Cautionary Statement; Additional Information

Certain information in this presentation is forward-looking, including our projections, estimates and expectations as to the future state of health care; our operating revenue and its drivers and components; our operating revenue growth; our operating earnings per share (EPS) and operating EPS growth and its drivers and components; our weighted average diluted shares; our total shareholder return; our share repurchases; our Fortune 500 rank; the effectiveness of our strategy; our value based contracting success and value based spending; our ability to grow our various businesses; our EBITDA and its components; our private exchange membership and opportunity; our Commercial and Government premiums and premium drivers; our Medicare Advantage membership growth; our Medicare Star ratings and membership in 4+ star rated plans; our Medicaid LTSS and dual eligible premiums; our individual business dynamics; our ability to grow the medical cost trends and their components; our medical benefit ratios and their components; our ability to keep cost leverage of our operating margins; our capital generation and deployment; our debt to capital and risk-based capital ratios; our 2015 challenges and opportunities; our operating expense ratio; our tax rate; our operating cash flow; our net dividends from subsidiaries; our excess cash flow to the parent; our operating EPS progression; our other financial and non-financial projections; and our estimates and views regarding our businesses and the environment in which we operate. Forwards-looking information is based on management’s estimates, assumptions and projections and is subject to significant uncertainties and other factors, many of which are beyond our control. Important risk factors could cause actual future results and other future events to differ materially from those currently estimated by management, including: unanticipated increases in medical costs (including increased intensity or medical utilization as a result of flu or otherwise); changes in membership mix to higher cost or lower-premium products or membership-adverse selection; medical cost increases resulting from unfavorable changes in contracting or re-contracting with providers (including a greater percentage of our health insurance exchange medical benefit revenue being driven by potentially lower or less standardized pricing); changes in the timing or magnitude of health care reform fee assessments, assessments and taxes through increased premiums; adverse legislative, regulatory and/or judicial changes to or interpretations of existing health care reform legislation and/or regulations; the implementation of health insurance exchanges; the profitability of our public health insurance exchange and Medicare Advantage products, where membership is greater than our initial projections and may have more adverse health status and/or higher medical cost estimation process, the considerable variability inherent in such estimates, and the sensitivity of such estimates to changes in medical claims payment patterns and changes in medical cost trends; the ability to successfully implement our agreement with CVS Caremark Corporation on a timely basis and to achieve projected operating efficiencies for the agreement; a downgrade in our financial ratings; and adverse impacts from any failure to raise the U.S. Federal government’s debt ceiling or any sustained U.S. Federal government shut down. For more discussion of important risk factors that may materially affect Aetna, please see the risk factors contained in Aetna’s 2013 Annual Report on Form 10-K (“Aetna’s 2013 Annual Report”) on file with the Securities and Exchange Commission (the “SEC”). You also should read Aetna’s 2013 Annual Report and Aetna’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, on file with the SEC, for a discussion of Aetna’s historical results of operations and financial condition.
Welcome

• The future state of health care
• Aetna’s strategic execution
• How Aetna’s diversified portfolio can drive growth
Agenda

8:30 Welcome | Guertin
8:35 The Future State of Healthcare | Bertolini
9:30 Q&A | Bertolini
9:45 Break
10:00 Strategic Execution | Rohan
10:20 Panel Q&A | Guertin, Rohan, Zubretsky, Lewis, Soistman
11:00 Break
11:15 Financial Overview | Guertin
11:45 Q&A | Bertolini, Guertin
12:15 Conclusion | Bertolini
Introduction

Aetna has delivered strong **top and bottom line growth** in 2014

Aetna has **outperformed** our peers over the last several years

Aetna has the right strategy and positioning to continue to generate **leading shareholder returns**
The future state of health care

Mark Bertolini
Chairman and Chief Executive Officer
Who we are: the Aetna Way

We put the people we serve at the center of everything we do

The Aetna Way outlines the values by which we live, as the foundation for our culture, strategy and how we run our business.
Aetna’s Executive Team

Mark T. Bertolini
Chairman and Chief Executive Officer

Karen Rohan
President

Joe Zubretsky
SEVP, Healthagen

Dijuana Lewis
EVP, Consumer Products and Enterprise Marketing

Fran Soistman
EVP, Government Services

Richard di Benedetto
EVP, International

Shawn Guertin
EVP & Chief Financial Officer

Meg McCarthy
EVP, Innovation, Technology and Service Operations

Bill Casazza
EVP, Law and Regulatory Affairs

Deanna Fidler
EVP, Human Resources

Harold L. Paz, MD, MS
EVP & Chief Medical Officer

Steve Kelmar
EVP, Corporate Affairs

Note: Titles reflect previously announced management changes effective on January 1, 2015.
Leading the Future of Healthcare

- Identifying trends early
- Deploying resources and capital
- Growing revenue and generating profit
- Producing superior performance
Aetna has delivered growth in excess of our peers on the top and bottom line....

Operating Revenue Growth
(2010-2014E CAGR)

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>aetna</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>8%</td>
<td>9%</td>
<td>12%</td>
<td>14%</td>
<td></td>
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</tbody>
</table>

Operating EPS Growth
(2010-2014E CAGR)

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<tr>
<th></th>
<th>C</th>
<th>A</th>
<th>B</th>
<th>D</th>
<th>aetna</th>
</tr>
</thead>
<tbody>
<tr>
<td>2%</td>
<td>7%</td>
<td>8%</td>
<td>12%</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg consensus estimates used for 2014. Competitors include UNH, WLP, HUM and CI.

2014 Aetna Investor Conference | December 11, 2014
...Yielding Superior Performance

Total Shareholder Returns / TSR
(2010-2014)*

Over the last 4 years, Aetna’s TSR has exceeded our diversified peers and is $2.4x$ the return of the S&P 500

*Four years ended December 1, 2014

2014 Aetna Investor Conference | December 11, 2014
Deploying Capital to Create Shareholder Value....

$1.0B  Shareholder Dividends

$7.4B  Share Repurchases

$10.8B  M&A Deployment

All amounts cumulative 2010 through 2014E.
And Reaching New Heights….

