

The Value of First American

[FIRST QUARTER 2009 EARNINGS REVIEW]

April 30, 2009



The First American Corporation

Safe Harbor Statement

Certain statements made in this presentation, including but not limited to those relating to allocations of corporate expenses and tax accounts; potential sources and uses of holding company cash; cost savings from employee reductions, facility closures and other cost savings initiatives; the strength of Information Solutions company sales, revenue growth, market share gains, EBITDA growth and EBITDA margin improvement, and the achievement of goals related thereto; the introduction of new products by the Information Solutions company; the effects of government economic stabilization and loan modification programs on the Company's revenues and business opportunities; revenue trends for the Information Solutions company; continued cost control efforts; increases in margins; mortgage origination levels and the effects of the refinance market on origination-related products; anticipated employee counts; closing ratios of title orders; the centralization of key administrative functions and effects thereof; the effect of weakness in the credit markets on the commercial title outlook for 2009; and the long-term growth outlook for the Financial Services company's international operations; are forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may contain the words "believe," "anticipate," "expect," "plan," "predict," "estimate," "project," "will be," "will continue," "will likely result," or other similar words and phrases. Risks and uncertainties exist that may cause results to differ materially from those set forth in these forward-looking statements. Factors that could cause the anticipated results to differ from those described in the forward-looking statements include: interest rate fluctuations; changes in the performance of the real estate markets; limitations on access to public records and other data; general volatility in the capital markets; changes in applicable government regulations; heightened scrutiny by legislators and regulators of the Company's Title Insurance and Services segment and certain other of the Company's businesses; the inability to consummate the spin-off transaction or to consummate it in the form originally proposed as a result of, among other factors, the inability to obtain necessary regulatory approvals, the failure to obtain the final approval of the Company's board of directors, the inability to obtain third party consents or undesirable concessions or accommodations required to be made to obtain such consents, the landscape of the real estate and mortgage credit markets, market conditions, the inability to transfer assets into the entity being spun-off or unfavorable reactions from customers, ratings agencies, investors or other interested persons; the inability to realize the benefits of the proposed spin-off transaction as a result of the factors described immediately above, as well as, among other factors, increased borrowing costs, competition between the resulting companies, unfavorable reactions from employees, the inability of the Financial Services company to pay the anticipated level of dividends, the triggering of rights and obligations by the transaction or any litigation arising out of or related to the separation; consolidation among the Company's significant customers and competitors; changes in the Company's ability to integrate businesses which it acquires; unfavorable economic conditions; weak performance of financial markets and/or the Company's investment portfolio; future investment or goodwill impairments; future contributions or funding requirements with respect to the Company's pension plan; and other factors described in Part I, Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission. The forward-looking statements speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.



Use of Non-GAAP and Pro Forma Financial Measures

This slide presentation contains certain financial measures that are not presented in accordance with generally accepted accounting principles (GAAP). The Company is presenting these non-GAAP financial measures because they provide the Company's management and investors with additional insight into the operational performance of the Company relative to earlier periods and relative to the Company's competitors. The Company does not intend for these non-GAAP financial measures to be a substitute for any GAAP financial information. In the slide presentation these non-GAAP financial measures have been presented with, and reconciled to, the most directly comparable GAAP financial measures. Investors should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures.

The presentation also contains certain pro forma financial information for the financial services and information solutions companies, which pro forma information is based upon certain assumptions about the form of the previously announced spin-off transaction. Certain circumstances may result in the Company being unable to consummate the transaction, in a change in the form of the transaction or in the inability of the Company to realize the benefits of the transaction.



Consolidated Earnings Summary

(\$ in millions, except per share data)

	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1 2009 Q1 2008 Variance	Q1 2009 Q4 2008 Variance
Revenues:							
Direct	\$ 1,020.9	\$ 943.4	\$ 1,076.1	\$ 1,192.9	\$ 1,138.8	(10.4)%	8.2%
Agent	298.3	360.4	437.0	475.6	456.5	(34.7)%	(17.2)%
	<u>\$ 1,319.2</u>	<u>\$ 1,303.8</u>	<u>\$ 1,513.1</u>	<u>\$ 1,668.5</u>	<u>\$ 1,595.3</u>	(17.3)%	1.2%
Investment ^(a)	57.6	49.9	56.1	57.8	69.7	(17.4)%	15.4%
Total revenues ^(a)	<u>\$ 1,376.8</u>	<u>\$ 1,353.7</u>	<u>\$ 1,569.2</u>	<u>\$ 1,726.3</u>	<u>\$ 1,665.0</u>	(17.3)%	1.7%
Expenses:							
Salaries and other ^(b)	\$ 458.3	\$ 434.8	\$ 498.8	\$ 557.0	\$ 575.5	(20.4)%	5.4%
Agent retention	239.6	286.0	347.4	377.1	364.1	(34.2)%	(16.2)%
Other operating ^(c)	426.3	398.6	437.3	472.2	445.0	(4.2)%	6.9%
Loss provision ^(d)	89.4	111.4	121.9	114.9	107.1	(16.5)%	(19.7)%
Dep. and amort. ^(e)	52.0	57.0	60.0	59.7	57.5	(9.6)%	(8.8)%
Premium taxes	7.8	9.6	12.5	12.3	12.0	(35.0)%	(18.8)%
Interest	16.1	16.3	17.6	15.6	21.6	(25.5)%	(1.2)%
Total expenses	<u>\$ 1,289.4</u>	<u>\$ 1,313.7</u>	<u>\$ 1,495.5</u>	<u>\$ 1,608.8</u>	<u>\$ 1,582.8</u>	(18.5)%	(1.8)%
Adjusted pretax income ^(f)	<u>\$ 87.4</u>	<u>\$ 40.0</u>	<u>\$ 73.7</u>	<u>\$ 117.5</u>	<u>\$ 82.2</u>	6.3%	118.5%
+ Net realized investment gains (losses)	1.0	(3.1)	(50.2)	(41.3)	(5.9)		
- Employee separation costs	4.6	11.7	14.9	5.9	2.1		
- Facilities and other restructuring charges	0.8	8.3	7.8	6.8	4.6		
- Reserve strengthening	-	78.0	-	-	-		
- Intangible impairments	-	28.7	-	-	-		
GAAP pretax income (loss)	<u>\$ 83.0</u>	<u>\$ (89.8)</u>	<u>\$ 0.8</u>	<u>\$ 63.5</u>	<u>\$ 69.6</u>	19.3%	192.4%
Noncontrolling interest	\$ 18.9	\$ 9.2	\$ 10.2	\$ 17.1	\$ 18.1	4.4%	105.4%
Income taxes provision (benefit)	28.1	(32.1)	(1.0)	26.9	22.1	27.1%	187.5%
Net income (loss)	<u>\$ 36.0</u>	<u>\$ (66.9)</u>	<u>\$ (8.4)</u>	<u>\$ 19.5</u>	<u>\$ 29.3</u>	22.9%	153.8%
EPS diluted	\$ 0.38	\$ (0.72)	\$ (0.09)	\$ 0.21	\$ 0.32	18.8%	(152.8)%
Capital expenditures	\$ 18.8	\$ 32.6	\$ 35.3	\$ 33.6	\$ 43.8	(57.1)%	(42.3)%
Operating cash flow	\$ (24.0)	\$ 44.5	\$ 115.4	\$ 71.2	\$ (154.3)	84.4%	(153.9)%

