

Investors Title Company and Subsidiaries
Consolidated Statements of Income
December 31, 2007 and 2006
(Unaudited)

	For The Three Months Ended December 31		For The Twelve Months Ended December 31	
	2007	2006	2007	2006
Revenues:				
Underwriting income:				
Premiums written	\$ 15,622,242	\$ 16,322,263	\$ 70,248,166	\$ 70,638,049
Less-premiums for reinsurance ceded	<u>51,427</u>	<u>123,689</u>	<u>264,177</u>	<u>441,582</u>
Net premiums written	15,570,815	16,198,574	69,983,989	70,196,467
Investment income-interest and dividends	1,413,938	1,261,430	5,197,178	4,326,335
Net realized gain on sales of investments	34,660	62,531	921,871	551,058
Exchange services revenue	1,182,189	1,438,946	4,340,062	5,980,027
Other	<u>1,240,400</u>	<u>672,432</u>	<u>4,499,187</u>	<u>3,607,829</u>
Total Revenues	<u>19,442,002</u>	<u>19,633,913</u>	<u>84,942,287</u>	<u>84,661,716</u>
Operating Expenses:				
Commissions to agents	6,386,094	6,345,920	28,424,960	26,714,784
Provision for claims	1,609,440	1,526,619	10,134,719	7,405,211
Salaries, employee benefits and payroll taxes	5,317,243	5,170,770	20,819,094	20,036,079
Office occupancy and operations	1,417,710	1,681,585	5,590,827	5,599,382
Business development	625,540	666,694	2,183,853	2,247,826
Filing fees and taxes, other than payroll and income	62,192	83,049	531,777	573,395
Premium and retaliatory taxes	317,516	281,389	1,496,448	1,348,850
Professional and contract labor fees	712,420	754,305	2,789,878	2,659,238
Other	<u>378,767</u>	<u>177,695</u>	<u>1,146,396</u>	<u>747,517</u>
Total Operating Expenses	<u>16,826,922</u>	<u>16,688,026</u>	<u>73,117,952</u>	<u>67,332,282</u>
Income Before Income Taxes	<u>2,615,080</u>	<u>2,945,887</u>	<u>11,824,335</u>	<u>17,329,434</u>
Provision For Income Taxes	<u>1,547,000</u>	<u>623,000</u>	<u>3,422,000</u>	<u>4,144,000</u>
Net Income	<u>\$ 1,068,080</u>	<u>\$ 2,322,887</u>	<u>\$ 8,402,335</u>	<u>\$ 13,185,434</u>
Basic Earnings Per Common Share	<u>\$ 0.44</u>	<u>\$ 0.93</u>	<u>\$ 3.39</u>	<u>\$ 5.22</u>
Weighted Average Shares Outstanding - Basic	<u>2,452,416</u>	<u>2,507,062</u>	<u>2,479,321</u>	<u>2,527,927</u>
Diluted Earnings Per Common Share	<u>\$ 0.43</u>	<u>\$ 0.91</u>	<u>\$ 3.35</u>	<u>\$ 5.14</u>
Weighted Average Shares Outstanding - Diluted	<u>2,473,049</u>	<u>2,546,638</u>	<u>2,508,609</u>	<u>2,564,216</u>