

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

	3 Months Ended September 30,		9 Months Ended September 30,	
	2008	2007	2008	2007
Revenues:				
Life premium	\$406,114	\$392,720	\$1,215,554	\$1,176,478
Health premium	268,940	299,475	861,688	952,507
Other premium	3,543	4,901	11,352	15,320
 Total premium	 678,597	 697,096	 2,088,594	 2,144,305
 Net investment income	 169,034	 163,080	 503,763	 486,389
Realized investment gains (losses)	-95,221	1,408	-109,883	8,629
Other income	942	2,030	3,803	6,835
 Total revenue	 753,352	 863,614	 2,486,277	 2,646,158
 Benefits and expenses:				
Life policyholder benefits	268,338	258,163	809,540	780,666
Health policyholder benefits	174,363	198,452	592,995	655,456
Other policyholder benefits	8,535	6,218	24,500	20,463
 Total policyholder benefits	 451,236	 462,833	 1,427,035	 1,456,585
 Amortization of deferred acquisition costs	 101,429	 98,898	 297,701	 293,478
Commissions and premium taxes	34,514	38,646	111,318	117,641
Insurance G&A	38,289	40,142	118,380	116,585
Parent expense	4,021	2,024	8,373	6,378
Stock compensation expense	2,725	1,908	8,306	6,198
Interest expense	15,507	17,579	46,497	51,377
 Total benefits and expenses	 647,721	 662,030	 2,017,610	 2,048,242
 Income before income taxes	 105,631	 201,584	 468,667	 597,916
 Income taxes	 -42,480	 -68,702	 -153,617	 -202,726
 Net income	 <u>\$63,151</u>	 <u>\$132,882</u>	 <u>\$315,050</u>	 <u>\$395,190</u>
 Basic net income per share	 <u>\$0.73</u>	 <u>\$1.43</u>	 <u>\$3.54</u>	 <u>\$4.16</u>
 Diluted net income per share	 <u>\$0.72</u>	 <u>\$1.41</u>	 <u>\$3.49</u>	 <u>\$4.09</u>