(a) Excludes all net realized investment gains (losses); see reconciliation in the appendix

(b) Excludes employee separation costs; see reconciliation in the appendix

(c) Excludes facilities and other restructuring charges; see reconciliation in the appendix

(d) Excludes reserve strengthening; see reconciliation in the appendix

(e) Excludes certain intangible impairments; see reconciliation in the appendix

(f) Excludes net realized investment gains (losses), employee separation costs, facilities and other restructuring charges, reserve strengthening and certain intangible impairments; see reconciliation in the appendix



The First American Corporation

Pro Forma Balance Sheet Summary

As of March 31, 2009

(\$ in thousands)

Assets	Financial Services	Information Solutions	Consolidated
Cash and investments	\$ 2,943,130	\$ 465,750	\$ 3,408,880
Other assets	985,968	1,340,135	2,326,103
Goodwill and intangibles	822,991	2,070,957	2,893,948
Total assets	\$ 4,752,089	\$ 3,876,842	\$ 8,628,931
Liabilities and Equity			
Debt	\$ 271,305	\$ 691,491	\$ 962,796
Other liabilities	3,338,722	911,731	4,250,453
Noncontrolling interests	17,649	684,813	702,462
FAC Equity	1,124,413	1,588,807	2,713,220
Total liabilities and equity	\$ 4,752,089	\$ 3,876,842	\$ 8,628,931



Liquidity Summary

(\$ in millions)

Target sources of holding company cash for remainder of 2009

Cash at holding company (3/31/09)	\$ 43
Dividends and distributions from subsidiaries	213
Tax refunds	26
Total sources	\$ 282

Expected uses of holding company cash for remainder of 2009

Principal and interest payments	\$ 34
Common stock dividends	61
Other cash uses	61
Total uses	\$ 156

Note: The Company has a \$500 million revolving credit facility of which \$160 million was available as of April 30, 2009



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Financial Services Pro Forma Earnings

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009 Q1 2008 Variance</u>	<u>Q1 2009 Q4 2008 Variance</u>
Operating revenue	\$ 826,168	\$ 858,293	\$ 1,055,452	\$ 1,181,773	\$ 1,099,763	(24.9)%	(3.7)%
Investment	34,834	34,028	(6,603)	1,103	49,061	(29.0)%	2.4%
Total revenues	<u>\$ 861,002</u>	<u>\$ 892,321</u>	<u>\$ 1,048,849</u>	<u>\$ 1,182,876</u>	<u>\$ 1,148,824</u>	(25.1)%	(3.5)%
Salaries and other operating	\$ 836,962	\$ 972,110	\$ 1,062,915	\$ 1,159,728	\$ 1,115,382	(25.0)%	(13.9)%
Depreciation and amort.	19,724	25,904	23,709	23,612	21,090	(6.5)%	(23.9)%
Interest	7,808	8,028	8,085	3,680	10,338	(24.5)%	(2.7)%
Total expenses	<u>\$ 864,494</u>	<u>\$ 1,006,042</u>	<u>\$ 1,094,709</u>	<u>\$ 1,187,020</u>	<u>\$ 1,146,810</u>	(24.6)%	(14.1)%
Pretax (loss) income ^(a)	\$ (3,492)	\$ (113,721)	\$ (45,860)	\$ (4,144)	\$ 2,014	(273.4)%	96.9%
Noncontrolling interest	(239)	296	322	2,104	1,337	(117.9)%	(180.7)%
Income taxes (benefit) provision	(1,425)	(36,942)	(5,080)	(3,600)	291	(589.7)%	96.1%
Net (loss) income	<u>\$ (1,828)</u>	<u>\$ (77,075)</u>	<u>\$ (41,102)</u>	<u>\$ (2,648)</u>	<u>\$ 386</u>	(573.6)%	97.6%
Net realized investment gains (losses)	\$ 1,629	\$ (2,763)	\$ (46,265)	\$ (39,420)	\$ 884	84.3%	159.0%
Capital expenditures	8,423	15,328	19,678	11,396	15,897	(47.0)%	(45.0)%

