

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2006	2005	2006	2005
<b>Revenues:</b>				
Life premium	\$380,514	\$370,466	\$761,383	\$733,749
Health premium	319,329	252,878	635,409	520,188
Other premium	5,953	6,273	11,681	12,387
 Total premium	 705,796	 629,617	 1,408,473	 1,266,324
 Net investment income	 154,925	 150,620	 308,314	 299,796
Realized investment gains (losses)	7,681	10,703	1,485	7,575
Other income	733	13,857	7,871	14,096
 Total revenue	 869,135	 804,797	 1,726,143	 1,587,791
<b>Benefits and expenses:</b>				
Life policyholder benefits	252,220	245,622	502,766	485,898
Health policyholder benefits	222,310	165,734	445,649	342,933
Other policyholder benefits	6,226	6,728	12,495	13,426
 Total policyholder benefits	 480,756	 418,084	 960,910	 842,257
 Amortization of deferred acquisition costs	 91,172	 88,399	 183,241	 177,121
Commissions and premium taxes	42,018	37,229	82,578	74,422
Insurance G&A	39,530	40,767	79,665	76,901
Parent expense	2,236	2,422	4,658	5,321
Stock option expense	1,778	0	3,485	0
Interest expense	17,638	15,350	33,628	30,086
 Total benefits and expenses	 675,128	 602,251	 1,348,165	 1,206,108
 Income before income taxes	 194,007	 202,546	 377,978	 381,683
 Income taxes	 -66,632	 -70,181	 -130,329	 -131,475
 <b>Net income</b>	 <b>\$127,375</b>	 <b>\$132,365</b>	 <b>\$247,649</b>	 <b>\$250,208</b>
 <b>Basic net income per share</b>	 <b>\$1.28</b>	 <b>\$1.26</b>	 <b>\$2.45</b>	 <b>\$2.37</b>
 <b>Diluted net income per share</b>	 <b>\$1.26</b>	 <b>\$1.25</b>	 <b>\$2.42</b>	 <b>\$2.34</b>