MOLINA HEALTHCARE

Your Extended Family.

Investor Day 2013A

February 21, 2013
New York, New York

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Cautionary Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This slide presentation and our accompanying oral remarks contain numerous "forward looking statements" regarding, without limitation: our short-term and long-term revenue, membership, and profitability growth projections; market opportunities across all of our health plans related to dually eligible members, to the Affordable Care Act Medicaid expansion, and to the insurance exchanges or marketplaces; the New Mexico Centennial Care program and the Florida Long Term Care program; duals and ABD opportunities in Illinois; our capital requirements and potential financing sources; benefit expansions in California and Utah; rate changes expected in 2013; our 2013 financial guidance; and various other matters. All of our forward-looking statements are subject to numerous risks, uncertainties, and other factors that could cause our actual results to differ materially. Anyone viewing or listening to this presentation is urged to read the risk factors and cautionary statements found under Item 1A in our annual report on Form 10-K, as well as the risk factors and cautionary statements in our quarterly reports and in our other reports and filings with the Securities and Exchange Commission and available for viewing on its website at www.sec.gov. Except to the extent otherwise required by federal securities laws, we do not undertake to address or update forward-looking statements in future filings or communications regarding our business or operating results.

Today

Approx. Time	Topic	Speaker
12:30pm-12:35pm	Opening Remarks	Juan José Orellana, VP Investor Relations
12:35pm-1:10pm	Business Overview	Dr. J. Mario Molina, Chief Executive Officer
1:10pm-1:45pm	Operations Review	Terry Bayer, Chief Operating Officer
1:45pm-2:00pm	Q&A	
2:00pm-2:15pm	Break	
2:15pm-2:45pm	Financial Discussion	Joseph White, Chief Accounting Officer
2:45pm-3:05pm	Q&A	
3:05pm-3:50pm	Financial Discussion	John Molina, Chief Financial Officer
3:50pm-4:30pm	Q&A	
4:30pm	End of Program	

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Business Overview

J. Mario Molina, M.D.

President & Chief Executive Officer

February 21, 2013

New York, New York

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Our Mission

To provide quality health services to financially vulnerable families and individuals covered by government programs.

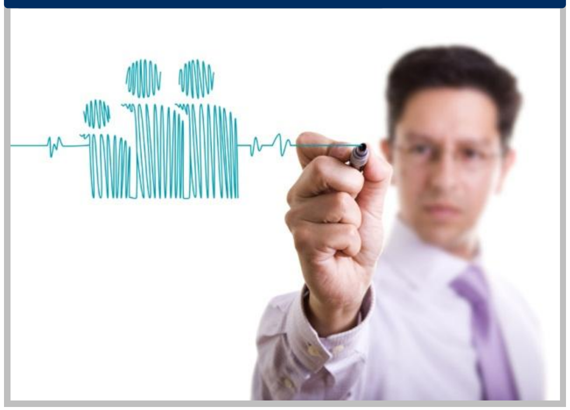
Strategic Intent

Our goal over the next three years is to increase the annual revenue of the company from $6 billion to $12 billion, while increasing profitability and establishing a reputation as the premier health care organization serving low-income persons served by government programs.

What Makes Us Unique

We are a multistate healthcare organization with **broad capabilities** focused exclusively on **government-sponsored healthcare programs** for low income individuals and families.

Managed Care
Health Plans



Risk-based health plan outsourcing for Medicaid and other government programs.

Medicaid Health
Information Mgmt.

Non-risk fee based fiscal agent services, business process outsourcing, and care and utilization management.

Healthcare
Direct Delivery

Company owned or company operated primary care community clinics.

No other company in the Medicaid space can do all three

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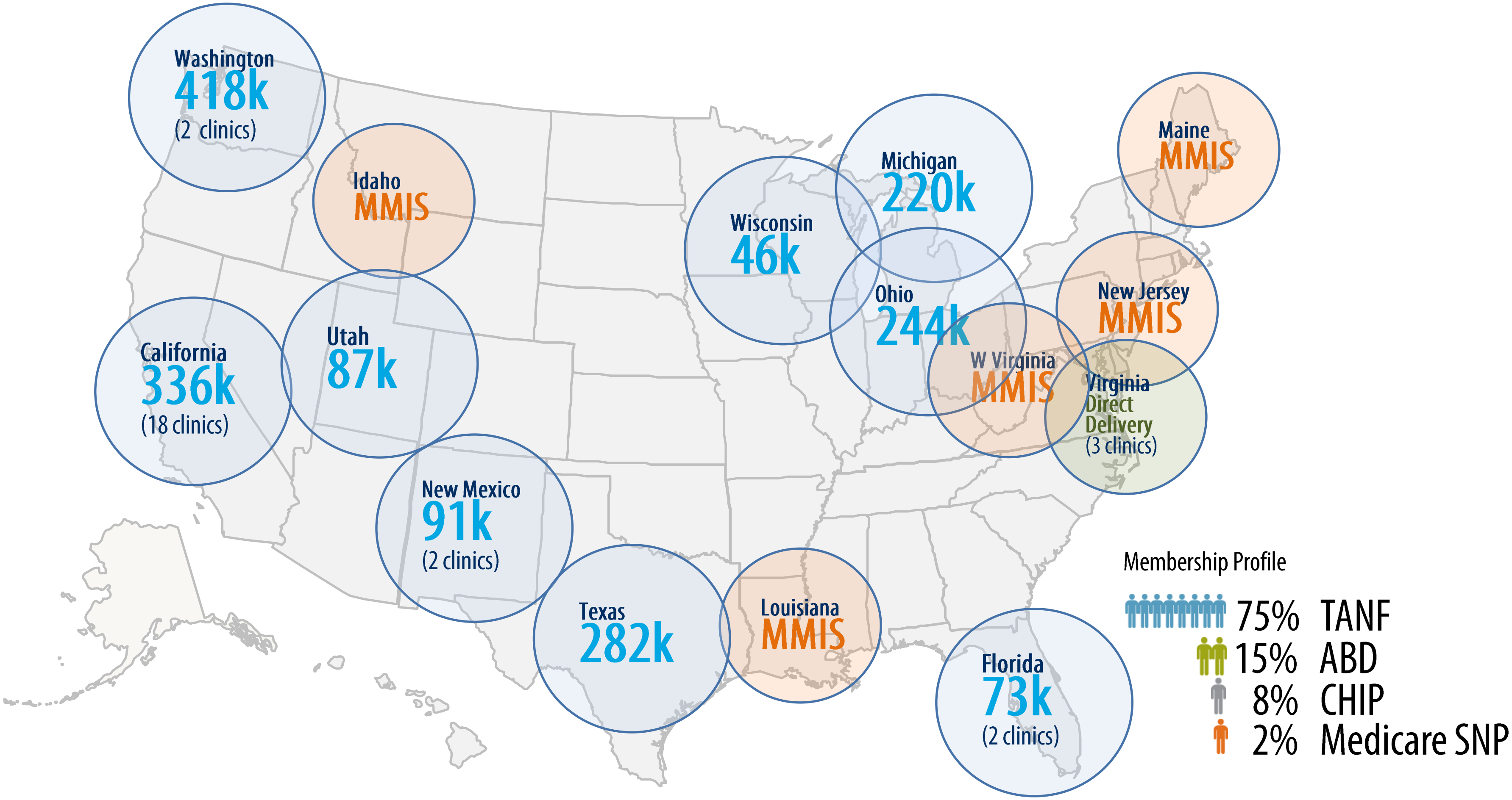
Business Snapshot

Our Markets (4Q2012)



1.8 million members

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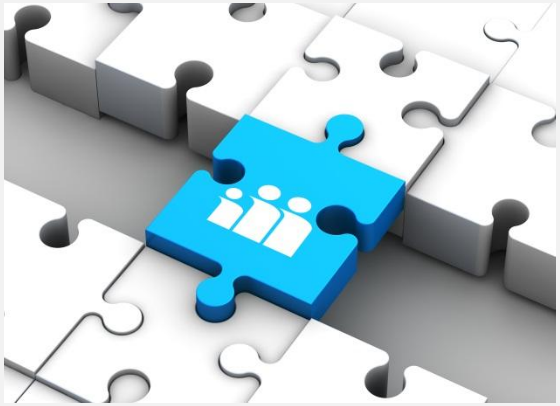
Main Elements of our Business Model



- Strategic decision to focus exclusively on government programs
- Capabilities in managed care, fiscal agent and direct delivery
- Diversification: balance between mature and expanding markets
- Market presence in key Medicaid markets
- Management continuity

2012 Performance Summary

- Managed through difficult operating environment in California, Texas, and Wisconsin
- Revenues grew by $1.3 billion
- Enrollment grew by an additional 100,000
- Successful in Medicaid contract bids in Ohio and Washington
- Selected for Medicare Medicaid Plan (duals) contracts in California, Ohio, and Illinois
- Earned CMS certification for MMIS system in Idaho

Business Environment & State of the Industry

Affordable Care Act


photo: cnn.com

Expansion of Medicaid in several states represents a strong tailwind for pure-play Medicaid competitors.

Direct Delivery

MCOs are becoming increasingly focused on vertical integration with providers.

Competition

Medicaid and government focused businesses are highly valued for their growth potential.

Low Interest Rates

Bad for investment income, good for borrowing.

State Fiscal Conditions


photo: sacbee.com

State finances in fiscal 2013 are modestly recovering in step with the slowly improving national economy.

Medicaid & Dual Eligible RFPs

Robust pipeline as States expand service areas, increase eligibility groups, and increasingly turn over the most costly members to managed care.

Growth in the Medicaid addressable market and greater adoption of Medicaid managed care

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Business Environment and State of the Industry

Three environmental factors have converged, each requiring different management priorities.

1. Mature Markets: high managed care penetration, TANF

Examples:
California
Michigan

Management Priorities:

- Actively manage margins
- Efficiently gain market share
- Administrative cost efficiency

2. Expanding Markets: new regions, for existing products

Examples:
Texas
Washington

Management Priorities:

- Gain profitable market share
- Network re-contracting
- Leverage existing infrastructure

3. New Market/New Products: duals, marketplaces, carve-ins

Examples:
California
Illinois
New Mexico

Management Priorities:

- Invest in support infrastructure
- Build/Buy domain experience

State Customer Purchasing Trends

Complex Patients

Migration of higher cost patients such as the duals into managed care

Financial Measures

Increasing the use of financial measures such as MCR floors, profit limits, P4P programs

Focus on Quality

Greater focus on quality measured by NCQA accreditation, Star ratings, HEDIS, CAPHS

Carve-Ins & Carve Outs

Inclusion or exclusion of separate specific services from a general Medicaid contract

Care Management

Required care management programs based on nationally recognized and accepted evidence-based clinical protocols

States are exhibiting new programmatic purchasing trends

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Listening to Our State Customers

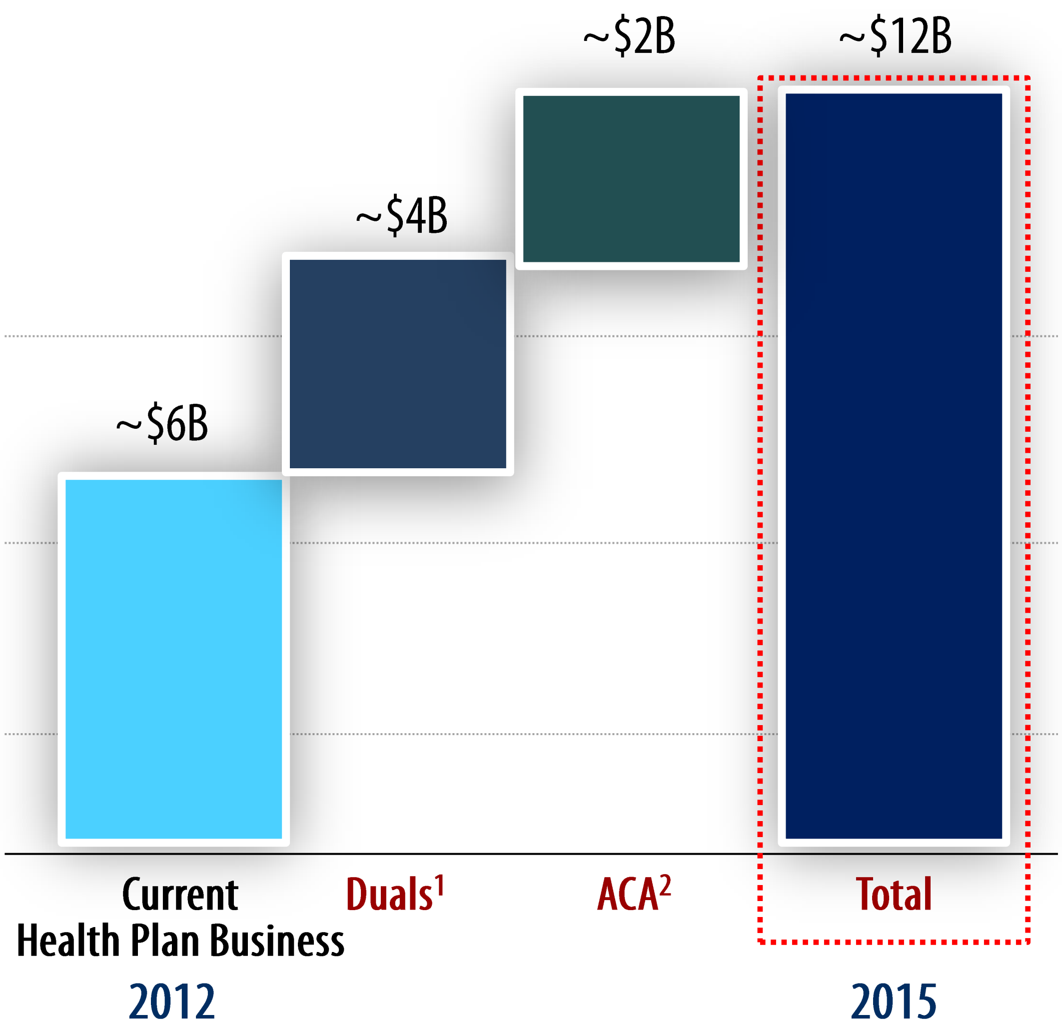
State contract wins (trailing 18 months)

	TX	CA	OH	OH	IL	NM	FL
RFP Award Date	8/2011	4/2012	6/2012	8/2012	11/2012	2/2013	2/2013
Program Type	Star Star+ PLUS CHIP	Duals	TANF ABD	Duals	Duals ABD	TANF ABD LTC	LTC
Total Covered Population	3.4M	122K	1.6M	48K	38K	735K	35K
Effective Date	3/2012	6/2013	7/2013	9/2013	Summer 2013 (ABD) Winter 2013 (Duals)	1/2014	12/2013

Long Term Incremental Growth Drivers

Please refer to the Company's cautionary statements.