Note: Pro forma earnings represent actual results for the Title Insurance and Services and Specialty Insurance segments adjusted for estimated allocation of net corporate expenses

7 (a) (Loss) income before income taxes and noncontrolling interest expense



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Title Insurance Results

- Total revenues in the first quarter decreased 26.2% compared with the first quarter of 2008
- Salaries and other personnel costs
 - Decreased 23.1% over prior year
 - 365 employee reductions during the first quarter
 - Expected annualized savings of \$21.4 million due to reductions
 - Severance costs of \$3.9 million
- Other operating expenses
 - Decreased 18.3% over prior year
 - 41 office closures during the first quarter
 - Expected annualized savings of \$1.9 million due to office closures
 - Lease termination costs of \$800,000



Title Insurance Results

(\$ in millions)	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Revenues:							
Direct	\$ 460.8	\$ 427.8	\$ 546.5	\$ 633.6	\$ 571.7	(19.4)%	7.7%
Agent	298.3	360.4	436.9	475.6	456.5	(34.7)%	(17.2)%
	<u>\$ 759.1</u>	<u>\$ 788.2</u>	<u>\$ 983.4</u>	<u>\$ 1,109.2</u>	<u>\$ 1,028.2</u>	(26.2)%	(3.7)%
Investment ^(a)	31.8	36.7	39.5	38.1	45.5	(30.1)%	(13.4)%
Total revenues ^(a)	<u>\$ 790.9</u>	<u>\$ 824.9</u>	<u>\$ 1,022.9</u>	<u>\$ 1,147.3</u>	<u>\$ 1,073.7</u>	(26.3)%	(4.1)%
Expenses:							
Salaries and other ^(b)	\$ 265.4	\$ 255.4	\$ 303.3	\$ 340.5	\$ 348.7	(23.9)%	3.9%
Agent retention	239.6	286.0	347.4	377.1	364.1	(34.2)%	(16.2)%
Other operating ^(c)	204.1	195.9	235.9	270.7	246.3	(17.1)%	4.2%
Loss provision ^(d)	49.3	58.6	72.6	70.4	63.5	(22.4)%	(15.9)%
Dep. and amort.	17.7	20.2	21.5	20.7	18.8	(5.9)%	(12.4)%
Premium taxes	6.7	8.6	11.3	11.2	10.9	(38.5)%	(22.1)%
Interest	4.8	4.7	5.8	3.7	10.6	(54.7)%	2.1%
Total expenses	<u>\$ 787.6</u>	<u>\$ 829.4</u>	<u>\$ 997.8</u>	<u>\$ 1,094.3</u>	<u>\$ 1,062.9</u>	(25.9)%	(5.0)%
Adjusted pretax income (loss) ^(e)	<u><u>\$ 3.3</u></u>	<u><u>\$ (4.5)</u></u>	<u><u>\$ 25.1</u></u>	<u><u>\$ 53.0</u></u>	<u><u>\$ 10.8</u></u>	(69.4)%	173.3%
+ Net realized investment gains (losses)	1.5	(1.1)	(44.6)	(39.4)	0.6		
- Employee separation costs	3.9	8.0	8.6	5.8	1.4		
- Lease termination costs	0.8	5.5	5.7	6.6	4.6		
- Reserve strengthening	-	78.0	-	-	-		
GAAP pretax income (loss)	<u><u>\$ 0.1</u></u>	<u><u>\$ (97.1)</u></u>	<u><u>\$ (33.8)</u></u>	<u><u>\$ 1.2</u></u>	<u><u>\$ 5.4</u></u>	(98.1)%	100.1%

Note: Results for the Title Insurance and Services segment only. Excludes corporate expenses

(a) Excludes all net realized investment gains (losses); see reconciliation in the appendix

(b) Excludes employee separation costs; see reconciliation in the appendix

(c) Excludes lease termination costs; see reconciliation in the appendix

(d) Excludes reserve strengthening; see reconciliation in the appendix

(e) Excludes net realized investment gains (losses), employee separation costs, lease termination costs and reserve strengthening; see reconciliation in the appendix



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Title Insurance Results

- National Commercial Services ^(a) generated revenue of \$40.7 million in the first quarter, a 48.7% decrease over prior year

(\$ in millions)

National Commercial Services	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Total revenues	\$ 40.7	\$ 61.8	\$ 79.3	\$ 93.7	\$ 79.4	(48.7)%	(34.1)%
Title orders opened	13,473	12,857	14,873	16,802	17,903	(24.7)%	4.8%
Title orders closed	6,213	7,586	7,472	8,436	8,700	(28.6)%	(18.1)%

