## Fidelity National Financial, Inc. Reports First Quarter 2012 EPS of $0.press_release233

Jacksonville, Fla. -- (April 25, 2012) -- Fidelity National Financial, Inc. (NYSE:FNF), a leading provider of title insurance, mortgage services and other diversified services, today reported operating results for the three-month period ended March 31, 2012.

* Pre-tax title margin, excluding realized gains, of 10.7% versus 8.0% in the first quarter of 2011, a 270 basis point, or 34 percent, increase over the prior year
* Commercial revenue of $79.1 million; 19% growth versus the first quarter of 2011
* Open orders of 651,100 for first quarter, an increase of 163,000, or 33%, over the first quarter of 2011
* The agency commission split was 76% / 24% versus 77% / 23% in the first quarter of 2011, an improvement of approximately 120 basis points
* Total title claims paid of $104 million, an increase of $15 million over the first quarter of 2011; full-year 2012 total title claims paid are expected to decline versus full-year 2011
* O’Charley’s tender offer closed on April 9; O’Charley’s will be combined with American Blue Ribbon Holdings (“ABRH”) in May 2012 and second quarter financial results will include a new restaurant segment
* Amended existing credit facility on April 16 with a new maturity date of April 2016 and a 55 basis point reduction in the borrowing spread over LIBOR

|  |  |  |
| --- | --- | --- |
| **Consolidated** | **Three Months Ended March 31, 2012** | **Three Months Ended**  **March 31, 2011** |
| Total revenue | $1.19 billion | $1.13 billion |
| Net earnings attributable to common shareholders | $74.4 million | $42.5 million |
| Net earnings per diluted share attributable to common shareholders | $0.33 | $0.19 |

The following are summary financial and operational results for the operating segments of FNF for the three-month periods ended March 31, 2012 and 2011:

**Fidelity National Title Group (“FNT”)**

|  |  |  |
| --- | --- | --- |
|  | **Three Months Ended March 31, 2012** | **Three Months Ended March 31, 2011** |
| Total revenue | $1.18 billion | $1.12 billion |
| Pre-tax earnings | $129.5 million | $106.3 million |
| Realized gains | $4.0 million | $18.4 million |
| Pre-tax earnings (ex. realized gains) | $125.5 million | $87.9 million |
| Pre-tax margin (ex. realized gains) | 10.7% | 8.0% |
|  |  |  |
| **Month** | **Direct Orders Opened** | **Direct Orders Closed** |
| January 2012 | 204,900 | 120,500 |
| February 2012 | 229,800 | 135,300 |
| March 2012 | 216,400 | 153,700 |
| **First Quarter 2012** | **651,100** | **409,500** |
|  |  |  |
| January 2011 | 154,300 | 127,400 |
| February 2011 | 143,600 | 111,800 |
| March 2011 | 190,200 | 131,600 |
| **First Quarter 2011** | **488,100** | **370,800** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Open Commercial Orders** | **Closed Commercial Orders** | **Commercial Revenue**  **(millions)** | **Commercial Fee Per File** |
| 1st Quarter 2012 | 19,200 | 11,100 | $79.1 | $7,100 |
| 1st Quarter 2011 | 18,500 | 10,600 | $66.5 | $6,300 |

- The preceding table only includes commercial activity from FNF’s commercial offices in the national commercial division and does not attempt to capture potential commercial activity in our local offices.

“This was a great start to 2012 and our strongest first quarter performance in a number of years,” said Chief Executive Officer George P. Scanlon. “Net earnings of $74 million increased $32 million, or 75%, versus the first quarter of 2011 on just a 5% increase in total revenue and title pre-tax earnings of $130 million grew by $23 million, or 22%, despite only a 6% increase in total title and escrow revenue. Our commercial title business continued to perform well, as revenue of $79 million grew by 19% over the first quarter of 2011, with an increase in orders opened, orders closed and fee per file. Overall, our pre-tax title margin, excluding realized gains, was 10.7%, an increase of 270 basis points versus the first quarter of 2011. We continue to perform above our difficult market pre-tax title margin goal of 8%-10% and remain confident that we will produce a mid-to-high teen pre-tax title margin when we see further stabilization in the residential resale market.”

“We closed the O’Charley’s tender in early April,” said Chairman William P. Foley, II. “We currently own 95% of the outstanding shares of O’Charley’s and expect to have 100% ownership at the conclusion of a short-form merger under Tennessee law in May. We then intend to merge O’Charley’s into our existing restaurant operation, American Blue Ribbon Holdings, and FNF will own a majority stake in this larger ABRH. After the merger, FNF will have a total cash investment of approximately $120 million for 55% ownership in the ABRH restaurant company that will have approximately $1.25 billion in annual revenue, $65 million in current annual EBITDA and an expected additional $20 million in cost synergies. Our focus will be on integrating O’Charley’s into ABRH and moving the O’Charley’s margins closer to those of ABRH. We believe ABRH can create significant value for our shareholders in the future.