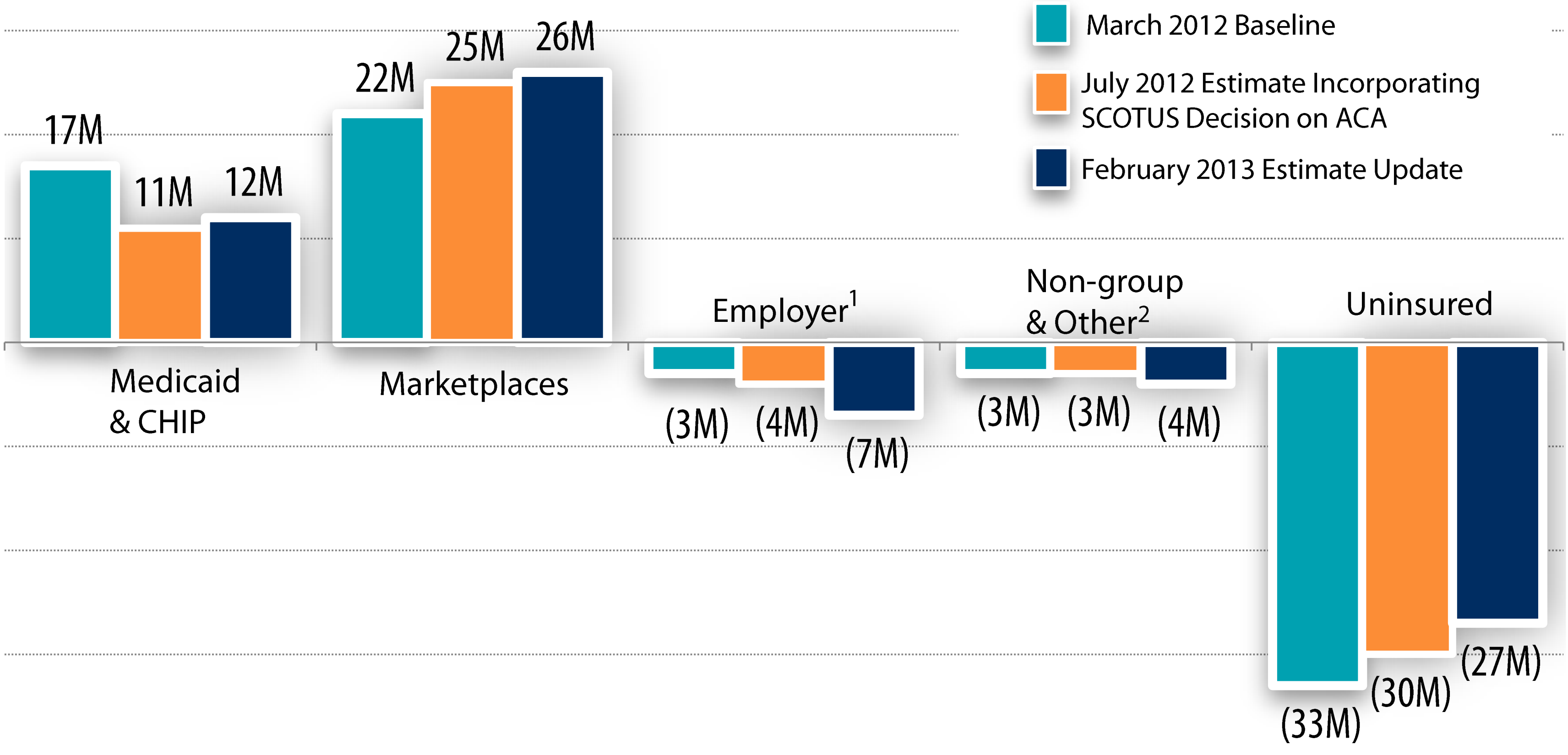
Estimated potential revenue run-rate by 2015 as a result of duals and Medicaid expansion



1. Duals denotes revenue potential for dual eligibles in CA, MI, OH, IL, WA and TX.
2. ACA denotes revenue potential as a result of Medicaid expansion in CA, MI, OH, NM, UT, WA, WI; and exchanges in CA, FL, MI, NM, OH, TX, UT, WA, WI.

U.S. Medicaid Coverage Estimates

Estimated Changes in Insurance Coverage by 2022*



* Source: Congressional Budget Office, "Estimates for the Insurance Coverage Provisions of the Affordable Care Act Updated for the Recent Supreme Court Decision." July 2012.

1. The change in employment-based coverage is the net result of increases in cost and losses of offers of health insurance from employers and changes in enrollment by workers and their families.
2. Other includes Medicare; the effects of the ACA are almost entirely on non-group coverage .

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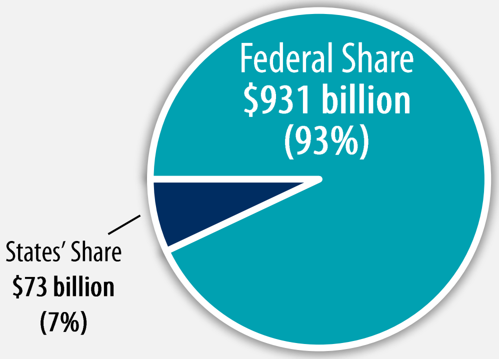
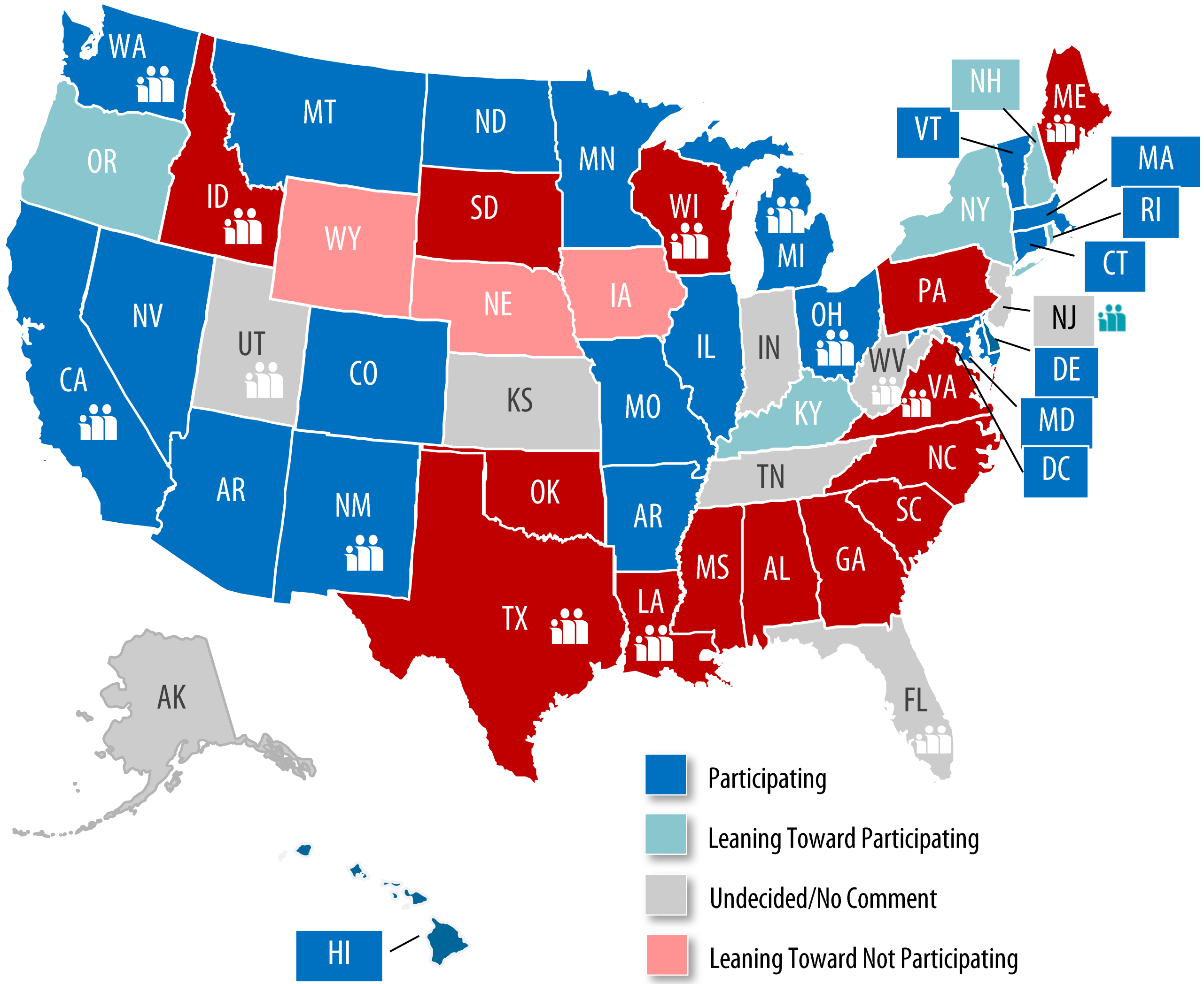
Medicaid Expansion

Federal Government Will Bear Nearly All Medicaid Expansion Costs Over 2014-2022[1]



Where **States Stand on Medicaid Expansion** as of February 2013[2]

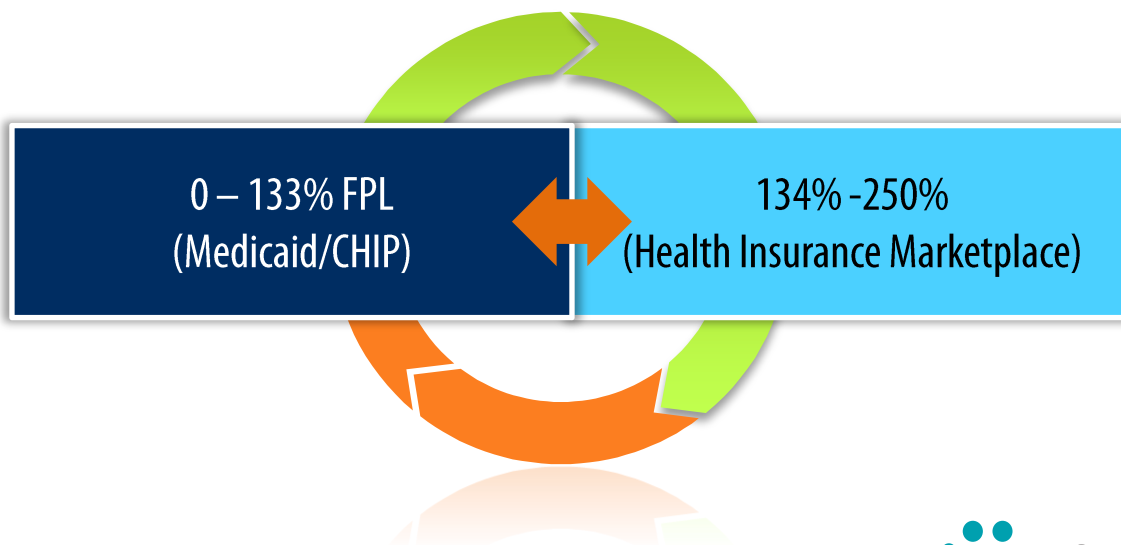


Source(s):
1. Center on Budget and Policy Priorities analysis of the Congressional Budget Office March 2012 baseline. www.Cbpp.org
2. http://www.advisory.com/Daily-Briefing/2012/11/09/MedicaidMap

Molina's Participation in Health Insurance Marketplaces

Molina Healthcare will pursue entry into the health insurance marketplaces in states **where it currently has Medicaid managed care** contracts.

- Requirement: State offers government-subsidized products for low-income persons(<250% of FPL) consistent with our mission.
- Be a partner with our state customers as they manage the impact of the transition point
- Extend our services to the low–income uninsured who share many characteristics with our low income population



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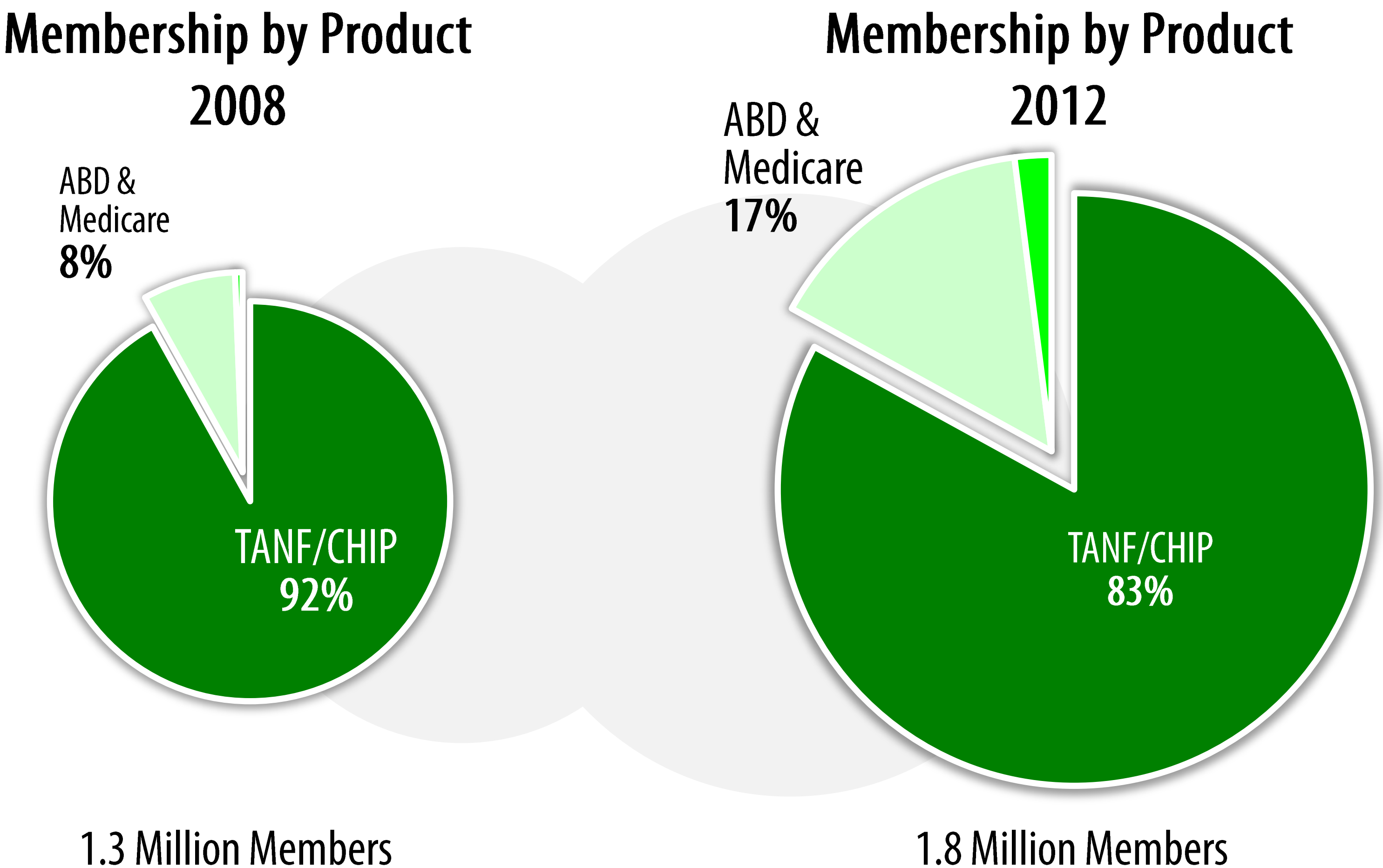
Molina Has Experience With Complex Patients



Molina has added 173,000 Aged, Blind or Disabled members since 2008

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Existing Infrastructure Will Support Dual Eligible Patients

Molina Market Infrastructure	CA	OH	MI	TX	WA
Mature Provider Network	✓	✓	✓	✓	✓
State Government Program	TANF, ABD, CHIP	TANF, ABD	TANF, ABD, CHIP	TANF,ABD, CHIP	TANF, ABD, CHIP
Federal Program (Medicare SNP)	✓	✓	✓	✓	✓
Direct Delivery Presence	✓	-	-	-	✓

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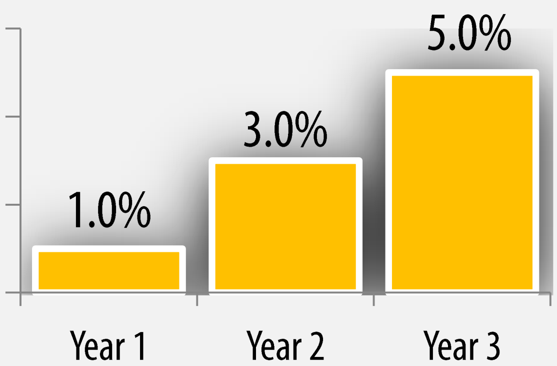
Pricing & Savings Targets for Duals

Savings percentages will be applied equally to the Medicaid and Medicare A/B components. Rate updates will take place on January 1st of each calendar year. [2, 3]

CMS Rate Setting Process Guidance[1]

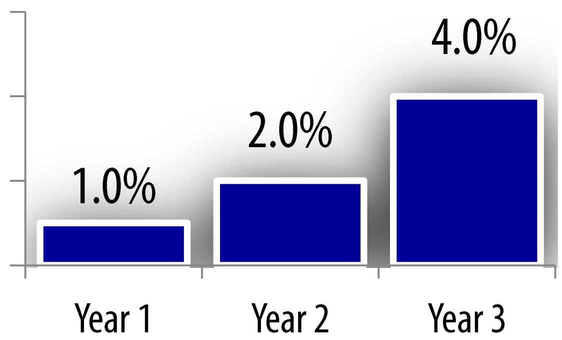
Sample Aggregate Savings Targets
Under the Demonstrations



Savings targets may differ among States with low historic Medicare spending, low utilization of institutional long-term care services, or a high penetration of Medicaid managed care.

