

3RD QUARTER

fact sheet

02
NYSE: FAF

52-Week Range: \$16.14 – \$23.20
Market Capitalization: \$1.43 billion
Average Shares Outstanding
(diluted 3Q02): 82.7 million
Dividend/Yield: \$0.32/1.6%
EPS (diluted YE01): \$2.35
Operating EPS (diluted 3Q02): \$0.86*
EPS (consensus YE02E): \$2.64
P/E (consensus YE02E): 7.5
(based on \$20.00 stock price and \$2.64 consensus)
Book Value (3Q02): \$17.92
Cash flow from operations/
diluted share (3Q02): \$1.61
Return on Equity (3Q02): 21.49%
Debt to Capital (YE01): 24%
A.M. Best Rating of "A+" (Superior)

*Excludes a pretax investment loss of \$2.6 million resulting from the sale of the company's subsidiary, First American Fastrac Systems, Inc.

 INVESTOR CONTACT

Denise M. Warren

Director of Investor Relations

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The First American Corporation

COMPANY 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, the Company supplies businesses and consumers with the information resources that affect 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 \$3.75 billion in 2001, First American has more than 22,500 employees in approximately 1,300 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.

from the president:

First American experienced a very strong third quarter 2002. Revenues were a record for any quarter in the company's history. While all of our seven segments did well in the quarter, profitability in our Title Insurance segment increased more than 200 percent and the Property Information segment improved nearly 300 percent.

In our Title Insurance segment, technology integration has led to significant productivity gains and margin improvement helping us to nearly double our earnings compared with the third quarter of last year. Our technology rollout is substantially complete and we are beginning to reap the rewards of our 5-year strategy. Our Trust Services segment, which includes a federally chartered savings bank, is working with our Title operations to develop banking services to further improve Title margins and retain banking fees.



Parker S. Kennedy
President

Acquisitions in our Property Information segment have driven growth and margin improvement through increased economies of scale. We are by far the nation's largest provider of property data. Our strategy is to continue to grow our databases while producing higher-margin information products.

Our Credit Information and Mortgage Information segments both performed solidly in the third quarter. First American is the leading provider of credit information to the mortgage industry, and we are gaining momentum as a leading provider to the

automotive industry. We are also the number-one provider in all of our mortgage-related businesses with the exception of tax servicing, where we expect to become number one in early 2003. Our Specialty Insurance segment is also growing rapidly by selling a number of policies through our direct escrow operations.

Our Screening Information segment is our newest combination of businesses, but it may have the greatest potential for growth. Our strategy has been to grow by acquisition, and we now offer all of the services that our screening customers need. We are actively integrating recent acquisitions to improve margins in that business. Now, we are one of only two companies that provide employee screening, tenant screening, driving records, and drug test analysis. Our main competitor in this industry, ChoicePoint, sells at a favorable price-to-earnings ratio. As our Screening Information segment gains momentum and size, we expect to see greater recognition and valuation assigned to this segment.

We are working hard to find new ways to cross-market our products and services and take advantage of every business opportunity within our family of companies. We have the best products in the business, and we will continue our strategy of aggressive growth by acquisition. The housing market continues to be strong and interest rates are low; the outlook for 2003 is very good.



Buy FAF Stock Direct

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

Shareholder Services

Tel: (800) 894-4076

Email: shareholderservices.trust@firstam.com

By mail:

First American Trust

Corporate Transfer Department

421 N. Main Street, Santa Ana, CA 92701



SEGMENT

Overview

Financial Services

Title Insurance and Services

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

Specialty Insurance

Property & Casualty Insurance
 Specialty Insurance
 Home Warranty

Trust & Other Services

Banking Services
 Investment Management
 Trust Services

Financial Services Peers

Fidelity National Financial (FNF),
 LandAmerica Financial Group (LFG)
 Price-to-earnings multiple: 8-10

American International Group (AIG)

Price-to-earnings multiple: 26

Wells Fargo (WFC)

Price-to-earnings multiple: 17

Information Technology

Mortgage Information

Credit Reporting Management
 Default Management Services
 Field Inspections
 Flood Determination & Compliance
 Mortgage Document Services
 Mortgage Servicing Systems
 Online Commercial Evaluation
 Tax Reporting: Commercial
 Tax Reporting: Residential

Property Information

Appraisal & Property Valuation
 Database Management &
 Document Imaging
 Natural Hazard Disclosures
 Property Information & Map Imaging
 Title Plant & Document Imaging

Credit Information

Credit Automation Services
 Credit Reporting Services
 Membership Services
 Subprime Consumer Information
 Vehicle Title Insurance

Screening Information

Pre-employment Screening
 Motor Vehicle Reports
 Substance Abuse Screening
 Resident Screening

Information Technology Peers

Fidelity National
 Information Solutions (FNIS)
 Price-to-earnings multiple: 37

Axiom Corporation (ACXM)

Price-to-earnings multiple: 35

Equifax (EFX)

Price-to-earnings multiple: 23

ChoicePoint (CPS)

Price-to-earnings multiple: 48

STRENGTH IN

numbers

First American's stock performance has a **10**-year
 compound annual growth rate of **24** percent, which is
2 times that of the S&P **500**.

