

ANTHEM INC
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Subject Company: WellPoint Health Networks Inc.

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On October 27, 2003, Anthem, Inc. distributed the document set forth below. The merger agreement for Anthem's merger with WellPoint Health Networks Inc. will be filed by Anthem, Inc. under cover of Form 8-K today and is incorporated by reference to this filing.

news release

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Anthem, Inc. Reports Strong Third Quarter Results

- **Enrollment increased 895,000 members, or 8 percent over September 2002**
- **Performance in each health segment exceeded expectations**
- **Expectations for full year 2003 increased by 7 cents per share**

Indianapolis, IN October 27, 2003 Anthem, Inc. (NYSE: ATH) today announced third quarter 2003 net income increased to \$196.5 million, or \$1.38 per share, compared with net income of \$171.2 million, or \$1.29 per share, for the third quarter of 2002. Net income in the current quarter includes \$0.03 per share in net realized gains, while the third quarter of 2002 includes \$0.04 per share in net realized gains and \$0.20 per share in favorable, federal income tax benefits associated with a reduction in the Company's tax valuation allowance during the quarter.

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The strength of our membership growth during the quarter is a testament to the product value and service we are providing our customers. Our focus on quality initiatives and improving the health of our members remains a top priority as we continue to grow profitable enrollment, said Larry C. Glasscock, chairman, president and chief executive officer.

Consolidated Highlights

Membership: Medical enrollment exceeded 11.8 million members at September 30, 2003, representing an 8 percent increase compared with September 30, 2002. In addition, enrollment increased by 794,000 members, or 7 percent, since December 31, 2002. Growth in the National Accounts business was the primary driver of membership gains in each region.

Operating Revenue: Operating revenue increased to \$4.2 billion compared with \$3.5 billion in the third quarter of 2002. Excluding the impact of the Trigon acquisition on July 31, 2002, operating revenue grew by 10 percent, compared with the third quarter of 2002. The growth was primarily attributable to disciplined pricing and solid membership gains. This growth was partially offset by \$30.0 million for savings checks issued to certain policyholders in the Southeast region as a result of lower than anticipated medical costs.

Benefit Expense: The benefit expense ratio improved by 50 basis points, to 81.0 percent, compared with 81.5 percent in the third quarter of 2002. The improvement was primarily driven by lower than anticipated medical costs. The third quarter of 2002 benefited from \$26.6 million in favorable prior year reserve adjustments.

Premium and Cost Trends: Commercial premium yields increased by approximately 11 percent, while commercial medical costs increased by approximately 10 percent during the twelve month period ended September 30, 2003. Professional services and outpatient costs continue to be the primary drivers to the overall medical cost trends.

Administrative Expense: The administrative expense ratio improved 80 basis points in the third quarter, to 18.7 percent, compared with 19.5 percent in the third quarter of 2002. The improvement was driven primarily by optimizing administrative expenses over a larger membership base. Included in the third quarter 2003 administrative expense was a \$10.0 million contribution to Anthem's Foundation by the East region.

Operating Cash Flow: Operating cash flow of \$331.5 million for the third quarter of 2003 was net of a \$50.0 million contribution to Anthem's employee pension plans and was 1.7 times net income.

Days in Claims Payable: Days in claims payable declined 3.2 days, to 53.2 days as of September 30, 2003, compared with June 30, 2003. This decline was due primarily to timing of provider payments in the Southeast region, coupled with systems improvements that have led to more efficient overall claims processing.

Share Repurchase Program: During the quarter, 500,000 shares were repurchased for \$36.0 million at an average price of \$72.09 per share.

Operating Segment Highlights Third Quarter 2003

(\$ in Millions)	Three Months Ended			Nine Months Ended		
	September 30			September 30		
	2003	2002	Change	2003	2002	Change
Operating Revenue:						
Midwest	\$1,693.6	\$1,521.0	11%	\$4,960.3	\$4,481.4	11%
East	1,160.5	1,078.8	8%	3,387.0	3,057.9	11%
West	266.6	225.4	18%	774.1	682.6	13%
Southeast ¹	950.4	573.5		2,795.3	573.5	
Regional Health Segments	4,071.1	3,398.7	20%	11,916.7	8,795.4	35%
Specialty	194.2	136.0	43%	533.4	383.0	39%
Other:						
External Customers	43.8	48.6	(10%)	142.5	128.6	11%
Intercompany Eliminations	(123.3)	(79.5)	55%	(331.7)	(216.8)	53%
Total Other	(79.5)	(30.9)		(189.2)	(88.2)	

