

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): February 13, 2006

FIRST ADVANTAGE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

Delaware
(State or Other Jurisdiction
of incorporation)

001-31666

(Commission File Number)

61-1437565
(IRS Employer
Identification Number)

One Progress Plaza, Suite 2400
St. Petersburg, Florida 33701
(Address of principal executive offices)

(727) 214-3411

(Registrant's telephone number)

Not Applicable.

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 13, 2006, First Advantage Corporation, a Delaware corporation, announced financial results for the quarter ended December 31, 2006. The full text of the press release issued in connection with the announcement is attached hereto as Exhibit 99.1.

The Company's earnings release contains non-GAAP financial measures. Pursuant to the requirements of Regulation G, the Company has provided reconciliations within the press release of the non-GAAP financial measures to the most directly comparable GAAP financial measures in the text of the press release.

EBITDA is presented in the earnings release. EBITDA was determined by adjusting net income (loss) for income tax, interest expense and depreciation and amortization. Although EBITDA is not a financial measure prepared in accordance with generally accepted accounting principles ("GAAP"), it is calculated and communicated by the Company because management believes it is of interest to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds.

The Company's calculation of EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view EBITDA as an alternative to the GAAP measures of net income as a measure of performance, or cash flows from operating, investing and financing activities as a measure of liquidity. In addition, EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. Management does not intend the presentation of EBITDA to be considered in isolation or as a substitute for results prepared in accordance with GAAP.

The information in this current report and the exhibit hereto is being "furnished" pursuant to Item 2.02 of Form 8-K. As such, this information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any filings with the SEC unless it shall be explicitly so incorporated into such filings.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Earnings Press Release dated February 13, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST ADVANTAGE CORPORATION

Date: February 13, 2006

By: /s/ John Lamson

Name: John Lamson

Title: Executive Vice President and Chief Financial Officer



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NEWS FOR IMMEDIATE RELEASE

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**FIRST ADVANTAGE CORPORATION REPORTS OPERATING
 RESULTS FOR THE FOURTH QUARTER AND FULL YEAR OF 2005**

ST. PETERSBURG, Fla., Feb. 13, 2006—**First Advantage Corporation (NASDAQ: FADV)**, a global risk mitigation and business solutions provider, today announced its operating results for the fourth quarter and full year ended Dec. 31, 2005.

First Advantage reported net income of \$16.7 million (30 cents per diluted share) and \$59.4 million (\$1.11 per diluted share) for the quarter and year ended Dec. 31, 2005, respectively. The company reported net income of \$10.2 million (20 cents per diluted share) and net income of \$43.1 million (86 cents per diluted share) for the quarter and year ended Dec. 31, 2004, respectively.

Results of operations for the quarter and year ending Dec. 31, 2005, include a pretax investment gain of \$9.5 million (\$5.6 million after tax or 10 cents per diluted share) related to the issuance of stock by DealerTrack Holdings Inc., an unconsolidated investee accounted for on the equity method. Results of operations for the year ending Dec. 31, 2005, also include merger, relocation and marketing-related expenses recorded in the second quarter of 2005 of approximately \$6 million (\$5.1 million after tax or 10 cents per diluted share).

Revenue for the company was \$170.1 million and \$643.7 million for the quarter and year ended Dec. 31, 2005, respectively. First Advantage's revenue was \$126.6 million and \$516.7 million for the quarter and year ended Dec. 31, 2004, respectively.

Earnings before interest, taxes, depreciation and amortization (EBITDA), excluding the aforementioned investment gain, were \$30.7 million and \$128.8 million for the quarter and year ended Dec. 31, 2005, respectively. EBITDA was \$24.5 million and \$99.2 million for the quarter and year ended Dec. 31, 2004, respectively.

The Employer Services and the Investigative and Litigation Support Services segments both achieved record revenue and earnings in the fourth quarter. Corporate costs increased to approximately 4.8 percent of service revenue in the fourth quarter compared to 3.0 percent in the third quarter. The increase was primarily due to the Credit Information Group (CIG) acquisition, which was completed in Sept. 2005 and resulted in increased compensation and professional fees in the fourth quarter. It is expected that corporate costs will average approximately 3.5 percent of service revenue on a quarterly basis in 2006.

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“Our 2005 results demonstrate a year of significant progress for First Advantage Corporation and substantiate the strength of our growth strategy,” said John Long, chief executive officer. “We are especially excited with our international opportunities that were initiated with the acquisition of Asia Pacific-based Quest Research, Inc. Today, the Employer Services segment has ten offices in the Asia-Pacific region and will continue its expansion to serve growing international demand for employment screening and, potentially, other employer services.

“Also, our third quarter acquisition of the Credit Information Group (CIG) from our parent company, The First American Corporation, helped to redefine First Advantage with the addition of complimentary business lines, significant scale and depth of leadership.

