

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

	3 Months Ended December 31,		12 Months Ended December 31,	
	2006	2005	2006	2005
Revenues:				
Life premium	\$381,337	\$368,727	\$1,524,267	\$1,468,288
Health premium	305,551	245,991	1,237,532	1,014,857
Other premium	5,695	6,475	22,914	24,929
Total premium	692,583	621,193	2,784,713	2,508,074
Net investment income	159,524	152,152	628,746	603,068
Realized investment gains (losses)	-4,953	-4,387	-10,767	280
Other income	9,942	139	18,486	14,488
Total revenue	857,096	769,097	3,421,178	3,125,910
 Benefits and expenses:				
Life policyholder benefits	251,003	239,564	1,005,771	966,093
Health policyholder benefits	198,972	162,009	834,017	668,205
Other policyholder benefits	6,594	6,473	23,743	26,888
Total policyholder benefits	456,569	408,046	1,863,531	1,661,186
Amortization of deferred acquisition costs	93,728	86,844	377,490	349,959
Commissions and premium taxes	41,183	37,975	163,683	149,451
Insurance G&A	38,141	49,570	155,331	162,631
Parent expense	1,493	2,649	7,862	10,228
Stock option expense	1,592	0	6,575	0
Interest expense	18,071	15,567	73,136	60,934
Total benefits and expenses	650,777	600,651	2,647,608	2,394,389
Income before income taxes	206,319	168,446	773,570	731,521
Income taxes	-63,881	-42,310	-254,939	-236,131
Net income	<u>\$142,438</u>	<u>\$126,136</u>	<u>\$518,631</u>	<u>\$495,390</u>
Basic net income per share	<u>\$1.45</u>	<u>\$1.22</u>	<u>\$5.20</u>	<u>\$4.73</u>
Diluted net income per share	<u>\$1.43</u>	<u>\$1.21</u>	<u>\$5.13</u>	<u>\$4.68</u>