

Investors Title Company and Subsidiaries
Consolidated Statements of Income
September 30, 2006 and 2005
(Unaudited)

	For The Three Months Ended September 30		For The Nine Months Ended September 30	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:				
Underwriting income:				
Premiums written	\$ 18,347,342	\$ 21,035,519	\$ 54,315,786	\$ 58,333,687
Less-premiums for reinsurance ceded	104,666	49,419	317,893	234,234
Net premiums written	18,242,676	20,986,100	53,997,893	58,099,453
Investment income-interest and dividends	1,036,155	812,659	3,064,905	2,373,983
Net realized gain (loss) on sales of investments	(55,930)	69,597	488,527	89,504
Exchange services revenue	1,604,992	1,222,602	4,541,081	3,272,034
Other	894,441	942,365	2,935,397	2,381,990
Total	21,722,334	24,033,323	65,027,803	66,216,964
Operating Expenses:				
Commissions to agents	6,796,146	8,209,799	20,368,864	23,050,329
Provision for claims	1,992,901	2,283,372	5,878,592	6,354,485
Salaries, employee benefits and payroll taxes	4,901,427	4,540,061	14,824,296	14,320,940
Office occupancy and operations	1,247,299	1,133,563	3,978,654	3,722,639
Business development	568,982	591,506	1,622,145	1,483,367
Taxes, other than payroll and income	196,707	67,234	493,599	387,218
Premium and retaliatory taxes	396,851	411,084	1,067,461	1,204,399
Professional fees	554,487	370,297	1,879,643	1,461,478
Other	92,435	186,878	531,002	298,088
Total	16,747,235	17,793,794	50,644,256	52,282,943
Income Before Income Taxes	4,975,099	6,239,529	14,383,547	13,934,021
Provision For Income Taxes	1,303,030	1,910,000	3,521,000	4,162,000
Net Income	\$ 3,672,069	\$ 4,329,529	\$ 10,862,547	\$ 9,772,021
Basic Earnings Per Common Share	\$ 1.46	\$ 1.69	\$ 4.29	\$ 3.81
Weighted Average Shares Outstanding - Basic	2,517,691	2,559,154	2,534,883	2,562,247
Diluted Earnings Per Common Share	\$ 1.44	\$ 1.67	\$ 4.23	\$ 3.74
Weighted Average Shares Outstanding - Diluted	2,550,607	2,600,289	2,569,585	2,611,073