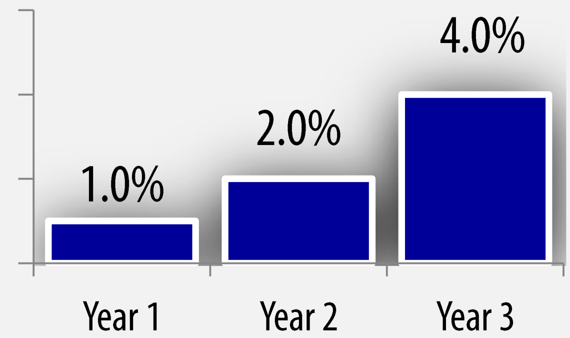
Ohio[2]

Molina Selected for 3 Regions
MOU released December 2012



Massachusetts[3]

Not a Molina State
MOU released August 2012



1. CMS Joint Rate Setting Process Under the Capitated Financial Alignment Initiative
2. Memorandum of Understanding (MOU) between CMS and the State of Ohio
3. Memorandum of Understanding (MOU) between CMS and the State of Massachusetts

Tailwinds & Headwinds

Tailwinds	Headwinds
Medicaid expansion	Delayed State implementations
Footprint includes 4 out 5 largest Medicaid Markets	Industry tax
Uniquely positioned to capture dual eligible enrollment	Medical cost pressure associated with new contracts/populations

Our Strategic Priorities

Mission

Our mission is to provide quality health services to financially vulnerable families and individuals covered by government programs.

Priorities

- Manage our growth
  - Organic growth
  - Medicaid expansion
  - Dual eligible population
  - RFPs
- Margin Expansion
- Leverage our business portfolio
  - Health plan business
  - MMS
  - Direct delivery
- Strive for operational excellence
  - Quality Care
  - Star Ratings

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Operations Review

Terry Bayer
Chief Operations Officer

February 21, 2013
New York, New York

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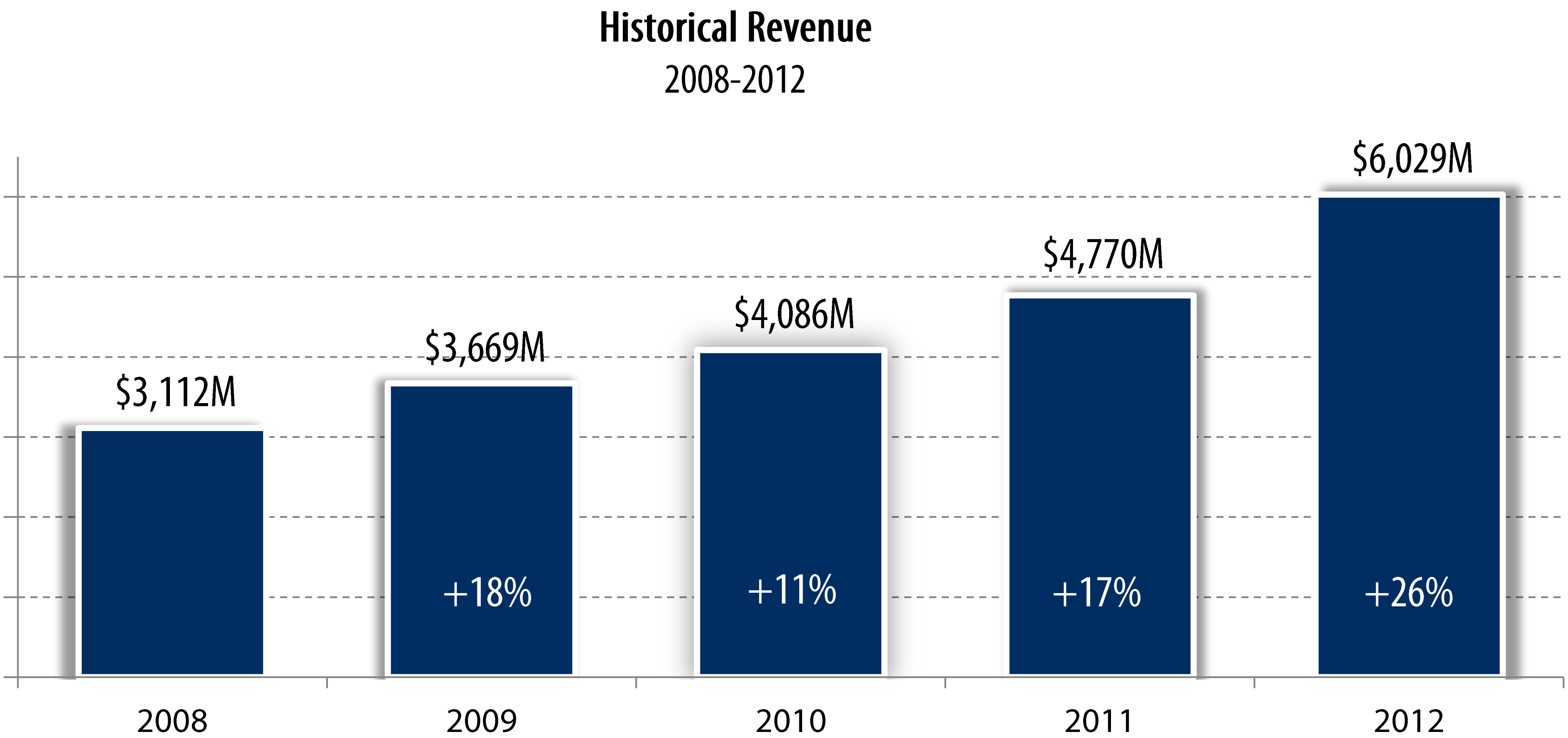
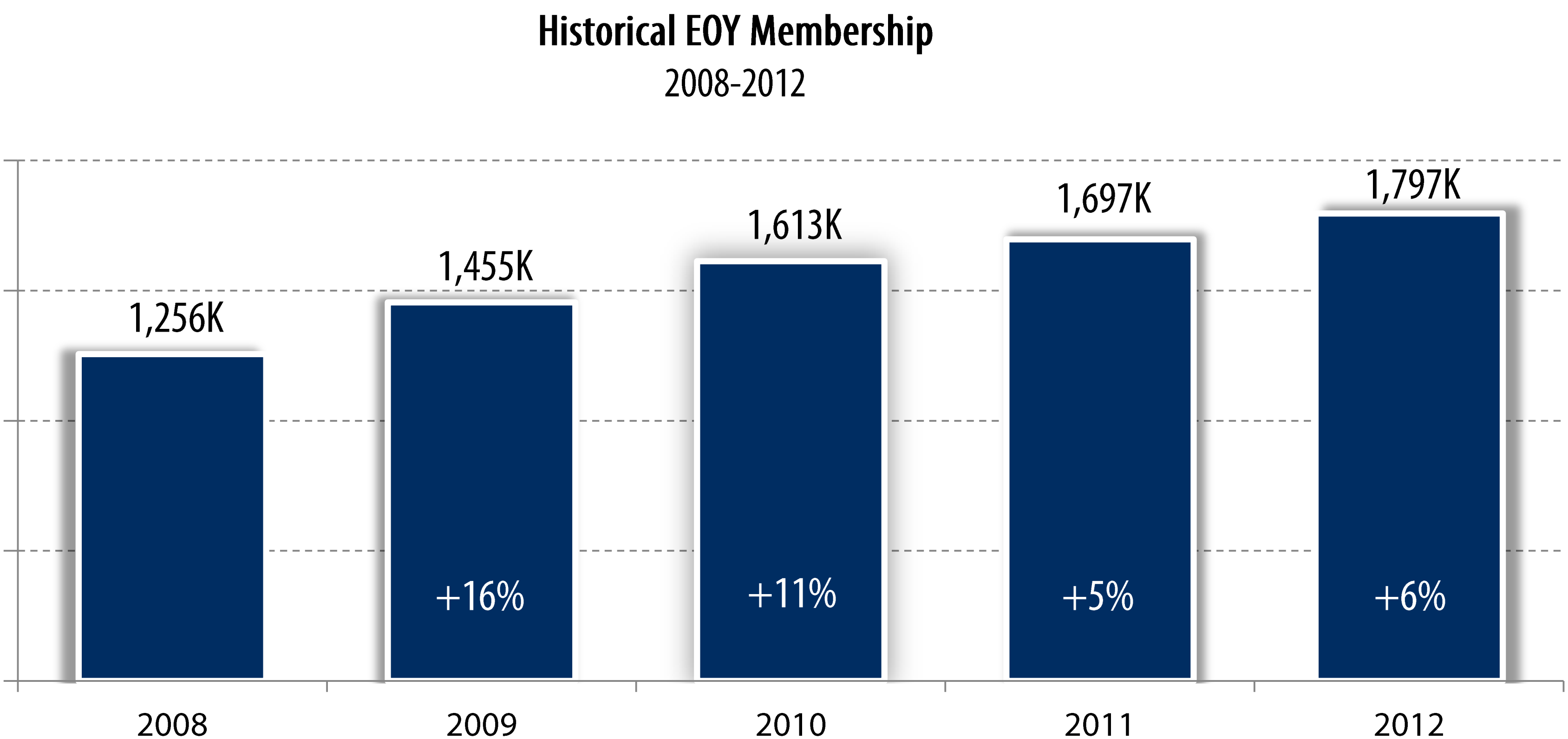
Revenue



Percent represents year over year increase (decrease)

Total revenue up 26% over 2011

Membership



Percent represents year over year increase (decrease)

Aggregate membership up 6% over 2011

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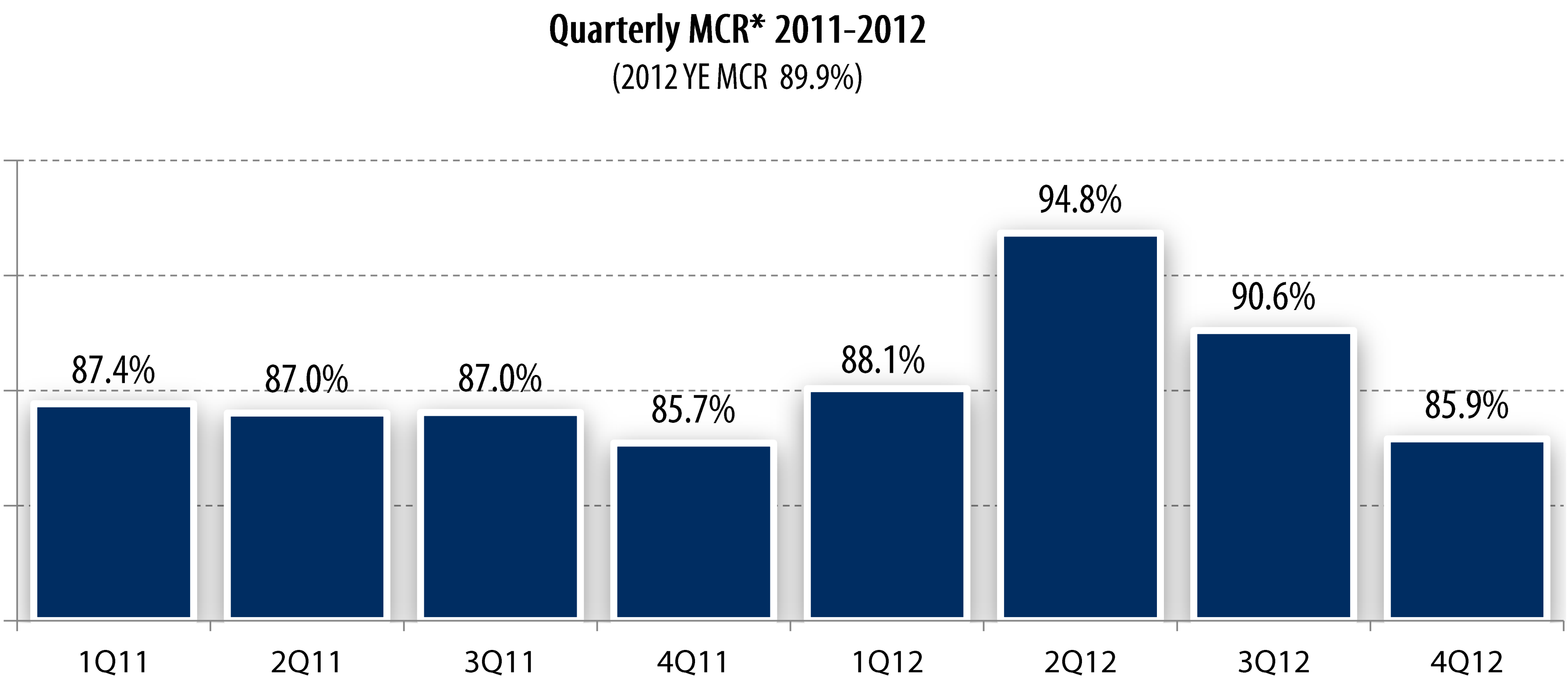
Quarterly Medical Care Ratio 2011-2012