Aetna Operating Revenues\(^{(1)}\)

(\$ in Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ in Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$33.6</td>
</tr>
<tr>
<td>2012</td>
<td>$35.5</td>
</tr>
<tr>
<td>2013</td>
<td>$47.2</td>
</tr>
<tr>
<td>2014E</td>
<td>$57-$58</td>
</tr>
</tbody>
</table>

Fortune 100 Rank

- 2014E: 50*
- 2013: 57
- 2012: 89
- 2011: 77

*Source: Fortune; 2014 ranking represents an Aetna projection based on Bloomberg consensus revenue estimates for 2014.

2014 Aetna Investor Conference | December 11, 2014
Aetna’s Diversified Portfolio: Stability, Growth and Opportunity

2010 Operating Revenue

- Large Group Insured: 44%
- Commercial ASC / Fee: 11%
- Group Insurance: 18%
- Government: 22%
- Small Group & Individual: 6%

2010 Aetna Investor Conference | December 11, 2014
Aetna’s Diversified Portfolio: Stability, Growth and Opportunity

**2014E Operating Revenue**

- Large Group Insured: 32%
- Commercial ASC / Fee: 18%
- Group Insurance: 38%
- Government: 4%
- Small Group & Individual: 8%

2014 Aetna Investor Conference | December 11, 2014
With a Goal to reach $100 billion of Operating Revenues\(^{(1)}\) by the End of the Decade

\[\text{2014E} \quad \text{Retail Marketplaces} \quad \text{Public Exchanges} \quad \text{Medicare Advantage} \quad \text{Dual eligibles} \quad \text{Medicaid} \]

\[\text{2020P} \quad \text{International} \]

\[\text{\quad Private health insurance} \quad \text{Population health solutions}\]

\(^{(1)}\) Additional drivers of growth beyond 2020
Targeting low-double digit Operating EPS growth on average over time

**Drive operating earnings**
- Grow Government Franchise
- Retail Marketplaces
- Grow fee-based businesses
- Price to trend in Commercial

**Deploy capital effectively**
- Shareholder dividend
- Invest in organic growth
- Disciplined M&A
- Share repurchases

Aetna projects it can return to its targeted Operating EPS growth rate in 2016
Key Questions

• How did we get here?

• How is the Healthcare landscape changing?

• Does Aetna have the right strategy to meet the changing environment?
Agenda

• The ACA – A catalyst for change

• Healthcare Marketplace Forces

• Aetna’s Strategy
## 2007: Transforming Healthcare in America

<p>| | | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Get and keep everyone covered</td>
<td>Maintain the employer-based system and export its strengths to make the individual marketplace function better</td>
<td>Reorient the system toward prevention, value and quality of care</td>
<td>Use market incentives to improve coverage, drive down costs and make the system more consumer-oriented</td>
</tr>
</tbody>
</table>
### 2007: Transforming Healthcare in America

<table>
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<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HealthCare.gov</strong>&lt;br&gt;Take health care into your own hands&lt;br&gt;Learn How</td>
<td>Maintain the employer-based system and export its strengths to the individual marketplace function better</td>
<td>Reorient the system toward prevention, value and quality of care</td>
<td>Use market incentives to improve coverage, drive down costs and make the system more consumer-oriented</td>
</tr>
</tbody>
</table>

*Image: Aetna Investor Conference*
2014 Expectations: The Death of Health Insurers

- Exchanges
- Guaranteed Issue
- Health Insurer Fee
- Medicaid Expansion
2014 Actual: Beat and Raise

2014 Quarterly Operating EPS$^{(2)}$

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Actual</th>
<th>Consensus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q14</td>
<td>$1.55</td>
<td>$1.60</td>
</tr>
<tr>
<td>2Q14</td>
<td>$1.69</td>
<td>$1.79</td>
</tr>
<tr>
<td>3Q14</td>
<td>$1.58</td>
<td>$1.79</td>
</tr>
</tbody>
</table>

% Upside

- 1Q14: 28%
- 2Q14: 5%
- 3Q14: 14%

2014 Guidance Midpoint

- Initial: $6.25 +
- 1Q14: $6.45
- 2Q14: $6.53
- 3Q14: $6.60-$6.70$^{(2)}$

Source: Bloomberg consensus estimates / surprise history.

2014 Aetna Investor Conference | December 11, 2014
2015-2018: Government will continue to be a force for change in healthcare...

<table>
<thead>
<tr>
<th>Republican controlled Congress</th>
<th>Presidential election</th>
<th>“Keep what you have” set to expire</th>
<th>Cadillac Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>HIF Increases</td>
<td>Small Group rules expand to 51-100</td>
<td>Risk Corridors and Reinsurance programs expire</td>
<td></td>
</tr>
</tbody>
</table>

...but Managed Care must evolve beyond the status quo...
• The ACA – A catalyst for change

• Healthcare Marketplace Forces

• Aetna’s Strategy
Three key constituents in the Healthcare marketplace with evolving needs....

1. Employers / Government
2. Providers
3. Consumers
The employer’s role in health benefits is eroding

Employer sponsored insurance in the U.S. covers a declining percentage of the population

Source: U.S. Bureau of the Census; CMS.
And could fundamentally change over the next decade...

- **Elimination** of employer deductibility of health benefits a possible outcome of comprehensive tax reform
- The "Cadillac Tax" could impact **75%** of plans by 2029

Percentage of plans over excise tax threshold*

...as employers seek new alternatives

2/3 of employers believe private exchanges will provide a **viable alternative** to employer sponsored coverage in 2015*

35% of employers plan to move to private exchange in the next **two** years**

50% of employers plan to move to private exchange in the next **five** years**

*Towers Watson/National Business Group on Health 2014 Survey

**Mercer 2014 Benefits Survey
Private solutions are gaining popularity in government...

11 thousand individuals age into Medicare every day...

And an increasing number are projected to choose Medicare Advantage

Source: Congressional budget office projections, April 2014; based on 2014E-2020E CAGR.
...and the Government is actively looking to MCOs for solutions

Dual eligibles represent a $300 billion opportunity

Early success should unlock additional opportunity

Source: CMS, Health Management Associates.

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The provider economic model is pressured.

Aggregate Hospital Payment-to-cost Ratios

Medicare and Medicaid as a % of total Hospital Cost – 1980 / 2000 / 2012

Driving Consolidation....

Medical Practice Ownership

Source: FTI Consulting. MGMA Physician Compensation and Production Survey Report, WSJ.