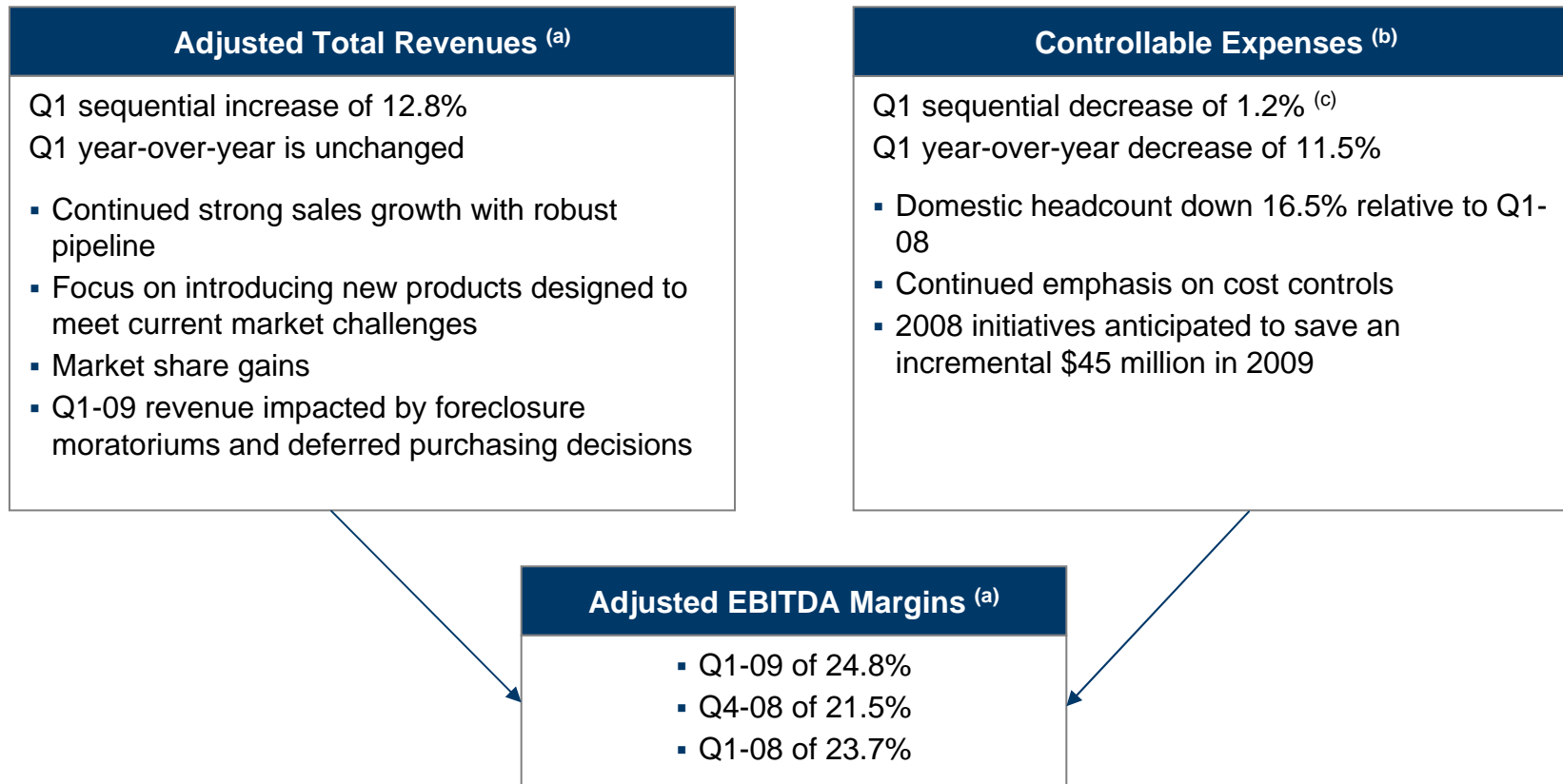
(a) Represents the Company's National Commercial Services (NCS) group. Does not include commercial title orders generated from the Company's direct operations, commercial agents or brands other than First American Title



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Information Solutions Highlights

Operational and Financial Highlights



(a) See reconciliation in the appendix

(b) Controllable expenses consist of personnel costs and operating expenses not including costs of goods sold

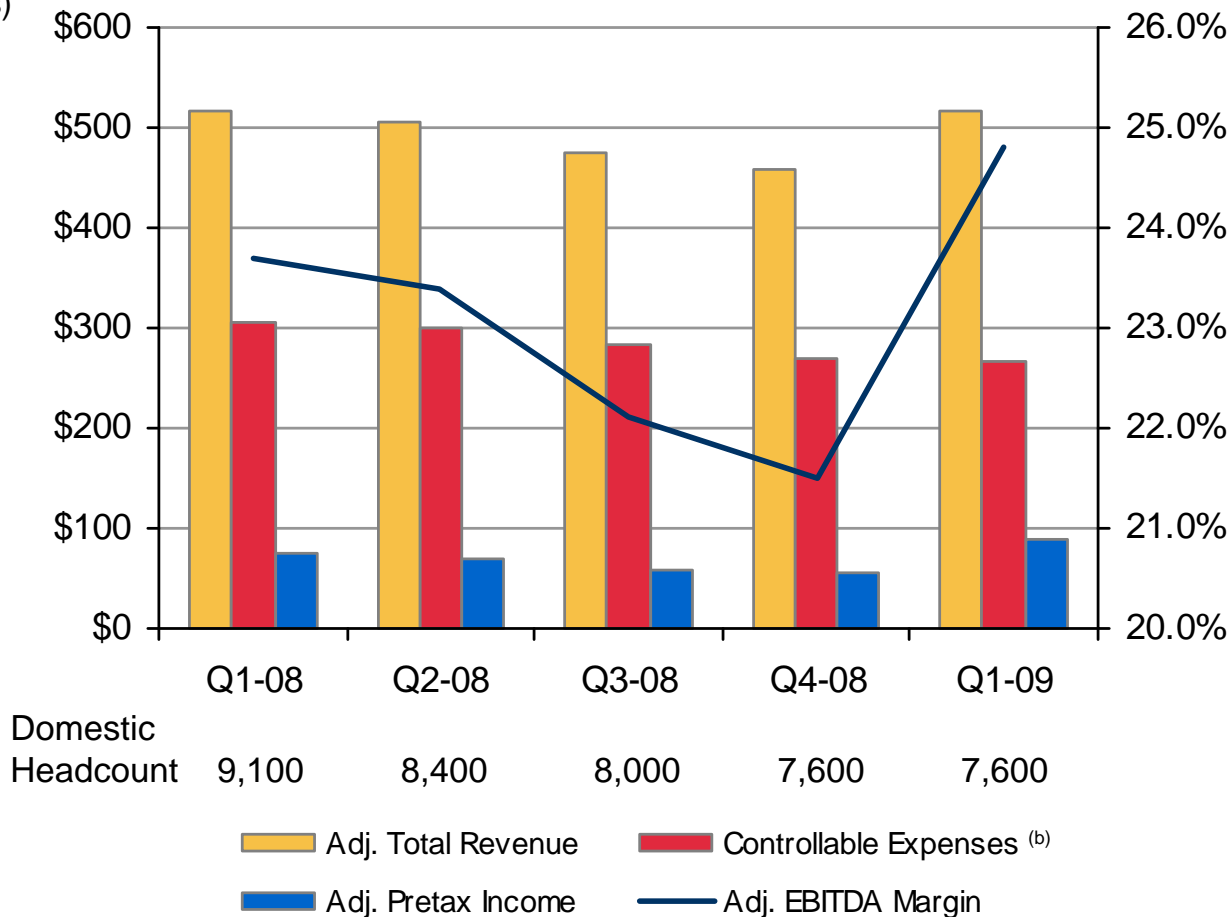
(c) After consideration of year-end adjustments in Q4-08 and seasonally higher benefits costs in Q1-09



