

Financial Supplement

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This document is supplemental to the Company's fourth quarter 2004 earnings press release and should be read in conjunction therewith and in conjunction with the Company's 2004 Annual Report on Form 10-K to be filed with the Securities and Exchange Commission. Please direct questions with respect to this material to David Entekin, Vice President - Investor Relations, Aetna Inc., 151 Farmington Avenue, RE2T, Hartford, Connecticut 06156. Telephone: 860-273-7830. Email: entekind@aetna.com.

Financial Statistics
(\$ in Millions, except per common share data)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2004	Dec. 31, 2003	Sep. 30, 2004	Change Dec. 31, 2004 - Dec. 31, 2003	Change Dec. 31, 2004 - Sep. 30, 2004	Dec. 31, 2004	Dec. 31, 2003	Change Dec. 31, 2004 - Dec. 31, 2003
<u>Aetna Inc. Operating Earnings *</u>								
Operating Earnings	\$ 317.6	\$ 239.9	\$ 289.5	32.4 %	9.7 %	\$ 1,198.5	\$ 966.8	24.0 %
Operating Earnings per Common Share	\$ 2.06	\$ 1.50	\$ 1.84	37.3 %	12.0 %	\$ 7.64	\$ 6.12	24.8 %
Operating Earnings - Adjusted	\$ 279.6	\$ 211.9	\$ 275.5	31.9 %	1.5 %	\$ 1,141.5	\$ 818.8	39.4 %
Operating Earnings per Common Share - Adjusted	\$ 1.82	\$ 1.32	\$ 1.75	37.9 %	4.0 %	\$ 7.28	\$ 5.18	40.5 %
<u>Pretax Operating Margin *</u>								
Aetna Inc.	10.3 %	8.7 %	9.7 %	1.6 pts.	.6 pts.	10.2 %	9.2 %	1.0 pts.
Aetna Inc. - Adjusted	9.1 %	7.7 %	9.3 %	1.4 pts.	(.2) pts.	9.7 %	7.9 %	1.8 pts.
<u>After-tax Operating Margin *</u>								
Aetna Inc.	6.6 %	5.8 %	6.2 %	.8 pts.	.4 pts.	6.5 %	6.0 %	.5 pts.
Aetna Inc. - Adjusted	5.9 %	5.2 %	5.9 %	.7 pts.	- pts.	6.2 %	5.1 %	1.1 pts.
<u>Operating Expenses as % of Revenue *</u>								
Aetna Inc.	20.0 %	22.4 %	19.7 %	(2.4) pts.	.3 pts.	20.1 %	22.6 %	(2.5) pts.
Health Care	21.7 %	24.6 %	21.3 %	(2.9) pts.	.4 pts.	21.8 %	24.8 %	(3.0) pts.
Group Insurance	11.9 %	12.2 %	11.6 %	(.3) pts.	.3 pts.	11.6 %	11.9 %	(.3) pts.
Large Case Pensions	2.6 %	2.7 %	2.9 %	(.1) pts.	(.3) pts.	2.7 %	2.5 %	.2 pts.
<u>Revenue by Segment *</u>								
Health Care	\$ 4,455.8	\$ 3,917.8	\$ 4,356.5	13.7 %	2.3 %	\$ 17,176.5	\$ 15,342.7	12.0 %
Group Insurance	510.1	459.3	486.7	11.1 %	4.8 %	1,929.6	1,810.3	6.6 %
Large Case Pensions	183.1	182.3	176.7	.4 %	3.6 %	727.2	758.2	(4.1) %
Total Revenue	<u>\$ 5,149.0</u>	<u>\$ 4,559.4</u>	<u>\$ 5,019.9</u>	12.9 %	2.6 %	<u>\$ 19,833.3</u>	<u>\$ 17,911.2</u>	10.7 %
<u>Net Investment Income by Segment</u>								
Health Care	\$ 68.2	\$ 62.6	\$ 64.3	8.9 %	6.1 %	\$ 262.1	\$ 244.6	7.2 %
Group Insurance	73.1	71.1	63.7	2.8 %	14.8 %	274.1	268.7	2.0 %
Large Case Pensions	135.6	143.9	125.9	(5.8) %	7.7 %	526.3	581.7	(9.5) %
Total Net Investment Income	<u>\$ 276.9</u>	<u>\$ 277.6</u>	<u>\$ 253.9</u>	(.3) %	9.1 %	<u>\$ 1,062.5</u>	<u>\$ 1,095.0</u>	(3.0) %

* In order to provide a comparison that the Company believes provides useful information regarding its underlying performance, all operating earnings exclude other items and net realized capital gains (losses) from income from continuing operations. In addition, operating margins exclude interest expense and amortization of other acquired intangibles; furthermore, pretax operating margin also excludes income taxes. Also, revenue excludes net realized capital gains (losses). Management uses these measures to assess business performance and to make decisions regarding its operations and allocation of resources among its businesses. The Company also displays certain metrics (e.g., medical cost ratios, operating earnings, operating earnings per common share and operating margins) excluding reserve development to reflect underlying current period health care costs.

For a reconciliation of financial measures calculated under accounting principles generally accepted in the United States of America (GAAP), refer to pages 2-3 and 11-13.

Refer to page 14 for definitions of terms used.

Financial Statistics (Continued)
(\$ in Millions)