2003 2005 2007 2009 2011 2013

Hospital owned

Physician owned

Source: FTI Consulting. MGMA Physician Compensation and Production Survey Report, WSJ.
... and payor provider collaboration

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Accountable Care Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q11</td>
<td>60</td>
</tr>
<tr>
<td>2Q12</td>
<td>181</td>
</tr>
<tr>
<td>2Q13</td>
<td>472</td>
</tr>
<tr>
<td>2Q14</td>
<td>626</td>
</tr>
</tbody>
</table>

10x growth in the number of ACOs in 3 years

Source: Levitt Partners; 2Q14 data as of May 2014.
Consumers are getting more involved...

- Premiums have risen 4x faster than inflation
- Employee costs are rising 50% faster than employer costs
- Average deductibles have risen by 50% in the past 5 years

Source: Kaiser Family Foundation/HRET 2014 Employer Health Benefits Survey; 2014 Employee cost data based on Milliman Medical Index from 2006-2014
Over 60% of consumers prefer to take a lead role in decisions about their medical treatment.

80% of consumers believe consumerism in healthcare is good for Americans.

Consumer Choice could drive half the market by 2020...

Consumer choice is the fastest growing part of the marketplace

Based on Aetna estimates of industry

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But… health insurers are ill-prepared for a consumer environment


Health insurers

- Marriott Hotels
- Amazon
- UPS
- Apple
- Airlines
- Cable TV providers

CUSTOMER EXPERIENCE INDEX

- EXCELLENT
- GOOD
- OK
- POOR


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Future state of healthcare

<table>
<thead>
<tr>
<th>Role of employer / government</th>
<th>Current State</th>
<th>Future State</th>
<th>Aetna Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Social contract” drives defined benefit</td>
<td>Defined contribution / subsidy model</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role of Provider</th>
<th>Current State</th>
<th>Future State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payors and providers are largely separate</td>
<td>Payor and providers largely integrated</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role of consumer</th>
<th>Current State</th>
<th>Future State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers / governments are the primary decision makers</td>
<td>Consumers are the primary decision makers</td>
<td></td>
</tr>
</tbody>
</table>
Agenda

• The ACA – A catalyst for change

• Healthcare Marketplace Forces

• Aetna’s Strategy
“We cannot solve our problems with the same thinking we used when we created them.”

—ALBERT EINSTEIN
The changing landscape: employer to retail

- Consumer
  - Access and quality
  - Cost and access

- Provider
- Employer
  - Quality and cost
The changing landscape: employer to retail

Consumer

Access and quality

Provider
Our business must evolve

Insurance company
End user an employee or part of a larger population
Managing risk

Health care company
End user increasingly an individual with personalized care needs
Managing health
The current health care ecosystem is primed for disruption

Facing rising costs, sponsors are exploring new ways to fund health care...

...while consumers’ out-of-pocket health expenses increase

Providers are compensated for volume, rather than rewarded for value

DEMAND

- Employers
- Government
- Consumers

SUPPLY

- Providers
- Brokers / Consultants
- Manage Care Organizations

$ Commissions / Fees

$ Premiums

$ Fee for service

$ Copays

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We must change the way we do business to put the Consumer in charge

**Demand**
- Employers
- Government
- Subsidy
- Consumers

**Supply**
- MCOs
- Providers
- New Products
- Value Based Payments
- Retail Marketplaces

**Value Based Payments**
- New Products
- Providers
- Retail Marketplaces
- Consumers
- Subsidy
- Employers
- Government
By aligning to our customers’ future needs

- Manage health care costs
- Navigate the health care system
- Keep me healthy

• Deliver “triple aim”
• Achieve sustainable economics

- Predictable and sustainable costs
- Healthy, productive employees / benefits

Customers’ Future Needs
Evolving to Drive Future Performance

- Population health
- Fee-based revenue

- Private exchanges
- Public exchanges

- Medicare Advantage
- Dual Eligibles
- Medicaid Expansion

Sustainable affordability, quality, and convenience
Through a new healthcare model...

Affordable products “keep my doctor”

Sustainable economics from payor / provider partnerships

Drive individuals toward retail marketplaces
Aetna has been investing in our Strategy for a Decade
Population health management will align incentives between payors and providers to deliver patient-centric and affordable care with superior outcomes and experience.

A holistic solution
1. Risk management solutions
2. Health information technology
3. Clinical care management services

8 to 15%
LESS EXPENSIVE THAN COMPETITOR PPO PRODUCTS

Medical Cost Savings
Membership Growth
Revenue
Moving providers up the value chain

Medicare Collaborations

Employee Collaborations

ACO Product and Network

Disruptive Distribution

Joint Ventures

Innovation Health

Banner Health

Baylor Scott & White

InterMed

Bon Secours Health System
Right Assets to Transform Network Model

- Population-based clinical intelligence, decision support and alerts
- Cost comparison and transparency tool
- Clinical Data Integration
- Secure Data Exchange
- Value-based care models for primary care physicians
- Compiles and transforms healthcare data into powerful, meaningful and actionable information
- Additional assets to enable providers to assume risk and manage the health of populations

Accountable Care Solutions from Aetna

ActiveHealth Management

WellMatch

Healthagen

Medicity

Practice iQ

TBD
Aetna’s Value Based Contracting Success

Provider collaborations

- Medicare Provider Collaborations: 145

Patient centered medical homes

- Single-payer / Multi-payer: 64
- Medicaid: 63

Accountable Care Solutions

- Signed deals (2014E): 60
- Members in ACOs: 900K
- Revenue under ACO arrangements: ~$2.0B
Aetna’s Value Based Spending

Aetna is committed to transforming the network model

On track to achieve VBC spend of at least 50% by 2018

Value Based Contracting Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Based Contracting Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>~15%</td>
</tr>
<tr>
<td>2014E</td>
<td>~25%</td>
</tr>
<tr>
<td>2018P</td>
<td>50%+</td>
</tr>
</tbody>
</table>
Our Consumer business will develop a simplified, integrated offering to help consumers navigate a confusing system, manage health care expenses, and be as healthy as they can be.