“Also, we expect to close on the sale of the 85% interest in our personal lines business on May 1. Regulatory approval is pending, which we hope to have in time for the May 1 closing. FNF will receive $119 million in proceeds from the personal lines sale. Combined with the recent flood business sale, FNF generated $254 million in cash and a $75 million, 8% seller note due in May 2013, as well as an $86 million after-tax gain from the two divestitures.”

**Conference Call**

FNF will host a call with investors and analysts to discuss first quarter 2012 results on Thursday, April 26, 2011, beginning at 10:00 a.m. Eastern Time. A live webcast of the conference call will be available on the Events and Multimedia page of the FNF Investor Relations website at [www.fnf.com](http://www.fnf.com). The conference call replay will be available via webcast through the FNF Investor Relations website at [www.fnf.com](http://www.fnf.com). The telephone replay will be available from 12:00 p.m. Eastern time on April 26, 2012, through May 3, 2012, by dialing 800-475-6701 (USA) or 320-365-3844 (International). The access code will be 243617.

**About FNF**

Fidelity National Financial, Inc. (NYSE:FNF), is a leading provider of title insurance, mortgage services and diversified services. FNF is the nation’s largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title - that collectively issue more title insurance policies than any other title company in the United States. FNF also owns a majority interest in O’Charley’s Inc., a multi-concept restaurant company that operates or franchises restaurants under the O’Charley’s, Ninety Nine Restaurant, and Stoney River Legendary Steaks concepts. In addition, among other operations, FNF owns minority interests in Ceridian Corporation, a leading provider of global human capital management and payment solutions, Remy International, Inc., a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles and American Blue Ribbon Holdings, LLC, an owner and operator of the Village Inn, Bakers Square and Max & Erma’s restaurants. More information about FNF can be found at www.fnf.com.

**Forward Looking Statements**

This press release contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: changes in general economic, business and political conditions, including changes in the financial markets; weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U. S. economy; our potential inability to find suitable acquisition candidates, acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties in integrating acquisitions; our dependence on distributions from our title insurance underwriters as a main source of cash flow; significant competition that our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries; and other risks detailed in the “Statement Regarding Forward-Looking Information,” “Risk Factors” and other sections of the Company’s Form 10-K and other filings with the Securities and Exchange Commission.

SOURCE: Fidelity National Financial, Inc.

CONTACT: Daniel Kennedy Murphy, Senior Vice President and Treasurer, 904-854-8120, [dkmurphy@fnf.com](mailto:dkmurphy@fnf.com)

FIDELITY NATIONAL FINANCIAL, INC.

**SUMMARY OF EARNINGS**

(In millions, except per share amounts and fee per file)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Three months ended** | | |
|  | **March 31,** | | |
|  | **2012** |  | **2011** |
|  | (Unaudited) | | |
| Direct title premiums | $354.0 |  | $322.9 |
| Agency title premiums | 413.9 |  | 423.3 |
| Total title premiums | 767.9 |  | 746.2 |
| Escrow, title-related and other fees | 381.6 |  | 332.5 |
| Total title and escrow | 1,149.5 |  | 1,078.7 |
|  |  |  |  |
| Interest and investment income | 36.4 |  | 33.7 |
| Realized gains and losses | 4.0 |  | 19.5 |
| Total revenue | 1,189.9 |  | 1,131.9 |
|  |  |  |  |
| Personnel costs | 407.6 |  | 383.6 |
| Other operating expenses | 275.2 |  | 258.7 |
| Agent commissions | 315.6 |  | 327.7 |
| Depreciation and amortization | 17.0 |  | 19.7 |
| Claim loss expense | 53.8 |  | 50.8 |
| Interest expense | 15.1 |  | 14.3 |
| Total expenses | 1,084.3 |  | 1,054.8 |
|  |  |  |  |
| Earnings from continuing operations before taxes | 105.6 |  | 77.1 |
| Income tax expense | 36.9 |  | 28.0 |
| Earnings from continuing operations before equity investments | 68.7 |  | 49.1 |
| Earnings (loss) from equity investments | 5.8 |  | (8.6) |
| Net earnings from continuing operations | 74.5 |  | 40.5 |
| Earnings from discontinued operations, net of tax | 2.7 |  | 3.6 |
| Net earnings | 77.2 |  | 44.1 |
| Non-controlling interests | 2.8 |  | 1.6 |
| Net earnings attributable to common shareholders | $74.4 |  | $42.5 |
| Earnings per share |  |  |  |
| Net earnings attributable to common shareholders - basic | $0.34 |  | $0.19 |
| Net earnings attributable to common shareholders - diluted | $0.33 |  | $0.19 |
|  |  |  |  |
| Weighted average shares – basic | 218.8 |  | 220.7 |
| Weighted average shares – diluted | 223.3 |  | 223.6 |
| Direct operations orders opened | 651.1 |  | 488.1 |
| Direct operations orders closed | 409.5 |  | 370.8 |
| Fee per file | $1,398 |  | $1,371 |
| Actual title claims paid | $103.5 |  | $88.8 |

FIDELITY NATIONAL FINANCIAL, INC.

