

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

	3 Months Ended		12 Months Ended	
	December 31,		December 31,	
	2004	2003	2004	2003
Revenue:				
Life premium	\$351,974	\$333,568	\$1,395,490	\$1,310,373
Health premium	255,324	259,725	1,048,666	1,034,031
Other premium	7,167	8,353	27,744	31,379
Total premium	614,465	601,646	2,471,900	2,375,783
Net investment income	146,053	146,921	577,035	557,670
Realized investment gains (losses)	142	-889	22,216	-3,274
Other income	182	-85	391	819
Total revenue	760,842	747,593	3,071,542	2,930,998
Benefits and expenses:				
Life policyholder benefits	227,939	217,425	919,775	862,775
Health policyholder benefits	171,681	173,448	697,645	689,395
Other policyholder benefits	7,165	9,397	28,248	37,902
Total policyholder benefits	406,785	400,270	1,645,668	1,590,072
Insurance acquisition expense	87,716	83,547	347,249	321,744
Commissions and premium taxes	37,554	42,994	150,138	167,580
Insurance G&A	36,009	34,649	141,620	132,121
Parent expense	2,556	2,510	9,575	10,234
Interest expense	14,351	13,943	56,491	56,135
Total benefits and expenses	584,971	577,913	2,350,741	2,277,886
Pretax operating income	175,871	169,680	720,801	653,112
Income taxes	-60,360	-57,646	-245,083	-222,971
Change in accounting standard, net of tax	0	0	-7,163	0
Net income	\$115,511	\$112,034	\$468,555	\$430,141
Basic net income per share	<u>\$1.07</u>	<u>\$0.99</u>	<u>\$4.26</u>	<u>\$3.75</u>
Diluted net income per share	<u>\$1.05</u>	<u>\$0.98</u>	<u>\$4.19</u>	<u>\$3.73</u>