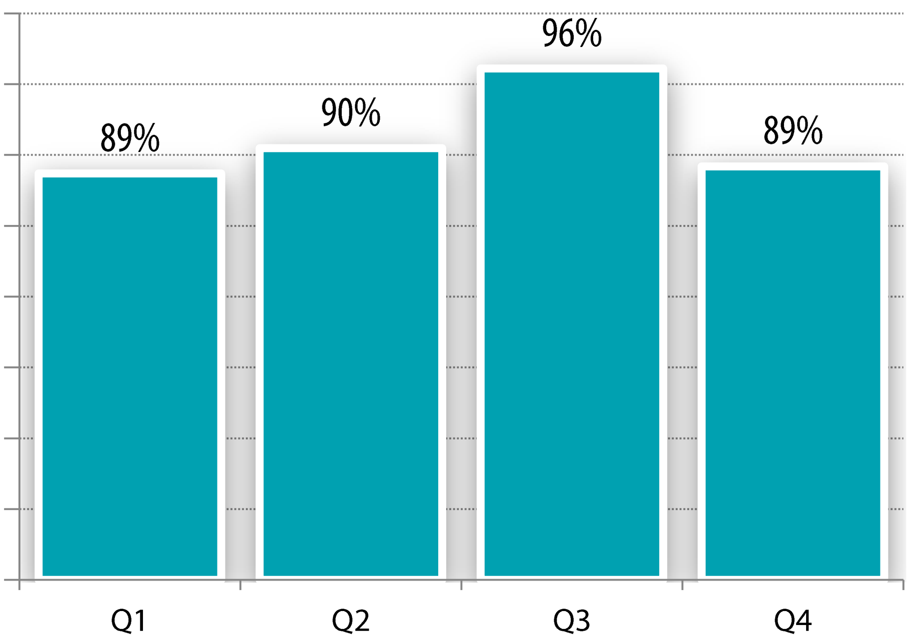
* Figures reflect medical care ratio net of premium tax

Second Half 2012 improvement in MCR

California

- Premium rate increase for the ABD population Approximately **2% rate increase** retroactive to July 1, 2011
- Decrease in inpatient utilization

California MCR* FY2012



* MCR net of premium tax

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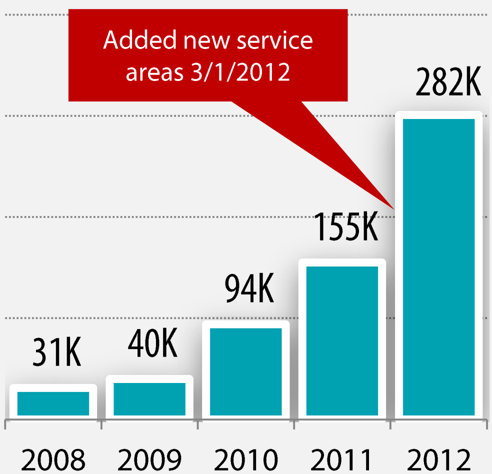
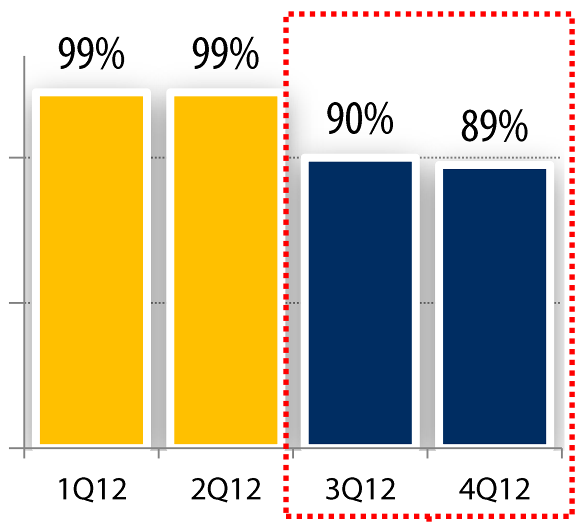
Texas

Effective March 1, 2012 , Molina added three new service areas in Texas. Medical care costs particularly among ABD patients in Hidalgo and El Paso service area increased dramatically.

Molina Healthcare of Texas
Historical Enrollment Growth
2008-2012



Molina Healthcare of Texas
Adjusted[1] Quarterly Medical Care Ratio 2012



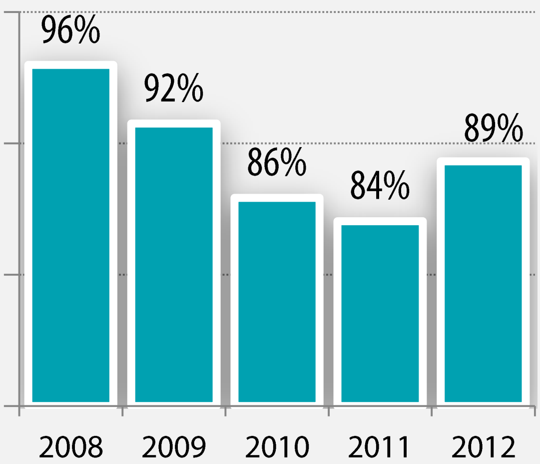
Remediation activities:

- New President & Management Team
- Provider contract changes
  - Re-contracted at lower unit costs
  - Implementation of state required fee schedules
  - Utilization management
- Blended rate increase of 4% effective 9/1/2012

1. Adjusted medical care ratio is estimated based upon retroactive adjustments to revenue and medical cost for all quarters in 2012

Molina Selected To Expand Statewide in Ohio

Ohio MCR 2008-2009

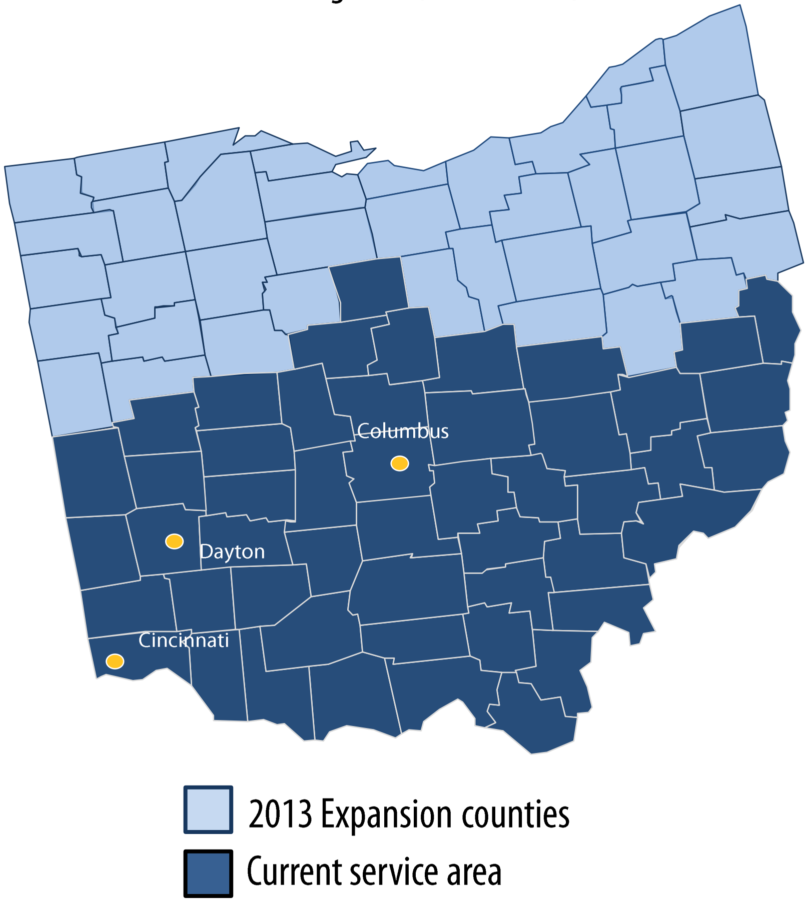


* MCR net of premium tax

Source: Ohio Department of Job and Family Services
http://jfs.ohio.gov/rfp/JFSR1213078019/JFSR1213078019.stm
http://jfs.ohio.gov/ohp/bmhc/documents/reports/December2011_CFC_Penetration-Enrollment.pdf

In Q3 2013 Molina Healthcare will expand into 38 new counties.

New Molina Statewide Service Area
1.6M eligibles (TANF+ABD)



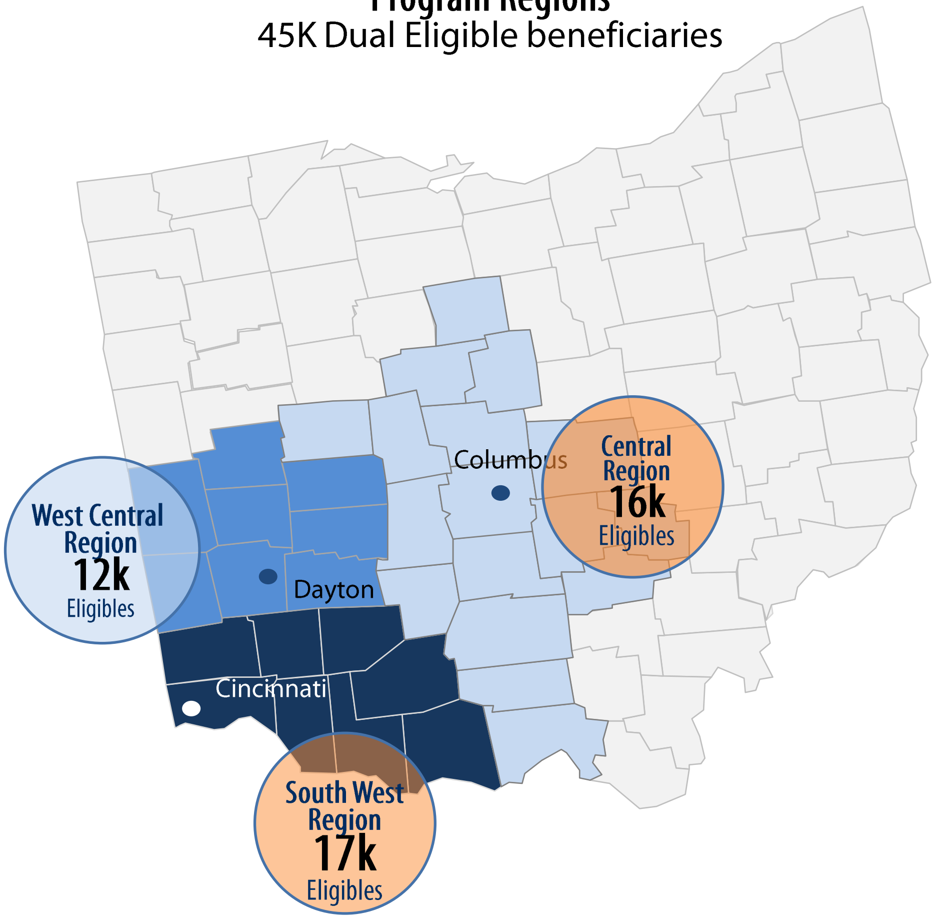
* OH Molina members as of December 31, 2012

Molina Selected To Serve Dual Eligibles in Ohio

Molina Healthcare will also participate in the 3-year dual eligibles demonstration program in the Southwest, West Central, and Central regions. Implementation is expected late 2013.

New Molina Integrated Care Coordination Program Regions

45K Dual Eligible beneficiaries



Source: Ohio Department of Job and Family Services
http://jfs.ohio.gov/rfp/JFSR1213078019/JFSR1213078019.stm
http://jfs.ohio.gov/ohp/bmhc/documents/reports/December2011_CFC_Penetration-Enrollment.pdf

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Molina Selected for Centennial Care Contract in New Mexico

In 2012, Molina's contract in New Mexico covered 90,000 New Mexicans and generated $331 Million in premium revenues.

Molina Healthcare of New Mexico **selected** to participate in the State's Centennial Care plan (February 8, 2013)

- Molina will expand arranging for services beyond physical and acute care by including behavioral health and long term care, which were previously procured as separate contracts
- Approximately 735,000 beneficiaries[1]
  - 560,000 current Medicaid beneficiaries
  - Up to 175,000 individuals starting in 2014 (ACA)
- Number of health plans reduced from 6 to 4
- Effective January 1, 2014

1. Centennial Care: Ensuring Care for New Mexicans for the Next 100 Years and Beyond; New Mexico Human Services Department; February 21, 2012

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New Opportunities in Florida – Long Term Care Program

Molina Healthcare of Florida selected to provide health care services to Long-Term Care patients (February 14, 2013)

- Molina will provide services to patients through the Florida Statewide Medicaid Managed Care Long-Term Care (SMMC LTC) program
- Regions awarded include Regions 5, 6 and 11[1]
- No change to price submission
- Approximately 35,000 eligible members
- Effective December 1, 2013

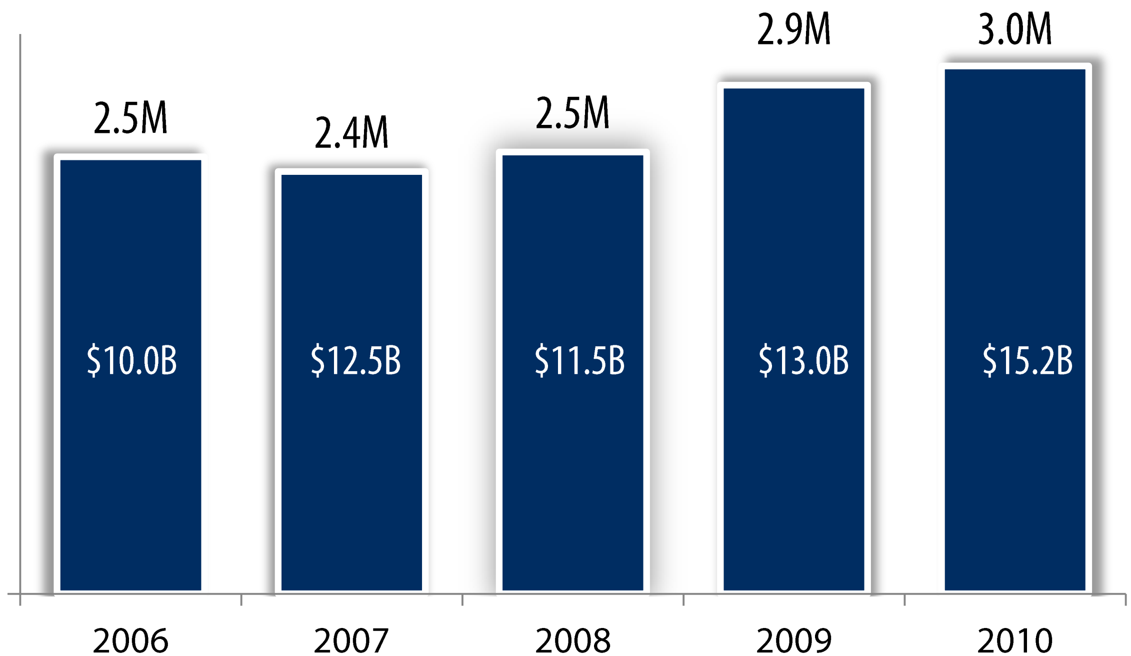
1. Regions encompass Pasco, Pinellas, Hillsborough, Polk, Manatee, Hardee, Highland, Miami-Dade, and Monroe counties

Why the Illinois Market?

Managed care penetration is less than 10%, at least 50% of eligibles will be transitioned to managed care by 2015.

