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Centene to Acquire National Individual Health Insurance Provider Celtic Insurance Company

Strategic Acquisition Positions Centene as a National Leader in Providing Government-Sponsored and Market-Driven Solutions to Increase Access to High-Quality, Affordable Healthcare for All Americans

ST. LOUIS--(BUSINESS WIRE)--

Centene Corporation (NYSE: CNC) announced today it has executed definitive agreements to acquire Celtic Group, Inc., the parent company of Celtic Insurance Company ("Celtic"). Pending regulatory approval, the acquisition is expected to close in the third quarter of 2008. Celtic, a privately-owned nationwide health insurance carrier based in Chicago, Illinois, provides high-quality, affordable health insurance to individual customers and their families. The purchase price for the transaction is \$80 million, subject to certain transaction adjustments, and will be funded through borrowings under Centene's existing \$300 million credit facility.

"With this transaction, Centene will be uniquely positioned to partner with state customers focused on managing health care costs. This acquisition also enables us to offer a full range of healthcare solutions for the rising number of uninsured. When combined with the strong presence in our current states, we can address a full spectrum of uninsured opportunities," said Michael F. Neidorff, Chairman and Chief Executive Officer, Centene Corporation. "We believe that by creating a national focus to cover more of the uninsured, this will lead to significant growth opportunities in both the Medicaid managed care and individual health insurance sectors for Centene. This transaction is consistent with our product diversification strategy to add complementary capabilities that allow us to meet the evolving needs of our state customers and to offer a broad range of coverage solutions customized to the unique needs of each state."

Neidorff continued, "We believe the states will benefit from a solution that combines our expertise in delivering low-cost, quality healthcare with market-driven, affordable and individual health insurance to Americans nationwide. Joining forces with Celtic underscores our goal of ensuring that all Americans have access to cost-effective, high-quality, healthcare."

Frederick J. Manning, Celtic's chairman and chief executive officer, said, "Celtic has been a trusted name in the individual health insurance market for almost 30 years and we feel fortunate to partner with an organization that shares our commitment to increasing access to quality healthcare for all. Together, our employees can be proud of the fact they will help address one of the nation's most intractable challenges: providing health coverage to the underserved."

Celtic will continue to operate under its current brand and the operations will remain at its Chicago headquarters. Mr. Manning will remain with the organization as President and CEO of Celtic and Executive Vice President of Centene and will report directly to Mr. Neidorff.

The transaction is expected to be neutral to earnings per share in 2008. Additional details regarding the transaction will be disclosed on Wednesday, March 19th, 2008, at 2:00 PM (Eastern Time), when Mr. Neidorff will present at the Lehman Brothers 11th Annual Global Healthcare Conference, which will be held March 18-20, 2008, at the Loews Miami Beach Hotel in Miami. The presentation will be available as a live, audio web cast at: http://cc.talkpoint.com/LEHM002/031808a_jw/default.asp?entity=Centene, after which time it will be archived for replay for 90 days.

Celtic was advised by Goldman, Sachs & Co. Centene Corporation was advised by Allen & Company LLC.

About Centene Corporation

Centene Corporation is a leading multi-line healthcare enterprise that provides programs and related services to individuals receiving benefits under Medicaid, including the State Children's Health Insurance Program (SCHIP) and Supplemental Security Income (SSI). The Company operates health plans in Arizona, Georgia, Indiana, New Jersey, Ohio, South Carolina, Texas and Wisconsin. In addition, the Company contracts with other healthcare and commercial organizations to provide specialty services including behavioral health, life and health management, long-term care, managed vision, nurse triage, pharmacy benefits management and treatment compliance. Information regarding Centene is available via the Internet at www.centene.com.

About Celtic Insurance

Chicago-based Celtic Insurance Company is one of the country's leading nationwide individual health insurance providers. With approximately 120 employees, Celtic Insurance currently offers coverage to approximately 31,000 individuals nationwide and is licensed in every state except New York. Some of the products in the Celtic product portfolio are: The CeltiCare II Health Plan for individuals and families, the CelticSaver HSA Health Plan, the Celtic Short-term Health Plan and the Celtic Basic Health Plan, a low-cost major medical plan offering higher deductibles to control premium cost. For more information on Celtic, please visit www.celtic-net.com.

The information provided in this press release contains forward-looking statements that relate to future events and future financial performance of Centene. 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 healthcare 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 healthcare. The expiration, cancellation or suspension of Centene's Medicaid Managed Care contracts by state governments would also negatively affect Centene.

Source: Centene Corporation