		Three Months Ended					Twelve Months Ended				
		Dec. 31, 2004	Dec. 31, 2003	Sep. 30, 2004	Change Dec. 31, 2004 - Dec. 31, 2003	Change Dec. 31, 2004 - Sep. 30, 2004	Dec. 31, 2004	Dec. 31, 2003	Change Dec. 31, 2004 - Dec. 31, 2003		
Health Care Premiums											
Health Care Risk	(A)	\$ 3,870.4	\$ 3,388.7	\$ 3,786.6	14.2 %	2.2 %	\$ 14,862.8	\$ 13,235.5	12.3 %		
Commercial Risk	(B)	\$ 3,641.2	\$ 3,161.0	\$ 3,545.7	15.2 %	2.7 %	\$ 13,924.1	\$ 12,329.3	12.9 %		
Medicare	(C)	\$ 229.2	\$ 227.7	\$ 240.9	.7 %	(4.9) %	\$ 938.7	\$ 906.2	3.6 %		
Health Care Costs											
<u>Health Care Risk</u>											
Health care costs (GAAP measure)	(D)	\$ 3,026.5	\$ 2,616.5	\$ 2,994.3	15.7 %	1.1 %	\$ 11,637.7	\$ 10,135.8	14.8 %		
Favorable development of prior-period health care cost estimates		60.0	43.0	22.0			90.0	228.0			
Health care costs - Adjusted	(E)	<u>\$ 3,086.5</u>	<u>\$ 2,659.5</u>	<u>\$ 3,016.3</u>	16.1 %	2.3 %	<u>\$ 11,727.7</u>	<u>\$ 10,363.8</u>	13.2 %		
<u>Commercial Risk</u>											
Health care costs (GAAP measure)	(F)	\$ 2,823.8	\$ 2,421.9	\$ 2,786.6	16.6 %	1.3 %	\$ 10,828.8	\$ 9,365.4	15.6 %		
Favorable development of prior-period health care cost estimates		54.0	43.0	20.0			78.0	215.0			
Health care costs - Adjusted	(G)	<u>\$ 2,877.8</u>	<u>\$ 2,464.9</u>	<u>\$ 2,806.6</u>	16.8 %	2.5 %	<u>\$ 10,906.8</u>	<u>\$ 9,580.4</u>	13.8 %		
<u>Medicare</u>											
Health care costs (GAAP measure)	(H)	\$ 202.9	\$ 195.6	\$ 207.7	3.7 %	(2.3) %	\$ 809.0	\$ 771.8	4.8 %		
Favorable development of prior-period health care cost estimates		6.0	-	2.0			12.0	13.0			
Health care costs - Adjusted	(I)	<u>\$ 208.9</u>	<u>\$ 195.6</u>	<u>\$ 209.7</u>	6.8 %	(.4) %	<u>\$ 821.0</u>	<u>\$ 784.8</u>	4.6 %		
Health Care Medical Cost Ratios *											
Health Care Risk (GAAP measure)	(D)/(A)	78.2 %	77.2 %	79.1 %	1.0 pts.	(.9) pts.	78.3 %	76.6 %	1.7 pts.		
Health Care Risk - Adjusted	(E)/(A)	79.7 %	78.5 %	79.7 %	1.2 pts.	- pts.	78.9 %	78.3 %	.6 pts.		
Commercial Risk (GAAP measure)	(F)/(B)	77.6 %	76.6 %	78.6 %	1.0 pts.	(1.0) pts.	77.8 %	76.0 %	1.8 pts.		
Commercial Risk - Adjusted	(G)/(B)	79.0 %	78.0 %	79.2 %	1.0 pts.	(.2) pts.	78.3 %	77.7 %	.6 pts.		
Medicare (GAAP measure)	(H)/(C)	88.5 %	85.9 %	86.2 %	2.6 pts.	2.3 pts.	86.2 %	85.2 %	1.0 pts.		
Medicare - Adjusted	(I)/(C)	91.1 %		87.0 %	5.2 pts.	4.1 pts.	87.5 %	86.6 %	.9 pts.		
Health Care Costs Payable											
		\$ 1,927.1	\$ 1,888.7	\$ 1,945.6							
Days Claims Payable											
		58.6	66.4	59.8							

Refer to page 14 for definitions of terms used.

Earnings Summary
(\$ in Millions, except per common share data)

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2004	Dec. 31, 2003	Sep. 30, 2004	Dec. 31, 2004	Dec. 31, 2003
Summary of Results					
Health Care	\$ 288.2	\$ 214.1	\$ 268.1	\$ 1,108.7	\$ 862.4
Group Insurance	38.0	33.4	30.5	126.5	134.8
Large Case Pensions	9.6	9.3	7.7	31.3	36.5
Corporate Interest Expense	(18.2)	(16.9)	(16.8)	(68.0)	(66.9)
Operating earnings, excluding other items	317.6	239.9	289.5	1,198.5	966.8
Aetna Foundation contribution	(29.3)	-	-	(29.3)	-
Physician class action settlement	-	-	-	-	(75.0)
Operating earnings, including other items	288.3	239.9	289.5	1,169.2	891.8
Net realized capital gains	12.4	9.6	12.8	45.9	42.0
Income from continuing operations (GAAP measure)	300.7	249.5	302.3	1,215.1	933.8
Income from discontinued operations (1)	-	-	990.0	1,030.0	-
Net income (GAAP measure)	\$ 300.7	\$ 249.5	\$ 1,292.3	\$ 2,245.1	\$ 933.8
Operating earnings - Adjusted	\$ 279.6	\$ 211.9	\$ 275.5	\$ 1,141.5	\$ 818.8
Favorable development of prior-period health care cost estimates	38.0	28.0	14.0	57.0	148.0
Operating earnings, excluding other items	\$ 317.6	\$ 239.9	\$ 289.5	\$ 1,198.5	\$ 966.8
Health Care operating earnings - Adjusted	\$ 250.2	\$ 186.1	\$ 254.1	\$ 1,051.7	\$ 714.4
Favorable development of prior-period health care cost estimates	38.0	28.0	14.0	57.0	148.0
Health Care operating earnings, excluding other items	\$ 288.2	\$ 214.1	\$ 268.1	\$ 1,108.7	\$ 862.4
Weighted average common shares - basic	147,367,056	153,086,405	151,150,515	151,391,260	152,681,613
Weighted average common shares - diluted	153,922,694	159,704,773	157,420,897	156,961,756	158,081,582
Summary of Results Per Common Share					
Operating earnings - Adjusted	\$ 1.82	\$ 1.32	\$ 1.75	\$ 7.28	\$ 5.18
Favorable development of prior-period health care cost estimates	.24	.18	.09	.36	.94
Operating earnings, excluding other items	2.06	1.50	1.84	7.64	6.12
Aetna Foundation contribution	(.19)	-	-	(.19)	-
Physician class action settlement	-	-	-	-	(.48)
Operating earnings, including other items	1.87	1.50	1.84	7.45	5.64
Net realized capital gains	.08	.06	.08	.29	.27
Income from continuing operations (GAAP measure)	1.95	1.56	1.92	7.74	5.91
Income from discontinued operations	-	-	6.29	6.56	-
Net income (GAAP measure)	\$ 1.95	\$ 1.56	\$ 8.21	\$ 14.30	\$ 5.91

(1) Income from discontinued operations for the three months ended September 30, 2004 and the twelve months ended December 31, 2004 includes approximately \$740 million after tax, including interest, related to the Congressional Joint Committee on Taxation's approval of a tax refund and \$250 million related to the completion of certain Internal Revenue Service audits associated with businesses that were sold in the 1990s by the Company's predecessor (former Aetna). Income from discontinued operations for the twelve months ended December 31, 2004 also includes \$40 million related to the completion of certain Internal Revenue Service audits associated with former Aetna.

