

ANTHEM INC  
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**2003**

**November**

Filed by: Anthem, Inc.

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Subject Company: WellPoint Health Networks Inc.

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**SAFE HARBOR STATEMENT UNDER THE PRIVATE  
SECURITIES LITIGATION REFORM ACT OF 1995**

*This presentation contains certain forward-looking information about Anthem, Inc. ( Anthem ), WellPoint Health Networks Inc. ( WellPoint ) and the combined company after completion of the transactions that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Anthem and WellPoint, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include: those discussed and identified in public filings with the U.S. Securities and Exchange Commission ( SEC ) made by Anthem and WellPoint; trends in health care costs and utilization rates; our ability to secure sufficient premium rate increases; competitor pricing below market trends of increasing costs; increased government regulation of health benefits and managed care; significant acquisitions or divestitures by major competitors; introduction and utilization of new prescription drugs and technology; a downgrade in our financial strength ratings; litigation targeted at health benefits companies; our ability to contract with providers consistent with past practice; our ability to consummate Anthem s merger with WellPoint, to achieve expected synergies and operating efficiencies in the merger within the expected time-frames or at all and to successfully integrate our operations; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; our ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction and the value of the transaction consideration; future bio-terrorist activity or other potential public health epidemics; and general economic downturns. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Neither Anthem nor WellPoint undertakes any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures in Anthem s and WellPoint s various SEC reports, including but not limited to Annual Reports on Form 10-K for the year ended December 31, 2002 and Quarterly Reports on Form 10-Q for the reporting periods of 2003.*

## ADDITIONAL INFORMATION AND WHERE TO FIND IT

*This presentation may be deemed to be solicitation material in respect of the proposed merger of Anthem and WellPoint. In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. SHAREHOLDERS OF ANTHEM AND STOCKHOLDERS OF WELLPOINT ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE JOINT PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. The final joint proxy statement prospectus will be mailed to shareholders of Anthem and stockholders of WellPoint. Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, [www.sec.gov](http://www.sec.gov), from Anthem Investor Relations at 120 Monument Circle, Indianapolis, IN 46204-4903, or from WellPoint Investor Relations at 1 WellPoint Way, Thousand Oaks, CA 91362.*

*Anthem, WellPoint and their directors and executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Anthem's Current Report on Form 8-K, which was filed with the SEC on October 27, 2003, contains information regarding Anthem's participants and their interests in the solicitation. Information concerning WellPoint's participants is set forth in the proxy statement, dated March 31, 2003, for Wellpoint's 2003 annual meeting of stockholders as filed with the SEC on Schedule 14A. Additional information regarding the interests of Anthem's and WellPoint's participants in the solicitation of proxies in respect of the proposed transaction will be included in the registration statement and joint proxy statement/prospectus to be filed with the SEC.*

## PARTICIPANTS IN SOLICITATION

**Today s Agenda**

**Financial results**

**Third quarter**

**Membership growth**

**WellPoint merger**

**Q&A and open discussion**

**Financial Results**

*Financial Highlights Three Months Ended  
September 30, 2003*

**Financials**

**Diluted earnings per share of \$1.38 exceeded the investor consensus estimate and improved over prior year third quarter by 7.0%**

*Financial Highlights Nine Months Ended  
September 30, 2003*

**Diluted earnings per share of \$3.98 improved over prior year-to-date by 20.6%**

*Summary Results of Operations: Nine Months Ended  
September 30, 2003*

**Financials**

*(\$ in millions except EPS)*

(1) Administrative expense ratio calculated using total operating revenue.

**Actual**

**Change**

**Prior Year  
2002**

Membership (000s)

11,847

10,952

8%

Operating Revenue

\$12,260.9

\$9,090.2

35%

Net Income

565.5

377.2

50%

Net income per diluted share

\$3.98

\$3.30

21%

Benefit Expense Ratio

81.3%

83.1%

(180) bp

Admin. Expense Ratio<sup>(1)</sup>

18.5%

19.1%

(60) bp

Income before taxes and  
minority interest as a  
percentage of total revenue

7.1%

5.8%

130 bp

**2003**



*Operating Gain by Segment Nine Months Ended  
September 30, 2003*

*(in millions)*

**Actual  
2003**

**Prior Year  
2002**

*Operating Gain (Loss):*

**Financials**

**(1) If Anthem had owned Trigon for the entire nine months ended September 2002, operating results would have included an additional \$117.9 million in operating gain. These amounts have been reclassified to Anthem's presentation format.**

