

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

	3 Months Ended September 30,		9 Months Ended September 30,	
	2006	2005	2006	2005
Revenues:				
Life premium	\$381,547	\$365,812	\$1,142,930	\$1,099,561
Health premium	296,572	248,678	931,981	768,866
Other premium	5,538	6,067	17,219	18,454
Total premium	683,657	620,557	2,092,130	1,886,881
Net investment income	160,908	151,120	469,222	450,916
Realized investment gains (losses)	-7,299	-2,908	-5,814	4,667
Other income	673	253	8,544	14,349
Total revenue	837,939	769,022	2,564,082	2,356,813
Benefits and expenses:				
Life policyholder benefits	252,002	240,631	754,768	726,529
Health policyholder benefits	189,396	163,263	635,045	506,196
Other policyholder benefits	4,654	6,989	17,149	20,415
Total policyholder benefits	446,052	410,883	1,406,962	1,253,140
Amortization of deferred acquisition costs	100,521	85,994	283,762	263,115
Commissions and premium taxes	39,922	37,054	122,500	111,476
Insurance G&A	37,525	36,160	117,190	113,061
Parent expense	1,711	2,258	6,369	7,579
Stock option expense	1,498	0	4,983	0
Interest expense	21,437	15,281	55,065	45,367
Total benefits and expenses	648,666	587,630	1,996,831	1,793,738
Income before income taxes	189,273	181,392	567,251	563,075
Income taxes	-60,729	-62,346	-191,058	-193,821
Net income	<u>\$128,544</u>	<u>\$119,046</u>	<u>\$376,193</u>	<u>\$369,254</u>
Basic net income per share	<u>\$1.30</u>	<u>\$1.14</u>	<u>\$3.75</u>	<u>\$3.51</u>
Diluted net income per share	<u>\$1.28</u>	<u>\$1.14</u>	<u>\$3.70</u>	<u>\$3.48</u>