

THIRD QUARTER FACT SHEET 2003

NYSE: FAF

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WE PROVIDE BUSINESS **information**
DEVELOPED WITH **insight**
AND DELIVERED WITH **integrity.**

52-WEEK RANGE: \$28.04-\$19.70

MARKET CAPITALIZATION* (3Q03): \$2.45 BILLION

AVERAGE SHARES OUTSTANDING (DILUTED 3Q03): 88.3 MILLION

DIVIDEND/YIELD*: \$0.60/2.2%

EPS (DILUTED 3Q03): \$1.62

EPS (DILUTED YE02): \$2.92

EPS (CONSENSUS EST. YE03): \$5.07

P/E (CONSENSUS EST. YE03)*: 5.4

BOOK VALUE (3Q03): \$22.82

*Based on \$27.72 stock price.

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DIRECT STOCK PURCHASE:

Contact a Shareholder Services Representative for information on First American's Direct Purchase and Dividend Reinvestment Plans.

TEL 800.894.4076 • EMAIL shareholderservices.trust@firstam.com



The First American Corporation

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FROM THE PRESIDENT

FIRST AMERICAN PROFILE

The First American Corporation (NYSE: FAF) is a FORTUNE 500® company that traces its history to 1889. As the nation's leading diversified provider of business information products and services, the company supplies businesses and consumers with the information resources in connection with the major economic events of people's lives, such as getting a job; renting an apartment; buying a car, house, boat, or airplane; securing a mortgage; opening or buying a business; and planning for retirement. The First American Family of Companies, many of which command leading market share positions in their respective industries, operate within seven primary business segments, including: Title Insurance and Services, Specialty Insurance, Trust and Other Services, Mortgage Information, Property Information, Credit Information, and Screening Information. With revenues of \$4.70 billion in 2002, First American has nearly 25,000 employees in approximately 1,400 offices throughout the United States and abroad. More information about the Company and an archive of its press releases can be found at www.firstam.com.

First American's third quarter results were the highest in the Company's 114-year history with \$1.72 billion in revenues, \$260.8 million in pretax earnings, and \$141.8 million in net income or \$1.62 per diluted share. Our earnings exceeded analyst estimates by more than 20 cents per share, and our cash flow from operations continues to be very strong.

Capitalizing on the robust real estate market over the past year, First American has substantially completed the launch of a new production technology that gives us a strong advantage over our competitors. As a result of efficiencies from our technology, effective management throughout our Company, and cost containment measures, First American is well positioned to succeed in any economic environment.



Parker S. Kennedy, President

Our Title Insurance segment demonstrated the most dramatic improvement this quarter with a 109 percent increase in pretax profits when compared to the same quarter last year. Productivity improvement efforts enabled by our FAST Transaction System resulted in savings of more than \$25 million in the quarter. The improved margins created by the incredible power of the FAST system will continue to grow through 2004.

Earnings for our Specialty Insurance segment were up almost 50 percent, and our Trust and Financial Services also did well, improving quarter-over-quarter earnings by 21 percent with strong margins of more than 28 percent.

Our Mortgage Information segment also had an excellent quarter, increasing earnings by 65 percent despite a slowdown in refinance activity.

Property Information continued its solid performance and is shaping up to be one of the steadiest segments. A decline in mortgage activity should not impact this segment as much as it may some of the others.

Credit Information did remarkably well in light of a significant decline in mortgage activity. This shows the growing strength of our automotive credit division.

Our Screening Information segment improved its margins and more than doubled its net income over the same period last year in spite of the many acquisitions and technology integrations that they are working to complete.

Though business is still good, the fourth quarter will be tougher. We are seeing a decline in order counts as interest rates move up from June lows. While this has had a significant impact on our refinance business, our business mix is not over-weighted with refinance volume. Our customers tend to be the larger originators that produce resale transactions, rather than mortgage brokers who tend to focus on refinance business. This emphasis on the larger clients applies to nearly all of our mortgage-related businesses and will help soften the effect of the decline in mortgage activity.

On October 1, we closed on our acquisition of Transamerica's tax service and flood-certification businesses. We are excited about the future prospects of this transaction as we will enhance our position as the low-cost producer of these two vital services to the mortgage industry. The transaction will be immediately accretive to our fourth quarter results and we anticipate a 10 percent accretion to our earnings in 2004 based on current IBES estimates.

With some 30-year mortgage rates back under 6 percent and 10-year yields below 4.5 percent, rates are still very low by traditional standards. While refinance activity will be down, we still look for a strong market in 2004 for our real estate-related businesses. Our other businesses will not be affected by mortgage rates.

We continue to work very hard to maximize shareholder value, and I am very pleased with our results. We look forward to continued success through the fourth quarter and into 2004.



