

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

	3 Months Ended		9 Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003
Revenue:				
Life premium	\$349,814	\$329,524	\$1,043,516	\$976,805
Health premium	259,630	255,324	793,342	774,306
Other premium	6,545	7,350	20,577	23,026
Total premium	615,989	592,198	1,857,435	1,774,137
Net investment income	145,255	138,362	430,982	410,749
Realized investment gains (losses)	12,890	-78	22,074	-2,385
Other income	65	-3	209	904
Total revenue	774,199	730,479	2,310,700	2,183,405
Benefits and expenses:				
Life policyholder benefits	230,806	216,852	691,836	645,350
Health policyholder benefits	173,767	168,667	525,964	515,947
Other policyholder benefits	7,140	9,508	21,083	28,505
Total policyholder benefits	411,713	395,027	1,238,883	1,189,802
Insurance acquisition expense	90,889	82,834	259,533	238,197
Commissions and premium taxes	30,687	39,341	112,584	124,586
Insurance G&A	35,286	32,721	105,611	97,472
Parent expense	2,109	2,343	7,019	7,724
Interest expense	14,055	13,987	42,140	42,192
Total benefits and expenses	584,739	566,253	1,765,770	1,699,973
Pretax operating income	189,460	164,226	544,930	483,432
Income taxes	-65,328	-56,344	-184,723	-165,325
Change in accounting standard, net of tax	0	0	-7,163	0
Net income	\$124,132	\$107,882	\$353,044	\$318,107
Basic net income per share	<u>\$1.14</u>	<u>\$0.95</u>	<u>\$3.19</u>	<u>\$2.75</u>
Diluted net income per share	<u>\$1.12</u>	<u>\$0.94</u>	<u>\$3.14</u>	<u>\$2.74</u>