



INVESTORS TITLE COMPANY ANNOUNCES SECOND QUARTER 2011 RESULTS

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FOR IMMEDIATE RELEASE:

Chapel Hill, NC –Investors Title Company today announced its results for the second quarter ended June 30, 2011. Net income decreased 37.2% to \$1,594,805, or \$0.74 per diluted share, compared with \$2,537,560, or \$1.11 per diluted share, for the prior year period.

Revenues increased 46.2% to \$23,719,213 versus the prior year period, primarily due to a 57.3% increase in net premiums written. The premium growth is mainly attributable to the Company's recent expansion into Texas. In addition, premiums in the second quarter shifted slightly from refinancing transactions toward higher-margin purchase transactions relative to the prior year period and the trailing quarter.

Operating expenses increased 64.0% to \$21,680,408 versus the prior year period, primarily due to increases in commissions to agents and the provision for claims. Commissions to agents increased 105.3%, commensurate with the growth in agency premiums and reflective of an increase in agent business from markets with higher premium rates, primarily Texas. The provision for claims was higher in the current quarter compared with the prior year primarily due to a \$942,000 recovery in the second quarter of 2010 on a fraud-related claim. The impact of the unfavorable comparison was partially offset by favorable loss development in prior policy years, as well as a decline in the relative share of North Carolina business as a percentage of the total versus the prior year period. Since North Carolina's premium rates are less than half the national average, the resulting loss ratio for North Carolina business is higher than for our other markets.

For the six months ended June 30, 2011, net income increased 2.3% to \$2,614,012, or \$1.19 per diluted share, compared with \$2,554,975, or \$1.11 per diluted share, for the prior year period. Revenues increased 46.2% to \$43,741,233, while operating expenses increased 50.0% versus the prior year period, largely as a result of factors noted above for the quarter.

Chairman J. Allen Fine added, "We are pleased to report an increase in revenues driven by continued expansion of our agent base. Although operating expenses have increased as we have invested in growing

our agent base, the impact has been partially offset by positive developments in claims loss rates and the continued impact of cost reduction initiatives from the past several years. While a robust recovery of the U.S. economy appears unlikely in the near term, our balance sheet remains very strong, and we will continue to focus on enhancing our competitive strengths by emphasizing growth in market presence and careful management of expenses.”

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

Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, among other statements, any predictions regarding activity in the U.S. real estate market, future enhancement of our operational efficiency or agency-based expansion. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from anticipated and historical results. Such risks and uncertainties include, without limitation: cyclical demand for title insurance due to changes in the residential and commercial real estate markets; the occurrence of fraud, defalcation or misconduct; variances between actual claims experience and underwriting and reserving assumptions; declines in the performance of the Company’s investments; government regulation; and other considerations set forth under the caption “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission, and in subsequent filings.

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Investors Title Company and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2011 and December 31, 2010
(Unaudited)

| | June 30, 2011 | December 31, 2010 |
|---|----------------------|--------------------------|
| Assets | | |
| Investments in securities: | | |
| Fixed maturities: | | |
| Available-for-sale, at fair value | \$ 84,442,518 | \$ 86,033,557 |
| Equity securities, available-for-sale, at fair value | 15,268,038 | 13,872,370 |
| Short-term investments | 22,212,440 | 27,203,550 |
| Other investments | 2,995,116 | 2,888,958 |
| Total investments | 124,918,112 | 129,998,435 |
| Cash and cash equivalents | 12,652,920 | 8,117,031 |
| Premiums and fees receivable, net | 5,490,826 | 7,253,786 |
| Accrued interest and dividends | 1,114,632 | 1,150,602 |
| Prepaid expenses and other assets | 4,910,571 | 2,816,661 |
| Property, net | 3,574,593 | 3,672,317 |
| Current income taxes receivable | 730,356 | - |
| Deferred income taxes, net | - | 476,534 |
| Total Assets | \$ 153,392,010 | \$ 153,485,366 |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Reserves for claims | \$ 37,605,000 | \$ 38,198,700 |
| Accounts payable and accrued liabilities | 12,414,679 | 10,301,495 |
| Current income taxes payable | - | 1,056,356 |
| Deferred income taxes, net | 994,169 | - |
| Total liabilities | 51,013,848 | 49,556,551 |
| Stockholders' Equity: | | |
| Common stock - no par value (shares authorized 10,000,000; 2,127,735 and 2,282,596 shares issued and outstanding as of June 30, 2011 and December 31, 2010, respectively, excluding 291,676 shares for 2011 and 2010 of common stock held by the Company's subsidiary) | 1 | 1 |
| Retained earnings | 95,599,613 | 98,240,109 |
| Accumulated other comprehensive income | 6,778,548 | 5,688,705 |
| Total stockholders' equity | 102,378,162 | 103,928,815 |
| Total Liabilities and Stockholders' Equity | \$ 153,392,010 | \$ 153,485,366 |