Historical IL Medicaid Enrollees

FY2006-2010



Source: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/illinois.html

$ figures represent yearly Medicaid payments

Illinois ranks as the 4th largest Medicaid market by number of eligibles

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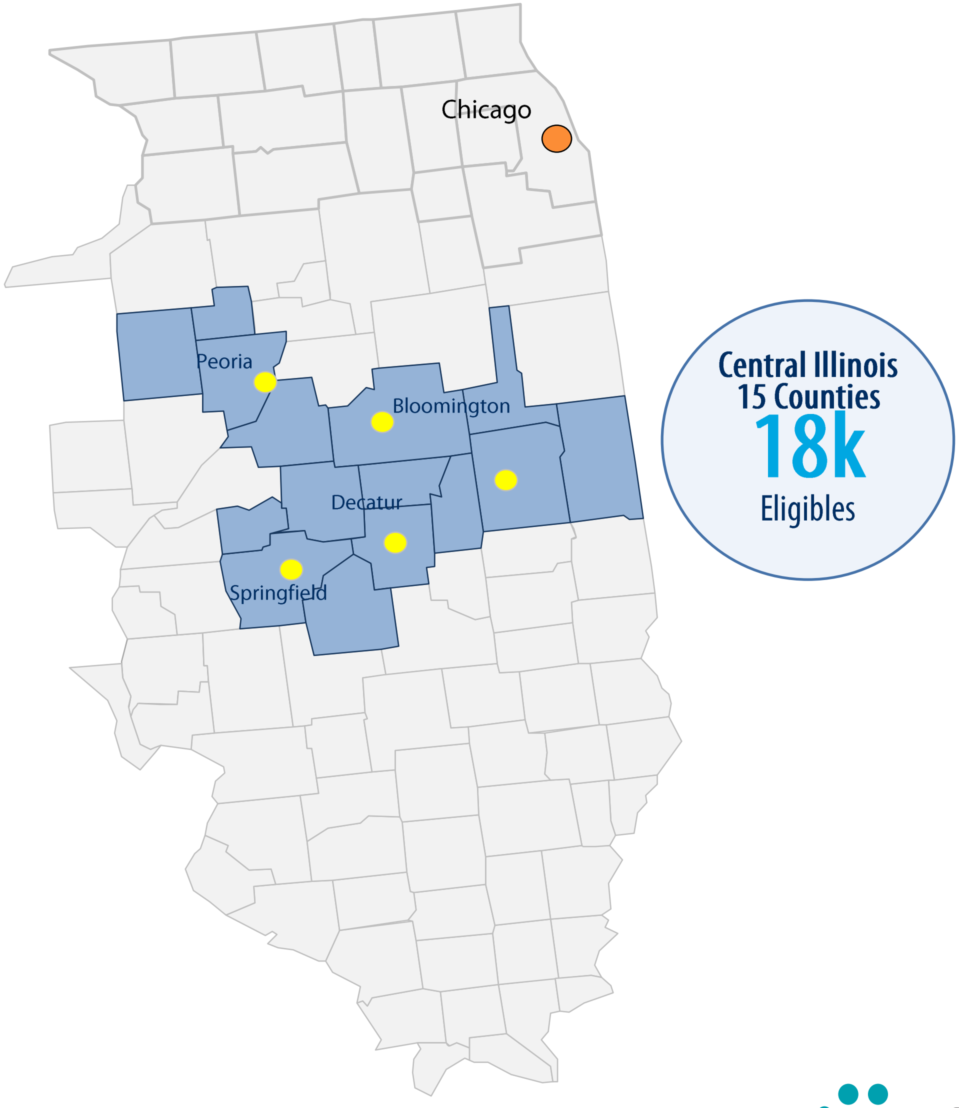
The Illinois Duals Opportunity

The Illinois Medicare-Medicaid Alignment Initiative (MMAI) is expected to begin passive enrollment on 10/2013, with an effective date of 1/2014.



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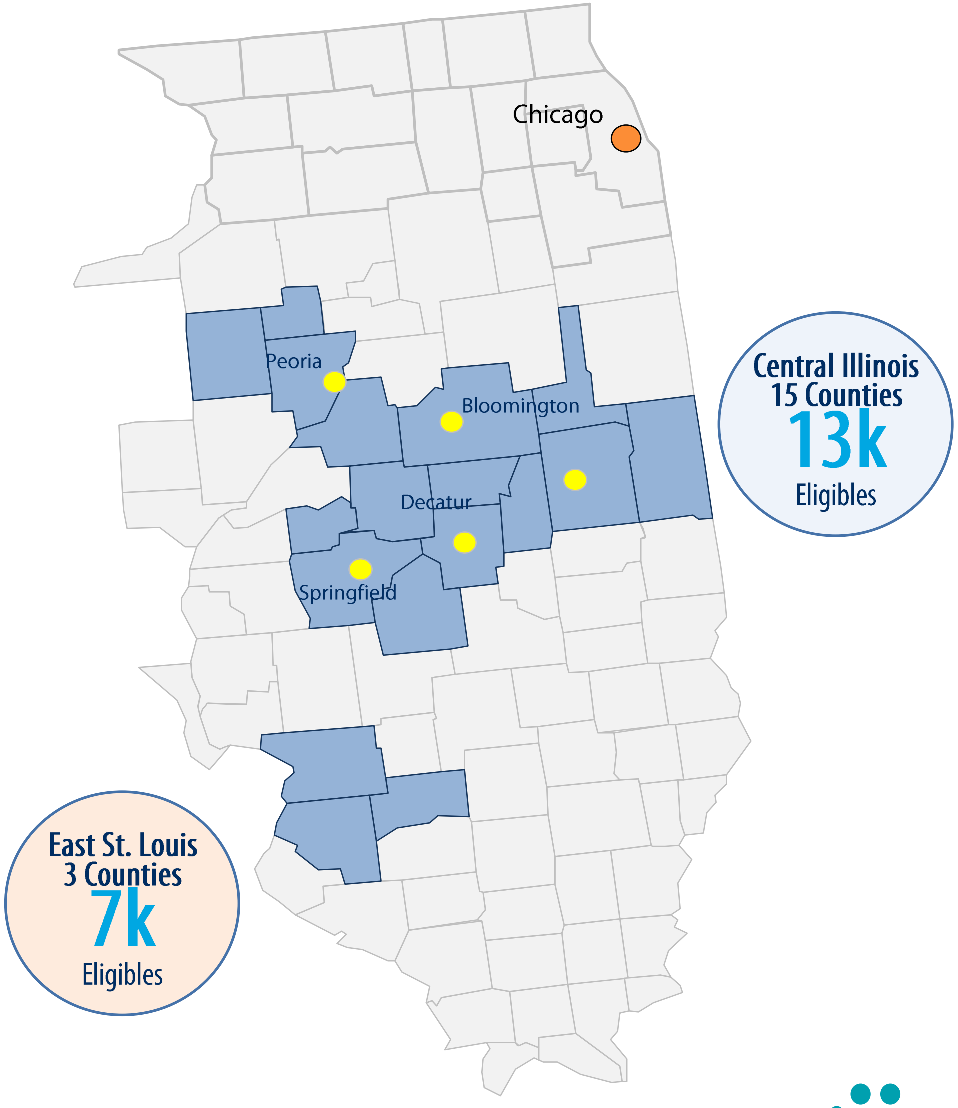
The Illinois ABD Opportunity

Illinois ABD for Central Illinois is expected to begin 6/2013 and East St. Louis in 7/2013.



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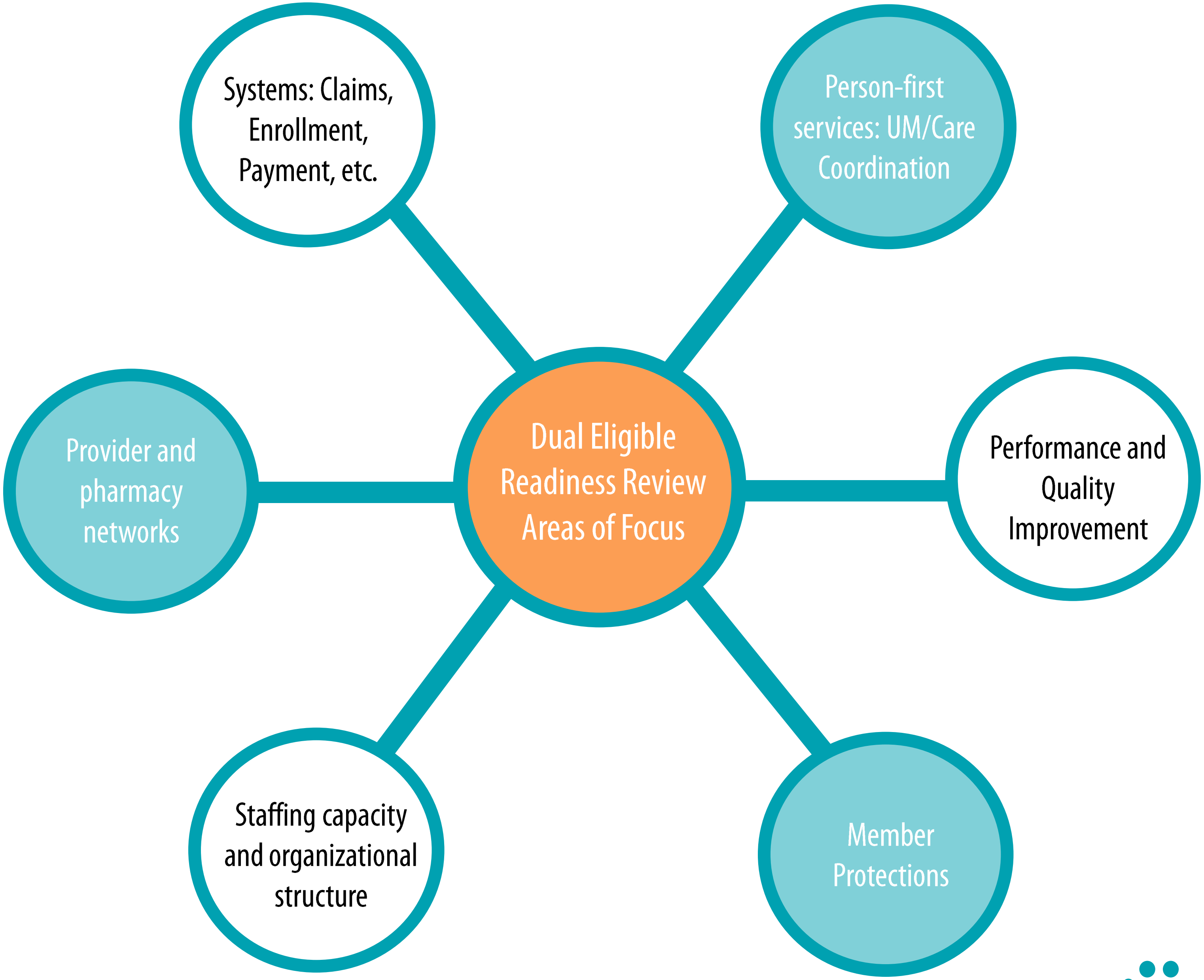
Duals – What Are We Doing to Get Ready?



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Duals – Model of Care

Q&A

Your Extended Family.

2012 Results

John Molina, Chief Financial Officer

February 21, 2013
New York, New York

Quarterly Results

	Q4 2012	Q4 2011[1]
Premium Revenue	$1.5B	$1.2B
Premium Tax Revenue	$38.0M	$44.0M
Service Revenue	$55.4M	$49.2M
Investment and Rental Income	$5.2M	$2.2M
Medical Care Costs	$1.3B	$1.0B
Medical Care Ratio[2]	85.9 %	85.7 %
Service Costs	$43.1M	$39.0M
G&A Expense	$153.4M	$125.0M
G&A Ratio[3]	9.7 %	9.6 %
Premium Tax Expense	$38.0M	$44.0M
Depreciation & Amortization	$16.3M	$12.1M
Operating Income	$54.1M	($16.1M)
Interest Expense	$4.3M	$3.9M
Income Tax	$24.5M	$13.0M
Net Income	$25.6M	($33.0M)
Diluted EPS	**$0.54**	**($0.72)**
Weighted Average Diluted Shares Outstanding	47.1M	45.7M

1. Results for the quarter ended December 31, 2011 were affected by an impairment charge of $64.6 million related to the Company's Missouri health plan.
2. Medical care ratio represents medical care costs as a percentage of premium revenue, net of premium taxes.
3. Computed as a percentage of total revenue.

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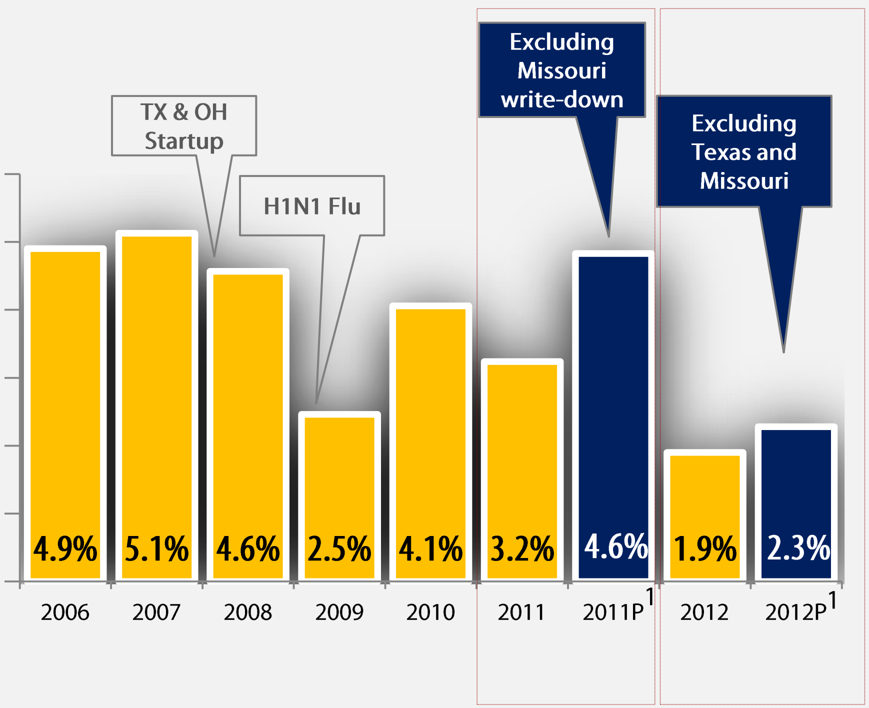
Year End Results

	2012	2011[1]
Premium Revenue	$5.7B	$4.4B
Premium Tax Revenue	$159.0M	$154.6M
Service Revenue	$187.7M	$160.4M
Investment and Rental Income	$14.6M	$6.0M
Medical Care Costs	$5.1B	$3.9B
Medical Care Ratio[2]	89.9 %	86.8 %
Service Costs	$141.2M	$144.0M
G&A Expense	$532.6M	$415.9M
G&A Ratio[3]	8.8 %	8.7 %
Premium Tax Expense	$159.0M	$154.6M
Depreciation & Amortization	$63.7M	$50.7M
Operating Income	$35.5M	$80.2M
Interest Expense	$16.8M	$15.5M
Income Tax	$9.3M	$43.8M
Net Income	$9.8M	$20.8
Diluted EPS	**$0.21**	**$0.45**
Weighted Average Diluted Shares Outstanding	47.0M	46.4M

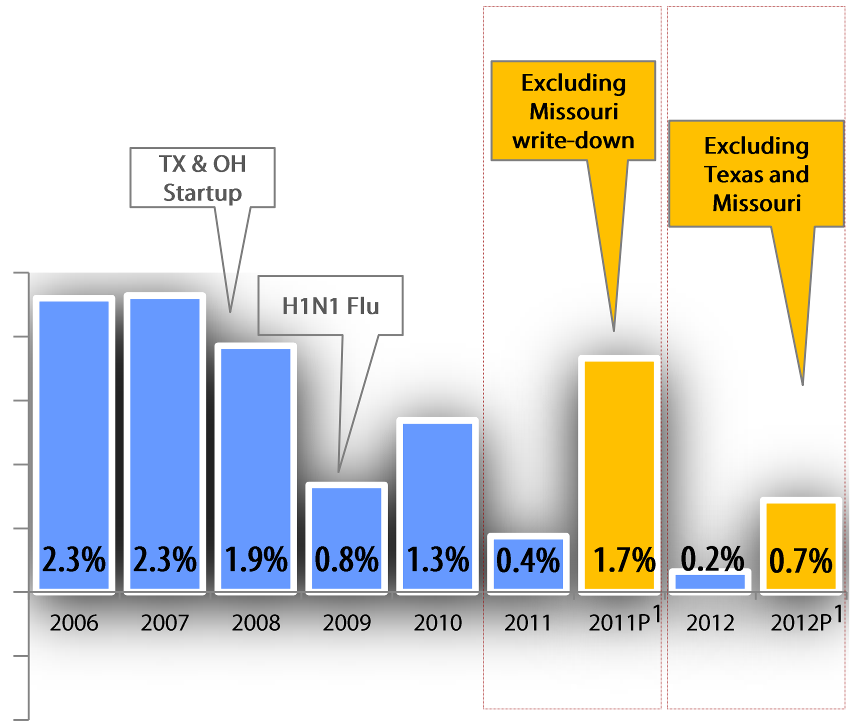
1. Results for the year ended December 31, 2011 were affected by an impairment charge of $64.6 million related to the Company's Missouri health plan.
2. Medical care ratio represents medical care costs as a percentage of premium revenue, net of premium taxes.
3. Computed as a percentage of total revenue.