A best-in-class foundation
1. Flexible administrative platform
2. Consumer-focused member service
3. Direct distribution, proprietary shop/buy/enroll platform
4. Segmentation, personalization, care delivery

- Lower Medical Costs
- Lower Administrative Costs
- Simpler Modular Offering
A key component of the vision

- Annual shop/buy/enroll for medical product
- Year-round shop/buy/enroll for non-regulated products and wellness programs
- Eligibility, billing and enrollment
- Reporting, data management, HR / payroll integration

Assembling capabilities for the move to defined contribution
Private Exchange Opportunity

13.5M
Aetna Commercial ASC members*

15x
Revenue contribution of Commercial fully-insured vs. ASC

4-5x
Profit contribution of Commercial fully-insured vs. ASC

$50B+
Total Private Exchange Revenue at 100% Conversion of Aetna’s ASC Membership to Risk

$3B
Total 2014E ASC fees

*As of September 30, 2014
Aetna International Today

Key Figures

• 650K members*
• $1.5B revenues*
• 17% 5-year revenue CAGR
• 1,100 employees in 16 countries

*2014E
International Focus

**Cross-Border Insurance** targeting the ~30M globally mobile employees and individuals
- Expand distribution channels
- Build global presence through acquisitions

**Local Insurance and Population Health Solutions** through governments and large payors for the 2B+ person rising international middle class
- Enter target countries through large payors or government for local capabilities and reach
- Acquire or partner for assets to develop local PHS solutions to complement Healthagen capabilities
Parting Thoughts....

Aetna’s core business is strong with a dynamic government franchise

We are actively working to transform the provider model

We are positioned to capture value from consumers and exchanges

We are deploying capital to create sustainable growth

We have consistently outperformed our peer group and can continue to outperform
Q&A

Mark Bertolini
Chairman and Chief Executive Officer
Strategic Execution

Karen S. Rohan
President
Aetna’s Diversified Portfolio Enables Predictable Growth

2014E Operating Revenue

- Large Group Insured: 32%
- Commercial ASC / Fee: 8%
- Group Insurance: 18%
- Government: 38%
- Small Group & Individual: 4%

Aetna Inc. 2014 Aetna Investor Conference | December 11, 2014
Capitalizing on multiple growth opportunities

2013 Operating Revenue: $47.2B
Annualized Coventry Revenue: ~10%
Organic Revenue Growth: ~11%

2014E Operating Revenue (1): $57-$58B
- Medicare Advantage
- Public Exchanges
- Duals
- Medicaid Expansion
- Private Exchanges

Over half of Aetna’s 2014E top-line growth comes from organic sources.
Aetna’s Large Group Commercial businesses can grow and generate capital

### Key Figures

<table>
<thead>
<tr>
<th></th>
<th>Members Served</th>
<th>Pre-tax Margin Target</th>
<th>Percent of 2014E EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASC</td>
<td>13.4M</td>
<td>20%+</td>
<td>32%</td>
</tr>
<tr>
<td>Insured</td>
<td>3.6M</td>
<td>Mid-to-high single digits</td>
<td>30%</td>
</tr>
</tbody>
</table>

Nearly two thirds of the Fortune 100 use Aetna

Note: All metrics based on 2014 estimates, excluding Large Case Pensions and Corporate Financing.

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Highly Profitable Large Group Commercial Insured Business Provides Capital for Growth

- Strong operating margin profile
- Priced consistent with trend and targeted return profile
- Delivers consistent cash flow

Note: All metrics based on 2014 estimates, excluding Large Case Pensions and Corporate Financing.
Commercial ASC Offers Future Growth Potential

Current Business Profile
- Strong fee yields
- 20%+ pretax operating margins
- Attractive returns on capital

Future Growth Potential
- Conversion to fully insured private exchanges at 4x to 5x the dollar profit contribution
Early Private Exchange Experience

Participating in multiple broker / consultant sponsored private exchanges

Gaining valuable experience as we develop our proprietary exchanges
What if...

- Industry national account membership: ~45M
- Conversion to private exchanges by 2018: 50%
- Insured penetration: 40%
- Aetna maintains current private exchange position: ~15%

Aetna 2018 Private Exchange Opportunity:

- ~$7.5 billion of premium
- At mid single-digit margin
- ~$375 million pre-tax operating profit
Aetna’s Government Franchise Remains a Growth Engine

Key Figures

<table>
<thead>
<tr>
<th>Members Served</th>
<th>Pre-tax Margin Target</th>
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<tbody>
<tr>
<td>Medicare*</td>
<td>Mid single digit</td>
</tr>
<tr>
<td>3.2M</td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>Low-to-mid single digit</td>
</tr>
<tr>
<td>2.1M</td>
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</table>

Government represents 24% of 2014E EBITDA

*Includes Medicare Advantage, Medicare Supplement and stand-alone PDP
Note: All metrics based on 2014 estimates, excluding Large Case Pensions and Corporate Financing.
Government Business Continues to Grow

Several levers driving near-term growth and represent long-term opportunity

- Medicare Advantage
- Dual eligibles
- Medicaid

Government Premiums
(in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
<th>2015P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums (in billions)</td>
<td>$7</td>
<td>$8</td>
<td>$15</td>
<td>$21</td>
<td>$23+</td>
</tr>
</tbody>
</table>

35% CAGR
Aetna has a Well-Diversified Medicare Portfolio...

...that is positioned for continued growth

Membership data as of September 30, 2014

2014 Aetna Investor Conference | December 11, 2014
Aetna’s Medicare Advantage: a growth engine

Aetna Medicare Advantage Membership has grown at a 11.3% CAGR from 2013-2015P, faster than the MA market*.

* Based on CBO projections, April 2014.
Competitively Positioned Medicaid Franchise

- 17 states and 37 contracts
- 2.1 million members*
  - 1.3 million insured
  - 0.8 million ASC

*As of September 30, 2014
2014 Aetna Investor Conference | December 11, 2014
New Growth in High Acuity Populations

Focused on complex, high acuity populations

- Ohio
- Illinois
- Michigan
- New York
- Florida
- New Jersey

Premiums*
(billions)

$2.0+

2015P

2014E

~$0.8

LTSS

Duals

*Ohio, Illinois, Michigan, New York, Florida and New Jersey high acuity premiums
Individual can be an Opportunity for Future Growth

### Key Figures

<table>
<thead>
<tr>
<th></th>
<th>Members Served</th>
<th>Pre-tax Margin Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>1.1M</td>
<td>Low-to-mid single digit</td>
</tr>
<tr>
<td>Small Group</td>
<td>1.5M</td>
<td>Mid-single digit</td>
</tr>
</tbody>
</table>