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Operating Gain (Loss):

Midwest	\$108.9	\$67.3	62%	\$323.6	\$182.9	77%
East	75.4	61.7	22%	212.8	156.8	36%
West	32.6	31.7	3%	79.9	49.3	62%
Southeast ¹	82.0	46.3		243.4	46.3	
Regional Health Segments	298.9	207.0	44%	859.7	435.3	97%
Specialty	18.7	13.4	40%	47.6	38.6	23%
Other	(38.6)	(26.9)	43%	(97.4)	(55.2)	76%

¹ If Anthem had owned Trigon for the entire third quarter of 2002, operating results would have included an additional \$291.5 million in operating revenue and \$26.4 million in operating gain. The nine months ended September 2002 operating results would have included an additional \$1,960.0 million in operating revenue and \$117.9 million in operating gain. These amounts have been reclassified to Anthem's presentation format.

Regional Health Segments: Each of our regional health segments reported increases in operating revenue and operating gain, which is the measure we use to evaluate the performance of our operating segments. Operating gain for the regional health segments improved 44 percent compared with the third quarter of 2002. Disciplined pricing and lower than anticipated medical costs in Local Large and Small Group businesses contributed most significantly to the earnings growth.

Included in the current quarter's results were \$30.0 million for savings checks to certain policyholders in the Southeast region and a \$10.0 million contribution to the Anthem Foundation in the East region. Included in the third quarter of 2002 was a \$15.7 million favorable development of prior year reserves and a \$23.0 million unfavorable adjustment to reflect the accrual of additional premium taxes in the Midwest. A \$10.9 million favorable development of prior year reserves was also reported in the West and a \$5.7 million reduction in the carrying value of the Company's investment in MedUnite was reported in the Other segment during the third quarter of 2002.

Specialty: Operating gain increased 40 percent compared with the third quarter of 2002, primarily due to increased mail order prescription volume. Start-up and integration expenses associated with the vision and dental operations continued to negatively impact overall Specialty margins.

Other: Operating loss was higher in the third quarter of 2003 compared with the same period in 2002, primarily due to higher incentive compensation expenses associated with above targeted results.

Anthem's Earnings Outlook for 2003 and 2004

- Net income expectations for full year 2003 were increased to \$5.30 to \$5.35 per share, from \$5.23 to \$5.28 per share. Included in these full year expectations are net realized gains of \$0.03 per share and the resolution of litigation of \$0.11 per share.
 - Net income for full year 2004 is expected to reach \$6.05 to \$6.15 per share.
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Basis of Presentation

1. Anthem has historically reported Adjusted Net Income, Adjusted Net Income Per Share, Operating Gain and Operating Margin on a consolidated basis. Based upon our interpretation of recent SEC directives, we will no longer be able to report these non-GAAP measures on a consolidated basis beginning with this release and our third quarter Form 10-Q. Operating Gain will be used to analyze profit or loss on a segment basis only.

2. Operating Gain is defined as operating revenue less benefit expense and administrative expense.
3. All income per share amounts are on a diluted basis.
4. On July 31, 2002 Anthem acquired Trigon Healthcare, Inc., creating a new Southeast segment. Results of operations since the purchase date have been included in consolidated results.
5. Historical financial results and membership for the Southeast segment have been reclassified into a reporting format consistent with Anthem's presentation format and can be found at www.anthem.com under Investor Relations.
6. Certain prior year amounts on the balance sheet have been reclassified to conform to the current year presentation.

Conference Call and Webcast

Anthem and WellPoint will host a joint conference call and webcast today at 8:00 am Eastern Standard Time (EST) to discuss their definitive merger agreement and their respective third quarter earnings results. The conference call can be accessed by dialing 800-289-0494 (International 913-981-5520). No pass-code is required. The webcast and presentation slides can be accessed at Anthem's web site, www.anthem.com, or WellPoint's web site, www.wellpoint.com under Investor Relations. Please visit the website or dial in at least 15 minutes in advance. A replay of the call will be available after 10:30 a.m. EST on October 27, 2003 until the end of the day on November 10, 2003 by dialing 888-203-1112 (International 719-457-0820), pass-code 727923.

