

Appendix:

Reconciliation of non-GAAP measures



Included in this 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>2008</u>	<u>2009</u>	<u>2010</u>
Net earnings from continuing operations attributable to Centene Corporation	\$ 84,181	\$ 86,093	\$ 90,947
Income tax expense	52,435	48,841	59,900
Interest expense	16,673	16,318	17,992
Depreciation and amortization	35,414	44,004	52,000
Non-cash stock compensation	15,328	14,634	13,874
Georgia revenue reclassification	(20,800)	-	-
Adjusted EBITDA ⁽¹⁾	<u>\$ 183,231</u>	<u>\$ 209,890</u>	<u>\$ 234,713</u>

Reconciliation of 2008 adjusted revenue:

\$ in millions

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