Earnings Margin 2006-2012

EBITDA Margin



After Tax Margin



1. P denotes results excluding Missouri write-down in 2011, and Texas and Missouri operations in 2012

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Long-Term Growth Update

John Molina, Chief Financial Officer

February 21, 2013

New York, New York

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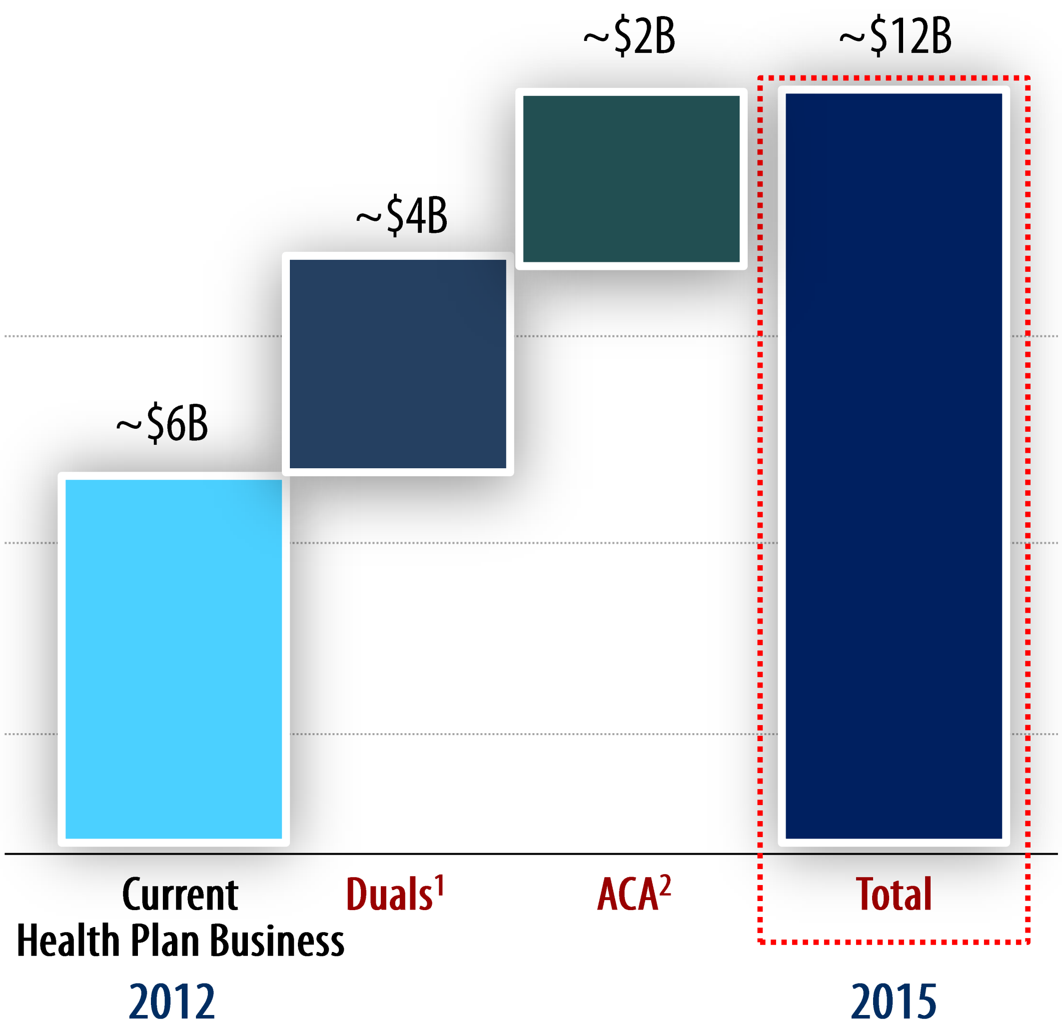
Long Term Incremental Growth Drivers

Please refer to the Company's cautionary statements.

Estimated potential revenue run-rate by 2015 as a result of duals and Medicaid expansion



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2. ACA denotes revenue potential as a result of Medicaid expansion in CA, MI, OH, NM, UT, WA, WI; and exchanges in CA, FL, MI, NM, OH, TX, UT, WA, WI.

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Dual Eligibles Market Opportunity

Please refer to the Company's cautionary statements.

State	Dual Eligibles Statewide	Dual Eligibles in Molina Service Areas	Estimated Potential Enrollment [1]	Estimated PMPM Revenue	Annualized Potential Revenue [2]
California[3]	527K	392K	61K	$2,600	$1.9B
Ohio[3]	115K	48K	24K	$2,600	$0.7B
Illinois[3]	156K	18K	9K	$2,600	$0.3B
Michigan[4]	199K	62K	31K	$2,600	$1.0B
Washington[4]	115K	40K	20K	$2,600	$0.6B
Texas[4]	214K	160K	80K	$2,600	$2.5B
Total	1.3M	720K	225K	$2,600	$7.0B
Potential impact of delays in implementation, reduced Molina market share or reductions in covered individuals					($3.0B)
				Estimated Total Revenue	$4.0B

Source: Company estimates, figures may not add due to rounding.

1) Based on 50% market share in Molina Service areas and counties in Ohio, Illinois, Michigan, Texas and Washington. In California assumes 50% market share in San Diego, Riverside and San Bernardino markets. Membership projections exclude LA county
2) Assumes a $2,600 premium based on Ohio Medicaid dual eligibles premiums, estimated Medicare premiums and assumes 40% opt out of Medicare.
3) 2013 start date
4) 2014 Start date

MOLINA HEALTHCARE

Medicaid Expansion Opportunity

State	Expansion Eligibles in Medicaid Managed Care	Molina's Estimated Enrollment	Estimated Premium[1] PMPM	Annualized Potential Revenue
California	1M	100K	$155	$185M
Florida	not included	not included	not included	not included
Michigan	500K	100K	$215	$260M
New Mexico	100K	30K	$310	$110M
Ohio	500K	145K	$375	$650M
Texas	not included	not included	not included	not included
Utah	125K	40K	$240	$115M
Washington	250K	125K	$230	$345M
Wisconsin	125K	15K	$130	$20M
Total	2.6M	555K	-	$ 1.7B

Source: Company estimates, figures may not add due to rounding.
1. Based on Molina's current TANF and ABD premium

MOLINA HEALTHCARE

Marketplace Opportunity

Please refer to the Company's cautionary statements.

State	Number of Marketplace Members in Molina Markets	Molina's Estimated Marketplace Enrollment	Estimated Premium PMPM	Annualized Potential Revenue
California	1.4M	28K	$400	$136M
Florida	546K	26K	$400	$122M
Michigan	246K	35K	$400	$87M
New Mexico	63K	4K	$400	$19M
Ohio	264K	22K	$400	$106M
Texas	693K	66K	$400	$319M
Utah	87K	5K	$400	$22M
Washington	266K	30K	$400	$14M
Wisconsin	76K	20K	$400	$54M
Illinois	not included	not included	not included	not included
Total	3.6M	236K		$0.9B
Potential impact of delays in implementation, reduced Molina market share or reductions in covered individuals				($0.3B)
Estimated Total Revenue				$0.6B

Source: Company estimates, figures may not add due to rounding.

MOLINA HEALTHCARE

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Convertible Debt

Joseph White, Chief Accounting Officer

February 21, 2013
New York, New York

MOH LISTED NYSE

$550M Convertible Debt Offering

$550,000,000 February 2013

MOLINA HEALTHCARE

1.125% Convertible Senior Notes due 2020
Interest payable January 15 and July 15

- $550M Convertible Debt
- Underlying shares (13.5 million)
- 1.125% coupon ($ 0.07 2013 EPS)
- 32.5% conversion ($40.77 per share)
- 75.0% high call ($53.85 per share)
- Cash Settle
- Maturity 1/15/2020
- GAAP interest rate 6% ($0.21 2013 EPS related to non cash interest expense)

Sources and Uses

Convertible Debt	$550M
Pay Down Revolver	($40M)
Pay Down Existing Notes	($187M)
Share Repurchase	($50M)
Call Spread	($74M)
Fees	($17M)
Balance from Proceeds	$182M

Why a Convert?

$550,000,000 February 2013

MOLINA HEALTHCARE

1.125% Convertible Senior Notes due 2020
Interest payable January 15 and July 15

Financing Considerations	High Yield Debt	Convertible Debt	Equity
Coupon	High	Low	None
Dilution	None	Limited	High
Speed of execution	Slow	Fast	Moderate

MOH Convertible Note

What Have We Done?

A. We have issued debt with a **1.125% coupon**

B. We will pay **additional cash if our share price exceeds $40.77** (on 13.5 million shares)

C. We have **bought a bond hedge** requiring counter parties to pay us the amount we pay to the note holders in B above

D. We must issue shares to the bond hedge counter parties to make them whole **above a share price of $53.85**

Convert – Key Share Prices

Share Price Close 2/11/2013	Convertible Price/Low Strike	Convertible Price/High Strike
$30.77	$40.77	$53.85
	↑32.5%	↑75%

MOLINA HEALTHCARE

MOH Convertible Note Settlement

At Maturity

Share Price ≤ Conversion Price

- Underlying Shares - 13.5 million
- Conversion price (low strike) - $40.77
- High Strike - $53.85
- Example : Share Price < $40.77

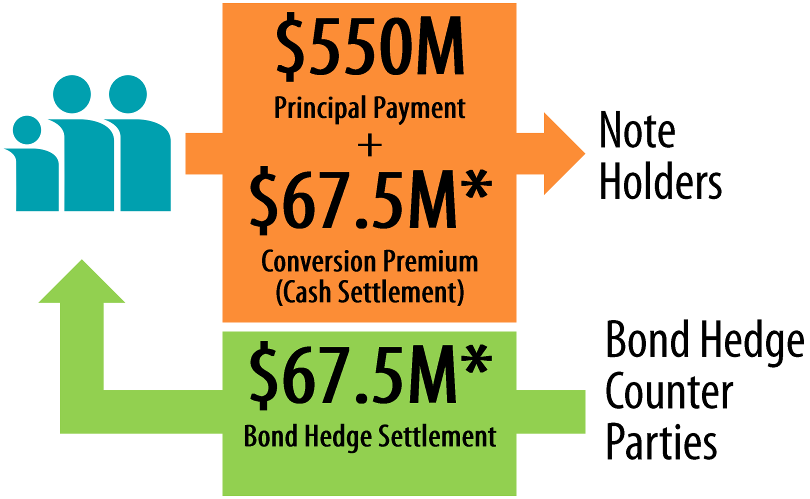
MOLINA HEALTHCARE

MOH Convertible Note Settlement

At Maturity

Share Price≥ Conversion Price but ≤ High Strike

- Underlying Shares - 13.5 million
- Conversion price (low strike) - $40.77
- High Strike - $53.85
- Example : Share Price $45.77 ($5 above low strike)



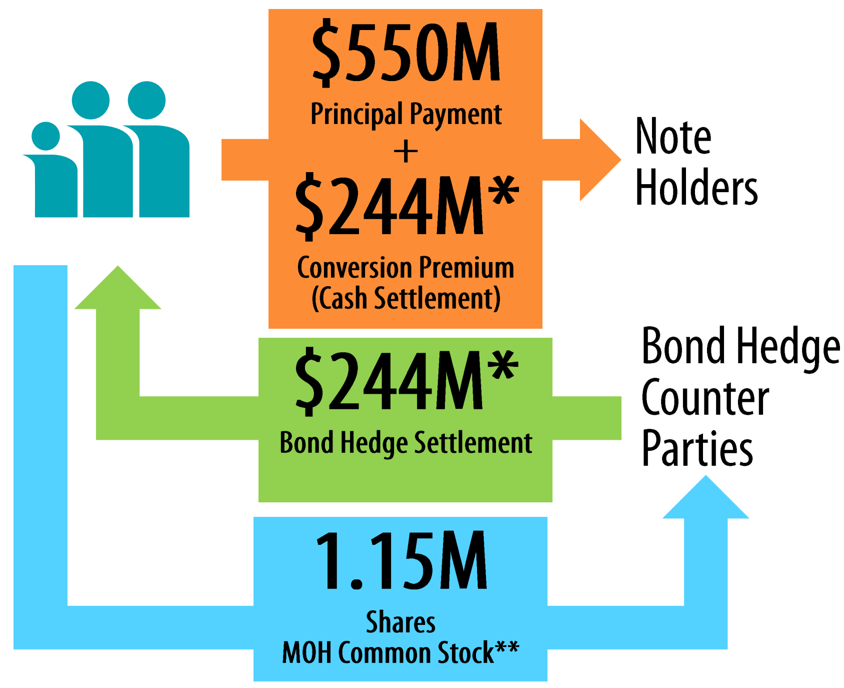
* 13.5 million underlying shares x $5 per share ($45.77 market price less $40.77 conversion/low strike)

MOH Convertible Note Settlement

At Maturity

Share Price ≥ High Strike

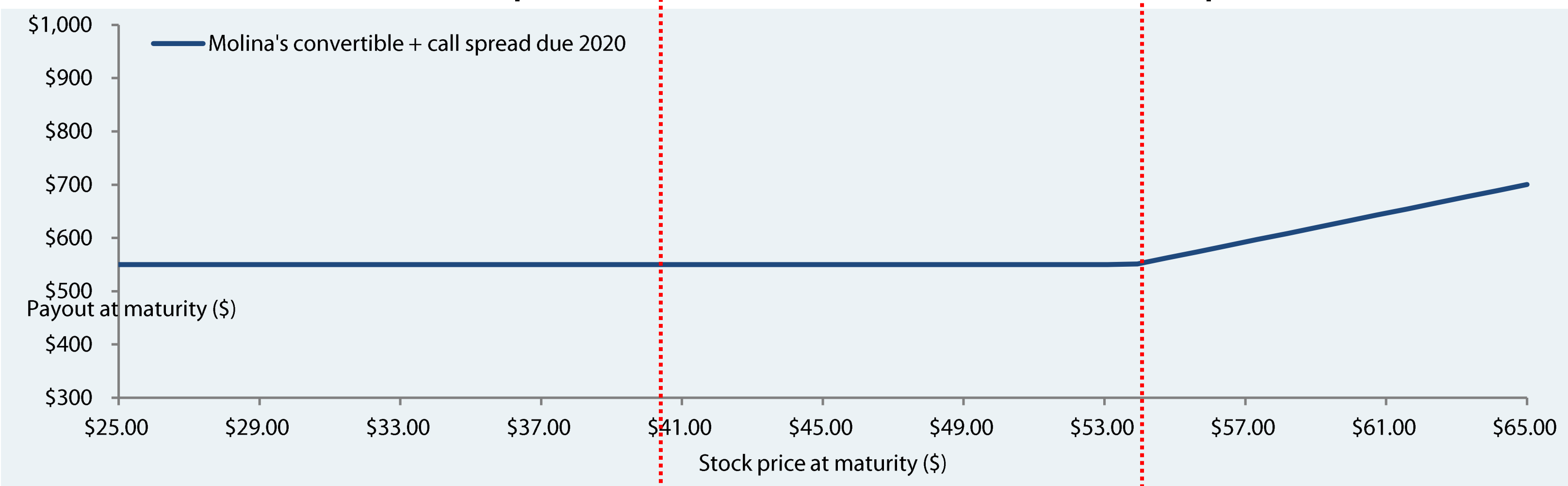
- Underlying Shares - 13.5 million
- Conversion price (low strike) - $40.77
- High Strike - $53.85
- Example : Share Price $58.85 ($5 above high strike)



*13.5 million underlying shares x $18.08 per share ($58.85 market price less $40.77 conversion/low strike)
** $67.5 million (13.5 million underlying shares x $5 per share($58.85 market price less $53.75 high strike price) divided by market price ($58.85)

MOH Convertible Note Settlement

<$40.77 >$53.85



	MOH share price ≤ $40.77	$40.77 ≤ MOH Share Price ≤ $53.85	MOH Share Price ≥ $53.85
Note	Pay principal	Pay Principal + + Cash Value of Shares greater than $40.77	Pay Principal + Cash Value of Shares greater than $40.77
Bond Hedge	No Action	Settle hedge; receive cash value of share price in excess of $40.77	Settle hedge; receive cash value of share price in excess of $40.77
Warrant	No Action	No Action	Issue shares at $53.85

Accounting For Convertible Debt

Why 6% of interest expense for a 1.125% coupon sold at par?

