</u>	<u>\$ 1.68</u>	<u>\$ 1.38</u>	<u>\$ 2.79</u>
Weighted Average Shares Outstanding - Diluted	<u>2,518,206</u>	<u>2,572,062</u>	<u>2,526,844</u>	<u>2,578,743</u>