Information Solutions Highlights

Operational and Financial Highlights

(\$ in millions)



(a) See reconciliation in the appendix

(b) Controllable expenses consist of personnel costs and operating expenses not including costs of goods sold



The First American Corporation

Information Solutions Highlights

Pro Forma Information Solutions Group Results ^(a)

Q1 2009

- Total revenues up 12.8% sequentially
- Adjusted pretax earnings were \$87.9 million, up 57.7% sequentially
- Controllable expenses ^(b) (excluding corporate allocations and non-recurring items) were down \$3.1 million or 1.2% sequentially, after consideration of year-end benefits adjustments in Q4 2008 and seasonally higher benefits costs in Q1 2009
- Adjusted EBITDA margin of 24.8% was up from 21.5% and 23.7% relative to Q4 2008 and Q1 2008, respectively ^(c)
- Adjusted pretax margin of 17.0% in Q1 2009 up from 12.1% in Q4 2008 ^(c)

(a) Pro forma earnings represent actual results for the Information and Outsourcing Solutions, Data and Analytic Solutions and Risk Mitigation and Business Solutions segments adjusted for estimated allocation of net corporate expenses

(b) Controllable expenses consist of personnel costs and operating expenses not including costs of goods sold

(c) See reconciliation in the appendix



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Information Solutions Pro Forma Earnings

Pro Forma Information Solutions Group Results

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Operating revenue	\$ 493,001	\$ 445,465	\$ 457,620	\$ 486,774	\$ 495,507	(0.5)%	10.7%
Investment	23,760	12,826	12,500	15,400	14,795	60.6%	85.2%
Total revenues	\$ 516,761	\$ 458,291	\$ 470,120	\$ 502,174	\$ 510,302	1.3%	12.8%
Salaries and other operating	\$ 389,746	\$ 366,270	\$ 377,668	\$ 386,365	\$ 395,039	(1.3)%	6.4%
Depreciation and amort.	32,277	59,822	36,283	36,092	36,432	(11.4)%	(46.0)%
Interest	8,233	8,271	9,488	11,964	11,270	(26.9)%	(0.5)%
Total expenses	\$ 430,256	\$ 434,363	\$ 423,439	\$ 434,421	\$ 442,741	(2.8)%	(0.9)%
Pretax income ^(a)	\$ 86,505	\$ 23,928	\$ 46,681	\$ 67,753	\$ 67,559	28.0%	261.5%
Noncontrolling interest	19,172	8,927	9,873	15,024	16,802	14.1%	114.8%
Income taxes	29,479	4,827	4,047	30,477	21,826	35.1%	510.7%
Net income	\$ 37,854	\$ 10,174	\$ 32,761	\$ 22,252	\$ 28,931	30.8%	272.1%

Note: Pro forma earnings represent actual results for the Information and Outsourcing Solutions, Data and Analytic Solutions and Risk Mitigation and Business Solutions segments adjusted for estimated allocation of net corporate expenses

14 (a) Income before income taxes and noncontrolling interest expense



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Information Solutions Pro Forma Earnings

Pro Forma Information Solutions Group Results

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Pretax income	\$ 86,505	\$ 23,928	\$ 46,681	\$ 67,753	\$ 67,559	28.0%	261.5%
- Net realized investment (losses) gains	(598)	(318)	(3,936)	(1,917)	(6,760)		
+ Employee separation costs	768	3,611	6,341	169	729		
+ Facilities and other restructuring charges	-	2,771	2,084	200	-		
+ Intangible impairments	-	25,085	-	-	-		
Adj. pretax income	<u>\$ 87,871</u>	<u>\$ 55,713</u>	<u>\$ 59,042</u>	<u>\$ 70,039</u>	<u>\$ 75,048</u>	17.1%	57.7%
+ Depreciation & amortization (excluding intangible impairments)	32,277	34,737	36,283	36,092	36,432	(11.4)%	(7.1)%
+ Interest	8,233	8,271	9,488	11,964	11,270	(26.9)%	(0.5)%
Adj. EBITDA	<u>\$ 128,381</u>	<u>\$ 98,721</u>	<u>\$ 104,813</u>	<u>\$ 118,095</u>	<u>\$ 122,750</u>	4.6%	30.0%
EBITDA margin ^(a)	24.6%	20.1%	19.7%	23.1%	22.6%	2.0 ^(b)	4.5 ^(b)
Adj. EBITDA margin ^(a)	24.8%	21.5%	22.1%	23.4%	23.7%	1.1 ^(b)	3.3 ^(b)
Capital expenditures	\$ 10,347	\$ 17,232	\$ 15,611	\$ 22,228	\$ 27,935	(63.0)%	(40.0)%
Finite-lived intangible amortization	\$ 8,348	\$ 8,462	\$ 9,990	\$ 9,313	\$ 9,068	(7.9)%	(1.3)%

