

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2007	2006	2007	2006
<b>Revenues:</b>				
Life premium	\$392,290	\$380,514	\$783,758	\$761,383
Health premium	317,754	319,329	653,032	635,409
Other premium	5,353	5,953	10,419	11,681
 Total premium	 715,397	 705,796	 1,447,209	 1,408,473
 Net investment income	 160,729	 154,925	 323,309	 308,314
Realized investment gains (losses)	-2,828	7,681	7,221	1,485
Other income	3,271	733	4,805	7,871
 Total revenue	 876,569	 869,135	 1,782,544	 1,726,143
 <b>Benefits and expenses:</b>				
Life policyholder benefits	262,114	252,220	522,503	502,766
Health policyholder benefits	219,657	222,310	457,004	445,649
Other policyholder benefits	7,505	6,226	14,245	12,495
 Total policyholder benefits	 489,276	 480,756	 993,752	 960,910
 Amortization of deferred acquisition costs	 97,354	 91,172	 194,580	 183,241
Commissions and premium taxes	39,155	42,018	78,995	82,578
Insurance G&A	37,432	39,530	76,443	79,665
Parent expense	2,528	2,236	4,354	4,658
Stock option expense	2,246	1,778	4,290	3,485
Interest expense	16,541	17,638	33,798	33,628
 Total benefits and expenses	 684,532	 675,128	 1,386,212	 1,348,165
 Income before income taxes	 192,037	 194,007	 396,332	 377,978
 Income taxes	 -64,920	 -66,632	 -134,024	 -130,329
 <b>Net income</b>	 <u>\$127,117</u>	 <u>\$127,375</u>	 <u>\$262,308</u>	 <u>\$247,649</u>
 <b>Basic net income per share</b>	 <u>\$1.34</u>	 <u>\$1.28</u>	 <u>\$2.73</u>	 <u>\$2.45</u>
 <b>Diluted net income per share</b>	 <u>\$1.32</u>	 <u>\$1.26</u>	 <u>\$2.68</u>	 <u>\$2.42</u>