“These key accomplishments, coupled with other strategic acquisitions and the hard work of all our business lines, made for another successful year for First Advantage. As a result, we renew our commitment to our growth strategy and remain focused on gaining market share, improving scale and expanding service offerings, both domestically and internationally. We will continue to pursue these objectives in 2006 via acquisition and through organic efforts. We’re looking forward to another year of success as we build upon our 2005 achievements.”

Fourth quarter acquisitions included: Road Manager Financial Services, Inc., a fleet management services company; True Data Partners, an e-discovery services company; Credit Data Services, a consumer credit and business information services business; The Info Center, a resident screening provider; and TruStar Solutions, Inc., a recruiting services firm. First Advantage also acquired a majority ownership in LeadClick Media, Inc., a leading on-line lead generation and marketing company, during this period.

Full year 2006 earnings guidance has been revised to reflect the first quarter 2006 issuance of contingent Class B common shares to The First American Corporation as a result of the DealerTrack initial public offering and pursuant to the terms of the CIG acquisition agreements entered into in Sept. 2005. First Advantage estimates diluted earnings per share in 2006 to be in the range of \$1.25 to \$1.30, excluding the impact of stock-based compensation expense. The company expects stock-based compensation expense to reduce diluted earnings per share in the range of 13 to 15 cents, depending on the timing of the issuance of the underlying securities and the deductibility of the stock-based compensation expense for financial reporting purposes. EBITDA for the year ending Dec. 31, 2006, is expected to be between \$170 million and \$180 million.

Management estimates that diluted earnings per share will be in the range of 24 to 27 cents for the quarter ending March 31, 2006, excluding the impact of stock-based compensation expense, which is estimated to reduce diluted earnings per share by 4 cents. Total revenue for the quarter ending March 31, 2006, is expected to be between \$188 million and \$192 million. EBITDA for the quarter ending March 31, 2006, is expected to be between \$38 million and \$40 million.

First Advantage’s fourth quarter and full year 2005 results will be discussed in more detail on **Tuesday, Feb. 14, 2005**, at 8:30 a.m. ET, via teleconference and webcast.

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The teleconference dial-in number is 888.566.0007 within the U.S. and 312.470.0008 outside the U.S. The teleconference pass code is "Advantage". The live audio webcast of the call will be accessible from the Investor Relations section of First Advantage's website at www.FADV.com. An audio replay of the teleconference call will be available through Feb. 22, 2006, by dialing 800.331.1949 within the U.S., or 402.220.0191 outside the U.S. An audio archive of the webcast will also be available for replay on First Advantage's website following the call.

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Summary Income Statement (Unaudited)

	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2005	2004	2005	2004
Service revenue	\$159,083,000	\$115,616,000	\$596,105,000	\$472,142,000
Reimbursed government fee revenue	10,975,000	11,030,000	47,644,000	44,599,000
Total revenue	170,058,000	126,646,000	643,749,000	516,741,000
Cost of service revenue	49,283,000	33,556,000	182,309,000	146,457,000
Government fees paid	10,975,000	11,030,000	47,644,000	44,599,000
Total cost of sales	60,258,000	44,586,000	229,953,000	191,056,000
Gross margin	109,800,000	82,060,000	413,796,000	325,685,000
Salaries and benefits	50,619,000	37,104,000	180,927,000	142,980,000
Facilities and telecommunications	6,769,000	5,007,000	25,743,000	20,680,000
Other operating expenses	21,940,000	16,429,000	79,852,000	65,348,000
Depreciation and amortization	8,520,000	6,050,000	27,605,000	23,184,000
Income from operations	21,952,000	17,470,000	99,669,000	73,493,000
Interest (expense) income:				
Interest expense	(2,503,000)	(1,059,000)	(6,618,000)	(2,724,000)
Interest income	102,000	202,000	150,000	769,000
Interest (expense) income, net	(2,401,000)	(857,000)	(6,468,000)	(1,955,000)
Equity in earnings of investee	153,000	796,000	1,385,000	1,782,000
Gain on investment	9,471,000	—	9,471,000	—
Income before income taxes and minority interest	29,175,000	17,409,000	104,057,000	73,320,000
Minority interest	510,000	—	443,000	—
Income before income taxes	28,665,000	17,409,000	103,614,000	73,320,000
Provision for income taxes	11,953,000	7,172,000	44,204,000	30,239,000
Net income	\$ 16,712,000	\$ 10,237,000	\$ 59,410,000	\$ 43,081,000
Per share amounts:				
Basic earnings per share	\$.30	\$.20	\$ 1.12	\$.87
Basic weighted-average shares outstanding	55,112,891	50,895,592	52,883,760	49,711,384
Diluted earnings per share	\$.30	\$.20	\$ 1.11	\$.86
Diluted weighted-average shares outstanding	56,385,316	51,034,868	53,593,155	50,035,519
EBITDA calculation:				
Net income	\$ 16,712,000	\$ 10,237,000	\$ 59,410,000	\$ 43,081,000
Minority interest	510,000	—	443,000	—
Gain on investment	(9,471,000)	—	(9,471,000)	—
Provision for income taxes	11,953,000	7,172,000	44,204,000	30,239,000
Interest expense	2,503,000	1,059,000	6,618,000	2,724,000
Depreciation and amortization	8,520,000	6,050,000	27,605,000	23,184,000
Earnings before interest, taxes, depreciation and amortization (EBITDA)*	\$ 30,727,000	\$ 24,518,000	\$128,809,000	\$ 99,228,000

* EBITDA is not a measure of financial performance under generally accepted accounting principles. EBITDA is used by certain investors to analyze and compare companies.

