

MGIC INVESTMENT CORP  
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Subject Companies:

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MGIC Investment Corporation

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On April 24, 2007, Radian Group Inc. issued the following news release:

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## News Release

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**Radian Reports First Quarter Net Income of \$114 Million**

PHILADELPHIA, Pa., April 24, 2007 Radian Group Inc. (NYSE: RDN) today reported that for the quarter ended March 31, 2007, Radian earned net income of \$113.5 million and diluted net income per share of \$1.42. Book value per share at March 31, 2007, was \$52.00, an increase of 14 percent from a year earlier.

Our core mortgage insurance and financial guaranty businesses had strong production performance this quarter, with a 35 percent jump in flow MI over last year and strong growth in written and earned premium for FG, said Chief Executive Officer S.A. Ibrahim.

Our primary book was not significantly affected by the disruptions in the sub-prime market in recent months, Mr. Ibrahim added. I believe this is a validation of our long-term approach to risk management in all areas, including sub-prime and Alt A, where we have remained disciplined in diversifying our book of business across geographies, products, clients and origination years.



In the Financial Services segment, net income was \$10.8 million, down from \$38.7 million for the same period last year, primarily as a result of an operating loss at C-BASS.

The company also provided an update on its proposed merger with MGIC, which was announced in February this year. Radian and MGIC currently anticipate completing the merger late in the third quarter or early in the fourth quarter of 2007. To do this, both Radian and MGIC must obtain stockholder approval, with votes scheduled for early next month, as well as additional regulatory approvals.

The key financial highlights of the quarter ended March 31, 2007, are as follows:

**Key Financial Highlights** (dollars in thousands, except per share data)

**First quarter**

	Quarter ended March 31, 2007	Quarter ended March 31, 2006	Percent Change
Revenue	\$ 341.5	\$ 353.7	(3.4%)
Net income	\$ 113.5	\$ 163.7	(30.7%)
Diluted net income per share	\$ 1.42	\$ 1.96	(27.6%)
Net premiums written	\$ 277.6	\$ 279.6	(0.7%)
Net premiums earned	\$ 249.1	\$ 253.7	(1.8%)
Equity in net income of affiliates	\$ 22.8	\$ 58.3	(60.9%)
Book value per share	\$ 52.00	\$ 45.74	13.7%

Radian will hold a conference call on Wednesday, April 25, 2007, at 9:00 a.m. Eastern time to discuss the company's first quarter results. This call will be broadcast live over the Internet at <http://www.ir.radian.biz/phoenix.zhtml?c=112301&p=iro1-audioarchives> or at <http://www.radian.biz> > News. A replay of the Webcast will be available at this site approximately two hours after the live broadcast ends for a period of one year.

Statistical and financial information which is expected to be referred to during the conference call will be available on Radian's website under Investors > Webcasts, Presentations and Transcripts or by clicking on <http://www.ir.radian.biz/phoenix.zhtml?c=112301&p=irol-audioarchives>.

**About Radian**

Radian Group Inc. is a global credit risk management company headquartered in Philadelphia with significant operations in New York and London. Radian develops innovative financial solutions by applying its core mortgage credit risk expertise and structured finance capabilities to the credit enhancement needs of the capital markets worldwide, primarily through credit insurance products. The company also provides credit enhancement for public finance and other corporate and consumer assets on both a direct and reinsurance basis and holds strategic interests in active credit-based consumer asset businesses. Additional information may be found at [www.radian.biz](http://www.radian.biz).

**Additional Information about the Radian/MGIC Transaction**

MGIC Investment Corporation and Radian Group Inc. have filed a joint proxy statement/prospectus and other relevant documents concerning the MGIC/Radian merger transaction with the United States Securities and Exchange Commission (the SEC). STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE MERGER TRANSACTION OR INCORPORATED BY REFERENCE IN THE JOINT PROXY STATEMENT/PROSPECTUS BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors may obtain these documents free of charge at the SEC's website (<http://www.sec.gov>). In addition, documents filed with the SEC by MGIC are available free of charge by contacting Investor Relations at MGIC Investment Corporation, 250 East Kilbourn Avenue, Milwaukee, WI 53202. Documents filed with the SEC by Radian are available free of charge by calling Investor Relations at (215) 231-1486.

Radian and MGIC and their respective directors and executive officers, certain members of management and other employees are participants in the solicitation of proxies from Radian stockholders and MGIC stockholders with respect to the proposed merger transaction. Information regarding the directors and executive officers of Radian and MGIC and the interests of such participants are included in the joint proxy statement/prospectus filed with the SEC which relates to the merger transaction, Radian's 2007 annual meeting of stockholders and MGIC's 2007 annual meeting of stockholders and in the other relevant documents filed with the SEC.

#### **Financial Results and Supplemental Information Contents**

For trend information on all schedules, refer to Radian's quarterly financial statistics at <http://www.radian.biz/investors/financial/corporate.aspx>.

