



**Aetna Inc.**

*The following is a summary of certain 2004 projected financial information and metrics provided on Aetna's investor conference call on February 12, 2004. This information is provided for reference only, and has not been updated. You should consider the information to speak only as of its date of original publication. Aetna does not assume any responsibility to update the information to reflect subsequent events. Please also refer to the Cautionary Statement below for additional information regarding important risk factors that may affect the forward looking and other information.*

*You should read this information in conjunction with Aetna's earnings press release issued February 12, 2004 and should review the replay of the related investor call in full, since the press release provides further discussion of the Company's results, and the investor call provides important context for the forward looking information.*

	<b>Aetna Inc. 2004 Guidance as of 2/12/2004 (Full-year unless otherwise noted)</b>
<b>Aetna Inc.</b>	
<b>Operating Earnings (1)</b>	\$1,000 - \$1,015 million \$6.25 - \$6.35 per share 1Q04 - ~ \$1.50 - \$1.55 per share 2Q04 – flat to slightly down 3Q04 and 4Q04 progression up from 1Q04
<b>Revenue (excluding net realized capital gains or losses) (2)</b>	9% – 10% growth
<b>Total Operating Expenses (3)</b>	Reduce ~ \$50 million
<b>General and Administrative Expense</b>	Reduce ~ \$150 million
<b>Selling Expense</b>	Increase ~ \$100 million
<b>Operating Cash Flow (excluding Large Case Pensions) (4)</b>	~ \$1,000 million
<b>Pretax Operating Margin (5)</b>	8.5% - 9.0%
<b>Total Debt to Total Capital Ratio Target</b>	20%
<b>Effective Tax Rate</b>	36%
<b>Corporate Interest Expense</b>	~ \$70 million
<b>Information by Segment:</b>	
<b>Health Care</b>	
<b>Operating Earnings (1)</b>	\$915 - \$925 million
<b>Medical Membership (6)</b>	Growth ~ 500K – 700k
<b>Commercial Risk Cost Trend (6) (7)</b>	8.5% - 9.5%
<b>Commercial Risk MCR (6)</b>	78.5% - 79.0%
<b>Commercial Risk Premium Yield (6)</b>	Slightly less than cost trend
<b>Medicare Risk MCR (6)</b>	90.0% - 92.0%
<b>Group Insurance</b>	
<b>Operating Earnings (1)</b>	\$140 - \$145 million
<b>LCP</b>	
<b>Operating Earnings (1)</b>	~ \$15 million

Note: The symbol “≈” means “approximately”.



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## Aetna Inc.

### Footnotes

(1) Projected 2004 operating earnings and projected 2004 operating earnings per share exclude the following from net income (loss): other items and net realized capital gains or losses. The Company is not able to project the amount of future net realized capital gains or losses and cannot therefore reconcile projected 2004 operating earnings to projected net income. Although the excluded items may recur, management believes that operating earnings and operating earnings per share provide a useful comparison of its underlying business performance from period to period. Management uses operating earnings to assess business performance and to make decisions regarding its operations and allocation of resources among its businesses. Operating earnings per share assumes 160 million weighted average diluted shares.

(2) Revenue excludes net realized capital gains or losses (pretax), which are included in reported GAAP revenue. Full year 2003 revenue of \$17.91 billion excludes net realized capital gains of \$65 million; GAAP revenue was \$17.98 billion. The Company cannot reconcile the projected 2004 revenue to GAAP revenue as it cannot project net realized capital gains or losses. The Company may from time to time project revenue for the segments which cannot be reconciled for the same reasons.

(3) The projected reduction in operating expenses excludes the physician class action settlement of \$115.4 million pretax recorded in 2003. Including this settlement, GAAP operating expenses were \$4.15 billion for 2003.

(4) Operating cash flow excludes changes in Large Case Pensions reserves, as those liabilities are satisfied by related investment assets and, as such, do not impact our operating cash flows.

(5) Pretax operating margins are calculated by dividing pretax operating earnings, excluding other items, net realized capital gains or losses, interest expense and amortization of other acquired intangible assets by total revenue excluding net realized capital gains or losses. The Company cannot reconcile the projected 2004 pretax operating margins to a comparable GAAP measure, as it cannot project net realized capital gains or losses.

(6) Commercial Risk includes all medical and dental risk products except Medicare and Medicaid. Risk includes all medical members for which the Company assumes all or a majority of health care cost, utilization, mortality, morbidity, or other risk. Administrative Services Contracts ("ASC") include all medical membership offered on an employer-funded basis. Under employer-funded plans, the plan sponsor, not the company, assumes all or a majority of health care cost, utilization, mortality, morbidity, or other risk.

(7) The rate of increase in health care costs for all Commercial Risk products excluding the favorable development of prior-period health care cost estimates.

ADDITIONAL INFORMATION; CAUTIONARY STATEMENT - The 2004 information in this document is forward looking. Forward-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 Aetna's control. Important risk factors could cause actual future results and other future events to differ materially from those currently estimated by management. Those risk factors include, but are not limited to: unanticipated increases in medical costs (including increased medical utilization, increased pharmacy costs, increases resulting from unfavorable changes in contracting or re-contracting with providers, changes in membership mix to lower-premium or higher-cost products or membership-adverse selection; as well as changes in medical cost estimates due to the necessary extensive judgment that is used in the 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); decreases in membership or failure to achieve desired membership growth due to significant competition or other factors; increases in medical costs or Group Insurance claims resulting from any acts of terrorism; the ability to reduce administrative expenses while maintaining targeted levels of service and operating performance, and to improve relations with providers while taking actions to reduce medical costs; the ability to successfully implement Aetna's new operating model to a projected growing membership base; lower levels of investment income from continued low interest rates; adverse government regulation (including legislative proposals or court decisions eliminating or reducing ERISA pre-emption of state laws that would increase potential litigation exposure, and other proposals, such as patients' rights legislation, that would increase potential litigation exposure or mandate coverage of certain health benefits); adverse pricing actions by government payors; changes in size, product mix and medical cost experience of membership in key markets; and the outcome, including any negotiated resolution, of various litigation and regulatory matters, including ongoing reviews of business practices by various regulatory agencies. For more discussion of important factors that may materially affect Aetna, please see the risk factors contained in Aetna's 2002 Annual Report on Form 10-K, on file with the Securities and Exchange Commission. You also should read Aetna's 2003 Annual Report on Form 10-K when filed with the Securities and Exchange Commission for a discussion of Aetna's historical results of operations and financial condition.

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