Segment Financial Information (Unaudited)

	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2005	2004	2005	2004
Service revenue				
Lender Services	\$ 39,364,000	\$ 31,721,000	\$168,327,000	\$135,201,000
Data Services	29,839,000	18,111,000	91,699,000	74,905,000
Dealer Services	26,105,000	16,820,000	98,357,000	69,842,000
Employer Services	39,388,000	30,797,000	143,839,000	115,461,000
Multifamily Services	14,121,000	12,297,000	63,254,000	54,135,000
Investigative & Litigation Support Services	11,438,000	7,027,000	34,580,000	25,714,000
Corporate	(1,172,000)	(1,157,000)	(3,951,000)	(3,116,000)
Consolidated	\$159,083,000	\$115,616,000	\$596,105,000	\$472,142,000
Income (Loss) from operations				
Lender Services	\$ 10,609,000	\$ 7,045,000	\$ 48,205,000	\$ 38,057,000
Data Services	8,504,000	5,822,000	29,460,000	14,363,000
Dealer Services	3,037,000	1,499,000	13,559,000	8,164,000
Employer Services	4,417,000	3,809,000	14,967,000	10,647,000
Multifamily Services	1,966,000	2,290,000	16,122,000	12,272,000
Investigative & Litigation Support Services	1,075,000	287,000	2,107,000	908,000
Corporate	(7,656,000)	(3,282,000)	(24,751,000)	(10,918,000)
Consolidated	\$ 21,952,000	\$ 17,470,000	\$ 99,669,000	\$ 73,493,000
Operating margin percentage of service revenue				
Lender Services	26.95%	22.21%	28.64%	28.15%
Data Services	28.50%	32.15%	32.13%	19.17%
Dealer Services	11.63%	8.91%	13.79%	11.69%
Employer Services	11.21%	12.37%	10.41%	9.22%
Multifamily Services	13.92%	18.62%	25.49%	22.67%
Investigative & Litigation Support Services	9.40%	4.08%	6.09%	3.53%
Corporate	N/A	N/A	N/A	N/A
Consolidated	13.80%	15.11%	16.72%	15.57%

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About First Advantage Corporation

First Advantage Corporation (NASDAQ: FADV) combines industry expertise with information to create products and services that organizations worldwide use to make smarter business decisions. First Advantage is a leading provider of consumer credit information in the mortgage, automotive and subprime markets; business credit information in the transportation industry; lead generation services; motor vehicle record reports; supply chain security consulting; employment background verifications; occupational health services; applicant tracking systems; recruiting solutions; business tax consulting services; insurance fraud, corporate and litigation investigations; surveillance; computer forensics; electronic discovery; data recovery; due diligence reporting; resident screening; property management software; renters insurance and consumer location services. First Advantage ranks among the top three companies in all of its major business lines. First Advantage is headquartered in St. Petersburg, Fla., and has more than 3,700 employees in offices throughout the United States and abroad. More information about First Advantage can be found at www.FADV.com.

First Advantage is a majority-owned subsidiary of The First American Corporation (NYSE: FAF), a FORTUNE 500 company that traces its history to 1889. First American is the nation's largest data provider, supplying businesses and consumers with information resources in connection with the major economic events of people's lives. Additional information about the First American Family of Companies can be found at www.firstam.com

Certain statements in this press release, including those related to corporate costs in 2006, international expansion, execution of growth strategy, organic growth, expansion of service offerings, diluted earnings per share guidance for 2006, the impact of stock-based compensation on earnings in 2006, estimated EBITDA in 2006, earnings per share guidance for first quarter 2006, impact of stock-based compensation on earnings for first quarter 2006, estimated revenue for first quarter 2006 and estimated EBITDA for the first quarter 2006, 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: general volatility of the capital markets and the market price of the company's Class A common stock; the company's ability to successfully raise capital; the company's ability to identify and complete acquisitions and successfully integrate businesses it acquires; changes in applicable government regulations; the degree and nature of the company's competition; increases in the company's expenses; continued consolidation among the company's competitors and customers; unanticipated technological changes and requirements; the company's ability to identify suppliers of quality and cost-effective data, and other risks identified from time-to-time in the company's SEC filings. 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. Investors are advised to consult the company's filings with the SEC, including its 2004 Annual Report on Form 10-K, for a further discussion of these and other risks.

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