

“We know that

To Our Shareholders, Customers and Communities:

The future of health care is one of the most critical issues facing our country, which is why we at WellPoint are working every day to transform our health care system to benefit every American.

WellPoint is unique in several ways. We are the nation's largest health benefits company by membership — 1 in 9 Americans has coverage through a WellPoint company. We are positioned at the very heart of the health care system, connecting to members, physicians, hospitals, employers and communities from California to Maine. And our unique combination of national reach and local presence enables us to use our size and scale to deliver affordable products and services to customers at the local level, where we are known primarily through our Blue Cross and/or Blue Shield branded companies, the most trusted name in the industry.

WellPoint's commitment to improving the lives of the people we serve and the health of our communities is unsurpassed. In 2007 we introduced the Member Health Index, a first-of-its-kind initiative to measure and improve the health of all members. We also launched the State Health Index, a unique collaboration between WellPoint and state and local health officials to measure our progress in improving public health.

Finally, as you will read in this report, we are unique because of the diversity of our membership, ranging from infants to seniors, in both public and private plans. From Adrien Bong, a 10-year-old Medicaid

member in Fresno, California, to Julian David, an 83-year-old Medicare Advantage member in Harlem, New York, the profiles in this report illustrate how we — our plans, our programs, and our people — are focused on improving the lives of the people we serve.

2007 review

In June of 2007 I was greatly honored to be appointed President and CEO of WellPoint, following the retirement of Larry Glasscock, a great leader who remains an outstanding Chairman of the Board.

During the year, WellPoint grew earnings per share by more than 15 percent and

our future **SUCCESS**
depends on putting our customers first.”

ANGELA F. BRALY

:: President and Chief Executive Officer



reduced our general and administrative costs by more than \$175 million, even as we provided more services to more members. In addition, we added 708,000 new members, including an estimated 365,000 who previously were uninsured.

In 2007 WellPoint led our industry in finding new ways to improve the health care system. For example, we made our affordable consumer-driven health plans available to members across the country. To make information on the cost and quality of health care more transparent, we expanded tools like Anthem Care Comparison and MyHealth Advantage, and partnered with Zagat Survey® to develop an online tool that enables members to rate their physician experiences.

2008 and beyond

On March 10, 2008, WellPoint announced a revised outlook for this year’s financial performance. We did this for two reasons:

first, we saw that medical costs in the first two months of 2008 were trending higher than anticipated. Second, while our total medical membership continues to grow, our fully insured membership is lower than planned.

These trends are, to a degree, exacerbated by the effects of the slowing national economy. Regardless, we will continue to hold ourselves accountable for improving our performance in the face of these challenges.

Despite our revised outlook, we expect 2008 to be a record year at WellPoint, including more members than ever and the highest earnings per share we’ve ever generated. And we are committed to continuous investment in our products and services.

WellPoint’s leadership team is fully committed to maintaining a sharp focus on the fundamentals of our business while creating an unparalleled health care

experience for consumers. We are also vigorously advocating policy solutions that will continue to make health care coverage accessible to and affordable for all Americans.

At WellPoint, we know that our future success depends on putting our customers first, earning their trust and loyalty each and every day.

That is why we are here, and that is what we will continue to do.

A handwritten signature in black ink that reads "Angela F. Braly". The signature is written in a cursive, flowing style.

Angela F. Braly

President and Chief Executive Officer