Consolidating Statements of Income (Loss) from Continuing Operations by Segment
(\$ in Millions)

	Health Care	Group Insurance	Large Case Pensions	Corporate Interest	Consolidated
Three Months Ended December 31, 2004					
Revenue:					
Premiums	\$ 3,870.4	\$ 429.1	\$ 44.2	\$ -	\$ 4,343.7
Administrative services contract fees	511.3	7.1	-	-	518.4
Net investment income	68.2	73.1	135.6	-	276.9
Other income	5.9	.8	3.3	-	10.0
Total revenue, excluding net realized capital gains *	4,455.8	510.1	183.1	-	5,149.0
Benefits and expenses:					
Health care costs (1)	3,026.5	-	-	-	3,026.5
Current and future benefits	-	397.0	163.9	-	560.9
Operating expenses:					
Selling expenses	167.3	21.6	-	-	188.9
General and administrative expenses	798.2	39.2	4.8	-	842.2
Total operating expenses*	965.5	60.8	4.8	-	1,031.1
Interest expense	-	-	-	28.1	28.1
Amortization of other acquired intangible assets	7.8	-	-	-	7.8
Total benefits and expenses	3,999.8	457.8	168.7	28.1	4,654.4
Operating earnings (loss), excluding income taxes (benefits) and other item	456.0	52.3	14.4	(28.1)	494.6
Income taxes (benefits)	167.8	14.3	4.8	(9.9)	177.0
Operating earnings (loss), excluding other item	288.2	38.0	9.6	(18.2)	317.6
Aetna Foundation contribution, net of tax	(29.3)	-	-	-	(29.3)
Operating earnings (loss), including other item	258.9	38.0	9.6	(18.2)	288.3
Net realized capital gains, net of tax	2.9	6.0	3.5	-	12.4
Income (loss) from continuing operations	\$ 261.8	\$ 44.0	\$ 13.1	\$ (18.2)	\$ 300.7
Three Months Ended December 31, 2003					
Revenue:					
Premiums	\$ 3,388.7	\$ 380.8	\$ 34.3	\$ -	\$ 3,803.8
Administrative services contract fees	465.2	6.5	-	-	471.7
Net investment income	62.6	71.1	143.9	-	277.6
Other income	1.3	.9	4.1	-	6.3
Total revenue, excluding net realized capital gains (losses) *	3,917.8	459.3	182.3	-	4,559.4
Benefits and expenses:					
Health care costs (2)	2,616.5	-	-	-	2,616.5
Current and future benefits	-	360.4	164.6	-	525.0
Operating expenses:					
Selling expenses	128.0	15.8	-	-	143.8
General and administrative expenses	834.5	40.1	4.9	-	879.5
Total operating expenses*	962.5	55.9	4.9	-	1,023.3
Interest expense	-	-	-	25.9	25.9
Amortization of other acquired intangible assets	12.7	-	-	-	12.7
Total benefits and expenses	3,591.7	416.3	169.5	25.9	4,203.4
Operating earnings (loss), excluding income taxes (benefits)	326.1	43.0	12.8	(25.9)	356.0
Income taxes (benefits)	112.0	9.6	3.5	(9.0)	116.1
Operating earnings (loss)	214.1	33.4	9.3	(16.9)	239.9
Net realized capital gains (losses), net of tax	5.3	5.5	(1.2)	-	9.6
Income (loss) from continuing operations	\$ 219.4	\$ 38.9	\$ 8.1	\$ (16.9)	\$ 249.5

- (1) Includes favorable development of prior-period health care cost estimates of approximately \$60 million pretax (approximately \$38 million after tax) in the Health Care Segment.
(2) Includes favorable development of prior-period health care cost estimates of approximately \$43 million pretax (approximately \$28 million after tax) in the Health Care Segment.

* Refer to pages 11-13 for reconciliations of revenue and operating expenses calculated under GAAP for all periods.

Refer to page 14 for definitions of terms used.

Consolidating Statements of Income (Loss) from Continuing Operations by Segment (Continued)
(\$ in Millions)

