



Health Net®

**Health Net, Inc.
Investor Conference**

Health Plans – West

November 11, 2004

Cautionary Statement

Certain matters discussed in these presentations contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, that involve risks and uncertainties. All statements, other than statements of historical information may be deemed to be forward-looking statements. These statements are based on management's analysis, judgment, belief and expectation only as of the date of these presentations, and are subject to uncertainty and changes in circumstances. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "may," "should," "could," "estimate," "intend" and other similar expressions are intended to identify forward-looking statements. Actual results could differ materially due to, among other things, rising health care costs, trends in medical care ratios, operational issues, health care reform and general business conditions. Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section included within the company's most recent Annual Report on Form 10-K filed with the SEC and the risks discussed in the company's other periodic filings with the SEC. Members of the audience and readers are cautioned not to place undue reliance on these forward-looking statements. The company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of these presentations.

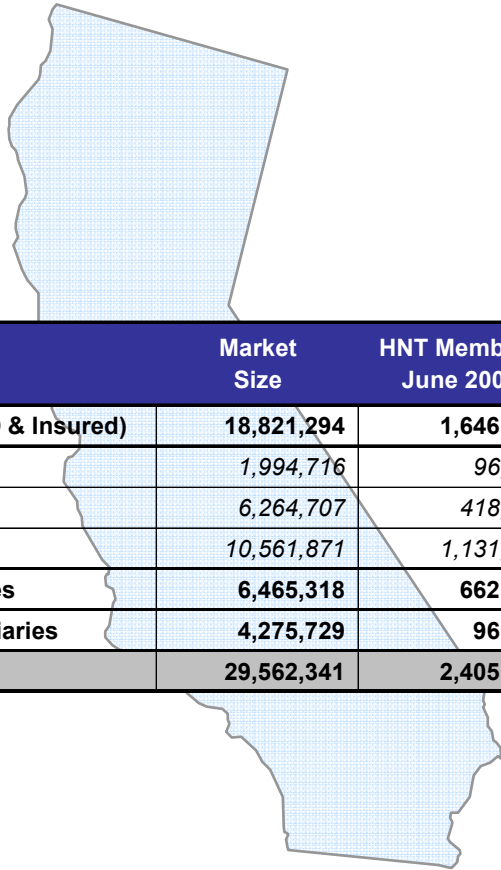


The California Story

- ❖ The West/California is the most significant part of Health Net
- ❖ California is the nation's largest, most diverse market
- ❖ Health Net has a strong, long-standing reputation
- ❖ There are substantial upside opportunities
- ❖ '04 pricing -- above trend to build margin
- ❖ '05 pricing -- at trend to grow in selected segments

California is Health Net's biggest market – HNCA's market share is solid

- ❖ In California, Health Net has the greatest penetration in the Large group segment at 10.7% of the 10.6 million total subscribers

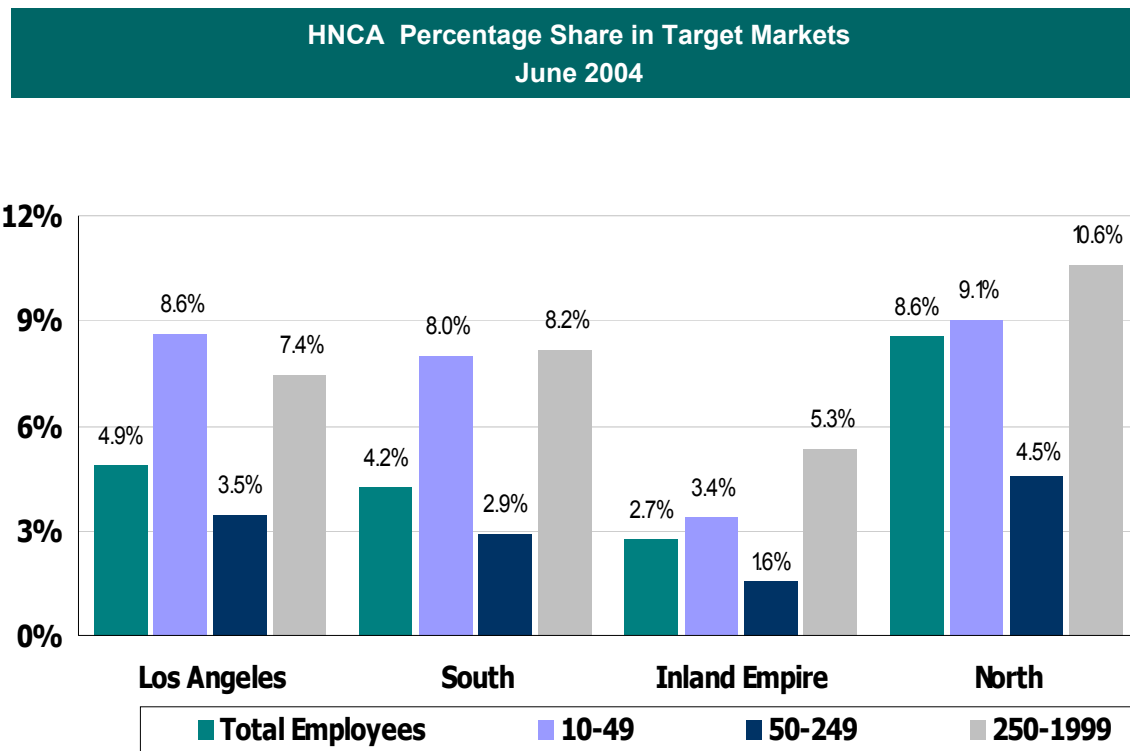


California	Market Size	HNT Members June 2004	Market Share
Commercial (ASO & Insured)	18,821,294	1,646,486	8.7%
<i>IFP</i>	1,994,716	96,153	4.8%
<i>Small Group</i>	6,264,707	418,557	6.7%
<i>Large Group</i>	10,561,871	1,131,776	10.7%
Medicaid Enrollees	6,465,318	662,353	10.2%
Medicare Beneficiaries	4,275,729	96,722	2.3%
Total	29,562,341	2,405,561	8.1%

HNCA has four targeted local markets and three focus segments

Target Geographic Markets:

- ❖ HNCA's four targeted markets are: Los Angeles, South, Inland Empire and North



Note: Los Angeles Market includes LA County; South Market includes San Diego and Orange Counties; Inland Empire includes Riverside and San Bernardino Counties; and North Market includes Alameda, Contra Costa, San Francisco, Sacramento and Santa Clara Counties

Growth:

- ❖ Continue diversification toward small group
- ❖ Extend small group success to 51-250 segment
- ❖ Enhance long-term competitive advantage in the Latino marketplace with Salud
- ❖ Expand share in central California State Health Programs (Medi-Cal)



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