Individual and Small Group represents 9% of 2014E EBITDA

Note: All metrics based on 2014 estimates, excluding Large Case Pensions and Corporate Financing. *Small Group = 2-100 eligible employees.*
Public Exchanges: Achieving Year One

Objectives

- Gain sufficient exposure to better understand population
- Provide competitively priced products backed by attractive cost structure
- Manage overall exposure to Individual business

Results

- Enrolled ~600k paid members across 17 exchanges
- ~20% share of exchange membership in our 2014 footprint states
- ~5% of 2014E operating revenues
Responsible Approach to 2015 Exchange Participation

Aetna’s On-Exchange Footprint

Where Aetna chose to participate:

• **Competitive** cost structure
• **Stable** regulatory environment
• **Offer** value to customers
• **Achieve** target returns on capital

*“Statewide” is defined as having products available in all rating areas.*
## Aetna’s Individual Business Dynamics

<table>
<thead>
<tr>
<th>On-Exchange</th>
<th>Off-Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Footprint</strong></td>
<td><strong>36 states</strong>*</td>
</tr>
<tr>
<td><strong>Membership</strong>**</td>
<td><strong>~500k</strong></td>
</tr>
<tr>
<td><strong>Commissions</strong></td>
<td><strong>Higher</strong></td>
</tr>
<tr>
<td><strong>Profitability</strong></td>
<td><strong>Modestly unprofitable</strong></td>
</tr>
<tr>
<td><strong>Growth Prospects</strong></td>
<td><strong>Project continued attrition in 2015</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>On-Exchange</strong></th>
<th><strong>Off-Exchange</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>17 states</td>
<td>36 states***</td>
</tr>
<tr>
<td>~600k</td>
<td><strong>~500k</strong></td>
</tr>
<tr>
<td>Lower</td>
<td><strong>Higher</strong></td>
</tr>
<tr>
<td>Modestly profitable</td>
<td><strong>Modestly unprofitable</strong></td>
</tr>
<tr>
<td>Project solid growth in 2015</td>
<td><strong>Project continued attrition in 2015</strong></td>
</tr>
</tbody>
</table>

---

* States where Aetna serves at least 100 members, includes overlap with on-exchange states

**As of September 30, 2014
Focused Execution Drives Growth

Our government business is poised for **continued strong growth**

Public and Private exchanges are opportunities where Aetna is **positioned to win**

Aetna’s diversified portfolio of businesses can deliver **sustainable profitable growth**
Q&A Panel

Shawn Guertin
Chief Financial Officer
Moderator
Key Themes

Aetna has delivered strong **top and bottom line growth** in 2014

Aetna has **outperformed** our peers over the last several years

Aetna has the right strategy and positioning to continue to generate **leading shareholder returns**
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Returns
- Execute Capital Plan
- Grow Operating Earnings Per Share

Consistent Execution will lead to continued success
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Returns
- Execute Capital Plan
- Grow Operating Earnings Per Share

Aetna can consistently grow operating revenues
Membership Mix Projected to Shift Towards Higher Revenue Government Products

<table>
<thead>
<tr>
<th>Membership</th>
<th>2015 Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014 Projection</strong></td>
<td>~23.4M</td>
</tr>
<tr>
<td><strong>Commercial ASC</strong></td>
<td>(200k) • Conversion to private exchanges and in group attrition</td>
</tr>
<tr>
<td><strong>Commercial Risk</strong></td>
<td>75K • Private and public exchange growth partially offset by losses in off-exchange individual, small group and middle markets</td>
</tr>
<tr>
<td><strong>Medicare</strong></td>
<td>100K • ~70k Medicare Advantage growth • ~30k Medicare Supplement growth</td>
</tr>
<tr>
<td><strong>Medicaid</strong></td>
<td>(30K) • Exit of Delaware Medicaid contract (~137K) partially offset by other growth</td>
</tr>
<tr>
<td><strong>1Q 2015 Projection</strong></td>
<td>~23.4M • Flat 1Q 2015 membership</td>
</tr>
</tbody>
</table>

Aetna projects 1Q15 medical membership will be stable
Aetna Can Continue to Grow the Topline

Operating Revenue$^{(1)}$
(in billions)

16% CAGR

Aetna projects high-single digit Operating Revenue growth in 2015

2011 2012 2013 2014E 2015P

$34 $36 $47 $57-$58 $62+$

2014 Aetna Investor Conference | December 11, 2014
Commercial Premiums Projected to Grow

2011 2012 2013 2014E 2015P

Commercial Premiums (in billions)

2015P Premium Growth Drivers

▲ Pricing to projected medical cost trends
▲ Growth in public and private exchange membership
▼ Attrition in off-exchange individual and small group / middle markets

$20 $21 $24 ~$28 $30+

11% CAGR
Government Business Projected to Continue to Grow

Government Premiums (in billions)

2011 2012 2013 2014E 2015P

$7 $8 $15 $21 $23+

35% CAGR

2015P Premium Growth Drivers

- Medicare Advantage membership growth
- Dual eligibles
- Medicaid expansion
- Delaware Medicaid exit (~$850M)
Aetna’s Financial Levers

- Generate Revenue Growth
- **Produce Stable Underwriting Results**
- Drive Continued Cost Efficiencies
- Achieve Target Returns
- Execute Capital Plan
- Grow Operating Earnings Per Share

Price with discipline to underlying medical cost trends

Maintain appropriate mix-adjusted underwriting margins
2015 Guidance Metrics - Trend

- Previous guidance (2014 and prior) based on Total Commercial Medical Cost Trends for Aetna stand-alone (excluding Coventry)
- 2015 will switch to combined “core” commercial medical cost trends (Aetna + Coventry)
- Metric is not directly comparable to prior guidance
- Includes Commercial fully-insured business for groups with two or more employees
- Consistent with trend metrics used by management
- Excludes: Individual, Student Health, International and other ancillary businesses
The Key to Operating Margins is Pricing for Medical Cost Trends

Core Commercial Medical Cost Trends

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014E</th>
<th>2015P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilization</td>
<td>&lt;4.5%</td>
<td>20%</td>
<td>33%</td>
</tr>
<tr>
<td>Unit Cost</td>
<td>80%</td>
<td>67%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Aetna projects Core Commercial Medical Cost Trends will increase by ~125 bps at the midpoint of 2015 projections

Trend Components 2015 Guidance (as of December 11th 2014)

- **Inpatient** (25%)
  - Mid-single digits
- **Outpatient** (15%)
  - High-single digits
- **Physician** (25%)
  - Mid-single digits
- **Pharmacy** (15%)
  - Low-double digits

Note: Numbers in parentheses in table represent approximate percentage of total commercial medical cost spend for each listed category.