GAAP requires that convertible debt be bifurcated into:

- A "vanilla" debt component; and a
- Derivative option component representing the value of the conversion feature.
  - For cash settled convertible debt the derivative is classified as a liability.

Value of convertible debt at date of issuance (with both debt and option components)	–	Value of debt component at date of issuance, based on present value of cash flows	=	Value of option component at date of issuance

Accounting For Convertible Debt

Why 6 % of interest expense for a 1.125% coupon sold at par?

Value of convertible debt at date of issuance (with both debt and option components)	–	Value of debt component at date of issuance, based on present value of cash flows	=	Value of option component at date of issuance

Value of the debt component is based on NPV of cash flows (principal plus interest)

- Interest rate is estimate of what Molina would pay on similar non-convertible debt
- The debt component is recoded on the balance sheet net of a debt discount.
- That discount is written off (the amount of the debt component is increased) over time by the recognition of non-cash interest expense.
- **Non-cash interest expense will reduce EPS by an estimated $0.21 in 2013.**

Value of the option based derivative liability is determined by subtracting the value of the debt component from the value of the convertible at date of issuance.

The derivative liability will be matched by an asset derivative representing Molina's right to collect on the bond hedge.

Both derivatives (asset + liability) will be marked to market quarterly.

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Funding Our Growth

John Molina, Chief Financial Officer

February 21, 2013
New York, New York

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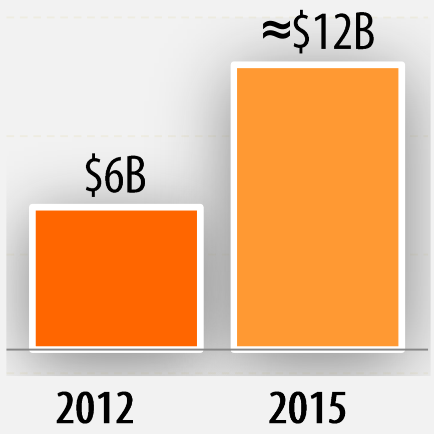
Capital Needs

Please refer to the Company's cautionary statements.

Revenues are estimated to reach $12B by 2015 as a result of duals and Medicaid expansion



- **Current regulatory** requirements
- **Future (anticipated) regulatory** requirements in currents and new states
- Capital demands on health plans in the event of losses
- Costs of acquisitions and other expansions
- Costs of MMS implementations in new and existing states
- **Costs of infrastructure**

Sources of Capital

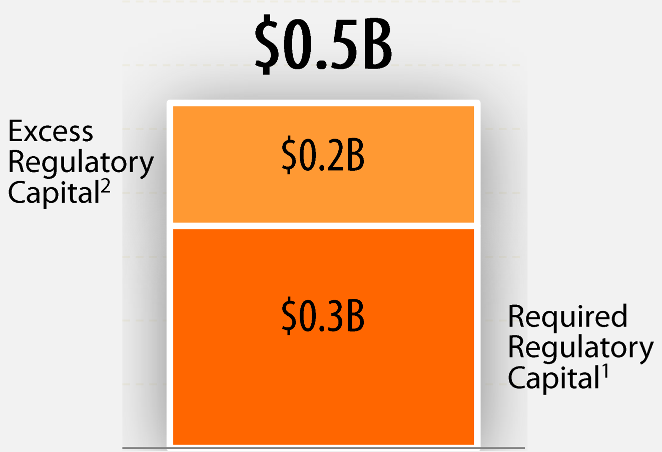
- Current **excess net worth**
- Issuance of securities –
  - debt
  - equity
  - **convertible**
- **Future earnings**
- Alternative Financing –
  - sale and lease back
  - capital leases
  - structured co-insurance or structured quota share

Regulatory Capital and Requirements

Please refer to the Company's cautionary statements.

Regulatory Capital

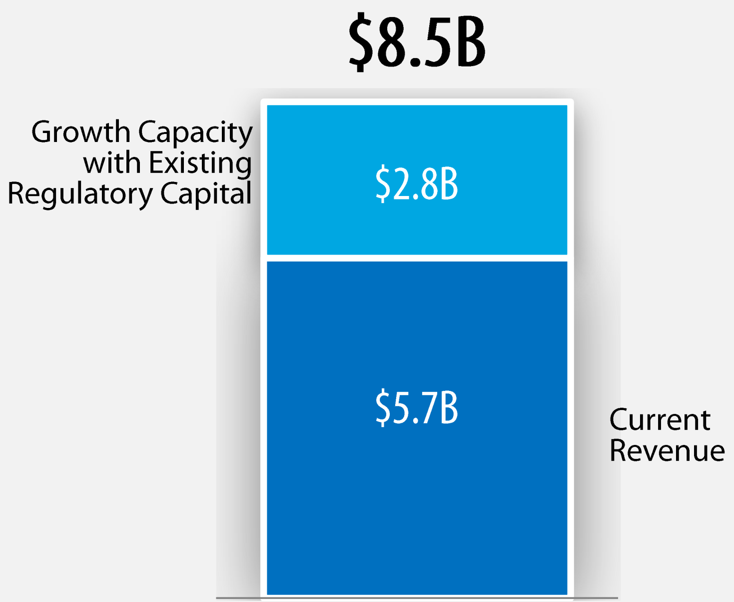
Estimated regulatory capital at 12/31/12 approximately $0.5B; compared to a requirement of approximately $0.3B.



1. Denotes estimated required regulatory capital for 12/31/12
2. Excess assumes actual regulatory capital as of 12/31/12

Growth Capacity

Surplus regulatory capital will support $2.8B of incremental revenue



Required minimum net worth on average is 7% of revenue

MOLINA HEALTHCARE

Issuance of securities

On February 11, 2013, we issued $550M convertible notes

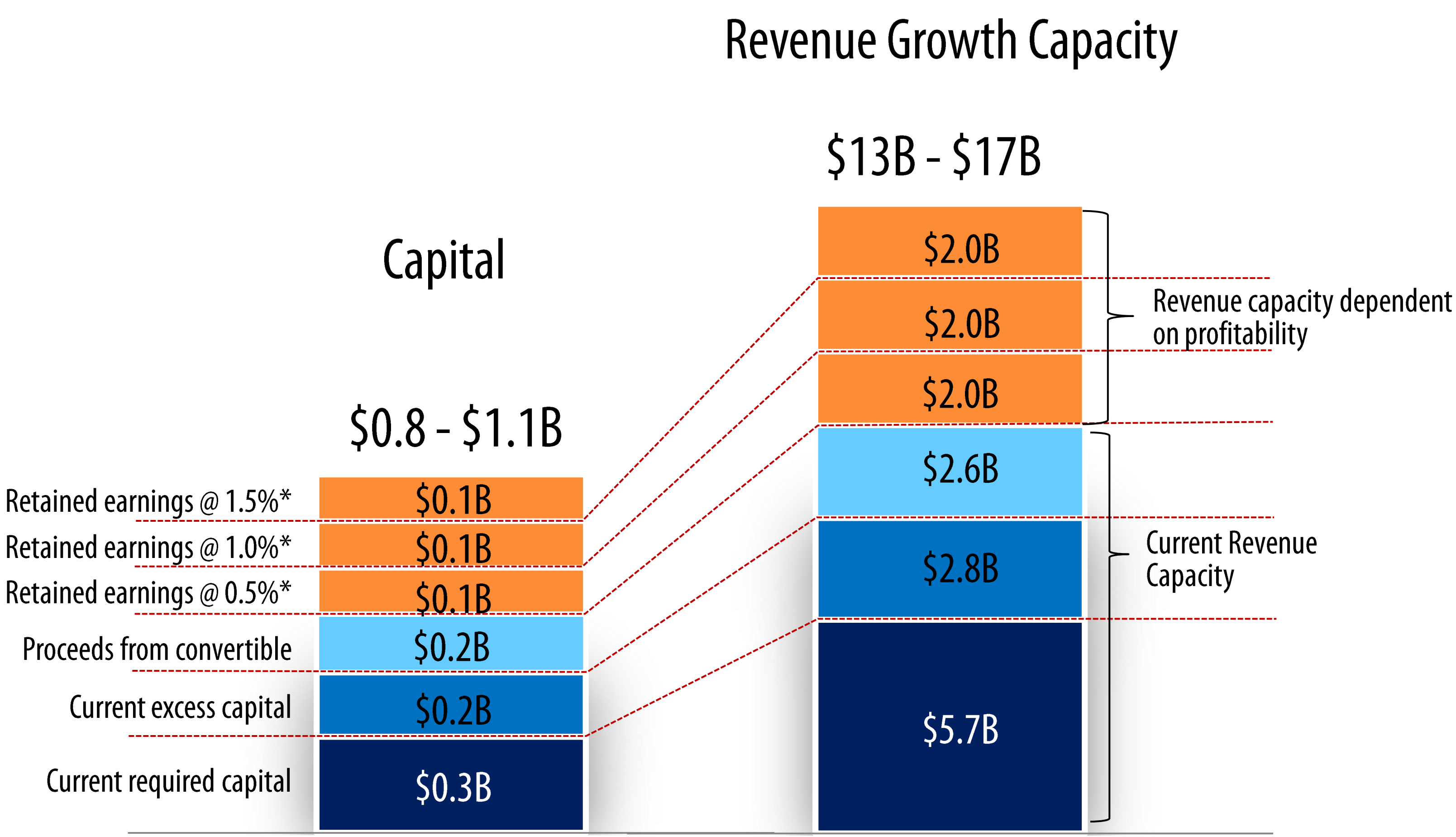
Convertible Debt………………	$550M
Pay Down Revolver……..………	($40M)
Pay Down Existing Notes…….....	($187M)
Share Repurchase.……………..	($50M)
Call Spread……………………..	($74M)
Fees…………………………….	($17M)
Balance from Proceeds………...	**$182M**

Required minimum net worth on average is 7% of revenue
Net proceeds from convertible debt issuance supports $2.6 billion of revenue

MOLINA HEALTHCARE

Summary of Growth Capacity

Please refer to the Company's cautionary statements.



* Retained earnings @ % of net income margin, each 0.5% equates to $0.1B

Required minimum net worth on average is 7% of revenue

Alternative Financing

- Sale and lease back
- Capital leases
- Structured co-insurance or structured quota share

Why We Might Want To Raise More Capital?

- Acquisitions
- Capital expenditures
- Variability in profitability
- Timing
- New benefits
- Growth above expectations
- Desire for capital cushion (e.g. debt covenant and rating agencies)
- Regulatory capital in excess of minimum requirements
- Regulatory requirements in advance of premium receipts

Q&A

Your Extended Family.

Guidance

John Molina, Chief Financial Officer

February 21, 2013
New York, New York

MOH LISTED NYSE

2013 Guidance[1]

Please refer to the Company's cautionary statements.

Premium Revenue	$6.7B
Premium Tax Revenue	$160M
Service Revenue	$200M
Investment and Other Income	$13M
Total Revenue	**$7B**
Medical Care Costs	$5.9B
Medical Care Ratio	**88%**
Service Costs	$170M
G&A Expense	$600M
G&A Ratio	**8.6%**
Premium Tax Expense	$160M
Depreciation & Amortization	$78M
Operating Income	**$157M**
Interest Expense Excluding Non-Cash	$18M
Interest Expense Non-Cash	$24M
Income Before Tax	**$115M**
Income Tax	$48M
Net Income	**$67M**
Weighted Average Diluted Shares Outstanding	46.1M
Diluted EPS	**$1.45**
EBITDA[2]	**$255M**

Note(s):
1. Denotes guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement.
2. EBITDA includes approximately $20 million in depreciation and amortization recoded in service revenue and service costs related to our Molina Medical Solutions segment.

MOLINA HEALTHCARE

2013 Guidance

Includes

- Convertible Notes
  - Convertible Non-Cash Interest ($0.21) EPS
- Product and Market Expansions
  - California & Ohio Dual Integration start up second half of year
  - Illinois ABD and California ABD expansion start up second half of year
- Negligible rate increases
- Additional administrative costs required to prepare for growth:
  - Ramp up for New Mexico Expansion (Implementation & Operations)
  - Illinois ABDs (Implementation & Operations)
  - California & Ohio Dual Integration programs (Implementation & Operations)
  - ***Implementation*** costs for Florida LTC, Market Place, Medicaid Expansion and Duals Integration in states other than California & Ohio
- 42% Effective Tax Rate
- Anticipated Resolution of California AB 97 rate cuts

Excludes

- Acquisitions
- ***Operational ramp up*** costs for Florida LTC, Market Place, Medicaid Expansion, and Duals Integration in states other than California & Ohio
- Rate impact of PCP parity rules
- Anticipated Settlement for California rate disputes

MOLINA® HEALTHCARE

2013 Guidance: Issued 2/7/13 and 2/21/13[1]

Please refer to the Company's cautionary statements.

	Issued 2/7/13	Issued 2/21/13[1]
Premium Revenue	$6.7B	$6.7B
Premium Tax Revenue	$160M	$160M
Service Revenue	$200M	$200M
Investment and Other Income	$13M	$13M
Total Revenue	**$7B**	**$7B**
Medical Care Costs	$5.9B	$5.9B
Medical Care Ratio	**88%**	**88%**
Service Costs	$170M	$170M
G&A Expense	$600M	$600M
G&A Ratio	**8.6%**	**8.6%**
Premium Tax Expense	$160M	$160M
Depreciation and Amortization	$78M	$78M
Operating Income	**$146M**	**$157M**
Interest Expense Excluding Non-Cash	$11M	$18M
Interest Expense Non-Cash	$6M	$24M
Income Before Tax	**$128M**	**$115M**
Income Tax	$54M	$48M
Effective Tax Rate	42%	42%
Net Income	**$74M**	**$67M**
Weighted Average Diluted Shares Outstanding	47.7M	46.1M
Diluted EPS	**$1.55**	**$1.45**
EBITDA[2]	**$245M**	**$255M**

Note(s):
1. Denotes guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement.
2. EBITDA includes approximately $20 million in depreciation and amortization recoded in service revenue and service costs related to our Molina Medical Solutions segment.