Note: Pro forma earnings represent actual results for the Information and Outsourcing Solutions, Data and Analytic Solutions and Risk Mitigation and Business Solutions segments adjusted for estimated allocation of net corporate expenses

(a) See reconciliation in the appendix

(b) Margin comparisons reflect percentage point changes only



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Information Solutions Highlights

Key Business Metrics

(in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Loans under tax service ^(a)	29,257	29,698	28,737	29,019	28,673	2.0%	(1.5)%
Flood certifications ^(b)	2,322	1,724	1,957	2,385	2,731	(15.0)%	34.7%
Broker price opinions ^(c)	292	261	259	256	245	19.2%	11.9%
Title plant searches ^(d)	1,037	775	579	720	1,137	(8.8)%	33.8%
Document image requests ^(e)	679	572	655	713	770	(11.8)%	18.7%
Credit orders ^(f)	2,538	2,010	2,046	2,536	2,915	(12.9)%	26.3%

Note:

(a) Tax service life of loan orders under service

(b) Flood certifications ordered per quarter

(c) Broker price opinions ordered per quarter

(d) Title plant searches ordered per quarter

(e) Document image requests per quarter

(f) Credit reports ordered per quarter



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Information and Outsourcing Solutions Highlights

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009 Q1 2008 Variance</u>	<u>Q1 2009 Q4 2008 Variance</u>
Tax and flood	\$ 82,298	\$ 63,007	\$ 73,246	\$ 83,987	\$ 88,683	(7.2)%	30.6%
Collateral valuation	65,135	46,147	46,610	49,060	49,397	31.9%	41.1%
Default	56,191	51,479	59,819	58,752	53,802	4.4%	9.2%
Other	2,837	4,149	4,963	1,769	4,300	(34.0)%	(31.6)%
Total revenues	\$ 206,461	\$ 164,782	\$ 184,638	\$ 193,568	\$ 196,182	5.2%	25.3%
Adj. pretax income ^(a)	\$ 56,511	\$ 22,393	\$ 32,641	\$ 42,759	\$ 50,492	11.9%	152.4%
GAAP pretax margin	27.1%	13.3%	16.1%	22.1%	25.7%	1.4 ^(b)	13.8 ^(b)
Adj. pretax margin	27.4%	13.6%	17.7%	22.1%	25.7%	1.7 ^(b)	13.8 ^(b)

Note: Results for the Information and Outsourcing Solutions segment only. Excludes corporate expenses

(a) Income before income taxes and noncontrolling interest expense; excludes employee separation costs and facilities and other restructuring charges; see reconciliation in the appendix

(b) Margin comparisons reflect percentage point changes only



The First American Corporation

Data and Analytic Solutions Highlights

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009 Q1 2008 Variance</u>	<u>Q1 2009 Q4 2008 Variance</u>
Property data and analytics	\$ 108,276	\$ 105,018	\$ 105,228	\$ 111,172	\$ 110,953	(2.4)%	3.1%
Other real estate products	14,421	14,915	15,451	15,837	16,166	(10.8)%	(3.3)%
Other	9,609	9,514	10,609	10,551	10,023	(4.1)%	1.0%
Total revenues ^(a)	<u>\$ 132,306</u>	<u>\$ 129,447</u>	<u>\$ 131,288</u>	<u>\$ 137,560</u>	<u>\$ 137,142</u>	(3.5)%	2.2%
Adj. pretax income ^(b)	\$ 27,918	\$ 30,638	\$ 22,513	\$ 25,007	\$ 20,525	36.0%	(8.9)%
GAAP pretax margin	20.8%	19.3%	13.2%	17.9%	14.5%	6.3 ^(c)	1.5 ^(c)
Adj. pretax margin	21.1%	23.7%	17.1%	18.2%	15.0%	6.1 ^(c)	(2.6) ^(c)

Note: Results for the Data and Analytic Solutions segment only. Excludes corporate expenses.

Adjusted to conform to current period presentation

(a) Excludes net realized investment gains (losses); see reconciliation in the appendix

(b) Income before income taxes and noncontrolling interest expense; excludes net realized investment gains, employee separation costs and lease termination costs; see reconciliation in the appendix

18 (c) Margin comparisons reflect percentage point changes only



The First American Corporation

Risk Mitigation and Business Solutions Highlights

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009 Q1 2008 Variance</u>	<u>Q1 2009 Q4 2008 Variance</u>
Total revenues ^(a)	\$ 203,231	\$ 193,990	\$ 188,453	\$ 198,546	\$ 207,543	(2.1)%	4.8%
Adj. pretax income ^(b)	\$ 18,721	\$ 20,322	\$ 25,142	\$ 22,851	\$ 26,062	(28.2)%	(7.9)%
GAAP pretax margin	9.2%	(0.8)%	11.4%	10.7%	10.9%	(1.7) ^(c)	10.0 ^(c)
Adj. pretax margin	9.2%	10.5%	13.3%	11.5%	12.6%	(3.4) ^(c)	(1.3) ^(c)

