

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

	For The Three Months Ended March 31	
	<u>2007</u>	<u>2006</u>
Revenues:		
Underwriting income:		
Premiums Written	\$ 16,874,977	\$ 16,746,269
Less-premiums for reinsurance ceded	82,435	114,643
Net premiums written	<u>16,792,542</u>	<u>16,631,626</u>
Investment income-interest and dividends	1,209,607	994,054
Net realized gain on sales of investments	166,180	561,647
Exchange services revenue	1,245,479	1,027,732
Other	919,961	963,789
Total Revenues	<u>20,333,769</u>	<u>20,178,848</u>
Operating Expenses:		
Commissions to agents	6,845,288	6,283,396
Provision for claims	1,809,433	1,855,279
Salaries, employee benefits and payroll taxes	5,274,375	5,005,847
Office occupancy and operations	1,436,123	1,465,313
Business development	523,182	505,658
Filing fees and taxes, other than payroll and income	165,213	150,858
Premium and retaliatory taxes	441,920	342,068
Professional and contract labor fees	645,010	587,622
Other	222,011	218,866
Total Operating Expenses	<u>17,362,555</u>	<u>16,414,907</u>
Income Before Income Taxes	<u>2,971,214</u>	<u>3,763,941</u>
Provision For Income Taxes	<u>649,000</u>	<u>889,000</u>
Net Income	<u>\$ 2,322,214</u>	<u>\$ 2,874,941</u>
Basic Earnings Per Common Share	<u>\$ 0.93</u>	<u>\$ 1.13</u>
Weighted Average Shares Outstanding - Basic	<u>2,499,035</u>	<u>2,549,070</u>
Diluted Earnings Per Common Share	<u>\$ 0.92</u>	<u>\$ 1.11</u>
Weighted Average Shares Outstanding - Diluted	<u>2,535,858</u>	<u>2,586,465</u>