NEWS RELEASE

First Financial Releases Financial Results

2/4/2004

TERRE HAUTE, Ind.--(BUSINESS WIRE)--Feb. 4, 2004--First Financial Corporation (Nasdaq:THFF) today announced the results of operations for the year and quarter ended December 31, 2003, reflecting net income of $26.5 million or $1.95 per share and $6.8 million or $.50 per share respectively.

During the fourth quarter of 2002, the company received $3.9 million of life insurance proceeds, which increased earnings per share for the year and the fourth quarter of 2002 by $.29. As a result, the comparison of period-to-period earnings reflects a 7.5%, $2.1 million decrease in net income for the year and a 25.5%, $2.3 million decrease in net income for the quarter ended December 31, 2003. A comparison of net income adjusted for the 2002 life insurance proceeds reflects a $1.8 million, 7.2% increase in the year-over-year comparison and a $1.6 million, 29.8% increase in fourth quarter earnings.

Increases in other non-interest income, primarily fee-related services and gains on the sale of mortgage loans, a $2 million decrease in the provision for loan and lease loss, and a reduction of other non-interest expenses amounting to $856 thousand more than offset the $3.7 million, 4.8% decrease in net interest income, which resulted from a slow economy and a low interest rate environment.

For the fourth quarter of 2003 net income was $1.6 million or 29.8% higher than the same period in 2002 adjusted for the $3.9 million of life insurance proceeds. This increase was the result of increased non-interest income of $1.3 million and a $2.3 million decrease in the provision for loan losses.

The 2003 fourth quarter reduction in the provision for loan losses was the result of satisfactory resolution of

several under-performing commercial credits during the quarter. Loans past due ninety days or more decreased over $3 million and non-accrual loans were reduced by $2.4 million during the quarter. The total non-performing loans as a percent of total loans dropped from 1.27% at December 31, 2002 to .99% at the end of 2003. Net charge-offs for the year of $7.5 million equaled the $7.5 million provision for loan losses. At December 31, 2003, the allowance for loan and lease losses was 1.49% of total loans outstanding as compared to 1.48% the previous year end.

"We're proud of our employees for their outstanding performance during difficult economic times," said First Financial CorporationChairman Donald E. Smith. "Our success is a direct result of their dedication to customer satisfaction and convenience."

First Financial Corporation
For the Quarter and the Twelve Months Ending December 31, 2003
(Dollar amounts in thousands except per share data)

	12/31/03	12/31/02	Change	% Change
Year to Date Information:				
Net Income	$26,493	$28,640	($2,147)	-7.50%
Earnings Per Average Share	$1.95	$2.10	($0.15)	-7.14%
Return on Assets	1.21%	1.30%	-0.09%	-6.92%
Return on Equity	10.57%	12.01%	-1.44%	-11.99%
Net Interest Margin	4.02%	4.10%	-0.08%	-1.95%
Net Interest Income	$74,436	$78,176	($3,740)	-4.78%
Non-Interest Income	$30,819	$30,468	$351	1.15%
Non-Interest Expense	$62,461	$63,317	($856)	-1.35%
Loss Provision	$7,455	$9,478	($2,023)	-21.34%
Net Charge Offs	$7,465	$8,253	($788)	-9.55%
Efficiency Ratio	56.00%	56.81%	-0.20%	-0.36%
Quarter to Date Information:				
Net Income	$6,843	$9,189	($2,346)	-25.53%
Earnings Per Average Share	$0.50	$0.67	($0.17)	-25.37%
Return on Assets	1.23%	1.66%	-0.43%	-25.90%
Return on Equity	10.68%	15.27%	-4.59%	-30.06%
Net Interest Margin	4.08%	4.13%	-0.05%	-1.21%
Net Interest Income	$18,298	$19,337	($1,039)	-5.37%
Non-Interest Income	$7,920	$10,571	($2,651)	-25.08%
Non Interest Expense	$16,085	$16,716	($631)	-3.77%
Loss Provision	$607	$2,857	($2,250)	-78.75%
Net Charge Offs	$2,106	$2,478	($372)	-15.01%

Efficiency Ratio	58.02%	59.98%	0.54%	0.94%

Balance Sheet:

Assets	$2,223,057	$2,169,748	$53,309	2.46%
Deposits	$1,479,347	$1,434,654	$44,693	3.12%
Loans	$1,429,525	$1,432,564	($3,039)	-0.21%
Shareholders' Equity	$255,279	$241,971	$13,308	5.50%
Book Value Per Share	$18.80	$17.77	$1.03	5.81%
Average Assets	2,192,985	2,208,070	($15,085)	-0.68%

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SOURCE: First Financial Corporation