

**TORCHMARK CORPORATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
(Unaudited and in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
<b>Revenue:</b>				
Life premium	\$326,743	\$306,537	\$647,281	\$604,881
Health premium	256,576	254,568	518,982	517,075
Other premium	8,147	10,431	15,676	20,821
Total premium	591,466	571,536	1,181,939	1,142,777
Net investment income	136,771	128,075	272,207	256,278
Realized investment gains (losses)	-812	-66,704	-15,225	-76,956
Other income	415	573	907	1,052
Total revenue	727,840	633,480	1,439,828	1,323,151
<b>Benefits and expenses:</b>				
Life policyholder benefits	216,383	206,500	428,498	406,345
Health policyholder benefits	173,069	167,652	347,280	340,490
Other policyholder benefits	9,918	7,938	18,997	16,134
Total policyholder benefits	399,370	382,090	794,775	762,969
Amortization of deferred acquisition costs	77,617	75,174	155,363	150,200
Commissions and premium taxes	42,759	41,716	85,245	84,223
Other operating expense	34,059	32,338	70,132	66,953
Interest expense	6,199	7,230	12,494	14,548
Total benefits and expenses	560,004	538,548	1,118,009	1,078,893
Income from continuing operations before income taxes and preferred securities dividends	167,836	94,932	321,819	244,258
Income taxes	-57,400	-31,249	-109,895	-81,416
Preferred securities dividends	-844	-971	-1,699	-1,976
<b>Net income</b>	<b>\$109,592</b>	<b>\$62,712</b>	<b>\$210,225</b>	<b>\$160,866</b>
Basic net income per share	\$0.95	\$0.52	\$1.81	\$1.32
Diluted net income per share	\$0.95	\$0.52	\$1.80	\$1.32