

April 25, 2002



Centene Corporation Reports Eleventh Consecutive Quarter of Increased Profitability

ST. LOUIS, Apr 25, 2002 (BUSINESS WIRE) -- Centene Corporation (Nasdaq:CNTE) today announced the Company's financial results for the first quarter of 2002.

First Quarter Highlights

- Revenue of \$95.8 million, a 36% increase year over year
- Earnings from operations increased 115% to \$6.3 million
- Earnings per diluted share of \$0.38, a 31% increase over that of the prior year period
- Eleventh consecutive quarter of increased profitability from continuing operations
- Days in claims payable remained flat at 74
- Completed the purchase of Bankers Reserve Life Insurance Company of Wisconsin
- Strengthened the management team with the addition of Christopher D. Bowers, president and CEO of Superior HealthPlan (TX), and Jesse Hunter, manager of mergers and acquisitions

Michael F. Neidorff, Centene's president and chief executive officer, said, "We had a consistent and predictable first quarter while achieving record revenue and profitability. We are pleased with the growth in membership and are confident that our Medicaid focused model is positioned with the necessary resources and technology required to continue with strong same store growth. We are the solution for states as they seek to resolve their budget issues and improve health outcomes for their Medicaid beneficiaries."

Membership increased 22% to 249,300 at March 31, 2002, from 205,000 for the same period end last year, and increased 6% from 235,100 at December 31, 2001.

The following table depicts membership by market for the quarters ended March 31, 2002 and 2001:

	2002	2001
Wisconsin	114,600	96,600
Indiana	77,600	54,500
Texas	57,100	53,900
Total	249,300	205,000

Statement of Earnings Highlights

Revenue for the first quarter of 2002 increased 36% to \$95.8 million from \$70.3 in the first quarter of the prior year. The health benefits ratio of 82.5% was within the Company's targeted range of 82.0% to 83.5% and compares to 83.4% for the same period in 2001. General and administrative expenses as a percent of revenue decreased 160 basis points to

11.0% from 12.6% year over year. Earnings from operations increased 115% to \$6.3 million from \$2.9 million in 2001.

For the quarter ended March 31, 2002, net earnings improved to \$4.3 million, or \$0.38 per diluted share, compared to \$2.2 million, or \$0.29 per diluted share, for the first quarter of 2001. In July 2001, the FASB issued SFAS No. 142, Goodwill and Other Intangible Assets which requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested at least annually for impairment. The Company adopted SFAS No. 142 effective January 1, 2002. For the quarter ended March 31, 2001, this adjustment would have added \$123,000 in net earnings, or \$0.01 per diluted share.

The following table sets forth the first quarter 2002 compared to 2001 on a pro forma basis. Pro forma net earnings per diluted share assume that 1) the Company's initial public offering was completed as of January 1, 2001, 2) all classes of preferred and common stock were converted into a single class of common stock, 3) subordinated notes of \$4.0 million were repaid with a portion of the net proceeds of \$41.0 million from the Company's initial public offering, and 4) the balance of the net proceeds were invested in short-term instruments bearing interest of 3.5%.

	Pro Forma 2001	As Reported 2002
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First Quarter	\$0.22	\$0.38

Balance Sheet Highlights

At March 31, 2002, the Company had cash and investments of \$112 million, a portion of which is restricted due to state regulatory requirements. Other long-term assets and long-term liabilities of \$5.6 million and \$5.2 million, respectively, reflect the Company's acquisition of the Bankers Reserve Life Insurance Company. Medical claims liabilities total \$64.9 million representing 74 days in claims payable which is unchanged from the immediately preceding quarter. The Company anticipates that days in claims payable will decrease in the quarter ended June 30, 2002, as the Company settles payments related to provider risk sharing arrangements.

Outlook

The Company reaffirmed that it anticipates revenue growth in the range of 22% to 25% for the full year 2002. Centene also expects to continue to operate within its targeted 82.0% to 83.5% health benefits ratio while reducing general and administrative expenses as a percentage of total revenue by 60 to 100 basis points year over year. EPS is expected to increase by 33% to 37% for the year ended December 31, 2002.

Neidorff commented, "We intend to continue to grow organically, evaluate opportunities to diversify the business in new states and increase our fee-for-service revenues in Medicaid-related products. In Texas, the appointment of Christopher Bowers as president and CEO of Superior HealthPlan provides us the leadership necessary to take advantage of growth opportunities.

"We will also evaluate acquisition opportunities to diversify the business and increase market share, and have added Jesse Hunter to help manage our M&A activity. With the financial resources available, Centene has ample flexibility to execute strategic acquisitions. We are in a strong position to deliver future growth that will drive shareholder value."

As previously announced, the Company will host a conference call tomorrow morning, April 26, 2002, at 8:30 a.m. (Eastern Daylight Time) to review the financial results for the first quarter ended March 31, 2002, and to discuss its business outlook. Michael F. Neidorff and Karey L. Witty, chief financial officer of Centene, will host the conference call. Investors are invited to participate in the conference call by dialing 888/276-0006 in the United States, and 612/332-0418 for international participants, or via a live Internet broadcast at the Company's Web site, <http://www.centene.com>. A replay of the call will be available from April 26, 2002, beginning at 12:00 p.m. and ending on May 3, 2002, at 11:59 p.m. Investors may dial 800/475-6701 in the United States and 320/365-3844 from abroad and enter access number 634205. Additionally, the webcast will be archived for the same period at <http://www.centene.com>.