Parker S. Kennedy
President



BUSINESS SEGMENTATION

SERVICES OVERVIEW

Beginning in 2002, The First American Corporation created new financial reporting segments to help show our true diversity and unlock our Company's hidden value. The services we offer fall into seven segments, as follows:

FINANCIAL SERVICES

Title Insurance and Services

Residential Title Insurance
National Commercial Services
International Title Insurance
EAGLE 9™ UCC Insurance
National Homebuilder Services
National Relocation Services
Vacation Ownership Services
National Default Title Services
Lender Services
Equity Loan Services
1031 Tax-deferred Exchange Services
Title and Escrow Systems
Transportation Title Services
Vendor and Transaction Management Services
Residential Real Estate Services

Specialty Insurance

Home Warranty
Property and Casualty Insurance

Trust and Other Services

Trust Services
Investment Services
Banking Services

INFORMATION TECHNOLOGY

Mortgage Information

Flood Determination and Compliance
Mortgage Document Services
Default Management Services
Field Inspections
Loss Mitigation Services
Default Account Information Systems
Foreclosure Claims Processing
National Default Outsourcing
Residential Real Estate Tax Reporting
Commercial Tax and Tax Valuation Services
Mortgage Servicing Software Systems

Property Information

Property Ownership and Characteristic Information and Map Image Products
Title Plant and Document Imaging Services
Database Management Services and Document Imaging Systems
Appraisal and Property Valuation Services
Property Disclosure Information

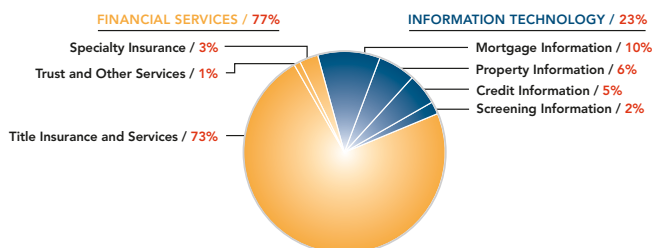
Credit Information

Mortgage Credit Services
Automotive Credit Services
Specialized Credit Reporting
Vehicle Title Insurance
Membership Services
Subprime Consumer Credit Information

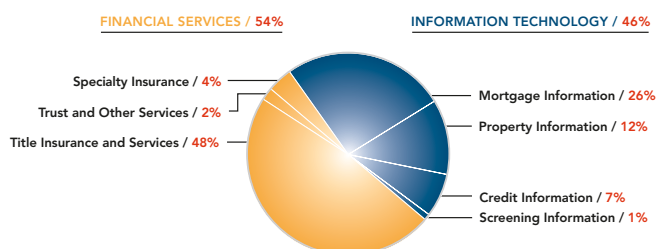
Screening Information

Employment Screening
Substance Abuse Testing and Program Management
Resident Screening
Motor Vehicle Records Reporting

2002 OPERATING REVENUES BY BUSINESS SEGMENT



2002 INCOME BEFORE INCOME TAXES, MINORITY INTERESTS, AND CORPORATE EXPENSES BY BUSINESS SEGMENT



3rd quarter highlights

- First American completed its acquisition of Transamerica's real estate tax service and flood-hazard certification businesses for a net cash purchase price of \$375 million. The transaction will be immediately accretive to First American earnings. First American expects to benefit from significant cost synergies over the next 18 months as the businesses are integrated that will result in additional pretax profit in excess of \$50 million on an annualized basis.
- First American, already the nation's leading provider of flood-zone certification and real estate tax services, will combine Transamerica's flood data with its own to create the nation's preeminent flood-zone determination database.
- Cost savings from First American's technology initiatives reached \$25 million in third quarter and the Company is on track to exceed its goal of \$100 million in annualized savings.
- First American acquired MarketLinx Solutions, the largest provider of Web-based MLS services and the fastest growing MLS vendor in the United States. Established in 1996, MarketLinx will help First American target services to its more than 200,000 subscribers through various REALTOR® boards throughout the nation.
- First American's CFO, Tom Klemens, was honored by the Orange County Calif., Chapter of the National Investor Relations Institute as CFO of the Year.
- First American's Board of Directors approved a 50 percent increase in the Company's quarterly cash dividend from 10 cents per common share to 15 cents per common share.

CONSOLIDATED SUMMARY STATEMENTS OF INCOME

(Unaudited)

(in thousands, except per share amounts)	Q3 03	Q2 03	Q1 03	Q4 02	Q3 02
Results of Operations					
Operating revenues					
<i>Financial Services</i>					
Title Insurance and Services	\$1,244,493	\$1,090,723	\$ 933,304	\$ 993,469	\$ 857,927
Specialty Insurance	55,180	50,889	46,144	42,989	37,426
Trust and Other Services	10,523	10,202	9,905	9,396	9,647
Total Financial Services	1,310,196	1,151,814	989,353	1,045,854	905,000
<i>Information Technology</i>					
Mortgage Information	163,473	157,256	139,108	142,910	119,718
Property Information	97,952	98,022	82,280	75,728	71,024
Credit Information	62,200	69,116	62,528	55,148	56,642
Screening Information	47,625	37,346	31,594	26,601	27,730
Total Information Technology	371,250	361,740	315,510	300,387	275,114
Total operating revenues	1,681,446	1,513,554	1,304,863	1,346,241	1,180,114
Investment and other income	35,296	29,377	37,112	28,150	16,970
Total revenues	1,716,742	1,542,931	1,341,975	1,374,391	1,197,084
Expenses	1,455,983	1,303,178	1,178,482	1,222,119	1,068,062
Income before income taxes and minority interests	\$ 260,759	\$ 239,753	\$ 163,493	\$ 152,272	\$ 129,022