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**Radian Group Inc. and Subsidiaries****Condensed Consolidated Statements of Income****Exhibit A**

	Quarter Ended	
	March 31	
(In thousands, except per-share data)	2007	2006
<b>Revenues:</b>		
Net premiums written	\$ 277,634	\$ 279,605
Net premiums earned - insurance	\$ 214,507	\$ 227,234
Net premiums earned - credit derivatives	34,628	26,463
Net premiums earned - total	249,135	253,697
Net investment income	60,996	54,260
Net gains on securities	13,745	22,854
Change in fair value of derivative instruments	13,789	17,630
Other income	3,818	5,211
<b>Total revenues</b>	<b>341,483</b>	<b>353,652</b>
<b>Expenses:</b>		
Provision for losses	107,042	78,634
Policy acquisition costs	28,254	27,364
Other operating expenses	54,367	60,277
Merger expenses	3,328	
Interest expense	13,056	11,840
<b>Total expenses</b>	<b>206,047</b>	<b>178,115</b>
Equity in net income of affiliates	22,772	58,340
Pretax income	158,208	233,877
Provision for income taxes	44,741	70,179
<b>Net income</b>	<b>\$ 113,467</b>	<b>\$ 163,698</b>
Diluted net income per share (1)	\$ 1.42	\$ 1.96
<b>(1) Weighted average shares outstanding (in thousands)</b>		
Average common shares outstanding	79,428	82,937
Increase in shares - potential exercise of options - diluted basis	652	770
<b>Weighted average shares outstanding (in thousands)</b>	<b>80,080</b>	<b>83,707</b>

**For Trend Information, refer to our Quarterly Financial Statistics on Radian's (RDN) website.**

**Radian Group Inc. and Subsidiaries****Condensed Consolidated Balance Sheets****Exhibit B**

	March 31	December 31
(In thousands, except share and per-share data)	2007	2006
<b>Assets:</b>		
Cash and investments	\$ 6,078,573	\$ 5,803,228
Investments in affiliates	588,323	618,841
Deferred policy acquisition costs	225,597	221,769
Prepaid federal income taxes	788,240	808,740
Other assets	444,175	476,093
<b>Total assets</b>	<b>\$ 8,124,908</b>	<b>\$ 7,928,671</b>
<b>Liabilities and stockholders' equity:</b>		
Unearned premiums	\$ 974,768	\$ 943,687
Reserve for losses and loss adjustment expenses	852,462	842,283
Long-term debt	747,849	747,770
Current federal income taxes	224,999	
Deferred federal income taxes	942,167	1,129,740
Other liabilities	207,887	197,634
<b>Total liabilities</b>	<b>3,950,132</b>	<b>3,861,114</b>
Common stock	97	97
Additional paid-in capital	442,368	416,193
Retained earnings	3,584,236	3,489,290
Accumulated other comprehensive income	148,075	161,977
<b>Total common stockholders' equity</b>	<b>4,174,776</b>	<b>4,067,557</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,124,908</b>	<b>\$ 7,928,671</b>
Book value per share	\$ 52.00	\$ 51.23
<b>Treasury Stock Repurchases (Year-to-Date for Periods Presented)</b>		
Total number of shares repurchased	70,968	4,500,000
Average price paid per share	\$ 56.09	\$ 58.58
Total cost of repurchased shares	\$ 3,980,441	\$ 263,600,341



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**Radian Group Inc. and Subsidiaries**
**Segment Information****Quarter Ended March 31, 2007****Exhibit C**

	<b>Mortgage</b>	<b>Financial</b>	<b>Financial</b>	
<b>(In thousands)</b>	<b>Insurance</b>	<b>Guaranty</b>	<b>Services</b>	<b>Total</b>
<b>Revenues:</b>				
Net premiums written	\$ 222,289	\$ 55,345	\$	\$ 277,634
Net premiums earned insurance	\$ 180,243	\$ 34,264	\$	\$ 214,507
Net premiums earned credit derivatives	15,689	18,939		34,628
Net premiums earned total	195,932	53,203		249,135
Net investment income	35,559	25,437		60,996
Net gains (losses) on securities	11,123	2,824	(202)	13,745
Change in fair value of derivative instruments	(11,351)	25,140		13,789
Other income	2,849	140	829	3,818
<b>Total revenues</b>	<b>234,112</b>	<b>106,744</b>	<b>627</b>	<b>341,483</b>
<b>Expenses:</b>				
Provision for losses	112,854	(5,812)		107,042
Policy acquisition costs	16,523	11,731		28,254
Other operating expenses	36,272	14,235	3,860	54,367
Merger expenses	3,328			3,328
Interest expense	6,854	4,596	1,606	13,056
<b>Total expenses</b>	<b>175,831</b>	<b>24,750</b>	<b>5,466</b>	<b>206,047</b>
Equity in net income of affiliates			22,772	22,772
Pretax income	58,281	81,994	17,933	158,208
Provision for income taxes	13,579	24,078	7,084	44,741
<b>Net income</b>	<b>\$ 44,702</b>	<b>\$ 57,916</b>	<b>\$ 10,849</b>	<b>\$ 113,467</b>
Assets	\$ 4,774,210	\$ 2,757,800	\$ 592,898	\$ 8,124,908
Deferred policy acquisition costs	67,835	157,762		225,597
Reserve for losses and loss adjustment expenses	676,691	175,771		852,462
Unearned premiums	277,135	697,633		974,768
Stockholders equity	2,322,374	1,457,712	394,690	4,174,776

**Radian Group Inc. and Subsidiaries****Segment Information****Quarter Ended March 31, 2006****Exhibit D**

	<b>Mortgage</b>	<b>Financial</b>	<b>Financial</b>	
<b>(In thousands)</b>	<b>Insurance</b>	<b>Guaranty</b>	<b>Services</b>	<b>Total</b>
<b>Revenues:</b>				
Net premiums written	\$ 223,766	\$ 55,839	\$	\$ 279,605
Net premiums earned insurance	\$ 192,971	\$ 34,263	\$	\$ 227,234
Net premiums earned credit derivatives	9,735	16,728		26,463
Net premiums earned total	202,706	50,991		253,697
Net investment income	31,665	22,518	77	54,260
Net gains on securities	13,577	7,178	2,099	22,854
Change in fair value of derivative instruments				