About Centene

Centene Corporation provides managed care programs and related services to individuals receiving benefits under Medicaid, including Supplemental Security Income (SSI), and the State Children's Health Insurance Program (CHIP). The Company operates health plans in Wisconsin, Indiana and Texas.

The third, seventh, eighth and ninth paragraphs of this press release contain forward-looking statements that relate to future events and future financial performance of Centene. These forward-looking statements represent the Company's estimates as of April 25, 2002. Subsequent events and developments may cause the Company's estimates to change. The Company disclaims any obligation to update this forward-looking financial information in the future. Readers are cautioned that matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, regulatory, competitive and other factors that may cause Centene's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Actual results may differ from projections or estimates due to a variety of important factors, including Centene's ability to accurately predict and effectively manage health benefits and other operating expenses, competition, changes in health care practices, changes in federal or state laws or regulations, inflation, provider contract changes, new technologies, reduction in provider payments by governmental payors, major epidemics, disasters and numerous other factors affecting the delivery and cost of health care. The expiration, cancellation or suspension of Centene's Medicaid managed care contracts by state governments would also negatively impact Centene.

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except share data)

	Three months ended	
	March 31,	
	2002	2001
	-----	-----
	(Unaudited)	
REVENUES:		
Premiums	\$ 95,650	\$ 70,224
Administrative services fees	103	80
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Total revenues	95,753	70,304
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EXPENSES:		
Medical services costs	78,944	58,573
General and administrative expenses	10,547	8,825

Total operating expenses	89,491	67,398
Earnings from operations	6,262	2,906
OTHER INCOME (EXPENSE):		
Investment and other income, net	915	966
Interest expense	--	(95)
Earnings before income taxes	7,177	3,777
INCOME TAX EXPENSE	2,877	1,595
Net earnings	4,300	2,182
ACCRETION OF REDEEMABLE PREFERRED STOCK	--	(123)
Net earnings attributable to common stockholders	\$ 4,300	\$ 2,059
EARNINGS PER COMMON SHARE, BASIC:		
Net earnings per common share	\$ 0.43	\$ 2.27
EARNINGS PER COMMON SHARE, DILUTED:		
Net earnings per common share	\$ 0.38	\$ 0.29
SHARES USED IN COMPUTING PER SHARE AMOUNTS:		
Basic	10,091,348	906,148
Diluted	11,317,634	7,751,273

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 2002	December 31, 2001
	----- (Unaudited)	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 91,738	\$ 88,867
Premium and related receivables, net of allowances of \$3,385 and \$3,879, respectively	9,672	7,032
Short-term investments, at fair value (amortized cost \$707 and \$1,166, respectively)	707	1,169
Deferred income taxes	3,121	2,515
Other current assets	4,953	2,464
Total current assets	110,191	102,047
LONG-TERM INVESTMENTS, at fair value (amortized cost \$20,004 and \$22,127, respectively)	19,706	22,339
PROPERTY AND EQUIPMENT, net	4,724	3,796
INTANGIBLE ASSETS, net	2,804	2,396
DEFERRED INCOME TAXES	83	788
OTHER ASSETS	5,614	--
Total assets	\$ 143,122	\$ 131,366
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Medical claims liabilities	\$ 64,928	\$ 59,565
Accounts payable and accrued expenses	4,895	7,712
Total current liabilities	69,823	67,277
Other liabilities	5,214	--

Total liabilities	75,037	67,277
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STOCKHOLDERS' EQUITY:		
Common stock, \$.001 par value; authorized 40,000,000 shares; 10,098,712 and 10,085,112 shares issued and outstanding	10	10
Additional paid-in capital	60,876	60,857
Net unrealized gain (loss) on investments, net of tax	(188)	135
Retained earnings	7,387	3,087
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Total stockholders' equity	68,085	64,089
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Total liabilities and stockholders' equity	\$ 143,122	\$ 131,366
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CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended	
	March 31,	
	2002	2001
	-----	-----
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 4,300	\$ 2,182
Adjustments to reconcile net earnings to net cash provided by operating activities --		
Depreciation and amortization	476	331
Stock compensation expense	4	6
Gain on sale of investments	(205)	(50)
Changes in assets and liabilities --		
(Increase) decrease in premium and related receivables	(2,640)	7,151
(Increase) decrease in other current assets	(2,413)	475
Decrease in deferred income taxes	288	186
Increase in medical claims liabilities	5,363	9,492
Increase in unearned premiums	--	13,235
Decrease in accounts payable and accrued expenses	(2,869)	(1,880)
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Net cash provided by operating activities	2,304	31,128
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CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,338)	(1,249)
Purchase of investments	(6,673)	(10,024)
Sales and maturities of investments	11,751	8,160
Contract acquisitions	--	(1,000)
Investment in subsidiary	(3,188)	7,995
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Net cash provided by investing activities	552	3,882
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CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	15	11
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Net cash provided by financing activities	15	11
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Net increase in cash and cash equivalents	2,871	35,021
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CASH AND CASH EQUIVALENTS, beginning of period	88,867	19,023
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CASH AND CASH EQUIVALENTS, end of period	\$ 91,738	\$ 54,044
	=====	=====
Interest paid	\$ --	\$ 439
Income taxes paid	\$ 4,330	\$ 207

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