**Change**

Midwest

\$323.6

\$182.9

77%

East

212.8

156.8

36%

Southeast<sup>(1)</sup>

243.4

46.3

-

West

79.9

49.3

62%

Regional Health Segments

859.7

435.3

97%

Specialty

47.6

38.6

23%

Other

(97.4)

(55.2)

76%

*Peer Information Compared to Anthem - 2004*

**Financials**

**Peer**

**Average (A)**

**Top 2 Peer**

**Average (B)**

**Operating Revenue Growth**

**8.2%**

**11.5%**

**Low double-digit growth**

**Administrative Expense Ratio**

**18.4%**

**16.5%**

**17.8% - 18.3%**

**Benefit Expense Ratio**

**83.0%**

**81.8%**

**82% - 83%**

**Diluted Earnings per Share Growth**

**13.9%**

**17.1%**

**13% - 16%**

**Membership Growth**

**1.8%**

**3.5%**

**4% - 6%**

*(A) Peers include: Aetna, Cigna, Health Net, Humana, UnitedHealth, WellChoice and WellPoint.*

*(B) Top 2 peer average is the weighted average performance metric for UnitedHealth and WellPoint.*

**Anthem  
Guidance**

**Membership Growth**

**Sept-03**

**Dec-02**

**Chg**

**% Chg**

**Total Membership by Region**

*Membership in 000s*

**Midwest**

**5,624**

**5,234**

**390**

**7.5%**

**East**

**2,621**

**2,434**

**187**

**7.7%**

**Southeast**

**2,671**

**2,549**

**122**

**4.8%**

**West**

**931**

**836**

**95**

**11.4%**

**Total**

**11,847**

**11,053**

**794**

**7.2%**

Sept-03

Dec-02

Chg

% Chg

**Total Membership by Funding  
Arrangement**

*Membership in 000s*

**Total**

11,847

11,053

794

7.2%

**Large Group**

3,868

3,867

1

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**Small Group**

1,223

1,168

55

4.7%

**Individual**

1,182

1,084



**98**

**9.0%**

**National**

Natl Excl. BlueCard

1,765

1,532

233

15.2%

BlueCard

2,809

2,419

390

16.1%

**Total National**

**4,574**

**3,951**

**623**

**15.8%**

**Medicare + Choice**

**96**

**103**

**(7)**

**(6.8%)**

**FEP**

**699**

**677**

**22**

**3.2%**

**Medicaid**

**205**

**203**

**2**

**1.0%**

**Sept-03**

**Dec-02**

**Chg**

**% Chg**

**Total Membership by Funding  
Arrangement (cont.)**

*Membership in 000s*

**Fully Insured**

5,479

5,436

43

0.8%

**ASO**

6,368

5,617

751

13.4%

**Total**

11,847

11,053

794

7.2%

SM

**WellPoint Overview**

**WellPoint is the second largest health plan in the U.S.**

**14 million medical members**

**49 million specialty members**

**20,000 associates**

**\$13.9 billion in assets**

**\$19.4 billion in revenue**

**Fortune Magazine's Most Admired health care company**

**WellPoint: Family of Companies**

**Blue Cross of California**

**Blue Cross Blue Shield of Georgia**

**Blue Cross Blue Shield of Missouri**

**Blue Cross Blue Shield of Wisconsin\***

**Unicare**

**Specialty: Pharmacy, Dental and Vision, Behavioral,  
Life, Disability, Worker's Compensation**

**Health Link: Network rental and administrative  
services**

\* Closed on September 23, 2003

**WellPoint offers a broad range of medical and  
specialty products.**

## **Wellpoint: Recognition**

### **BusinessWeek 50**

Wellpoint ranked number two on the magazines list of 50 best-performing large public corporations in the S&P500.

### **Fortune's Most Admired Health Care Company**

Wellpoint topped FORTUNE's list for an unprecedented fifth consecutive year.

### **Forbes Magazine Platinum List**

Wellpoint named to list four years in a row. The company is currently ranked as one of America's 400 Best big companies

### **Worth Magazine's Best CEO List**

Leonard Schaeffer was named one of America's best CEOs for the fourth consecutive year.

### **WORTH**

### **Executive Female Magazine's Top 25 Companies for Executive Women**

Recognized for the three consecutive years.

