

Reconciliation of non-GAAP measures

CENTENE
Corporation



Included in the investor day presentation is certain financial information adjusted for a Georgia rate increase and Adjusted EBITDA. Management believes that these non-GAAP financial measures provide information that is useful to investors in understanding period-over-period operating results and enhance the ability of investors to analyze Centene's business trends and to understand Centene's performance. These non-GAAP financial measures should not be considered in isolation, or as a substitute for the corresponding GAAP financial measure and may not be comparable to similar measures used by other companies. A reconciliation of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP follows:

Reconciliation of net earnings from continuing operations attributable to Centene Corporation to Adjusted EBITDA:

\$ in thousands

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net earnings from continuing operations attributable to Centene Corporation	\$ 41,040	\$ 84,181	\$ 86,093
Income tax expense	23,031	52,435	48,841
Interest expense	15,626	16,673	16,318
Depreciation and amortization	27,807	25,414	44,004
Non-cash stock compensation	15,781	15,328	14,634
Georgia revenue reclassification	20,800	(20,800)	-
Adjusted EBITDA ⁽¹⁾	<u>\$ 144,085</u>	<u>\$ 173,231</u>	<u>\$ 209,890</u>

Reconciliation of 2007 and 2008 adjusted revenue:

\$ in millions

	<u>2007</u>	<u>2008</u>
Premium and service revenue	\$ 2,692.4	\$ 3,274.3
GA revenue increase attributable to 2007	20.8	(20.8)
Adjusted premium and service revenue	<u>\$ 2,713.2</u>	<u>\$ 3,253.5</u>

(1) Adjusted EBITDA is defined as net (loss) earnings from continuing operations attributable to Centene before interest expense, income taxes, depreciation and amortization, adjusted to exclude non-cash stock compensation expense and certain other non-cash items that we believe are not indicative of future performance