

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

	3 Months Ended December 31,		12 Months Ended December 31,	
	2007	2006	2007	2006
Revenues:				
Life premium	\$393,486	\$381,337	\$1,569,964	\$1,524,267
Health premium	284,290	305,551	1,236,797	1,237,532
Other premium	5,150	5,695	20,470	22,914
 Total premium	 682,926	 692,583	 2,827,231	 2,784,713
 Net investment income	 162,437	 159,524	 648,826	 628,746
Realized investment gains (losses)	-5,895	-4,953	2,734	-10,767
Other income	1,071	9,942	7,906	18,486
 Total revenue	 840,539	 857,096	 3,486,697	 3,421,178
 Benefits and expenses:				
Life policyholder benefits	258,612	251,003	1,039,278	1,005,771
Health policyholder benefits	179,645	198,972	835,101	834,017
Other policyholder benefits	7,586	6,594	28,049	23,743
 Total policyholder benefits	 445,843	 456,569	 1,902,428	 1,863,531
 Amortization of deferred acquisition costs	 97,533	 93,728	 391,011	 377,490
Commissions and premium taxes	37,842	41,183	155,483	163,683
Insurance G&A	38,900	38,141	155,485	155,331
Parent expense	3,437	1,493	9,815	7,862
Stock option expense	1,908	1,592	8,106	6,575
Interest expense	16,187	18,071	67,564	73,136
 Total benefits and expenses	 641,650	 650,777	 2,689,892	 2,647,608
 Income before income taxes	 198,889	 206,319	 796,805	 773,570
 Income taxes	 -66,544	 -63,881	 -269,270	 -254,939
 Net income	 <u>\$132,345</u>	 <u>\$142,438</u>	 <u>\$527,535</u>	 <u>\$518,631</u>
 Basic net income per share	 <u>\$1.44</u>	 <u>\$1.45</u>	 <u>\$5.59</u>	 <u>\$5.20</u>
 Diluted net income per share	 <u>\$1.41</u>	 <u>\$1.43</u>	 <u>\$5.50</u>	 <u>\$5.13</u>