Please note that the previously scheduled conference calls for October 28, 2003 and October 29, 2003 for WellPoint and Anthem, respectively, have been cancelled due to the distribution of this press release and today's conference call.

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About Anthem

Anthem, Inc. is an Indiana-domiciled publicly traded company that, through its subsidiary companies, provides health care benefits to more than 11.8 million people and specialty benefits to 12.1 million people. Anthem is the fifth largest publicly traded health benefits company in the United States and an independent licensee of the Blue Cross Blue Shield Association. Anthem is the Blue Cross and Blue Shield licensee for Indiana, Kentucky, Ohio, Connecticut, New Hampshire, Colorado, Nevada, Maine and Virginia, excluding the immediate suburbs of Washington, D.C. Anthem had assets of \$13.2 billion as of September 30, 2003 and full year 2002 revenue of \$13.3 billion. More information about Anthem is available at www.anthem.com.

Anthem, Inc.

Membership Summary

(Unaudited)

(In Thousands)	% Change				
	Sept. 30, 2003	Sept. 30, 2002	Dec. 31, 2002	Sept. 30, 2002	Dec. 31, 2002
Customer Type					
Local Large Group	3,868	3,836	3,867	1%	
Small Group	1,223	1,156	1,168	6%	5%
Individual	1,182	1,060	1,084	12%	9%
National Accounts ¹	4,574	3,921	3,951	17%	16%
Medicare + Choice	96	104	103	(8%)	(7%)
Federal Employee Program	699	675	677	4%	3%
Medicaid	205	200	203	3%	1%
Total	11,847	10,952	11,053	8%	7%
Funding Arrangement					
Self-Funded	6,368	5,572	5,617	14%	13%
Fully Insured	5,479	5,380	5,436	2%	1%
Total	11,847	10,952	11,053	8%	7%
Operating Segments					
Midwest	5,624	5,188	5,234	8%	7%
East	2,621	2,408	2,434	9%	8%
West	931	823	836	13%	11%
Southeast	2,671	2,533	2,549	5%	5%
Total	11,847	10,952	11,053	8%	7%

¹ Includes 2,809 BlueCard members as of September 30, 2003, 2,395 as of September 30, 2002 and 2,419 as of December 31, 2002.

Anthem, Inc.

Consolidated Statements of Income

(Unaudited)

	Three Months Ended September 30		Change
	2003	2002	
<i>(\$ In Millions, Except Per Share Data)</i>			
Revenues			
Premiums	\$3,857.1	\$3,221.5	20%
Administrative fees	297.4	257.7	15%
Other revenue	31.3	24.6	27%
Total operating revenue	4,185.8	3,503.8	19%
Net investment income	70.8	67.3	5%
Net realized gains on investments	5.6	7.3	(23%)
Gain (loss) on sale of subsidiary operations	(0.4)	1.0	
Total revenues	4,261.8	3,579.4	19%
Expenses			
Benefit expense	3,123.3	2,626.6	19%
Administrative expense	783.5	683.7	15%
Interest expense	32.9	30.3	9%
Amortization of intangible assets	11.9	9.4	27%
Total expenses	3,951.6	3,350.0	18%
Income before income taxes and minority interest	310.2	229.4	35%
Income taxes	112.1	56.9	97%
Minority interest	1.6	1.3	23%
Net income	\$196.5	\$171.2	15%
Net income per diluted share	\$1.38	\$1.29	7%
Diluted shares (in millions)	142.7	132.3	8%
Benefit expense ratio	81.0%	81.5%	(50) bp
Administrative expense ratio calculated using total operating revenue	18.7%	19.5%	(80) bp
Income before income taxes and minority interest as a percentage of total revenue	7.3%	6.4%	90 bp

Anthem, Inc.

Consolidated Statements of Income

(Unaudited)

(\$ In Millions, Except Per Share Data)

	Nine Months Ended September 30		
	2003	2002	Change
Revenues			
Premiums	\$11,289.0	\$8,352.9	35%
Administrative fees	879.4	674.8	30%
Other revenue	92.5		