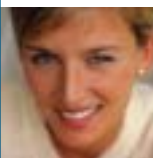
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THIRD QUARTER HIGHLIGHT:

First American acquired Employee Health Programs, Inc. (EHP), the screening industry's largest independently owned drug testing management and medical review services provider.

EHP will generate \$16.9 million in revenue in 2002 and has a compounded annual growth rate of 8 percent over the last three years. Coupled with the 2001 acquisition of Substance Abuse Management, Inc. (SAMI), First American's SAMI/EHP operations will generate revenues in excess of \$40 million in 2003 and will be the nation's second largest provider of third-party administrator and medical review officer services.



■ CONSOLIDATED SUMMARY STATEMENTS OF INCOME (UNAUDITED)

(In thousands—except per share amounts)

	Q3 02	Q2 02	Q1 02	Q4 01	Q3 01
Operating revenues					
<i>Financial Services</i>					
Title Insurance and Services	\$ 857,927	\$ 798,225	\$ 743,971	\$ 778,949	\$ 693,235
Specialty Insurance	37,426	33,580	29,312	27,805	29,156
Trust and Other Services	9,647	11,538	11,156	10,577	10,419
Total Financial Services	905,000	843,343	784,439	817,331	732,810
<i>Information Technology</i>					
Mortgage Information	119,718	108,530	108,130	111,455	104,818
Property Information	71,024	57,453	55,110	56,868	51,834
Credit Information	56,642	50,548	52,999	52,856	48,990
Screening Information	27,730	25,597	23,441	13,506	14,324
Total Information Technology	275,114	242,128	239,680	234,686	219,966
Total operating revenues	1,180,114	1,085,471	1,024,119	1,052,017	952,776
Investment and other income	16,970	6,949	18,862	20,915	30,232
Total revenues	1,197,084	1,092,420	1,042,981	1,072,932	983,008
Expenses	1,068,062	1,012,366	954,422	972,277	899,653
Income before income taxes and minority interests	129,022	80,054	88,559	100,655	83,355
Income taxes	42,800	26,300	31,000	34,300	30,500
Minority interests	18,863	13,633	13,484	14,075	11,160
Net income	\$ 67,359	\$ 40,121	\$ 44,075	\$ 52,280	\$ 41,695
Diluted earnings per share	\$ 0.84	\$ 0.51	\$ 0.57	\$ 0.68	\$ 0.55
Average common shares assuming dilution	82,679	82,672	80,985	79,667	78,872
Cash dividends per share	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.07	\$ 0.07

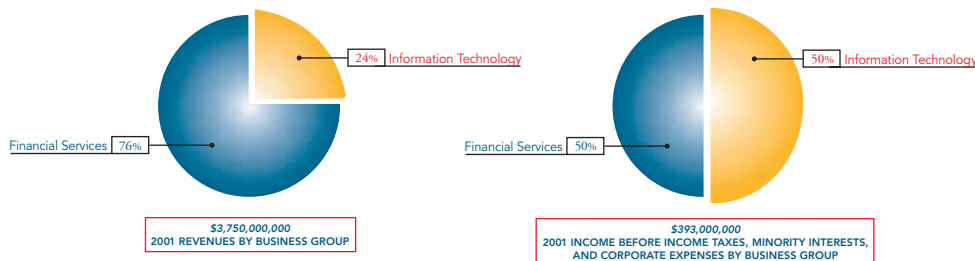
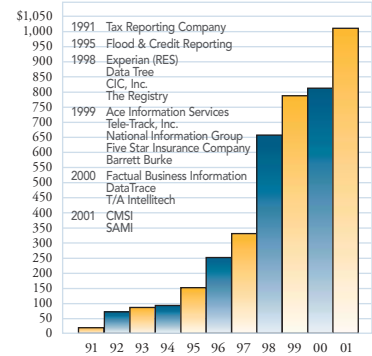
(In thousands, except percentages and per share amounts)

Selected Financial Data	YE 01	YE 00	YE 99*	YE 98	YE 97
Revenue	\$3,750,723	\$2,934,255	\$2,988,169	\$2,943,880	\$1,962,001
Net income	\$ 167,268	\$ 82,223	\$ 88,643	\$ 201,527	\$ 67,765
Total assets	\$2,837,263	\$2,199,737	\$2,116,414	\$1,852,731	\$1,220,377
Notes and contracts payable	\$ 415,341	\$ 219,838	\$ 196,815	\$ 143,466	\$ 51,720
Stockholders' equity	\$1,104,452	\$ 870,237	\$ 815,991	\$ 762,265	\$ 442,783
Return of average stockholders' equity	16.9%	9.8%	10.9%	33.4%	16.4%
Cash dividends on common shares	\$ 18,210	\$ 15,256	\$ 15,840	\$ 13,894	\$ 14,035
Net income per share (diluted)	\$ 2.27	\$ 1.24	\$ 1.34	\$ 3.21	\$ 1.16

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

STRATEGIC ACQUISITIONS

Non-Title Insurance Operating Revenues in Millions



The First American Corporation

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Certain statements made in this fact sheet, including the effects of interest rates on order volume, revenue expectations for the years 2002 and 2003, and changes in the valuation of the company's Screening Information segment are forward looking. 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; 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, 2001, 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.