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Aetna Inc.
### 2015 Health MBR Projection

| 2014 Implied Projection | 82.0% to 82.5% | • Commercial MBR = ~80%  
• Government MBR = 85% to 85.5% |
|-------------------------|----------------|---------------------------------------------------|
| 2014 Prior Year Development and favorable impact of weather | ~55 bps | ▲ Experience-rated pressure  
▼ Improvement in 51-300 block  
▼ Improvement in Individual  
▼ Impact of ACA Fees  
▼ Medicare MBR improvement  
▼ Impact of ACA Fees  
▲ Medicaid MBR reset |
| Commercial MBR (ex-PYD) | ~Flat | |
| Government MBR (ex-PYD) | ~Flat | |
| 2015 Projection | 82% to 83% | Health MBR is projected to rise reflecting 2014 favorable development and margin reset |

---

*2014 Aetna Investor Conference | December 11, 2014*
Aetna’s Financial Levers

• Generate Revenue Growth
• Produce Stable Underwriting Results
  • Drive Continued Cost Efficiencies
• Achieve Target Returns
• Execute Capital Plan
• Grow Operating Earnings Per Share

Actively manage costs to gain continued operating leverage

Achieve Coventry synergies
Aetna projects continued fixed cost leverage as we grow.

Improving SG&A Ratio \(^{(3)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
<th>2015P</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>19.8%</td>
<td>18.9%</td>
<td>17.7%</td>
<td>~16.9%</td>
<td>~16.2%</td>
</tr>
</tbody>
</table>

Impact of Healthcare Reform

Less than 18.5% ~18.0%

~1.6% ~1.8%
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Returns
- Execute Capital Plan
- Grow Operating Earnings Per Share

Maintain mix-adjusted operating margin profile
Aetna has Consistently Exceeded its Return Targets

~7.5%

>7.3%*

2014E Pre-tax Operating Margin(4)

2015P Pre-tax Operating Margin(4)

Aetna projects we will achieve our high-single digit operating margin targets in 2015 despite increased mix of government business.

*Assumes no prior years development
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Returns
  - Execute Capital Plan
- Grow Operating Earnings Per Share

Continue to deploy capital to enhance shareholder value
### Aetna Has a Strong Track Record of Capital Generation and Management

<table>
<thead>
<tr>
<th>Shareholder dividend</th>
<th>Demonstrates confidence in strategy and cash flows</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invest in organic growth</strong></td>
<td><strong>20%+</strong> return on incremental capital</td>
</tr>
<tr>
<td><strong>Disciplined M&amp;A</strong></td>
<td>Deployed over <strong>$10 billion</strong> of capital in the last 4 years</td>
</tr>
<tr>
<td><strong>Share repurchases</strong></td>
<td><strong>$7.4 billion</strong> deployed to repurchase Aetna shares over the past five years*</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td><strong>Vitality</strong> reinsurance transactions</td>
</tr>
</tbody>
</table>

*2010 – 2014E*
**Achieving Capital Goals**

<table>
<thead>
<tr>
<th></th>
<th>2014E</th>
<th>2015P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capital</td>
<td>~37%</td>
<td>~35%</td>
</tr>
<tr>
<td>Risk Based Capital*</td>
<td>275%</td>
<td>275%</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>$375M</td>
<td>$229M</td>
</tr>
<tr>
<td></td>
<td>of CVH 6.3%</td>
<td>of CVH 6.125%</td>
</tr>
<tr>
<td></td>
<td>Notes</td>
<td>Notes</td>
</tr>
<tr>
<td>Share Repurchases</td>
<td>$1.2B</td>
<td>$800M-1.0B</td>
</tr>
</tbody>
</table>

*Aetna is committed to maintaining solid investment grade ratings*

*Risk Based Capital percentages based on Company Action Level. Authorized Control Level amounts approximately 2x the values listed.*
### Capital Generation and Deployment

<table>
<thead>
<tr>
<th></th>
<th>2014 Projection</th>
<th>2015 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Liquidity</td>
<td>$200</td>
<td>$100</td>
</tr>
<tr>
<td>Net Subsidiary Dividends</td>
<td>$1,550</td>
<td>$1,800</td>
</tr>
<tr>
<td>Net Debt Financing</td>
<td>$625</td>
<td>($415)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>($500)</td>
<td>-</td>
</tr>
<tr>
<td>Projected Share Repurchases</td>
<td>($1,200)</td>
<td>($900)</td>
</tr>
<tr>
<td>Shareholder Dividends</td>
<td>($325)</td>
<td>($350)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>($250)</td>
<td>($220)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>$85</td>
</tr>
<tr>
<td>Core Liquidity</td>
<td>$100</td>
<td>$100</td>
</tr>
</tbody>
</table>

**$800 million to $1 billion of projected share repurchases in 2015**
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Returns
- Execute Capital Plan

• Grow Operating Earnings Per Share

Revenue Growth, Operating Leverage and Capital Deployment lead to Operating EPS growth
2015 Operating EPS\(^{(2)}\) Outlook

Assumes no meaningful changes to ACA or related regulations; see cautionary statement for additional risk factors.

