

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

	<b>3 Months Ended</b>	
	<b>March 31,</b>	
	<b>2004</b>	<b>2003</b>
<b>Revenue:</b>		
Life premium	\$343,110	\$320,538
Health premium	270,230	262,406
Other premium	7,071	7,529
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Total premium	620,411	590,473
Net investment income	141,725	135,526
Realized investment gains (losses)	10,328	-7,975
Other income	78	492
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Total revenue	772,542	718,516
<b>Benefits and expenses:</b>		
Life policyholder benefits	226,928	212,115
Health policyholder benefits	178,696	174,211
Other policyholder benefits	6,899	9,079
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Total policyholder benefits	412,523	395,405
Insurance acquisition expense	84,608	77,746
Commissions and premium taxes	41,934	42,486
Insurance G&A	34,772	33,512
Parent expense	2,462	2,561
Interest expense	14,007	14,139
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Total benefits and expenses	590,306	565,849
Pretax operating income	182,236	152,667
Income taxes	-62,722	-52,034
Change in accounting standard, net of tax	-7,163	0
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<b>Net income</b>	<b>\$112,351</b>	<b>\$100,633</b>
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Basic net income per share	<b>\$1.00</b>	<b>\$0.86</b>
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Diluted net income per share	<b>\$0.99</b>	<b>\$0.85</b>
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