

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

|  | <b>3 Months Ended</b> |                  |
|--|-----------------------|------------------|
|  | <b>March 31,</b>      |                  |
|  | <b>2007</b>           | <b>2006</b>      |
| <b>Revenues:</b>                           |                       |                  |
| Life premium                               | \$391,468             | \$380,869        |
| Health premium                             | 335,278               | 316,080          |
| Other premium                              | 5,066                 | 5,728            |
|  | <hr/>                 | <hr/>            |
| Total premium                              | 731,812               | 702,677          |
| Net investment income                      | 162,580               | 153,389          |
| Realized investment gains (losses)         | 10,049                | -6,196           |
| Other income                               | 1,534                 | 7,138            |
|  | <hr/>                 | <hr/>            |
| Total revenue                              | 905,975               | 857,008          |
| <b>Benefits and expenses:</b>              |                       |                  |
| Life policyholder benefits                 | 260,389               | 250,546          |
| Health policyholder benefits               | 237,347               | 223,339          |
| Other policyholder benefits                | 6,740                 | 6,269            |
|  | <hr/>                 | <hr/>            |
| Total policyholder benefits                | 504,476               | 480,154          |
| Amortization of deferred acquisition costs | 97,226                | 92,069           |
| Commissions and premium taxes              | 39,840                | 40,560           |
| Insurance G&A                              | 39,011                | 40,135           |
| Parent expense                             | 1,826                 | 2,422            |
| Stock option expense                       | 2,044                 | 1,707            |
| Interest expense                           | 17,257                | 15,990           |
|  | <hr/>                 | <hr/>            |
| Total benefits and expenses                | 701,680               | 673,037          |
| Income before income taxes                 | 204,295               | 183,971          |
| Income taxes                               | -69,104               | -63,697          |
|  | <hr/>                 | <hr/>            |
| <b>Net income</b>                          | <b>\$135,191</b>      | <b>\$120,274</b> |
|  | <hr/>                 | <hr/>            |
| <b>Basic net income per share</b>          | <b>\$1.39</b>         | <b>\$1.17</b>    |
|  | <hr/>                 | <hr/>            |
| <b>Diluted net income per share</b>        | <b>\$1.37</b>         | <b>\$1.16</b>    |
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