**FIRST QUARTER SEGMENT INFORMATION**

(In millions, except order information in 000’s)

(Unaudited)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| ***Three Months Ended***  ***March 31, 2012*** | **Consolidated** | **FNT** | **Corporate**  **and Other** |  |
| Gross operating revenue | $1,149.5 | $1,136.3 | $13.2 |  |
|  |  |  |  |  |
| Interest and investment income | 36.4 | 34.7 | 1.7 |  |
| Realized gains and losses | 4.0 | 4.0 | -- |  |
| Total revenue | 1,189.9 | 1,175.0 | 14.9 |  |
|  |  |  |  |  |
| Personnel costs | 407.6 | 400.6 | 7.0 |  |
| Other operating expenses | 275.2 | 259.0 | 16.2 |  |
| Agent commissions | 315.6 | 315.6 | -- |  |
| Depreciation and amortization | 17.0 | 16.3 | 0.7 |  |
| Title claim loss expense | 53.8 | 53.8 | -- |  |
| Interest expense | 15.1 | 0.2 | 14.9 |  |
| Total expenses | 1,084.3 | 1,045.5 | 38.8 |  |
|  |  |  |  |  |
| Pre-tax earnings from continuing operations | 105.6 | 129.5 | (23.9) |  |
|  |  |  |  |  |
| Pre-tax margin | 8.9% | 11.0% | -- |  |
| Pre-tax margin, excluding realized gains | 8.6% | 10.7% | -- |  |
|  |  |  |  |  |
| Open orders | 651.1 | 651.1 | -- |  |
| Closed orders | 409.5 | 409.5 | -- |  |
|  |  |  |  |  |
| ***Three Months Ended***  ***March 31, 2011*** | **Consolidated** | **FNT** | **Corporate**  **and Other** |  |
| Gross operating revenue | $1,078.7 | $1,070.2 | $8.5 |  |
|  |  |  |  |  |
| Interest and investment income | 33.7 | 33.6 | 0.1 |  |
| Realized gains and losses | 19.5 | 18.4 | 1.1 |  |
| Total revenue | 1,131.9 | 1,122.2 | 9.7 |  |
|  |  |  |  |  |
| Personnel costs | 383.6 | 369.7 | 13.9 |  |
| Other operating expenses | 258.7 | 247.9 | 10.8 |  |
| Agent commissions | 327.7 | 327.7 | -- |  |
| Depreciation and amortization | 19.7 | 19.0 | 0.7 |  |
| Title claim loss expense | 50.8 | 50.8 | -- |  |
| Interest expense | 14.3 | 0.8 | 13.5 |  |
| Total expenses | 1,054.8 | 1,015.9 | 38.9 |  |
|  |  |  |  |  |
| Pre-tax earnings from continuing operations | 77.1 | 106.3 | (29.2) |  |
|  |  |  |  |  |
| Pre-tax margin | 6.8% | 9.5% | -- |  |
| Pre-tax margin, excluding realized gains | 5.2% | 8.0% |  |  |
| Open orders | 488.1 | 488.1 | -- |  |
| Closed orders | 370.8 | 370.8 | -- |  |

FIDELITY NATIONAL FINANCIAL, INC.

**SUMMARY BALANCE SHEET INFORMATION**

(In millions, except per share amounts)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **March 31,** |  | **December 31,** |
|  |  | **2012** |  | **2011** |
|  |  | (Unaudited) |  |  |
|  |  |  |  |  |
| Cash and investment portfolio |  | $4,827.8 |  | $4,717.4 |
| Goodwill |  | 1,461.1 |  | 1,452.2 |
| Title plant |  | 386.6 |  | 386.7 |
| Total assets |  | 8,002.1 |  | 7,862.1 |
| Notes payable |  | 1,066.5 |  | 915.8 |
| Reserve for claim losses |  | 1,863.1 |  | 1,912.8 |
| Secured trust deposits |  | 433.0 |  | 419.9 |
| Total equity |  | 3,758.3 |  | 3,655.9 |
| Book value per share |  | $16.87 |  | $16.57 |

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