### **Executive**

### **Female**

**Why Merge with WellPoint?**

**Creates the nation's leading health benefits company**

**Geographic diversification with local focus and national reach**

**Growth opportunities in regional and national markets**

**Building on combined strength to create operating synergies**

**Operational excellence with strong, consistent performance**



**Growth Opportunities**

**Utilize strong local presence to add members  
in all segments**

**Introduce new products to under-served  
markets**

**Offer an enhanced Specialty product portfolio**

**Penetrate fragmented markets**

**Complement portfolio with disciplined  
acquisitions**

**Implement best practices across the enterprise**

**Use technology to support information-based  
consumer decisions**

**Offer Per WellPoint Share:**

**\$23.80 cash and 1 Anthem share**

**Offer Price<sup>1</sup>:**

**\$101.06 per WellPoint share**

**Consideration:**

**76% stock, 24% cash**

**Expected Closing:**

**Mid-2004**

**Required Approvals:**

**Anthem and WellPoint  
shareholders**

**State Departments of Insurance  
and Other Regulators**

**Blue Cross Blue Shield  
Association**

**Hart-Scott-Rodino**

**Transaction Summary**

<sup>1</sup> Based on Anthem closing price as of October 24, 2003

**Transaction Summary**

**Name:** **WellPoint, Inc.\***

**Headquarters:**

**Indiana**

**Board Representation:**

**60% Anthem, 40% WellPoint**

**Chairman:**

**Leonard Schaeffer  
President and CEO:**

**Larry Glasscock  
Chief Financial Officer:**

**David Colby  
Co-Heads of Integration:**

**Mike Smith, Alice Rosenblatt**

**\*Anthem will continue to do business as Anthem Blue Cross and Blue Shield in markets we currently serve and WellPoint will use its brand names in states where it operates.**

**Reaching Across the Nation**

**Anthem**

**WellPoint**

**CO**

**OH**

**KY**

**VA**

**2**

**IN**

**GA**

**MO**

**NV**

**CA  
ME**

**WI**

**TX**

**CT**

**NH**

**IL**

**UNICARE and HealthLink greater than  
100K members**

**MA**

**Geographic Diversification**

**Combined Membership at 9/30/2003 = 26 million**

(Excludes BlueCard Host Members for WellPoint)

**Colorado**

**3%**

**Wisconsin**

**2%**

**New  
Hampshire**

**2%**

**Maine**

**2%**

**Nevada**

**1%**

**California**

**26%**

**Virginia**

**10%**

**Ohio**

**10%**

**Georgia**

**8%**

**Indiana**

**7%**

**Missouri**

**6%**

**Connecticut**

**6%**

**Kentucky**

**5%**

**Non-Branded**

**12%**

**Creating Operating Synergies**

**Recognize at least \$250 million in pre-tax synergies**

**Information technology**

**\$75 million +**

**Specialty businesses**

**\$75 million +**

**Operations**

**\$50 million +**

**Corporate & Shared Services**

**\$50 million +**

**Positioned to implement over 18 - 24 months: \$50 million in 2004, \$175 million in 2005, and \$250 million in 2006**

**Targets consistent with accomplishments in prior transactions**

**Synergies represent approximately 4% to 5% of combined administrative expenses**

**Industry Leading Size and Scale**

**Source: Latest company filings as of 9/30/03 or 6/30/03.**

**(a) Excludes BlueCard host membership for WellPoint.**

**(b) Latest 12 months(LTM) revenues as of 9/30/03 for Anthem, WellPoint and UnitedHealth. LTM as of 6/30/03 for CIGNA, Aetna and MAMSI.**

**(in millions)**

**(\$ in billions)**

**Membership<sup>(a)</sup>**

**Latest 12 Months Revenues<sup>(b)</sup>**



<sup>1</sup> After-tax margin is calculated by dividing net income by total revenue.

