

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

	<b>3 Months Ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2004</b>
<b>Revenue:</b>		
Life premium	\$363,283	\$343,110
Health premium	267,310	270,230
Other premium	6,114	7,071
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Total premium	636,707	620,411
Net investment income	149,176	141,725
Realized investment gains (losses)	-3,128	10,328
Other income	239	78
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Total revenue	782,994	772,542
<b>Benefits and expenses:</b>		
Life policyholder benefits	240,276	226,928
Health policyholder benefits	177,199	178,696
Other policyholder benefits	6,698	6,899
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Total policyholder benefits	424,173	412,523
Insurance acquisition expense	88,722	84,608
Commissions and premium taxes	37,193	41,934
Insurance G&A	36,134	34,772
Parent expense	2,899	2,462
Interest expense	14,736	14,007
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Total benefits and expenses	603,857	590,306
Pretax operating income	179,137	182,236
Income taxes	-61,294	-62,722
Change in accounting standard, net of tax	0	-7,163
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<b>Net income</b>	<b>\$117,843</b>	<b>\$112,351</b>
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Basic net income per share	\$1.11	\$1.00
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Diluted net income per share	\$1.09	\$0.99
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