Guidance Bridge*

Please refer to the Company's cautionary statements.

	Pretax[1]	EPS[1]
2013 Guidance Issued 2/7/13	$128M	$1.55
Increase in Revenue	$10.4M	$0.13
Convertible Debt Issuance:		
Convertible Coupon Interest[2]	($5.4M)	($0.07)
Convertible Non-Cash Interest[3]	($17.0M)	($0.21)
Incremental Interest Income (assumes 40bps investment income)	$1.2M	$0.02
Other Fees and Costs	($1.6M)	($0.02)
Impact of Share Buy Back	-	$0.06
Subtotal - Impact of Convertible Debt Issuance	($22.8M)	($0.23)
Total Change	($12.4M)	($0.10)
Revised 2013 Guidance	$115M	$1.45
Add: Non-Cash Interest Expense related to New Convertible Debt	$17M	$0.21
Guidance excluding New Convertible Debt Non Cash Interest	**$132M**	**$1.66**

Note(s):

1. Denotes guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement.
2. The upsizing of the Company's convertible note offering from the $375 million anticipated at launch to the ultimate amount of $550 million resulted in incremental coupon interest of approximately **$0.03 per diluted share for all of 2013.**
3. The upsizing of the Company's convertible note offering from the $375 million anticipated at launch to the ultimate amount of $550 million resulted in incremental non cash interest costs of approximately $**0.07 per diluted share for all of 2013.**

MOLINA HEALTHCARE

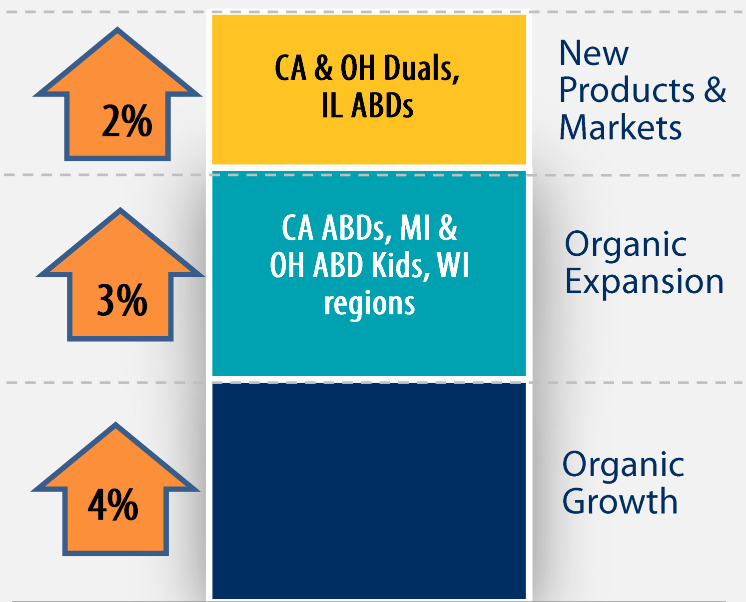
Membership Growth

Please refer to the Company's cautionary statements.

Membership

By year end we expect 2.0 million members as a result both organic growth and expansion into new products and markets

2013 YE 2.0M members[1]



2012 YE 1.8M members

Note(s):
1. Denotes guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement.

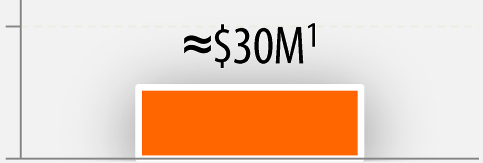
2013 Benefit Expansions

Please refer to the Company's cautionary statements.

UT Rx Carve In

Utah carved in the Pharmacy Benefit effective 1/1/13

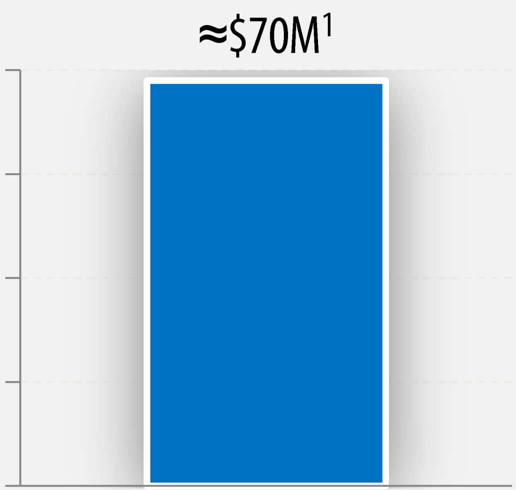
2013 Estimated Revenue



CA LTC & IHSS Carve In

California carved in Long Term Care (LTC) and in Home Support Services (IHSS) starting 9/1/13[2]

2013 Estimated Revenue



Note(s):

1. Denotes guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement
2. Members will be rolled in the LTC and IHSS programs on their birth date.

MOLINA HEALTHCARE

Rate changes included in 2013 Guidance

Please refer to the Company's cautionary statements.

State	2013	Rate Change[1, 2, 3]
California	various	(3%)
Florida	n/a	None
Michigan	n/a	None
New Mexico	Jan-13	2%
Ohio	Jan-13	4%
Texas	various	1%
Utah	Jan-13	(16%)
Washington	n/a	None
Wisconsin	Jan-13	3%

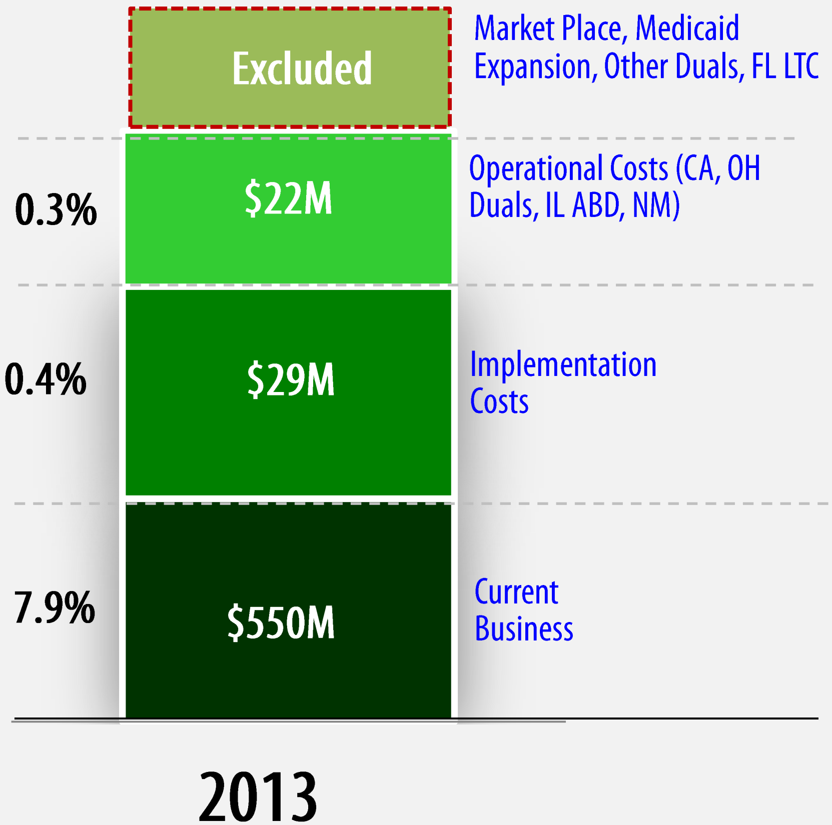
Note(s):
1. Denotes estimated rate changes included in 2013 guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement.
2. 2013 rates do not reflect potential rate changes as a result of PCP parity rules.
3. Does not include impact of risk adjustments.

Admin Spend Investment is required to prepare for growth

Please refer to the Company's cautionary statements.

Administrative Costs

Our FY 2013 guidance assumes administrative costs are expected to be 600M or 8.6% of total revenues[1]



In 2013 guidance implementation & operational costs related to growth are approximately 0.7% of total revenue or $0.60 EPS[1]

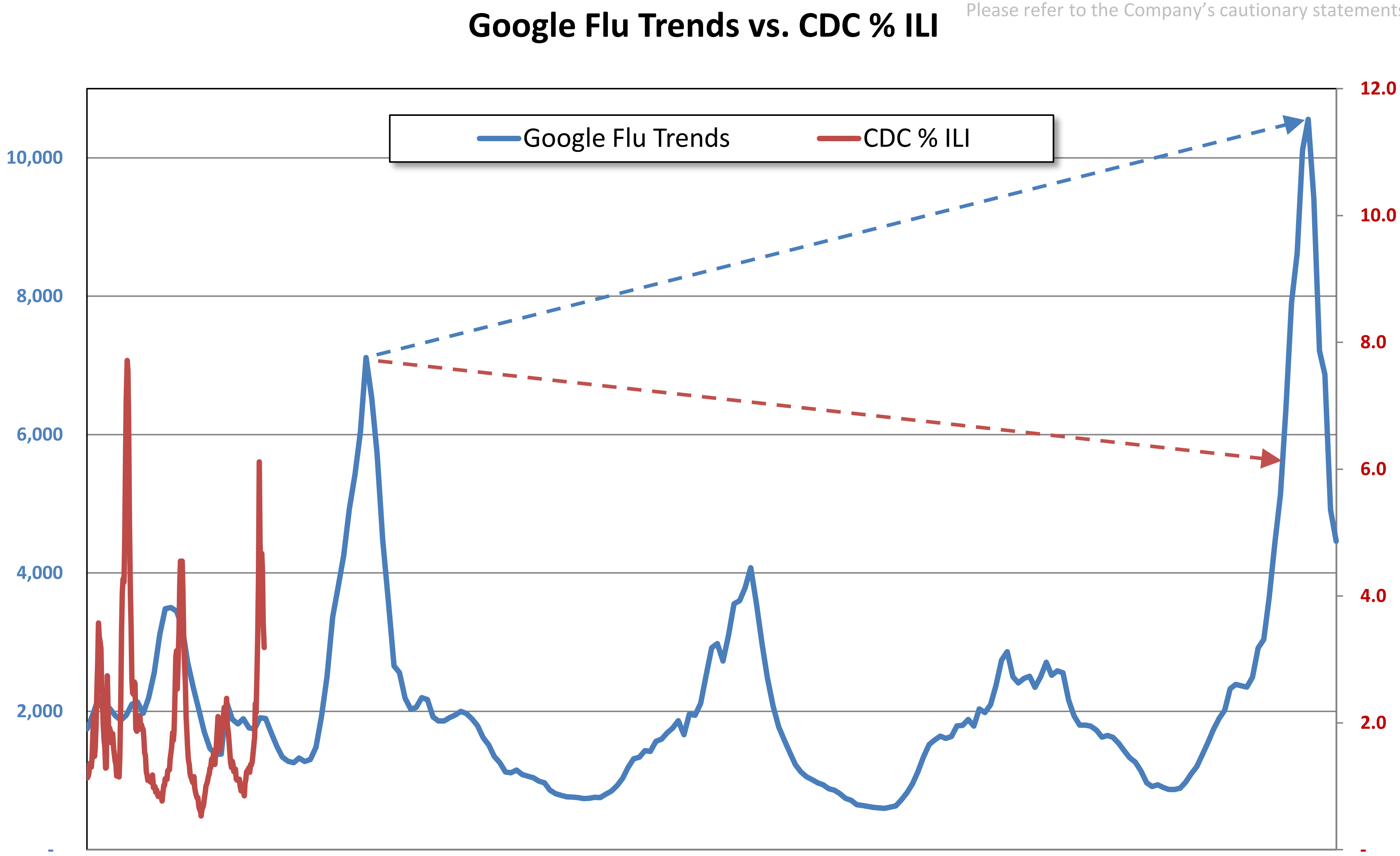
Implementation	Operational
Timing: Up to a year before membership	**Timing:** Approx. 1-3 months before membership
Functions: Program & Benefit Design IT & Systems Development	**Functions:** Member Care Activities Claims Call Center
Fixed	**Variable**
Guidance includes implementation costs for <u>all</u> growth products	Guidance includes operational costs for only CA, OH Duals, IL ABDs & NM build out

Note(s):
1. Denotes guidance. Amounts are estimates and subject to change. Actual results may differ materially. See cautionary statement.

MOLINA HEALTHCARE

Flu Trends

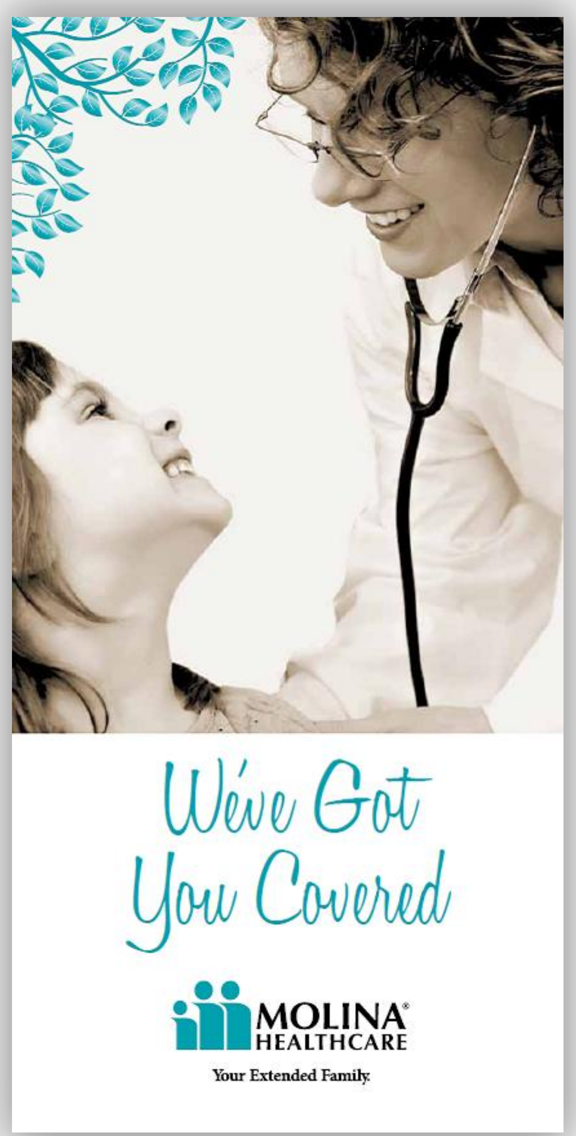
Please refer to the Company's cautionary statements.



MOLINA HEALTHCARE

Investment Highlights

Please refer to the Company's cautionary statements.



- Attractive sector growth prospects driven by government policies and economic conditions
- Focus on government-sponsored health care programs
- Proven flexible health care services portfolio (risk-based, fee-based and direct delivery)
- Diversified geographic exposure in 15 states with significant presence in high growth regions
- Scalable administrative efficiencies stemming from centralized and standardized functions
- Seasoned management team with strong track record of delivering earnings growth
- Over 30 years of experience

MOLINA HEALTHCARE

Q&A