**Anthem**

**WellPoint**

**~\$16.7**

**Operational Excellence**

**~\$20.4**

**Mid-4%**

**Mid-4%**

**Revenue CAGR 24%**

**Revenue CAGR 30%**

**4.1%**

**\$17.3**

**\$12.4**

**\$9.2**

**\$13.3**

**\$10.4**

**\$8.8**

**4.1%**

**3.3%**

**2.6%**

**3.3%**

**3.7%**

**A Commitment to Values**

**WellPoint**

**Be customer-focused in everything  
we do and everyone we serve**

**Take personal responsibility for  
achieving planned results**

**Be a leader**

**Be creative and entrepreneurial**

**Embody ethics, pride, integrity and  
passion in everything we do**

**Collaborate to achieve company  
results**

**Respect and listen to others**

**Help the organization work faster,  
simpler, smarter and more  
profitably**

**Anthem**

**Customer focus**

**Commitment to  
excellence**

**Continuous  
improvement and  
innovation**

**Results with integrity**

**Teamwork**

**Day One - The Reaction**

**October 28, 2003**

**October 27, 2003**

**October 28, 2003**

**October 28, 2003**

**Day One - The Reaction (cont.)**

**October 27, 2003**

**998 participated in the analyst call and 440 on  
Webcast**

**More than 100 media inquiries to Anthem and WellPoint**

**8 broadcast interviews including:**

**Bloomberg**

**CNBC**

**175 print stories including:**

**The Chicago Tribune**

**The Los Angeles Times**

**The New York Times**

**The Wall Street Journal**

**The Washington Post**

**USA Today**

***The WellPoint Merger and Stock Price Performance***

The 8% decline in Anthem's stock price after the deal was announced was not unusual

In addition, the decline on the day of the announcement was relatively consistent with that experienced with Trigon

WellPoint naturally saw an 8.5% increase in stock price the day the deal was announced

Most of our other peers experienced a stock price decline the day the deal was announced

**Anthem Stock Price Performance\***

**Day One - The Reaction (cont.)**

**10/24/03**

**10/27/03**

**10/28/03**

**10/29/03**

**10/30/03**

**10/31/03**

**\*ATH closing price on NYSE on day indicated**

**4/26/02**

**4/29/02**

**4/30/02**

**5/1/02**

**5/2/02**

**5/3/02**

**Increase/(Decrease)**

**10/27/03**

-10.0%

-8.0%

-6.0%

-4.0%

-2.0%

0.0%

2.0%

ATH

UNH

AET

WC

HNT

HUM

CI

\$65.00

\$70.00

\$75.00

\$80.00

Day

Before

Day Of

1 Day

After

2 Days

After

3 Days

After

4 Days

After

During WLP

During TGH

**What This Means for All Associates**

**Additional opportunities for professional growth**

**Greater opportunities for advancement**

**Larger, growing company with an eye for talent**

**Opportunity to leverage best practices**



**What Doesn't Change**

**Our commitment to associates**

**Our commitment to communicating**

**Our focus on customers and the business  
at hand**

**Our commitment to core values**

**What We Need You to Do**

**Stay focused -- Lots of excitement ahead**

**Remember the customer -- continue to give exceptional service**

**Talk to your manager; support your peers**

**Best security comes from profitable growth**

**Together, we are making a difference and heading in the right direction**

**Believe in the future**

**Next Steps**

**Filing S-4**

**Filing form A s**

**Participating in regulatory hearings**

**Regulatory approval**

**Multiple states**

**Securities and Exchange Commission**

**Blue Cross Blue Shield Association**

**Shareholders of both companies**

**Transition planning teams being put in place**

**Anthem CFO Mike Smith co-leading team**

**Expected to close mid-2004**

**Summary of Key Points**

**Strong competitive position as a leading health benefits company**

**Complementary cultures focused on customer needs and quality service**

**Geographically diverse with strong local focus and national reach**

**Significant operational synergies**

**Well positioned for future growth**

### **The Challenge**

**This is a good time for us to introduce some new products that can compete with them, while this acquisition consumes their time and energy.**

**- President and CEO of  
PacifiCare Health Systems  
(Source: The New York Times 10/30/03)**

**What questions do  
you have?**

**Reminder: Follow-up & Expectations**

**Upon the conclusion of this session of Management Meetings, you will receive a *streamlined* version of the presentation (11/11/03) and talking points by e-mail to share with your staff**

**Please remember**

**The reason that we send the presentation material after the end of all meetings is to ensure all management has had the opportunity to view before release to associates**

**Please share with your staff and submit any questions by December 4, 2003**

**Allows 3 weeks for delivery (+2 extra days for Thanksgiving)**

**As usual, please update your information on the Notes database**

**Any questions?**

**Contact Paul Branks**

**Open Forum**

**What Questions/Concerns  
Do You Have About Our  
Direction and Progress?**