(a) Excludes net realized investment gains (losses); see reconciliation in the appendix

(b) Income before income taxes and noncontrolling interest expense; excludes net realized investment gains (losses), certain intangible impairments, employee separation costs, and facilities and other restructuring charges; see reconciliation in the appendix

(c) Margin comparisons reflect percentage point changes only

(d) See reconciliation in the appendix



The First American Corporation

Information Solutions Highlights

Trends in 2009

- Origination-related businesses seeing stable growth relative to second half of 2008
- Market share gains in tax, appraisal, and BPO AVMs will be more visible in the second quarter
- New products and solutions are driving growth in Loss Mitigation and Property Data and Analytics
- New client activity:
 - 13 significant new clients in Q1
 - Significant expansion of services to 12 clients



Appendix



Reconciliation of Segment Results

(\$ in thousands)	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1 2009 Q1 2008 Variance	Q1 2009 Q4 2008 Variance
Title Insurance							
GAAP investment income (loss)	\$ 33,328	\$ 35,542	\$ (5,145)	\$ (1,345)	\$ 46,173	(27.8)%	(6.2)%
- Net realized investment gains (losses)	1,490	(1,112)	(44,609)	(39,422)	629		
Adjusted investment income	\$ 31,838	\$ 36,654	\$ 39,464	\$ 38,077	\$ 45,544	(30.1)%	(13.1)%
GAAP total revenues	\$ 792,404	\$ 823,711	\$ 978,292	\$ 1,107,855	\$ 1,074,328	(26.2)%	(3.8)%
- Net realized investment gains (losses)	1,490	(1,112)	(44,609)	(39,422)	629		
Adjusted total revenues	\$ 790,914	\$ 824,823	\$ 1,022,901	\$ 1,147,277	\$ 1,073,699	(26.3)%	(4.1)%
GAAP salaries and other personnel costs	\$ 269,309	\$ 263,410	\$ 311,851	\$ 346,287	\$ 350,118	(23.1)%	2.2%
- Employee separation costs	3,870	8,045	8,552	5,751	1,407		
Adjusted salaries and other personnel costs	\$ 265,439	\$ 255,365	\$ 303,299	\$ 340,536	\$ 348,711	(23.9)%	3.9%
GAAP other operating	\$ 204,899	\$ 201,382	\$ 241,573	\$ 277,297	\$ 250,944	(18.3)%	1.7%
- Lease termination costs	811	5,510	5,705	6,615	4,640		
Adjusted other operating	\$ 204,088	\$ 195,872	\$ 235,868	\$ 270,682	\$ 246,304	(17.1)%	4.2%
GAAP loss provision	\$ 49,340	\$ 136,565	\$ 72,603	\$ 70,371	\$ 63,501	(22.3)%	(63.9)%
- Reserve strengthening	-	78,010	-	-	-		
Adjusted loss provision	\$ 49,340	\$ 58,555	\$ 72,603	\$ 70,371	\$ 63,501	(22.3)%	(15.7)%
GAAP pretax income (loss)	\$ 172	\$ (97,132)	\$ (33,713)	\$ 1,256	\$ 5,370	(96.8)%	100.2%
- Net realized investment gains (losses)	1,490	(1,112)	(44,609)	(39,422)	629		
+ Reserve strengthening	-	78,010	-	-	-		
+ Employee separation costs	3,870	8,045	8,552	5,751	1,407		
+ Facilities and other restructuring charges	811	5,510	5,705	6,615	4,640		
Adjusted pretax income (loss)	\$ 3,363	\$ (4,455)	\$ 25,153	\$ 53,044	\$ 10,788	(68.8)%	175.5%
GAAP pretax margin	0.0%	-11.8%	-3.4%	0.1%	0.5%	(0.5)	11.8
Adjusted pretax margin	0.4%	-0.5%	2.5%	4.6%	1.0%	(0.6)	0.9



Reconciliation of Segment Results

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009 Q1 2008 Variance</u>	<u>Q1 2009 Q4 2008 Variance</u>
Information Solutions pro forma							
Total revenues	\$ 516,761	\$ 458,291	\$ 470,120	\$ 502,174	\$ 510,302	1.3%	12.8%
- Net realized investment losses	(598)	(318)	(3,936)	(1,917)	(6,760)		
Adjusted total revenues	<u>\$ 517,359</u>	<u>\$ 458,609</u>	<u>\$ 474,056</u>	<u>\$ 504,091</u>	<u>\$ 517,062</u>	0.1%	12.8%
Pretax income	\$ 86,505	\$ 23,928	\$ 46,681	\$ 67,753	\$ 67,559	28.0%	261.5%
+ Depreciation and amortization	32,277	59,822	36,283	36,092	36,432		
+ Interest	8,233	8,271	9,488	11,964	11,270		
EBITDA	<u>\$ 127,015</u>	<u>\$ 92,021</u>	<u>\$ 92,452</u>	<u>\$ 115,809</u>	<u>\$ 115,261</u>	10.2%	38.0%
- Net realized investment losses	(598)	(318)	(3,936)	(1,917)	(6,760)		
+ Employee separation costs	768	3,611	6,341	169	729		
+ Facilities and other restructuring charges	-	2,771	2,084	200	-		
Adjusted EBITDA	<u>\$ 128,381</u>	<u>\$ 98,721</u>	<u>\$ 104,813</u>	<u>\$ 118,095</u>	<u>\$ 122,750</u>	4.6%	30.0%
Pretax margin	16.7%	5.2%	9.9%	13.5%	13.2%	3.5	11.5
EBITDA margin	24.6%	20.1%	19.7%	23.1%	22.6%	2.0	4.5
Adjusted EBITDA margin	24.8%	21.5%	22.1%	23.4%	23.7%	1.1	3.3



