

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

	3 Months Ended December 31,		12 Months Ended December 31,	
	2008	2007	2008	2007
<b>Revenues:</b>				
Life premium	\$401,250	\$393,486	\$1,616,804	\$1,569,964
Health premium	265,371	284,290	1,127,059	1,236,797
Other premium	3,041	5,150	14,393	20,470
Total premium	669,662	682,926	2,758,256	2,827,231
Net investment income	167,732	162,437	671,495	648,826
Realized investment gains (losses)	2,379	-5,895	-107,504	2,734
Other income	868	1,071	4,671	7,906
Total revenue	840,641	840,539	3,326,918	3,486,697
<b>Benefits and expenses:</b>				
Life policyholder benefits	264,380	258,612	1,073,920	1,039,278
Health policyholder benefits	166,593	179,645	759,588	835,101
Other policyholder benefits	14,907	7,586	39,407	28,049
Total policyholder benefits	445,880	445,843	1,872,915	1,902,428
Amortization of deferred acquisition costs	100,623	97,533	398,324	391,011
Commissions and premium taxes	34,663	37,842	145,981	155,483
Insurance G&A	43,032	38,900	161,412	155,485
Parent expense	4,604	3,437	12,977	9,815
Stock compensation expense	2,517	1,908	10,823	8,106
Interest expense	16,732	16,187	63,229	67,564
Total benefits and expenses	648,051	641,650	2,665,661	2,689,892
Income before income taxes	192,590	198,889	661,257	796,805
Income taxes	-55,381	-66,544	-208,998	-269,270
<b>Net income</b>	<u>\$137,209</u>	<u>\$132,345</u>	<u>\$452,259</u>	<u>\$527,535</u>
<b>Basic net income per share</b>	<u>\$1.61</u>	<u>\$1.44</u>	<u>\$5.14</u>	<u>\$5.59</u>
<b>Diluted net income per share</b>	<u>\$1.61</u>	<u>\$1.41</u>	<u>\$5.11</u>	<u>\$5.50</u>