	Health Care	Group Insurance	Large Case Pensions	Corporate Interest	Consolidated
Twelve Months Ended December 31, 2004					
Revenue:					
Premiums	\$ 14,862.8	\$ 1,624.9	\$ 189.0	\$ -	\$ 16,676.7
Administrative services contract fees	2,027.7	27.2	-	-	2,054.9
Net investment income	262.1	274.1	526.3	-	1,062.5
Other income	23.9	3.4	11.9	-	39.2
Total revenue, excluding net realized capital gains *	<u>17,176.5</u>	<u>1,929.6</u>	<u>727.2</u>	<u>-</u>	<u>19,833.3</u>
Benefits and expenses:					
Health care costs (1)	11,637.7	-	-	-	11,637.7
Current and future benefits	-	1,531.1	660.4	-	2,191.5
Operating expenses:					
Selling expenses	630.9	69.1	-	-	700.0
General and administrative expenses	3,110.0	153.9	19.9	-	3,283.8
Total operating expenses*	<u>3,740.9</u>	<u>223.0</u>	<u>19.9</u>	<u>-</u>	<u>3,983.8</u>
Interest expense	-	-	-	104.7	104.7
Amortization of other acquired intangible assets	42.5	-	-	-	42.5
Total benefits and expenses	<u>15,421.1</u>	<u>1,754.1</u>	<u>680.3</u>	<u>104.7</u>	<u>17,960.2</u>
Operating earnings (loss), excluding income taxes (benefits) and other item	1,755.4	175.5	46.9	(104.7)	1,873.1
Income taxes (benefits)	646.7	49.0	15.6	(36.7)	674.6
Operating earnings (loss), excluding other item	<u>1,108.7</u>	<u>126.5</u>	<u>31.3</u>	<u>(68.0)</u>	<u>1,198.5</u>
Aetna Foundation contribution, net of tax	(29.3)	-	-	-	(29.3)
Operating earnings (loss), including other item	<u>1,079.4</u>	<u>126.5</u>	<u>31.3</u>	<u>(68.0)</u>	<u>1,169.2</u>
Net realized capital gains, net of tax	15.6	19.8	10.5	-	45.9
Income (loss) from continuing operations	<u>\$ 1,095.0</u>	<u>\$ 146.3</u>	<u>\$ 41.8</u>	<u>\$ (68.0)</u>	<u>\$ 1,215.1</u>
Twelve Months Ended December 31, 2003					
Revenue:					
Premiums	\$ 13,235.5	\$ 1,507.2	\$ 161.3	\$ -	\$ 14,904.0
Administrative services contract fees	1,853.9	30.8	-	-	1,884.7
Net investment income	244.6	268.7	581.7	-	1,095.0
Other income	8.7	3.6	15.2	-	27.5
Total revenue, excluding net realized capital gains *	<u>15,342.7</u>	<u>1,810.3</u>	<u>758.2</u>	<u>-</u>	<u>17,911.2</u>
Benefits and expenses:					
Health care costs (2)	10,135.8	-	-	-	10,135.8
Current and future benefits	-	1,406.2	684.6	-	2,090.8
Operating expenses:					
Selling expenses	510.7	56.7	-	-	567.4
General and administrative expenses	3,293.3	159.5	18.9	-	3,471.7
Total operating expenses*	<u>3,804.0</u>	<u>216.2</u>	<u>18.9</u>	<u>-</u>	<u>4,039.1</u>
Interest expense	-	-	-	102.9	102.9
Amortization of other acquired intangible assets	50.8	-	-	-	50.8
Total benefits and expenses	<u>13,990.6</u>	<u>1,622.4</u>	<u>703.5</u>	<u>102.9</u>	<u>16,419.4</u>
Operating earnings (loss), excluding income taxes (benefits) and other item	1,352.1	187.9	54.7	(102.9)	1,491.8
Income taxes (benefits)	489.7	53.1	18.2	(36.0)	525.0
Operating earnings (loss), excluding other item	<u>862.4</u>	<u>134.8</u>	<u>36.5</u>	<u>(66.9)</u>	<u>966.8</u>
Physician class action settlement, net of tax	(75.0)	-	-	-	(75.0)
Operating earnings (loss), including other item	<u>787.4</u>	<u>134.8</u>	<u>36.5</u>	<u>(66.9)</u>	<u>891.8</u>
Net realized capital gains, net of tax	22.2	14.5	5.3	-	42.0
Income (loss) from continuing operations	<u>\$ 809.6</u>	<u>\$ 149.3</u>	<u>\$ 41.8</u>	<u>\$ (66.9)</u>	<u>\$ 933.8</u>

(1) Includes favorable development of prior-period health care cost estimates of approximately \$90 million pretax (approximately \$57 million after tax) in the Health Care Segment.

(2) Includes favorable development of prior-period health care cost estimates of approximately \$228 million pretax (approximately \$148 million after tax) in the Health Care Segment.

* Refer to pages 11-13 for reconciliations of revenue and operating expenses calculated under GAAP for all periods.

Refer to page 14 for definitions of terms used.

Health Care and Group Insurance Enrollment
(Members in Thousands)

Products	December 31, 2004			December 31, 2003			September 30, 2004		
	Risk	ASC	Total	Risk	ASC	Total	Risk	ASC	Total
Medical:									
Commercial	4,684	8,762	13,446	4,353	8,430	12,783	4,621	8,737	13,358
Medicare	97	-	97	105	-	105	99	-	99
Medicaid	-	113	113	-	114	114	-	113	113
Total Medical	<u>4,781</u>	<u>8,875</u>	<u>13,656</u>	<u>4,458</u>	<u>8,544</u>	<u>13,002</u>	<u>4,720</u>	<u>8,850</u>	<u>13,570</u>
Dental	<u>4,676</u>	<u>7,256</u>	<u>11,932</u>	<u>4,435</u>	<u>6,507</u>	<u>10,942</u>	<u>4,643</u>	<u>6,993</u>	<u>11,636</u>
Pharmacy (1)			<u>8,447</u>			<u>7,521</u>			<u>8,323</u>
Group Insurance:									
Group Life			10,930			10,000			10,723
Disability			2,341			2,085			2,348
Long-Term Care			223			203			216
Total Group Insurance			<u>13,494</u>			<u>12,288</u>			<u>13,287</u>
Aetna HealthFund® (2)			<u>222</u>			<u>44</u>			<u>212</u>

Regions	December 31, 2004			December 31, 2003			September 30, 2004		
	Risk	ASC	Total	Risk	ASC	Total	Risk	ASC	Total
Northeast	1,143	1,298	2,441	1,054	1,221	2,275	1,130	1,296	2,426
Mid-Atlantic	1,043	1,470	2,513	927	1,457	2,384	1,022	1,473	2,495
Southeast	809	1,433	2,242	779	1,415	2,194	800	1,432	2,232
North Central	471	2,079	2,550	413	2,009	2,422	457	2,060	2,517
Southwest	557	1,376	1,933	529	1,294	1,823	562	1,385	1,947
West	673	1,211	1,884	693	1,144	1,837	666	1,196	1,862
Other	85	8	93	63	4	67	83	8	91
Total Medical	<u>4,781</u>	<u>8,875</u>	<u>13,656</u>	<u>4,458</u>	<u>8,544</u>	<u>13,002</u>	<u>4,720</u>	<u>8,850</u>	<u>13,570</u>
Risk/ASC %	<u>35.0%</u>	<u>65.0%</u>	<u>100.0%</u>	<u>34.3%</u>	<u>65.7%</u>	<u>100.0%</u>	<u>34.8%</u>	<u>65.2%</u>	<u>100.0%</u>

(1) Pharmacy members include 7,989; 7,244 and 7,896 thousand members receiving pharmacy benefit management services and 458; 277 and 427 thousand members who purchased medications through Aetna's mail order pharmacy during the quarterly period at December 31, 2004; December 31, 2003 and September 30, 2004, respectively.

(2) Represents Aetna's consumer-directed membership included in Commercial medical membership.

Refer to page 14 for definitions of terms used.

