

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

	3 Months Ended		6 Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
Revenue:				
Life premium	\$350,592	\$326,743	\$693,702	\$647,281
Health premium	263,482	256,576	533,712	518,982
Other premium	6,961	8,147	14,032	15,676
Total premium	621,035	591,466	1,241,446	1,181,939
Net investment income	144,002	136,861	285,727	272,387
Realized investment gains (losses)	-1,144	5,668	9,184	-2,307
Other income	66	415	144	907
Total revenue	763,959	734,410	1,536,501	1,452,926
Benefits and expenses:				
Life policyholder benefits	234,102	216,383	461,030	428,498
Health policyholder benefits	173,501	173,069	352,197	347,280
Other policyholder benefits	7,044	9,918	13,943	18,997
Total policyholder benefits	414,647	399,370	827,170	794,775
Insurance acquisition expense	84,036	77,617	168,644	155,363
Commissions and premium taxes	39,963	42,759	81,897	85,245
Insurance G&A	35,553	31,239	70,325	64,751
Parent expense	2,448	2,820	4,910	5,381
Interest expense	14,078	14,066	28,085	28,205
Total benefits and expenses	590,725	567,871	1,181,031	1,133,720
Pretax operating income	173,234	166,539	355,470	319,206
Income taxes	-56,673	-56,947	-119,395	-108,981
Change in accounting standard, net of tax	0	0	-7,163	0
Net income	\$116,561	\$109,592	\$228,912	\$210,225
Basic net income per share	<u>\$1.05</u>	<u>\$0.95</u>	<u>\$2.05</u>	<u>\$1.81</u>
Diluted net income per share	<u>\$1.04</u>	<u>\$0.95</u>	<u>\$2.02</u>	<u>\$1.80</u>