

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

	3 Months Ended September 30,		9 Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Life premium	\$392,720	\$381,547	\$1,176,478	\$1,142,930
Health premium	299,475	296,572	952,507	931,981
Other premium	4,901	5,538	15,320	17,219
Total premium	697,096	683,657	2,144,305	2,092,130
Net investment income	163,080	160,908	486,389	469,222
Realized investment gains (losses)	1,408	-7,299	8,629	-5,814
Other income	2,030	673	6,835	8,544
Total revenue	863,614	837,939	2,646,158	2,564,082
Benefits and expenses:				
Life policyholder benefits	258,163	252,002	780,666	754,768
Health policyholder benefits	198,452	189,396	655,456	635,045
Other policyholder benefits	6,218	4,654	20,463	17,149
Total policyholder benefits	462,833	446,052	1,456,585	1,406,962
Amortization of deferred acquisition costs	98,898	100,521	293,478	283,762
Commissions and premium taxes	38,646	39,922	117,641	122,500
Insurance G&A	40,142	37,525	116,585	117,190
Parent expense	2,024	1,711	6,378	6,369
Stock option expense	1,908	1,498	6,198	4,983
Interest expense	17,579	21,437	51,377	55,065
Total benefits and expenses	662,030	648,666	2,048,242	1,996,831
Income before income taxes	201,584	189,273	597,916	567,251
Income taxes	-68,702	-60,729	-202,726	-191,058
Net income	<u>\$132,882</u>	<u>\$128,544</u>	<u>\$395,190</u>	<u>\$376,193</u>
Basic net income per share	<u>\$1.43</u>	<u>\$1.30</u>	<u>\$4.16</u>	<u>\$3.75</u>
Diluted net income per share	<u>\$1.41</u>	<u>\$1.28</u>	<u>\$4.09</u>	<u>\$3.70</u>