Investors Title Company and Subsidiaries
Consolidated Statements of Income
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|-----------------------------------|----------------------------|-----------------------------------|----------------------------|
| | June 30 | | June 30 | |
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Revenues: | | | | |
| Net premiums written | \$ 21,451,022 | \$ 13,638,950 | \$ 39,316,610 | \$ 25,425,252 |
| Investment income-interest and dividends | 878,818 | 915,852 | 1,778,190 | 1,822,474 |
| Net realized gain on investments | 147,075 | 325,780 | 120,915 | 350,930 |
| Other | 1,242,298 | 1,338,184 | 2,525,518 | 2,317,521 |
| Total Revenues | <u>23,719,213</u> | <u>16,218,766</u> | <u>43,741,233</u> | <u>29,916,177</u> |
| Operating Expenses: | | | | |
| Commissions to agents | 13,293,828 | 6,476,376 | 24,173,414 | 12,075,827 |
| Provision for claims | 1,229,961 | 112,415 | 1,951,587 | 1,424,819 |
| Salaries, employee benefits and payroll taxes | 4,639,675 | 4,345,961 | 9,331,671 | 8,830,273 |
| Office occupancy and operations | 952,460 | 978,822 | 1,916,387 | 2,067,227 |
| Business development | 372,239 | 352,365 | 759,786 | 626,661 |
| Filing fees, franchise and local taxes | 118,146 | 147,277 | 332,259 | 292,699 |
| Premium and retaliatory taxes | 502,984 | 281,784 | 908,457 | 582,730 |
| Professional and contract labor fees | 411,557 | 338,794 | 720,081 | 703,872 |
| Other | 159,558 | 182,412 | 262,579 | 294,094 |
| Total Operating Expenses | <u>21,680,408</u> | <u>13,216,206</u> | <u>40,356,221</u> | <u>26,898,202</u> |
| Income Before Income Taxes | <u>2,038,805</u> | <u>3,002,560</u> | <u>3,385,012</u> | <u>3,017,975</u> |
| Provision For Income Taxes | <u>444,000</u> | <u>465,000</u> | <u>771,000</u> | <u>463,000</u> |
| Net Income | <u><u>\$ 1,594,805</u></u> | <u><u>\$ 2,537,560</u></u> | <u><u>\$ 2,614,012</u></u> | <u><u>\$ 2,554,975</u></u> |
| Basic Earnings Per Common Share | <u><u>\$ 0.75</u></u> | <u><u>\$ 1.11</u></u> | <u><u>\$ 1.20</u></u> | <u><u>\$ 1.12</u></u> |
| Weighted Average Shares Outstanding - Basic | <u><u>2,134,164</u></u> | <u><u>2,285,653</u></u> | <u><u>2,184,323</u></u> | <u><u>2,285,392</u></u> |
| Diluted Earnings Per Common Share | <u><u>\$ 0.74</u></u> | <u><u>\$ 1.11</u></u> | <u><u>\$ 1.19</u></u> | <u><u>\$ 1.11</u></u> |
| Weighted Average Shares Outstanding - Diluted | <u><u>2,155,116</u></u> | <u><u>2,293,199</u></u> | <u><u>2,201,398</u></u> | <u><u>2,293,232</u></u> |

Investors Title Company and Subsidiaries
Net Premiums Written By Branch and Agency
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | | | Six Months Ended | | | |
|---------------|----------------------|--------------|---------------|----------|----------------------|--------------|---------------|----------|
| | June 30 | | | | June 30 | | | |
| | 2011 | % | 2010 | % | 2011 | % | 2010 | % |
| Branch | \$ 3,977,234 | 18.5 | \$ 4,420,264 | 32.4 | \$ 7,673,514 | 19.5 | \$ 8,170,064 | 32.1 |
| Agency | 17,473,788 | 81.5 | 9,218,686 | 67.6 | 31,643,096 | 80.5 | 17,255,188 | 67.9 |
| Total | \$ 21,451,022 | 100.0 | \$ 13,638,950 | 100.0 | \$ 39,316,610 | 100.0 | \$ 25,425,252 | 100.0 |