2014 Aetna Investor Conference | December 11, 2014
## 2014 and 2015 Guidance Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EPS(^{(2)})</td>
<td>$6.60 to $6.70</td>
<td>At least $6.90</td>
</tr>
<tr>
<td>Operating Earnings(^{(4)})</td>
<td>~$2.4 billion</td>
<td>At least $2.4 billion</td>
</tr>
<tr>
<td>Medical Membership</td>
<td>~23.4M</td>
<td>~23.4M at 1Q 2015</td>
</tr>
<tr>
<td>Operating Revenue(^{(4)})</td>
<td>$57 to $58 billion</td>
<td>At least $62 billion</td>
</tr>
<tr>
<td>Medical Benefit Ratios:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>~80%</td>
<td>~Flat (ex-PYD)</td>
</tr>
<tr>
<td>Government</td>
<td>85% to 85.5%</td>
<td>~Flat (ex-PYD)</td>
</tr>
<tr>
<td>Health MBR</td>
<td>82% to 82.5%</td>
<td>82% to 83%</td>
</tr>
<tr>
<td>Commercial Medical Cost Trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aetna stand-alone</td>
<td>Mid to high end of 6.0% to 7.0%</td>
<td>7.5% to 8.5%</td>
</tr>
<tr>
<td>Core Commercial</td>
<td>5.0% - 5.5%</td>
<td>6.0% to 7.0%</td>
</tr>
<tr>
<td>Operating Expense Ratio(^{(4)})</td>
<td>Less than 18.5%</td>
<td>~18%</td>
</tr>
<tr>
<td>Pre-Tax Operating Margin(^{(4)})</td>
<td>~7.5%</td>
<td>At least 7.3%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>~40.5%</td>
<td>42% to 42.5%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>Greater than 2014 operating earnings(^{(2)})</td>
<td>Greater than 2015 operating earnings(^{(2)})</td>
</tr>
<tr>
<td>Net Dividends from Subsidiaries</td>
<td>$1.5 to $1.6 billion</td>
<td>~$1.8 billion</td>
</tr>
<tr>
<td>Excess Cash Flow to the Parent(^{(5)})</td>
<td>~$1.2 billion</td>
<td>$800 million to $1 billion</td>
</tr>
<tr>
<td>Weighted-Average Diluted Shares</td>
<td>Low end of 359 to 360 million</td>
<td>350 to 352 million</td>
</tr>
<tr>
<td>Debt-to-Total Capitalization Ratio</td>
<td>~37%</td>
<td>~35%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Includes $66 million of one-time M&A-related charges

\(^{(2)}\) Gross share

\(^{(3)}\) Excludes $66 million of M&A-related charges

\(^{(4)}\) Excludes estimated $25 million of M&A-related charges

\(^{(5)}\) Excludes $15 million of M&A-related charges
## 2015 Operating EPS Progression

<table>
<thead>
<tr>
<th></th>
<th>Highest Quarter</th>
<th>Lowest Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial MBR</td>
<td>4Q</td>
<td>1Q</td>
</tr>
<tr>
<td>Government MBR</td>
<td>1Q</td>
<td>4Q</td>
</tr>
<tr>
<td>Total Health MBR</td>
<td>4Q</td>
<td>1Q</td>
</tr>
<tr>
<td>Operating Expense Ratio</td>
<td>4Q</td>
<td>1Q</td>
</tr>
<tr>
<td>Operating EPS</td>
<td>1Q</td>
<td>4Q</td>
</tr>
</tbody>
</table>

**Aetna projects Operating EPS to be the highest in 1Q 2015 and lowest in 4Q 2015**
Focus on long-term growth
Targeting low-double digit Operating EPS growth on average over time

**Drive operating earnings**
- Grow Government Franchise
- Retail Marketplaces
- Grow fee-based businesses
- Price to trend in Commercial

**Deploy capital effectively**
- Shareholder dividend
- Invest in organic growth
- Disciplined M&A
- Share repurchases
Strong Operating EPS Growth

Aetna expects to continue to exceed its Long-term Operating EPS growth target from 2010 to 2015P.

2010: $3.82
2015P: At Least $6.90

13% CAGR
Aetna Believes At Least $10.00 in Operating EPS is Achievable in 2018

Operating Revenue Drivers
- Public / private exchanges
- Dual eligibles
- Medicare Advantage
- Medicaid

Operating EPS Drivers
- Top-line growth
- Operational efficiencies
- Capital deployment

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenue (billions)</th>
<th>Operating EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$34</td>
<td>$3.82</td>
</tr>
<tr>
<td>2014E</td>
<td>$57-$58</td>
<td>$6.60-$6.70</td>
</tr>
<tr>
<td>2018P</td>
<td>$80+</td>
<td>$10.00+</td>
</tr>
</tbody>
</table>

Questions?
Conclusion

Mark Bertolini
Chairman and Chief Executive Officer
Why Invest In Aetna

**Strategy**
Aetna’s differentiated strategy can create competitive advantages and drive profitable growth

**Growth**
Aetna’s well-positioned and diversified portfolio can produce superior results

**Results**
Aetna’s 2010-2015P Operating EPS CAGR of approximately 13%* is higher than any of its diversified MCO peers

*A Source Thomson Reuters and Company Guidance.

Aetna targets low-double digit Operating EPS growth on average over time
Footnotes

(1) Projected full-year 2014 operating revenue excludes from total revenue net realized capital gains of $80.6 million pretax reported by Aetna for the nine months ended September 30, 2014. Projected operating revenue in all periods also excludes any future net realized capital gains or losses and other items, if any, from total revenue. Aetna is not able to project the amount of future net realized capital gains or losses or any such other items and therefore cannot reconcile projected operating revenue to projected total revenue in any period. Below is a reconciliation of Aetna’s operating revenue to total revenue for the years ended December 31, 2013, 2012 and 2011 through 2010:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue (excludes net realized capital (losses) gains and other items)</td>
<td>(A) $ 47,194.7</td>
<td>$ 35,548.7</td>
<td>$ 33,614.3</td>
<td>$ 34,024.5</td>
</tr>
<tr>
<td>Group annuity contract conversion premium</td>
<td>99.0</td>
<td>941.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income on proceeds of transaction-related debt</td>
<td>2.5</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on sale of reinsurance recoverable</td>
<td>7.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net realized capital (losses) gains</td>
<td>(8.8)</td>
<td>108.7</td>
<td>167.9</td>
<td>227.5</td>
</tr>
<tr>
<td>Total revenue (GAAP measure)</td>
<td>(B) $ 47,294.6</td>
<td>$ 36,599.8</td>
<td>$ 33,782.2</td>
<td>$ 34,252.0</td>
</tr>
</tbody>
</table>
Footnotes (continued)