Income Before Income Taxes and Minority Interests

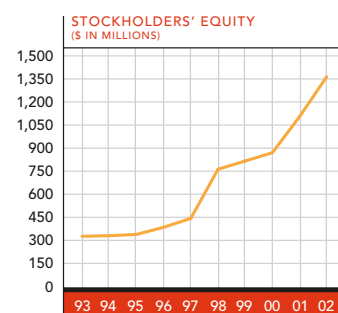
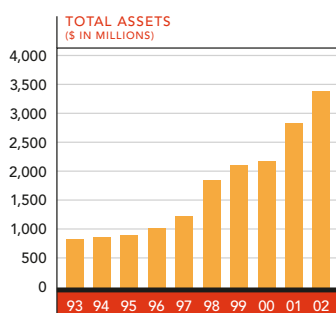
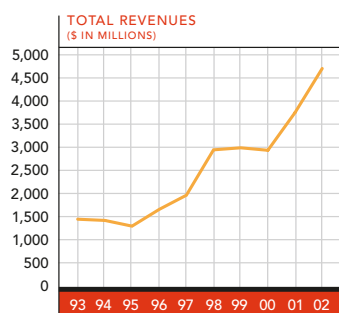
<i>Financial Services</i>					
Title Insurance	\$ 167,478	\$ 140,035	\$ 86,766	\$ 101,932	80,026
Specialty Insurance	8,741	8,241	5,839	6,610	6,014
Trust and Other Services	2,960	3,002	2,441	2,293	2,443
Total Financial Services	179,179	151,278	95,046	110,835	88,483
<i>Information Technology</i>					
Mortgage Information	64,733	62,653	45,797	46,604	39,188
Property Information	26,976	32,390	23,443	23,389	21,405
Credit Information	14,987	17,971	26,607	8,439	10,943
Screening Information	2,525	3,218	515	(1,409)	1,120
Total Information Technology	109,221	116,232	96,362	77,023	72,656
Total before corporate expenses	288,400	267,510	191,408	187,858	161,139
Corporate expenses	27,641	27,757	27,915	35,586	32,117
Income before income taxes and minority interests	260,759	239,753	163,493	152,272	129,022
Income taxes	92,100	83,100	56,000	49,800	42,800
Minority interests	26,812	29,177	19,913	19,660	18,863
Net income	\$ 141,847	\$ 127,476	\$ 87,580	\$ 82,812	\$ 67,359
Diluted earnings per share	\$ 1.62	\$ 1.47	\$ 1.05	\$ 1.01	\$ 0.84
Average common shares assuming dilution	88,395	87,915	85,098	83,935	82,679

SELECTED FINANCIAL DATA

(Unaudited)

(in thousands, except percentages and per share amounts)	YE 02	YE 01	YE 00	YE 99*	YE 98
Revenues	\$4,704,209	\$3,750,723	\$2,934,255	\$2,988,169	\$2,943,880
Net income	\$ 234,367	\$ 167,268	\$ 82,223	\$ 88,643	\$ 201,527
Total assets	\$3,398,045	\$2,837,263	\$2,199,737	\$2,116,414	\$1,852,731
Notes and contracts payable	\$ 425,705	\$ 415,341	\$ 219,838	\$ 196,815	\$ 143,466
Stockholders' equity	\$1,364,589	\$1,104,452	\$ 870,237	\$ 815,991	\$ 762,265
Return of average stockholders' equity	19.0%	16.9%	9.8%	10.9%	33.4%
Cash dividends per common share	\$ 0.33	\$ 0.27	\$ 0.24	\$ 0.24	\$ 0.23
Net income per share (diluted)	\$ 2.92	\$ 2.27	\$ 1.24	\$ 1.34	\$ 3.21

*Net income excludes cumulative effect of change in accounting for tax service contracts.



Certain statements made in this fact sheet, including those relating to 2003 earnings estimates, margin growth, the effects of mortgage activity on the Property Information segment, the effects of our emphasis on larger clients, the impact of the Transamerica transaction, the effect of mortgage rates on non-real estate businesses and the MarketLink transaction, are forward looking. 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; access to public records and other data; general volatility in the capital markets; changes in applicable government regulations; consolidation among the Company's significant customers and competitors; the Company's continued ability to identify businesses to be acquired; changes in the Company's ability to integrate businesses which it acquires; and other factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2002, 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.