Consolidated Balance Sheets
(**\$ in Millions**)

	Dec. 31, 2004	Dec. 31, 2003		Dec. 31, 2004	Dec. 31, 2003
Assets				Liabilities and shareholders' equity	
Current assets:				Current liabilities:	
Cash and cash equivalents	\$ 1,396.0	\$ 1,433.4		Health care costs payable	\$ 1,927.1
Investment securities	14,242.6	14,990.5		Future policy benefits	837.6
Other investments	57.7	103.1		Unpaid claims	707.7
Premiums receivable, net	256.1	318.4		Unearned premiums	121.8
Other receivables, net	314.0	396.0		Policyholders' funds	672.5
Accrued investment income	198.6	221.5		Collateral payable under securities loan agreements	1,173.8
Collateral received under securities loan agreements	1,173.8	827.4		Income taxes payable	-
Loaned securities	1,150.1	810.6		Accrued expenses and other current liabilities	1,570.8
Income taxes receivable	226.8	-		Total current liabilities	7,011.3
Deferred income taxes	196.0	217.6			
Other current assets	304.5	238.3		Future policy benefits	7,859.5
Total current assets	19,516.2	19,556.8		Unpaid claims	1,081.5
				Policyholders' funds	1,453.1
Long-term investments	1,718.1	1,521.5		Long-term debt	1,609.7
Mortgage loans	1,348.2	1,353.1		Other long-term liabilities	1,021.4
Investment real estate	274.8	270.4		Separate Accounts liabilities	13,015.8
Reinsurance recoverables	1,173.0	1,196.3		Total liabilities	33,052.3
Goodwill	3,687.8	3,679.5			
Other acquired intangible assets, net	460.3	496.1			
Property and equipment, net	233.6	267.5		Shareholders' equity	
Deferred income taxes	300.0	396.0		Common stock and additional paid-in capital	3,076.5
Other long-term assets	405.9	356.2		Retained earnings	6,546.4
Separate Accounts assets	13,015.8	11,856.8		Accumulated other comprehensive loss (1)	(541.5)
				Total shareholders' equity	9,081.4
Total assets	\$ 42,133.7	\$ 40,950.2		Total liabilities and shareholders' equity	\$ 42,133.7

(1) Includes net unrealized capital gains related to available for sale securities under FAS No. 115 of \$245.7 million and \$287.6 million at December 31, 2004 and December 31, 2003, respectively, and a minimum pension liability adjustment of (\$797.7) million and (\$703.4) million at December 31, 2004 and December 31, 2003, respectively.

Combining Balance Sheets
(\$ in Millions)

	December 31, 2004			December 31, 2003		
	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,300.5	\$ 95.5	\$ 1,396.0	\$ 1,328.3	\$ 105.1	\$ 1,433.4
Investment securities	8,259.8	5,982.8	14,242.6	8,469.1	6,521.4	14,990.5
Other investments	1.5	56.2	57.7	21.6	81.5	103.1
Premiums receivable, net	256.1	-	256.1	318.4	-	318.4
Other receivables, net	279.2	34.8	314.0	311.8	84.2	396.0
Accrued investment income	103.5	95.1	198.6	103.6	117.9	221.5
Collateral received under securities loan agreements	620.1	553.7	1,173.8	428.6	398.8	827.4
Loaned securities	607.6	542.5	1,150.1	419.9	390.7	810.6
Income taxes receivable	228.1	(1.3)	226.8	-	-	-
Deferred income taxes	183.9	12.1	196.0	193.1	24.5	217.6
Other current assets	283.0	21.5	304.5	227.7	10.6	238.3
Total current assets	12,123.3	7,392.9	19,516.2	11,822.1	7,734.7	19,556.8
Long-term investments	1,238.7	479.4	1,718.1	993.1	528.4	1,521.5
Mortgage loans	491.7	856.5	1,348.2	446.4	906.7	1,353.1
Investment real estate	137.9	136.9	274.8	165.3	105.1	270.4
Reinsurance recoverables	1,156.0	17.0	1,173.0	1,178.3	18.0	1,196.3
Goodwill	3,687.8	-	3,687.8	3,679.5	-	3,679.5
Other acquired intangible assets, net	460.3	-	460.3	496.1	-	496.1
Property and equipment, net	140.3	93.3	233.6	150.8	116.7	267.5
Deferred income taxes	160.9	139.1	300.0	257.5	138.5	396.0
Other long-term assets	405.9	-	405.9	356.2	-	356.2
Separate Accounts assets	4.5	13,011.3	13,015.8	9.1	11,847.7	11,856.8
Total assets	<u>\$ 20,007.3</u>	<u>\$ 22,126.4</u>	<u>\$ 42,133.7</u>	<u>\$ 19,554.4</u>	<u>\$ 21,395.8</u>	<u>\$ 40,950.2</u>
Liabilities and shareholders' equity						
Current liabilities:						
Health care costs payable	\$ 1,927.1	\$ -	\$ 1,927.1	\$ 1,888.7	\$ -	\$ 1,888.7
Future policy benefits	111.5	726.1	837.6	86.3	724.8	811.1
Unpaid claims	707.1	.6	707.7	623.9	.4	624.3
Unearned premiums	115.9	5.9	121.8	197.8	5.9	203.7
Policyholders' funds	383.5	289.0	672.5	426.5	618.0	1,044.5
Collateral payable under securities loan agreements	620.1	553.7	1,173.8	428.6	398.8	827.4
Income taxes payable	-	-	-	171.9	(17.2)	154.7
Accrued expenses and other current liabilities	1,226.0	344.8	1,570.8	1,458.0	355.1	1,813.1
Total current liabilities	5,091.2	1,920.1	7,011.3	5,281.7	2,085.8	7,367.5
Future policy benefits	1,871.2	5,988.3	7,859.5	1,864.9	6,220.8	8,085.7
Unpaid claims	1,081.5	-	1,081.5	1,159.4	-	1,159.4
Policyholders' funds	594.0	859.1	1,453.1	612.1	917.6	1,529.7
Long-term debt	1,609.7	-	1,609.7	1,613.7	-	1,613.7
Other long-term liabilities	947.3	74.1	1,021.4	1,344.2	69.2	1,413.4
Separate Accounts liabilities	4.5	13,011.3	13,015.8	9.1	11,847.7	11,856.8
Total liabilities	11,199.4	21,852.9	33,052.3	11,885.1	21,141.1	33,026.2
Shareholders' equity						
Total shareholders' equity	8,807.9	273.5	9,081.4	7,669.3	254.7	7,924.0
Total liabilities and shareholder's equity	<u>\$ 20,007.3</u>	<u>\$ 22,126.4</u>	<u>\$ 42,133.7</u>	<u>\$ 19,554.4</u>	<u>\$ 21,395.8</u>	<u>\$ 40,950.2</u>

Condensed Combining Statements of Cash Flows
(\$ in Millions)

