



Molina Healthcare, Inc. Announces Initial Public Offering of Common Stock

July 2, 2003

LONG BEACH, Calif.--(BUSINESS WIRE)--July 1, 2003--Molina Healthcare, Inc., an innovative multi-state managed care organization providing quality care and accessible services to low-income families and individuals, today announced the initial public offering of 6.6 million shares of the Company's Common Stock at \$17.50 per share. The net proceeds from the offering of approximately \$107 million will be used to fund internal growth, pursue selective acquisitions, and for general corporate purposes, including repayment of debt. The Company has granted to the underwriters the option to sell an additional 990,000 shares at the initial public offering price to cover over-allotments.

Managing underwriters for the offering include Banc of America Securities LLC and CIBC World Markets Corp. as joint book-running managers and SG Cowen Securities Corporation as co-manager. The Common Stock will begin trading on the New York Stock Exchange on Wednesday, July 2, 2003, under the symbol "MOH."

Molina Healthcare, Inc., is a rapidly growing, multi-state managed care organization that arranges for the delivery of healthcare services to persons eligible for Medicaid and other programs for low-income families and individuals. It currently operates health plans in California, Washington, Michigan and Utah. As of March 31, 2003, the Company had approximately 510,000 members.

A written prospectus may be obtained by contacting Banc of America Securities LLC, 600 Montgomery Street, San Francisco, California 94111, (415) 627-2000, Attention: Prospectus Department; CIBC World Markets Corp., 417 5th Avenue, New York, New York 10016, (212) 667-6136, e-mail: useprospectus@us.cibc.com; or SG Cowen Securities Corporation through ADP, 1155 Long Island Avenue, Edgewood, New York 11717, (631) 254-7106.

THIS PRESS RELEASE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAW OF ANY SUCH STATE.

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