

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

	3 Months Ended December 31,		12 Months Ended December 31,	
	2003	2002	2003	2002
<b>Revenue:</b>				
Life premium	\$333,568	\$308,532	\$1,310,373	\$1,220,688
Health premium	259,725	250,977	1,034,031	1,019,120
Other premium	8,353	9,105	31,379	39,225
Total premium	601,646	568,614	2,375,783	2,279,033
Net investment income	146,831	131,759	557,310	518,618
Realized investment gains (losses)	-889	4,156	-3,274	-38,722
Other income	-85	377	819	2,120
Total revenue	747,503	704,906	2,930,638	2,761,049
<b>Benefits and expenses:</b>				
Life policyholder benefits	217,425	206,740	862,775	815,356
Health policyholder benefits	173,448	167,242	689,395	673,890
Other policyholder benefits	9,397	9,488	37,902	34,828
Total policyholder benefits	400,270	383,470	1,590,072	1,524,074
Amortization of deferred acquisition costs	83,547	71,317	321,744	297,510
Commissions and premium taxes	42,994	42,564	167,580	168,341
Other operating expense	37,159	34,040	142,355	135,128
Interest expense	13,853	11,248	49,952	45,948
Total benefits and expenses	577,823	542,639	2,271,703	2,171,001
Income from continuing operations before income taxes and preferred securities dividends	169,680	162,267	658,935	590,048
Income taxes	-57,646	-55,182	-225,009	-199,042
Preferred securities dividends	0	-1,893	-3,785	-7,573
<b>Net income</b>	<u>\$112,034</u>	<u>\$105,192</u>	<u>\$430,141</u>	<u>\$383,433</u>
Basic net income per share	<u>\$0.99</u>	<u>\$0.89</u>	<u>\$3.75</u>	<u>\$3.19</u>
Diluted net income per share	<u>\$0.98</u>	<u>\$0.89</u>	<u>\$3.73</u>	<u>\$3.18</u>