	Three Months Ended								
	Dec. 31, 2004			Dec. 31, 2003			Sep. 30, 2004		
	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total
Cash flows from operating activities:									
Net income	\$ 287.6	\$ 13.1	\$ 300.7	\$ 241.4	\$ 8.1	\$ 249.5	\$ 1,282.4	\$ 9.9	\$ 1,292.3
Adjustments to reconcile net income to net cash provided by (used for) operating activities:									
Income from discontinued operations	-	-	-	-	-	-	(990.0)	-	(990.0)
Amortization of other acquired intangible assets	7.8	-	7.8	12.7	-	12.7	9.3	-	9.3
Depreciation and other amortization	34.2	-	34.2	38.7	-	38.7	33.9	-	33.9
Amortization (accretion) of net investment premium (discount)	11.3	.1	11.4	16.5	(1.3)	15.2	11.4	-	11.4
Net realized capital (gains) losses	(13.9)	(5.4)	(19.3)	(17.1)	1.7	(15.4)	(16.2)	(3.4)	(19.6)
Cash flow from operating activities before balance sheet changes	327.0	7.8	334.8	292.2	8.5	300.7	330.8	6.5	337.3
Changes in assets and liabilities:									
(Increase) decrease in accrued investment income	(2.9)	14.7	11.8	(6.1)	2.2	(3.9)	(.6)	3.0	2.4
Decrease (increase) in premiums due and other receivables	40.6	(.6)	40.0	93.7	(1.1)	92.6	(14.2)	.6	(13.6)
Net change in income taxes	120.9	6.0	126.9	68.0	(7.3)	60.7	34.6	3.5	38.1
Net change in other assets and other liabilities	84.0 (1)	(19.3)	64.7	7.5	(4.2)	3.3	(280.1)	(22.2)	(302.3)
Net (decrease) increase in health care and insurance liabilities	(28.2)	(59.4)	(87.6)	18.6	(77.8)	(59.2)	22.0	(76.5)	(54.5)
Other, net	(2.2)	(9.2)	(11.4)	(4.5)	(9.4)	(13.9)	1.4	-	1.4
Net cash provided by (used for) operating activities of continuing operations	539.2	(60.0)	479.2	469.4	(89.1)	380.3	93.9	(85.1)	8.8
Discontinued operations, net	-	-	-	-	-	-	666.2	-	666.2
Net cash provided by (used for) operating activities	539.2 (2)	(60.0)	479.2	469.4	(89.1)	380.3	760.1	(85.1)	675.0
Cash flows from investing activities:									
Proceeds from sales and investment maturities	1,789.8	882.8	2,672.6	2,405.5	1,435.6	3,841.1	1,615.8	927.5	2,543.3
Cost of investments	(1,920.8)	(800.3)	(2,721.1)	(2,985.3)	(1,318.8)	(4,304.1)	(1,477.1)	(737.8)	(2,214.9)
Increase in property, equipment and software	(55.8)	-	(55.8)	(42.7)	-	(42.7)	(60.8)	-	(60.8)
Cash used for acquisition, net of cash acquired	(9.5)	-	(9.5)	(53.5)	-	(53.5)	-	-	-
Net cash (used for) provided by investing activities	(196.3)	82.5	(113.8)	(676.0)	116.8	(559.2)	77.9	189.7	267.6
Cash flows from financing activities:									
Withdrawals of investment contracts, net	-	(29.7)	(29.7)	-	(98.0)	(98.0)	-	(86.3)	(86.3)
Common shares issued under benefit plans	59.6	-	59.6	45.4	-	45.4	72.4	-	72.4
Common shares repurchased	(360.3)	-	(360.3)	(109.3)	-	(109.3)	(715.3)	-	(715.3)
Dividends paid to shareholders	(5.9)	-	(5.9)	(6.1)	-	(6.1)	-	-	-
Other, net	(5.2)	5.2	-	(7.4)	7.4	-	3.9	.1	4.0
Net cash used for financing activities	(311.8)	(24.5)	(336.3)	(77.4)	(90.6)	(168.0)	(639.0)	(86.2)	(725.2)
Net increase (decrease) in cash and cash equivalents	31.1	(2.0)	29.1	(284.0)	(62.9)	(346.9)	199.0	18.4	217.4
Cash and cash equivalents, beginning of period	1,269.4	97.5	1,366.9	1,612.3	168.0	1,780.3	1,070.4	79.1	1,149.5
Cash and cash equivalents, end of period	\$ 1,300.5	\$ 95.5	\$ 1,396.0	\$ 1,328.3	\$ 105.1	\$ 1,433.4	\$ 1,269.4	\$ 97.5	\$ 1,366.9

(1) Includes severance and facilities reserve payments of approximately \$7 million for the three months ended December 31, 2004.

(2) Net cash provided by operating activities includes the cash portion (\$36.9 million) of the \$45 million Aetna Foundation contribution.

Condensed Combining Statements of Cash Flows (Continued)
(\$ in Millions)

