



**Investors Title Company**

INNOVATIVE BY INSTINCT

## **INVESTORS TITLE COMPANY ANNOUNCES FOURTH QUARTER AND FISCAL YEAR 2008 RESULTS**

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### **FOR IMMEDIATE RELEASE:**

Chapel Hill, NC – Investors Title Company today announced its results for the quarter and year ended December 31, 2008. For the fourth quarter ended December 31, 2008, the Company reported a net loss of \$3,950,278 compared with net income of \$1,068,080 for the same three-month period in 2007. Net loss per diluted share equaled \$1.72 compared with net income per diluted share of \$0.43 in the same period last year. Net premiums written decreased 20.4% to \$12,389,025; investment income decreased 23.1% to \$1,086,935; and exchange services revenue decreased 87.1% to \$152,201.

For the year ended December 31, 2008, the Company reported a net loss of \$1,182,799, compared with net income of \$8,402,335 for 2007. Diluted loss per share was \$0.50, compared with diluted income per share of \$3.35 for 2007. Net premiums written decreased 9.0% to \$63,662,187; investment income decreased 12.3% to \$4,558,735; and revenues decreased 16.3% to \$71,123,261 compared with the prior year.

Operating results for the fourth quarter ended December 31, 2008 were primarily impacted by an increase in the provision for claims, which included \$5.2 million for three large claims, and \$2.25 million in realized losses on investments which include \$1.4 million of losses on sales related to tax planning and \$855,000 of charges due to impairments. Ongoing weakness in real estate activity led to a 19.2% decline in net premiums written from the third quarter level. Lower transaction volumes along with declining values of investment properties dramatically lowered the demand for tax-deferred exchange services.

“Operating conditions remained extremely challenging during the fourth quarter as we experienced not only a continued decline in sales but a spike in claims,” commented J. Allen Fine, the Company’s Chairman. “The bulk of the increase in claims was comprised of three occurrences and they are generally attributable to extreme conditions in the real estate market. The largest, at \$3.3 million, was for unpaid mechanic liens by a large regional builder and the other two were both fraud-related, where funds intended to pay off mortgages were diverted out of trust accounts for personal use by individuals.”

“As sales of new homes continued to deteriorate rapidly in the last quarter of 2008, we tightened underwriting procedures for providing mechanic lien coverage in our core market in order to improve the process for discovering the presence of unpaid subcontractors at the time of a new home sale,” Mr. Fine continued. “Although fraud-related claims can be difficult to detect, we continually work to further refine risk management practices to mitigate this type of risk.”

“We are closely monitoring conditions in the current real estate market in order to best position the Company during this downturn while being mindful of opportunities to enhance our competitive strengths and marketing position, and prepare ourselves for when the market stabilizes.”

Investors Title Company is engaged through its subsidiaries in the business of issuing and underwriting title insurance policies. The Company also provides services in connection with tax-deferred exchanges of like-kind property and investment management services to individuals, companies, banks and trusts.

Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include any predictions regarding activity in the U.S. real estate market. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from anticipated and historical results. For more details on risk, uncertainties and other factors that could affect expectations, refer to the Company’s Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission.

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