Reconciliation of Segment Results

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Data & Analytic Solutions							
GAAP total revenues	\$ 132,063	\$ 129,453	\$ 127,710	\$ 137,543	\$ 137,204	(3.7)%	2.0%
- Net realized investment (losses) gains	(243)	6	(3,578)	(17)	62		
Adjusted total revenues	\$ 132,306	\$ 129,447	\$ 131,288	\$ 137,560	\$ 137,142	(3.5)%	2.2%
GAAP pretax income	\$ 27,509	\$ 24,981	\$ 16,798	\$ 24,622	\$ 19,858	38.5%	10.1%
- Net realized investment (losses) gains	(243)	6	(3,578)	(17)	62		
+ Employee separation costs	166	2,693	1,753	169	729		
+ Lease termination costs	-	684	384	200	-		
+ Intangible impairments	-	2,286	-	-	-		
Adjusted pretax income	\$ 27,918	\$ 30,638	\$ 22,513	\$ 25,008	\$ 20,525	36.0%	(8.9)%
+ Interest	1,497	1,623	1,679	1,823	1,905		
+ Depreciation and amortization	14,700	17,239	16,147	16,821	17,961		
Adjusted EBITDA	\$ 44,115	\$ 49,500	\$ 40,339	\$ 43,652	\$ 40,391	9.2%	(10.9)%
Adjusted EBITDA margin	33.3%	38.2%	30.7%	31.7%	29.5%	3.8	(4.9)
Risk Mitigation & Business Solutions							
GAAP total revenues	\$ 203,189	\$ 193,947	\$ 188,063	\$ 196,645	\$ 203,620	(0.2)%	4.8%
- Net realized investment (losses)	(42)	(43)	(389)	(1,901)	(3,923)		
Adjusted total revenues	\$ 203,231	\$ 193,990	\$ 188,452	\$ 198,546	\$ 207,543	(2.1)%	4.8%
GAAP pretax income	\$ 18,679	\$ (1,461)	\$ 21,365	\$ 20,950	\$ 22,139	(15.6)%	1378.7%
- Net realized investment losses	(42)	(43)	(389)	(1,901)	(3,923)		
+ Employee separation costs	-	744	1,688	-	-		
+ Facilities and other restructuring charges	-	963	1,700	-	-		
+ Intangible impairments	-	20,033	-	-	-		
Adjusted pretax income	\$ 18,721	\$ 20,322	\$ 25,142	\$ 22,851	\$ 26,062	(28.2)%	(7.9)%
+ Interest	375	407	640	1,075	425		
+ Depreciation and amortization	10,678	30,799	12,171	11,341	10,445		
Adjusted EBITDA	\$ 29,774	\$ 51,528	\$ 37,953	\$ 35,267	\$ 36,932	(19.4)%	(42.2)%
GAAP pretax margin	9.2%	-0.8%	11.4%	10.7%	10.9%		
Adjusted EBITDA margin	14.7%	26.6%	20.1%	17.8%	17.8%	(3.1)	(11.9)
Information and Outsourcing Solutions							
GAAP total revenues	\$ 206,461	\$ 164,782	\$ 184,638	\$ 193,568	\$ 196,182	5.2%	25.3%
GAAP pretax income	\$ 55,909	\$ 21,989	\$ 29,741	\$ 42,759	\$ 50,492	10.7%	154.3%
+ Employee separation costs	602	174	2,900	-	-		
+ Facilities and other restructuring charges	-	230	-	-	-		
Adjusted pretax income	\$ 56,511	\$ 22,393	\$ 32,641	\$ 42,759	\$ 50,492	11.9%	152.4%
+ Interest	(1,507)	(1,652)	(1,510)	(1,519)	(1,432)		
+ Depreciation and amortization	5,456	5,723	5,767	6,107	5,828		
Adjusted EBITDA	\$ 60,460	\$ 26,464	\$ 36,898	\$ 47,347	\$ 54,888	10.2%	128.5%
Adjusted EBITDA margin	29.3%	16.1%	20.0%	24.5%	28.0%	1.3	13.2



The First American Corporation

Reconciliation of Segment Results

(\$ in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q1 2009</u> <u>Q1 2008</u> <u>Variance</u>	<u>Q1 2009</u> <u>Q4 2008</u> <u>Variance</u>
Consolidated							
GAAP investment income	\$ 58,644	\$ 46,854	\$ 5,897	\$ 16,503	\$ 63,856	(8.2)%	25.2%
- Net realized investment gains (losses)	1,030	(3,081)	(50,201)	(41,338)	(5,876)		
Adjusted investment income	<u>\$ 57,614</u>	<u>\$ 49,935</u>	<u>\$ 56,098</u>	<u>\$ 57,841</u>	<u>\$ 69,732</u>	(17.4)%	15.4%
GAAP pretax income (loss)	\$ 83,013	\$ (89,794)	\$ 822	\$ 63,610	\$ 69,574	19.3%	192.4%
- Net realized investment gains (losses)	1,030	(3,081)	(50,201)	(41,338)	(5,876)		
+ Employee separation costs	4,600	11,700	14,900	5,900	2,100		
+ Facilities and other restructuring charges	800	8,300	7,800	6,800	4,600		
+ Reserve strengthening	-	78,010	-	-	-		
+ Intangible impairments	-	28,700	-	-	-		
Adjusted pretax income	<u>\$ 87,383</u>	<u>\$ 39,997</u>	<u>\$ 73,723</u>	<u>\$ 117,648</u>	<u>\$ 82,150</u>	6.4%	118.5%