	Twelve Months Ended					
	Dec. 31, 2004			Dec. 31, 2003		
	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total
Cash flows from operating activities:						
Net income	\$ 2,203.3	\$ 41.8	\$ 2,245.1	\$ 892.0	\$ 41.8	\$ 933.8
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Income from discontinued operations	(1,030.0)	-	(1,030.0)	-	-	-
Physician class action settlement charge	-	-	-	115.4	-	115.4
Amortization of other acquired intangible assets	42.5	-	42.5	50.8	-	50.8
Depreciation and other amortization	139.7	-	139.7	148.8	-	148.8
Amortization of net investment premium	44.8	.7	45.5	52.4	1.8	54.2
Net realized capital gains	(54.6)	(16.2)	(70.8)	(57.0)	(8.2)	(65.2)
Cash flow from operating activities before balance sheet changes	1,345.7	26.3	1,372.0	1,202.4	35.4	1,237.8
Changes in assets and liabilities:						
Decrease (increase) in accrued investment income	.1	22.8	22.9	(10.3)	3.1	(7.2)
Decrease (increase) in premiums due and other receivables	34.3	(.3)	34.0	152.7	(2.6)	150.1
Net change in income taxes	329.4	21.5	350.9	97.5	(81.2)	16.3
Net change in other assets and other liabilities	(601.9) (1)	(19.8)	(621.7)	(364.4)	(5.0)	(369.4)
Net decrease in health care and insurance liabilities	(67.5)	(298.8)	(366.3)	(307.8)	(289.4)	(597.2)
Other, net	(2.7)	(18.5)	(21.2)	(4.2)	(55.6)	(59.8)
Net cash provided by (used for) operating activities of continuing operations	1,037.4	(266.8)	770.6	765.9	(395.3)	370.6
Discontinued operations, net	666.2	-	666.2	-	-	-
Net cash provided by (used for) operating activities	1,703.6 (2)	(266.8)	1,436.8	765.9	(395.3)	370.6
Cash flows from investing activities:						
Proceeds from sales and investment maturities	7,987.3	3,980.3	11,967.6	8,718.5	7,018.3	15,736.8
Cost of investments	(8,333.6)	(3,366.8)	(11,700.4)	(9,433.1)	(6,203.8)	(15,636.9)
Increase in property, equipment and software	(190.3)	-	(190.3)	(210.8)	-	(210.8)
Cash used for acquisition, net of cash acquired	(9.5)	-	(9.5)	(53.5)	-	(53.5)
Net cash (used for) provided by investing activities	(546.1)	613.5	67.4	(978.9)	814.5	(164.4)
Cash flows from financing activities:						
Withdrawals of investment contracts, net	-	(368.7)	(368.7)	-	(408.0)	(408.0)
Common shares issued under benefit plans	316.0	-	316.0	293.6	-	293.6
Common shares repurchased	(1,493.0)	-	(1,493.0)	(445.2)	-	(445.2)
Dividends paid to shareholders	(5.9)	-	(5.9)	(6.1)	-	(6.1)
Other, net	(2.4)	12.4	10.0	30.9	(40.9)	(10.0)
Net cash used for financing activities	(1,185.3)	(356.3)	(1,541.6)	(126.8)	(448.9)	(575.7)
Net decrease in cash and cash equivalents	(27.8)	(9.6)	(37.4)	(339.8)	(29.7)	(369.5)
Cash and cash equivalents, beginning of period	1,328.3	105.1	1,433.4	1,668.1	134.8	1,802.9
Cash and cash equivalents, end of period	\$ 1,300.5	\$ 95.5	\$ 1,396.0	\$ 1,328.3	\$ 105.1	\$ 1,433.4

(1) Includes severance and facilities reserve payments of approximately \$41 million and voluntary pension plan contributions of approximately \$555 million for the twelve months ended December 31, 2004.

(2) Net cash provided by operating activities includes the cash portion (\$36.9 million) of the \$45 million Aetna Foundation contribution.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure
(\$ in Millions, except per common share data)

		<u>Three Months Ended</u>			<u>Twelve Months Ended</u>	
		<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>	<u>Sep. 30, 2004</u>	<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>
Reconciliation to Income from continuing operations before income taxes						
Operating earnings before income taxes, excluding interest expense, amortization of other acquired intangible assets, other items and net favorable development	(A)	\$ 470.5	\$ 351.6	\$ 465.3	\$ 1,930.3	\$ 1,417.5
Favorable development of prior-period health care cost estimates		<u>60.0</u>	<u>43.0</u>	<u>22.0</u>	<u>90.0</u>	<u>228.0</u>
Operating earnings before income taxes, excluding interest expense, amortization of other acquired intangible assets and other items	(B)	530.5	394.6	487.3	2,020.3	1,645.5
Interest expense		(28.1)	(25.9)	(25.9)	(104.7)	(102.9)
Amortization of other acquired intangible assets		(7.8)	(12.7)	(9.3)	(42.5)	(50.8)
Aetna Foundation contribution (other item)		(45.0)	-	-	(45.0)	-
Physician class action settlement (other item)		-	-	-	-	(115.4)
Net realized capital gains		19.3	15.4	19.6	70.8	65.2
Income from continuing operations before income taxes (GAAP measure)	(C)	<u>\$ 468.9</u>	<u>\$ 371.4</u>	<u>\$ 471.7</u>	<u>\$ 1,898.9</u>	<u>\$ 1,441.6</u>
Reconciliation to Income from continuing operations						
Operating earnings, excluding interest expense, amortization of other acquired intangible assets, other items and net favorable development	(D)	\$ 302.8	\$ 237.1	\$ 298.4	\$ 1,237.1	\$ 918.7
Favorable development of prior-period health care cost estimates, net of tax		<u>38.0</u>	<u>28.0</u>	<u>14.0</u>	<u>57.0</u>	<u>148.0</u>
Operating earnings, excluding interest expense, amortization of other acquired intangible assets and other items	(E)	340.8	265.1	312.4	1,294.1	1,066.7
Interest expense, net of tax		(18.2)	(16.9)	(16.8)	(68.0)	(66.9)
Amortization of other acquired intangible assets, net of tax		(5.0)	(8.3)	(6.1)	(27.6)	(33.0)
Aetna Foundation contribution, net of tax (other item)		(29.3)	-	-	(29.3)	-
Physician class action settlement, net of tax (other item)		-	-	-	-	(75.0)
Net realized capital gains, net of tax		12.4	9.6	12.8	45.9	42.0
Income from continuing operations (GAAP measure)	(F)	<u>\$ 300.7</u>	<u>\$ 249.5</u>	<u>\$ 302.3</u>	<u>\$ 1,215.1</u>	<u>\$ 933.8</u>
Reconciliation of Revenue						
Revenue, excluding net realized capital gains	(G)	\$ 5,149.0	\$ 4,559.4	\$ 5,019.9	\$ 19,833.3	\$ 17,911.2
Net realized capital gains		<u>19.3</u>	<u>15.4</u>	<u>19.6</u>	<u>70.8</u>	<u>65.2</u>
Total revenue (GAAP measure)	(H)	<u>\$ 5,168.3</u>	<u>\$ 4,574.8</u>	<u>\$ 5,039.5</u>	<u>\$ 19,904.1</u>	<u>\$ 17,976.4</u>
Operating margin						
Pretax operating margin	(B)/(G)	10.3 %	8.7 %	9.7 %	10.2 %	9.2 %
Pretax operating margin - Adjusted	(A)/(G)	9.1 %	7.7 %	9.3 %	9.7 %	7.9 %
Pretax operating margin (GAAP measure)	(C)/(H)	9.1 %	8.1 %	9.4 %	9.5 %	8.0 %
After-tax operating margin	(E)/(G)	6.6 %	5.8 %	6.2 %	6.5 %	6.0 %
After-tax operating margin - Adjusted	(D)/(G)	5.9 %	5.2 %	5.9 %	6.2 %	5.1 %
After-tax operating margin (GAAP measure)	(F)/(H)	5.8 %	5.5 %	6.0 %	6.1 %	5.2 %