(2) Projected full-year 2014 operating earnings and projected full-year 2014 operating earnings per share exclude from net income attributable to Aetna net realized capital gains of $52.2 million ($80.6 million pretax), transaction and integration-related costs of $101.9 million ($154.8 million pretax), a loss on early extinguishment of debt of $59.7 million ($91.9 million pretax) and, a release of a litigation-related reserve of $67.0 million ($103.0 million pretax), each reported by Aetna for the nine months ended September 30, 2014. Projected full-year 2014 operating earnings and projected full-year 2014 operating earnings per share also exclude from net income attributable to Aetna estimated after-tax amortization of other acquired intangible assets of approximately $157 million ($241 million pretax) which includes amortization of other acquired intangible assets of $119.4 million ($183.6 million pretax) reported by Aetna for the nine months ended September 30, 2014. Projected operating earnings and projected operating earnings per share in all periods also exclude from net income attributable to Aetna projected integration-related costs related to the Coventry Health Care, Inc. (“Coventry”), InterGlobal group (“InterGlobal”) and bSwift, LLC (“bSwift”) acquisitions, any future net realized capital gains or losses, amortization of other acquired intangible assets and other items, if any, that neither relate to the ordinary course of our business nor reflect our underlying business performance. Aetna is not able to project the amount of future net realized capital gains or losses or any such other items (other than projected integration-related costs related to the Coventry, InterGlobal and bSwift acquisitions) and therefore cannot reconcile projected operating earnings to projected net income attributable to Aetna or projected operating earnings per share to projected net income attributable to Aetna per share in any period. Although the excluded items may recur, management believes that operating earnings and operating earnings per share provide a more useful comparison of Aetna’s underlying business performance from period to period. After-tax amortization of other acquired intangible assets relates to our acquisition activities, including Coventry, InterGlobal and bSwift. However, this amortization does not directly relate to the underwriting or servicing of products for customers and is not directly related to the core performance of Aetna’s business operations. Net realized capital gains and losses arise from various types of transactions, primarily in the course of managing a portfolio of assets that support the payment of liabilities. However, these transactions do not directly relate to the underwriting or servicing of products for customers and are not directly related to the core performance of Aetna’s business operations. In addition, management uses operating earnings to assess business performance and to make decisions regarding Aetna’s operations and the allocation of resources among Aetna’s businesses. Operating earnings is also the measure reported to the Chief Executive Officer for these purposes. Non-GAAP financial measures we disclose, such as operating earnings, operating earnings per share, operating revenue, operating expenses, pretax operating margin and the operating expense ratio, should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. Projected operating earnings per share for the full year 2014 and 2015 reflect the low end of a range of 359 million to 360 million weighted average diluted shares and a range of 350 million to 352 million weighted average diluted shares, respectively.
Below is a reconciliation of Aetna’s operating earnings per share to net income attributable to Aetna per share for the quarters ended September 30, 2014, June 30, 2014 and March 31, 2014 and for the year ended December 31, 2010:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating earnings</td>
<td>$ 1.79</td>
<td>$ 1.69</td>
</tr>
<tr>
<td>Transaction and integration-related costs, net of tax</td>
<td>(.06)</td>
<td>(.10)</td>
</tr>
<tr>
<td>Loss on early extinguishment of long-term debt, net of tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release of litigation-related reserve, net of tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Litigation-related insurance proceeds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Severance and facilities charge, net of tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of other acquired intangible assets, net of tax</td>
<td>(.11)</td>
<td>(.11)</td>
</tr>
<tr>
<td>Net realized capital gains, net of tax</td>
<td>.05</td>
<td>.04</td>
</tr>
<tr>
<td>Net income (GAAP measure)</td>
<td>$ 1.67</td>
<td>$ 1.52</td>
</tr>
</tbody>
</table>
Footnotes (continued)

(3) The projected operating expense ratio (Projected SG&A Ratio) and the operating expense ratio (SG&A Ratio) are calculated by dividing operating expenses, excluding other items, by operating revenue, as described in (1). The projected full-year 2014 projected operating expense ratio excludes from operating expenses transaction and integration-related costs of $154.8 million pretax and the release of a litigation-related reserve of $103.0 million pretax, each reported by Aetna for the nine months ended September 30, 2014. The projected full-year 2014 projected operating expense ratio excludes from operating revenue net realized capital gains of $80.6 million pretax, reported by Aetna for the nine months ended September 30, 2014. The projected operating expense ratio in all periods also excludes projected integration-related costs related to the Coventry, InterGlobal and bSwift acquisitions. Aetna is not able to project the amount of future net realized capital gains or losses or any such other items (other than the projected integration-related costs related to the Coventry, InterGlobal and bSwift acquisitions) and therefore cannot reconcile the projected operating expense ratio to a comparable GAAP measure in any period. Below is a reconciliation of Aetna’s operating expense ratio to the total company expense ratio for the years ended December 31, 2013, 2012 and 2011:

<table>
<thead>
<tr>
<th>(Millions)</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>(C) $8,373.0</td>
<td>$6,703.2</td>
<td>$6,667.4</td>
</tr>
<tr>
<td>Transaction, integration-related and restructuring costs</td>
<td>314.6</td>
<td>16.2</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of allowance on reinsurance recoverable</td>
<td>(42.2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Litigation-related settlement</td>
<td>-</td>
<td>120.0</td>
<td>-</td>
</tr>
<tr>
<td>Severance charge</td>
<td>-</td>
<td>37.0</td>
<td>-</td>
</tr>
<tr>
<td>Voluntary early retirement program</td>
<td>-</td>
<td>-</td>
<td>137.0</td>
</tr>
<tr>
<td>Total operating expenses (GAAP measure)</td>
<td>(D) $8,645.4</td>
<td>$6,876.4</td>
<td>$6,804.4</td>
</tr>
</tbody>
</table>

Operating Expense Ratios:

- Operating expense ratio (C)/(A) 17.7% 18.9% 19.8%
- Total company expense ratio (GAAP measure) (D)/(B) 18.3% 18.8% 20.1%
Footnotes (continued)

(4) In order to provide useful information regarding Aetna’s profitability on a basis comparable to others in the industry, without regard to financing decisions, income taxes or amortization of other acquired intangible assets (each of which may vary for reasons not directly related to the performance of the underlying business), Aetna’s projected pretax operating margin in all periods is based on projected operating earnings excluding interest expense and income taxes. Management also uses pretax operating margin to assess Aetna’s performance, including performance versus competitors.

(5) Excess cash flow available to the parent after payment of estimated fixed charges, shareholder dividends, issuance and/or maturity of debt, and inclusive of estimated available cash from employee stock programs.