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (Continued)
(\$ in Millions)

		Three Months Ended			Twelve Months Ended	
		Dec. 31, 2004	Dec. 31, 2003	Sep. 30, 2004	Dec. 31, 2004	Dec. 31, 2003
Aetna Inc.						
Reconciliation of Operating Expenses						
Operating expenses, excluding other items	(A)	\$ 1,031.1	\$ 1,023.3	\$ 989.7	\$ 3,983.8	\$ 4,039.1
Aetna Foundation contribution		45.0	-	-	45.0	-
Physician class action settlement		-	-	-	-	115.4
Total operating expenses (GAAP measure)	(B)	<u>\$ 1,076.1</u>	<u>\$ 1,023.3</u>	<u>\$ 989.7</u>	<u>\$ 4,028.8</u>	<u>\$ 4,154.5</u>
Reconciliation of Revenue						
Revenue, excluding net realized capital gains	(C)	\$ 5,149.0	\$ 4,559.4	\$ 5,019.9	\$ 19,833.3	\$ 17,911.2
Net realized capital gains		19.3	15.4	19.6	70.8	65.2
Total revenue (GAAP measure)	(D)	<u>\$ 5,168.3</u>	<u>\$ 4,574.8</u>	<u>\$ 5,039.5</u>	<u>\$ 19,904.1</u>	<u>\$ 17,976.4</u>
Operating expenses as a % of revenue						
Operating expenses as a % of revenue	(A)/(C)	20.0 %	22.4 %	19.7 %	20.1 %	22.6 %
Total operating expenses as a % of total revenue (GAAP measure)	(B)/(D)	20.8 %	22.4 %	19.6 %	20.2 %	23.1 %
Health Care						
Reconciliation of Operating Expenses						
Operating expenses, excluding other items	(E)	\$ 965.5	\$ 962.5	\$ 928.3	\$ 3,740.9	\$ 3,804.0
Aetna Foundation contribution		45.0	-	-	45.0	-
Physician class action settlement		-	-	-	-	115.4
Total operating expenses (GAAP measure)	(F)	<u>\$ 1,010.5</u>	<u>\$ 962.5</u>	<u>\$ 928.3</u>	<u>\$ 3,785.9</u>	<u>\$ 3,919.4</u>
Reconciliation of Revenue						
Revenue, excluding net realized capital gains	(G)	\$ 4,455.8	\$ 3,917.8	\$ 4,356.5	\$ 17,176.5	\$ 15,342.7
Net realized capital gains		4.7	8.4	10.7	24.1	34.4
Total revenue (GAAP measure)	(H)	<u>\$ 4,460.5</u>	<u>\$ 3,926.2</u>	<u>\$ 4,367.2</u>	<u>\$ 17,200.6</u>	<u>\$ 15,377.1</u>
Operating expenses as a % of revenue						
Operating expenses as a % of revenue	(E)/(G)	21.7 %	24.6 %	21.3 %	21.8 %	24.8 %
Total operating expenses as a % of total revenue (GAAP measure)	(F)/(H)	22.7 %	24.5 %	21.3 %	22.0 %	25.5 %

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (Continued)
(\$ in Millions)

		<u>Three Months Ended</u>			<u>Twelve Months Ended</u>	
		<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>	<u>Sep. 30, 2004</u>	<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>
<u>Group Insurance</u>						
Total operating expenses (GAAP measure)	(A)	<u>\$ 60.8</u>	<u>\$ 55.9</u>	<u>\$ 56.3</u>	<u>\$ 223.0</u>	<u>\$ 216.2</u>
<u>Reconciliation of Revenue</u>						
Revenue, excluding net realized capital gains	(B)	\$ 510.1	\$ 459.3	\$ 486.7	\$ 1,929.6	\$ 1,810.3
Net realized capital gains		<u>9.2</u>	<u>8.7</u>	<u>5.5</u>	<u>30.5</u>	<u>22.6</u>
Total revenue (GAAP measure)	(C)	<u>\$ 519.3</u>	<u>\$ 468.0</u>	<u>\$ 492.2</u>	<u>\$ 1,960.1</u>	<u>\$ 1,832.9</u>
<u>Operating expenses as a % of revenue</u>						
Operating expenses as a % of revenue	(A)/(B)	11.9 %	12.2 %	11.6 %	11.6 %	11.9 %
Total operating expenses as a % of total revenue (GAAP measure)	(A)/(C)	11.7 %	11.9 %	11.4 %	11.4 %	11.8 %
<u>Large Case Pensions</u>						
Total operating expenses (GAAP measure)	(D)	<u>\$ 4.8</u>	<u>\$ 4.9</u>	<u>\$ 5.1</u>	<u>\$ 19.9</u>	<u>\$ 18.9</u>
<u>Reconciliation of Revenue</u>						
Revenue, excluding net realized capital gains (losses)	(E)	\$ 183.1	\$ 182.3	\$ 176.7	\$ 727.2	\$ 758.2
Net realized capital gains (losses)		<u>5.4</u>	<u>(1.7)</u>	<u>3.4</u>	<u>16.2</u>	<u>8.2</u>
Total revenue (GAAP measure)	(F)	<u>\$ 188.5</u>	<u>\$ 180.6</u>	<u>\$ 180.1</u>	<u>\$ 743.4</u>	<u>\$ 766.4</u>
<u>Operating expenses as a % of revenue</u>						
Operating expenses as a % of revenue	(D)/(E)	2.6 %	2.7 %	2.9 %	2.7 %	2.5 %
Total operating expenses as a % of total revenue (GAAP measure)	(D)/(F)	2.5 %	2.7 %	2.8 %	2.7 %	2.5 %

Definitions

Adjusted noted on a financial statistic indicates that the statistic excludes favorable development of prior-period health care cost estimates.

Health Care Risk includes all medical and dental risk products.

Commercial Risk includes all medical and dental risk products except Medicare and Medicaid.

Days Claims Payable reflects the number of days of health care cost expense contained in Health Care Costs Payable, associated with risk plans and is calculated based on actual number of days in each respective period.

Selling Expenses are comprised of broker commissions, the variable component of our internal sales force compensation and premium taxes.

Risk includes all medical and dental products for which the Company assumes all or a majority of health care cost, utilization or other risk.

Administrative Services Contracts ("ASC") include all medical, dental and disability products 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 or other risk.

Commercial includes HMO, POS, PPO and Indemnity products.